

**DARSON SECURITIES LIMITED**  
**NET CAPITAL BALANCE**  
**FOR THE PERIOD ENDED DECEMBER 31, 2020**

**Review Report on Statement of Net Capital Balance**

**To the Chief Executive Officer of Darson Securities Limited (the Securities Broker)**

**Introduction**

We have reviewed the accompanying Statement of Net Capital Balance of **Darson Securities Limited (the Securities Broker)** as at December 31, 2020 and notes to the Statement of Net Capital Balance (here-in-after referred to as the 'the statement'). Management is responsible for the preparation of the statement in accordance with the requirements of the Second Schedule of the Securities Broker (Licensing and Operations) Regulations, 2016 (the Regulations) issued by the Securities & Exchange Commission of Pakistan (SECP). Our responsibility is to express a conclusion on the statement based on our review.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, '*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*' which applies to review of historical financial information performed by the independent auditor of the Securities Broker. A review of historical financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying statement is not prepared, in all material respects, in accordance with the requirements of Second Schedule of the Regulations.

**Other Matter – Restriction on Distribution and Use**

Our report is intended solely for Darson Securities Limited (The Securities Broker), SECP, Pakistan Stock Exchange and National Clearing Company of Pakistan Limited and should not be distributed to any other parties. Our conclusion is not modified in respect of this matter.

Muniff Ziauddin & Co  
Chartered Accountants

Engagement Partner: Arqum Naveed

Place: Lahore

Date: January 15<sup>th</sup>, 2021

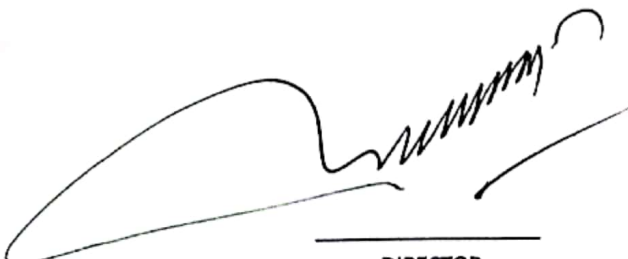
**DARSON SECURITIES LIMITED**  
**NET CAPITAL BALANCE AS AT DEC 31, 2020**

(Excess of Current Assets over Current Liabilities as determined in accordance with the Schedule II of the Securities Brokers  
(Licensing and operations) Regulations, 2016)

DESCRIPTION	VALUATION BASIS	Note	VALUE (Amount in Rupees)
<b><u>CURRENT ASSETS</u></b>			
Cash and bank balances	As per book value	1	302,789,498
Trade receivables	Book value less overdue for more than 14 days	2	82,025,985
Investment in listed securities in the name of broker	Securities marked to market less 15% discount	3	64,830,363
Securities purchased for clients	Securities purchased for the client and held by the member where the payment has not been received within 14 days.	4	2,008,682
Listed TFCs/ Corporate Bonds of not less than BBB grade assigned by a credit rating company in Pakistan	Marked to Market less 10% discount		-
Federal Investment Bonds	Marked to Market less 5% discount		-
Treasury bills	At market value		-
Any other current asset specified by the commission	Value determined by the commission		-
			<b>451,654,528</b>
<b><u>CURRENT LIABILITIES</u></b>			
Trade payables	Book Value less those overdue for more than 30 days	5	196,345,683
Other liabilities	As classified under the generally accepted accounting principles.	6	55,192,280
			<b>251,537,963</b>
<b>NET CAPITAL BALANCE</b>			<b>200,116,565</b>

  
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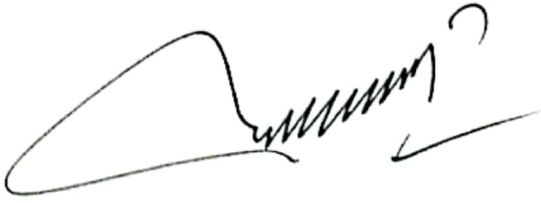
  
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DIRECTOR

NOTES TO STATEMENT OF THE NET CAPITAL BALANCE FOR THE PERIOD ENDED DECEMBER 31, 2020

1	BANK BALANCES AND CASH DEPOSITS	Note	----- Rupees -----
	These are stated at book value.		
	Cash in hand		579,556
	Bank balance pertaining to:		
	- Brokerage house	4,792,302	
	- Client	<u>5,966,748</u>	
	Total bank balance		10,759,050
	Margins:		
	- Deposit against exposure and losses with Pakistan Stock Exchange		248,077,510
	- Deposit against MTS exposure margin with NCCPL		<u>43,373,381</u>
			<u><u>302,789,497</u></u>
2	<b>TRADE RECEIVABLES</b>		
	These are valued at book value less debts outstanding for more than 14 days.		
	Total receivables	88,828,933	
	Less: Outstanding for more than 14 days	<u>(6,802,948)</u>	
	Balance generated within 14 days and/or not yet due		<u><u>82,025,985</u></u>
3	<b>INVESTMENT IN LISTED SECURITIES IN THE NAME OF BROKER</b>		
	Securities marked to market	76,271,015	
	Less 15% discount	<u>(11,440,652)</u>	
			<u><u>64,830,363</u></u>
4	<b>SECURITIES PURCHASED FOR CLIENT</b>		
	Overdue balance for more than 14 days - gross value	<u>399,424,918</u>	
	Lower of overdue balance and securities held against such balance	<u>2,008,682</u>	<u><u>2,008,682</u></u>
5	<b>TRADE PAYABLES</b>		
	Total payables	238,421,130	
	Less: Outstanding for more than 30 days	<u>(42,075,447)</u>	
	Balance generated within 30 days		<u><u>196,345,683</u></u>
6	<b>OTHER LIABILITIES</b>		
	Accrued expenses	13,116,833	
	Add: Trade payables overdue by 30 days	<u>42,075,447</u>	
			<u><u>55,192,280</u></u>

  
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DIRECTOR