

26.1 NET CAPITAL BALANCE

Net capital requirements of the Company are set and regulated by Pakistan Stock Exchange Limited. These requirements are put in place to ensure sufficient solvency margins and are based on excess of current assets over current liabilities.

The Net Capital Balance as required under Third Schedule of Securities and Exchange Rules, 1971 read with the SECP guidelines is calculated as follows:

DESCRIPTION	VALUATION	Note	RUPPEES
<b>CURRENT ASSETS</b>			
Cash and Bank Balances	As per book value	26.2 (i)	137,696,881
Trade Receivable	Book value less overdue for more than 14 days	26.2 (ii)	50,377,266
Investment in Listed Securities in the name of broker	Securities marked to market less 15% discount	26.2 (iii)	57,413,110
Securities purchased for client	Securities purchased for the client and held by the member where the payment has not been received within 14 days.	26.2 (iv)	4,098,597
Listed TPCs/Corporate Bonds of not less than BBB grade assigned by a credit rating company in Pakistan	Marked to market less 10% discount		-
FIBs	Marked to market less 5% discount		-
Treasury bills	At market value		-
			249,585,854
<b>CURRENT LIABILITIES</b>			
Trade Payable	Book value less Overdue for more than 30 days	26.2 (v)	92,782,840
Other liabilities	As per Book values	26.2 (vi)	28,129,050



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Darson Securities Limited

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26.2 Notes to the Net Capital Balance

(i) Cash and Bank Balances

These are stated at book value.

Cash in hand	183,738
Bank balance pertaining to:	
Brokerage house	2,411,707
Client	83,626,958
Total bank balance	86,038,665
Margins	
Deposit against exposure and losses with Pakistan Stock Exchange	51,440,335
Deposit against MTS exposure margin with NCCPI.	34,143
	137,696,881

(ii) Trade debts

These are valued at cost less bad and doubtful debts (if any) and debts outstanding for more than 14 days.

Total debts	59,818,561
Outstanding for more than 14 days	(9,441,295)
Balance generated within 14 days and/or not yet due.	50,377,266

(iii) Investment in Listed Securities in the name of broker

Securities marked to market	67,544,835
Less 15% discount	(10,131,725)
	57,413,110

(iv) Securities purchased for client

Overdue balance for more than 14 days - gross value	269,788,634
Lower of overdue balance and securities held against such balance	4,098,597

(v) Trade Payables

Book value	117,688,543
Less: Overdue for more than 30 days	(24,905,703)
	92,782,840

(vi) Other Liabilities

Accrued expenses	3,223,347
Creditors overdue for more than 30 days	24,905,703
	28,129,050