DARSON SECURITIES (PRIVATE) LIMITED NET CAPITAL BALANCE AS AT OCTOBER 31, 2018

(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	VALUE	
		(Amount in Rupees)	
CURRENT ASSETS			
Cash in hand	As per book value		236,741
Cash at bank:			
- Pertaining to brokerage house	As per book value	1,631,194	
- Pertaining to clients	As per book value	9,797,556	
Deposits against exposure with PSX	As per book value	64,500,000	
Deposits against MTS Exposure Margin with NCCPL	As per book value	15,631,424	
Total bank balances	As per book value		91,560,174
Trade Receivable			
	Book Value	70,165,999	
	Less: overdue for more than 14 days	(32,252,276)	37,913,723
Investment in Listed Securities			
in the name of broker			
	Market value	66,391,290	
	Less: 15% discount	(9,958,701)	56,432,589
Securities purchased for client			21,541,753
Securities parenasea for eliene	Securities purchased for the client and		21,541,755
	held by the member where the payment		
	has not been received within 14 days.		
Listed Town Finance Contiferates/Comparete Dands	Maybetyalya		
Listed Term Finance Certificates/Corporate Bonds (Not less than BBB grade)	Market value Less: 10% discount	-	
(Not less than bbb grade)	Less. 10% discount		_
Federal Investment Bonds	Market value	-	
	Less: 5% discount		-
Treasury bills	Market value		-
Any other current asset specified by the commission	Value determined by the commission		
			207,684,980
CURRENT LIABILITIES			
Trade Payable	Book value	49,920,305	
	Less: Overdue for more than 30 days	(19,839,843)	30,080,462
Other liabilities	As classified under the generally accepted accounting principles.		23,861,288
	. .		53,941,750
NET CAPITAL BALANCE			153,743,230

CHIEF EXECUTIVE	DIRECTOR

NOTES TO STATEMENT OF THE NET CAPITAL BALANCE

1	BANK BALANCES AND CASH DEPOSITS	Note	Rupe	ees
	These are stated at book value.			
	Cash in hand Bank balance pertaining to:			236,741
	Brokerage house		1,631,194	
	Client		9,797,556	
	Total bank balance Margins			11,428,750
	Deposit against exposure and lossses with Pakistan Stock Exchange			64,500,000
	Deposit against MTS exposure margin with NCCPL			15,631,424
				91,796,915
2	TRADE RECEIVABLES			
	These are valued at cost less bad and doubtful debts (if any) and debts outs	tanding for	more than 14 day	rs.
			Rupe	ees
	Total receivable		70,165,999	
	Outstanding for more than 14 days		32,252,276	
	Balance generated within 14 days and/or not yet due			102,418,275
3	TRADE PAYABLES			
	Total payables		49,920,305	
	Outstanding for more than 30 days		(19,839,843)	
	Balance generated within 30 days			30,080,462
4	OTHER LIABILITIES			
	Accrued expenses		4,021,445	
	Trade payables overdue by 30 days		19,839,843	
	· · · · · · · · · · · · · · · · · · ·		<u> </u>	23,861,288

CHIEF EXECUTIVE DIRECTOR

Schedule III [see regulation 6(4)]

Monthly statements of liquid capital with the Commission and the securities exchange DARSON SECURITIES (PRIVATE) LIMITED Computation of Liquid Capital As on AUGUST 31, 2018

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
. Asset				
1.1	Property & Equipment	7,957,624	7,957,624	-
1.2	Intangible Assets	54,052,165	54,052,165	-
1.3	Investment in Govt. Securities (150,000*99)	-	-	-
	Investment in Debt. Securities			
	If listed than:			
	i. 5% of the balance sheet value in the case of tenure upto 1 year.	-	-	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
1.4	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
	If unlisted than:			
	i. 10% of the balance sheet value in the case of tenure upto 1 year.	-	-	
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
	Investment in Equity Securities			
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for	54,408,460	8,621,329	45,787,131
	respective securities whichever is higher.			.5,, 5,, 151
	ii. If unlisted, 100% of carrying value.	3,846,040	3,846,040	-
	iii.Subscription money against Investment in IPO/offer for Sale: Amount paid as subscription money			
	provided that shares have not been alloted or are not included in the investments of securities broker.	-	-	-
	provided that shares have not been anoted or are not included in the investments of securities broker.			
1.5				
	iv.100% Haircut shall be applied to Value of Investment in any asset including shares of listed securities			
	that are in Block, Freeze or Pledge status as on reporting date. (July 19, 2017)	40,020,026	40.020.026	
	Provided that 100% haircut shall not be applied in case of investment in those securities which are	19,039,826	19,039,826	-
	Pledged in favor of Stock Exchange / Clearing House against Margin Financing requirements or pledged in			
	favor of Banks against Short Term financing arrangements. In such cases, the haircut as provided in			
	schedule III of the Regulations in respect of investment in securities shall be applicable (August 25, 2017)			
1.6	Investment in subsidiaries	-	-	_
	Investment in associated companies/undertaking			
	i. If listed 20% or VaR of each securities as computed by the Securites Exchange for respective securities			
1.7	whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.	_	-	_
	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository			
1.8	or any other entity.	1,700,000	1,700,000	-
1.9	Margin deposits with exchange and clearing house.	80,131,424	_	80,131,424
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	00,131,424	_	-
1.11	Other deposits and prepayments	2,959,800	2,959,800	
1.11	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities	2,333,000	2,333,000	
	etc.(Nil)	-	-	-
1.12	Etc.(IVII)			
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	-	-	-
1 12	Dividende receivables	_	_	
1.13	Dividends receivables. Amounts receivable against Repo financing.	-	-	
1 1 1				
1.14	Amount paid as purchaser under the REPO agreement. (Securities purchased under repo arrangement	-	-	-
	shall not be included in the investments.)			
1.15	i. Short Term Loan To Employees: Loans are Secured and Due for repayment within 12 months	2,390,372	-	2,390,372
1.13	ii. Receivables other than trade receivables	97,904,481	97,904,481	
	Receivables from clearing house or securities exchange(s)	37,30 1,102	37,30 1,102	
	100% value of claims other than those on account of entitlements against trading of securities in all			
1.16	markets including MtM gains.	-	-	-
	claims on account of entitlements against trading of securities in all markets including MtM gains.	-	-	-
	Receivables from customers			
	i. In case receivables are against margin financing, the aggregate if (i) value of occurities held in the			
	i. In case receivables are against margin financing, the aggregate if (i) value of securities held in the			
	blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii)	-	-	-
	market value of any securities deposited as collateral after applying VaR based haircut.			
	i. Lower of net balance sheet value or value determined through adjustments.			
	ii. Incase receivables are against margin trading, 5% of the net balance sheet value.			

1.17	iii. Incase receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, iii. Net amount after deducting haricut			-
	iv. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. iv. Balance sheet value	22,681,432		22,681,432
	v. Incase of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts. v. Lower of net balance sheet value or value determined through adjustments	44,401,095	33,293,498	33,293,498
	vi. 100% haircut in the case of amount receivable form related parties.	3,083,472	3,083,472	-
	Cash and Bank balances			
1.18	I. Bank Balance-proprietory accounts ii. Bank balance-customer accounts	1,631,194 9,797,556	-	1,631,194 9,797,556
	iii. Cash in hand	236,741	-	236,741
1.19	Total Assets	406,221,682		195,949,348
2. Liabili	ties			
	Trade Payables			
2.1	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products iii. Payable to customers	49,920,305	-	49,920,305
	Current Liabilities	49,920,303	-	49,920,303
	i. Statutory and regulatory dues	_	-	-
	ii. Accruals and other payables	4,021,445	-	4,021,445
	iii. Short-term borrowings	-	-	-
	iv. Current portion of subordinated loans	-	-	-
2.2	v. Current portion of long term liabilities	-	-	-
	vi. Deferred Liabilities	-	-	-
	vii. Provision for bad debts	-	-	-
	viii. Provision for taxation	-	-	-
	ix. Other liabilities as per accounting principles and included in the financial statements	-	-	-
	Non-Current Liabilities i. Long-Term financing	_	_	
	a. Long-Term financing obtained from financial instituion: Long term portion of financing obtained from a financial institution including amount due against finance lease	-	-	-
	b. Other long-term financing	_	-	
	ii. Staff retirement benefits	-	-	-
2.3	iii. Advance against shares for Increase in Capital of Securities broker: 100% haircut may be allowed in respect of advance against shares if: a. The existing authorized share capital allows the proposed enhanced share capital b. Boad of Directors of the company has approved the increase in capital c. Relevant Regulatory approvals have been obtained d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed. e. Auditor is satisfied that such advance is against the increase of capital.	-	-	-
	iv. Other liabilities as per accounting principles and included in the financial statements	-	-	-
	Subordinated Loans			
2.4	i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted: The Schedule III provides that 100% haircut will be allowed against subordinated Loans which fulfill the conditions specified by SECP. In this regard, following conditions are specified: a. Loan agreement must be executed on stamp paper and must clearly reflect the amount to be repaid after 12 months of reporting period b. No haircut will be allowed against short term portion which is repayable within next 12 months. c. In case of early repayment of loan, adjustment shall be made to the Liquid Capital and revised Liquid Capital statement must be submitted to exchange.	-	-	-
	ii. Subordinated loans which do not fulfill the conditions specified by SECP		-	<u> </u>
2.5	Total Liabilites	53,941,750		53,941,750

3. Ranking Liabilities Relating to :

	Concentration in Margin Financing			
3.1	The amount calculated client-to- client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees.	1	6,403,575	6,403,575

	Consensation in consistent lending and boursessing			
	Concentration in securites lending and borrowing			
3.2	The amount by which the aggregate of:			
	(i) Amount deposited by the borrower with NCCPL			
	(Ii) Cash margins paid and	-	-	-
	(iii) The market value of securities pledged as margins exceed the 110% of the market value of shares			
	borrowed			
	Net underwriting Commitments			
	(a) in the case of right issuse: if the market value of securites is less than or equal to the subscription			
	price;			
	the aggregate of:			
3.3				
3.3	(i) the 50% of Haircut multiplied by the underwriting commitments and	-	-	-
	(ii) the value by which the underwriting commitments exceeds the market price of the securities.			
	In the case of rights issuse where the market price of securities is greater than the subscription price, 5%			
	of the Haircut multiplied by the net underwriting			
	(b) in any other case: 12.5% of the net underwriting commitments	-	-	-
	Negative equity of subsidiary			
3.4	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary)			
	exceed the total liabilities of the subsidiary	-	-	-
	Foreign exchange agreements and foreign currency positions			
3.5	5% of the net position in foreign currency. Net position in foreign currency means the difference of total	_	_	_
	assets denominated in foreign cuurency less total liabilities denominated in foreign currency			
3.6	Amount Payable under REPO	_	_	_
5.0	Repo adjustment			
	In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market			
3.7	value of underlying securites.			
	In the case of financee/seller the market value of underlying securities after applying haircut less the	-	-	-
	total amount received ,less value of any securites deposited as collateral by the purchaser after applying			
	haircut less any cash deposited by the purchaser.			
	Concentrated proprietary positions			
	If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of			
3.8	the value of such security. If the market of a security exceeds 51% of the proprietary position, then 10%	_	_	_
	of the value of such security			
	Opening Positions in futures and options			
	i. In case of customer positions, the total margin requiremnets in respect of open postions less the			
3.9	amount of cash deposited by the customer and the value of securites held as collateral/ pledged with	-	19,251,112	19,251,112
3.9	securities exchange after applyiong VaR haircuts			
	ii. In case of proprietary positions , the total margin requirements in respect of open positions to the			
		-	-	-
	extent not already met			
	Short sell positions			
	i. Incase of customer positions, the market value of shares sold short in ready market on behalf of			
	customers after increasing the same with the VaR based haircuts less the cash deposited by the customer	-	-	-
3.10	as collateral and the value of securities held as collateral after applying VAR based Haircuts			
	1111			
	ii. Incase of proprietory positions, the market value of shares sold short in ready market and not yet			
	settled increased by the amount of VAR based haircut less the value of securities pledged as collateral	-	-	-
	after applying haircuts.			
3.11	Total Ranking Liabilites			25,654,687
	Liquid capital balance	352,279,932		116,352,911

Calculations Summary of Liquid Capital

- (i) Adjusted value of Assets (serial number 1.19)
- (ii) Less: Adjusted value of liabilities (serial number 2.5)
- (iii) Less: Total ranking liabilities (series number 3.11)

Note: Commission may issue guidelines and clarifications in respect of the treatment of any component of Liquid Capital including any modification, deletion and inclusion in the calculation of Adjusted value of assets and liabilities to address any practical difficulty.