

S.D Mirza Securities (Pvt) Ltd.
TRE Certificate Holder Pakistan Stock Exchange Ltd.

September 9, 2016

Mr. Shafqat Ali
Chief Regulatory Officer
Pakistan Stock Exchange Limited
Stock Exchange Building Stock Exchange
Road, Karachi.

Subject: Mandatory Requirement for Monthly Filling of Net Capital Balance and Liquid Capital As on 31, August 2016.

Dear Sir,

This is with reference to your Notice No.PSX/N-4071 dated July 14, 2016 regarding the above mentioned subject.

Kindly Find attach herewith the following documents.

1. Annexure -A (Net Capital Balance)
2. Annexure-B (Statement of liquid Capital)

This is for your information and record.

Thanking You

Yours Truly,

Muhammad Naveed
(Compliance Officer)



Annexure - A

**STATEMENT UNDER RULE 2(d) OF SECURITIES AND EXCHANGE RULES, 1971
NET CAPITAL BALANCE AS AT AUGUST 31, 2016**

CURRENT ASSETS	Un-audited Rupees	Un-audited Rupees
• Cash-in-hand or in bank:		
Cash in hand:	519,489	
Cash at bank		
- Brokerage house account balance	4,014,483	
- Client account balance	42,979,972	
	46,994,455	
• Due from clients and brokers:	30,756,234	
Less: Overdue for more than 14 days	(18,748,696)	
	12,007,538	
• Investment in listed securities in the name of the broker	8,784,656	
Less: 15% discount	(1,317,698)	
	7,466,958	
• Securities purchased for client	18,748,696	85,737,136
CURRENT LIABILITIES		
• Trade Payables	40,838,766	
Less: Overdue for more than 30 days	(16,704,497)	
	24,134,269	
• Other Payables	20,480,721	44,614,990
NET CAPITAL BALANCE		<u><u>41,122,146</u></u>

**DIRECTOR
S.D. MIRZA SECURITIES (PVT.) LIMITED**

Schedule III
[sec regulation 6(4)]

Monthly statements of liquid capital with the Commission and the securities exchange
S.D.MIRZA SECURITIES (PVT) LIMITED
Computation of Liquid Capital
As on 31.08.2016

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
ASSETS				
1.1	Property & Equipment	4,898,988	100.00%	-
1.2	Intangible Assets	7,807,974	100.00%	-
1.3	Investment in Govt. Securities (150,000*99)	-	-	-
	Investment in Debt. Securities			
	If listed then:			
	i. 5% of the balance sheet value in the case of tenure upto 1 year.	-	5.00%	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	7.50%	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	10.00%	-
1.4	If unlisted than:			
	i. 10% of the balance sheet value in the case of tenure upto 1 year.	-	10.00%	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	12.50%	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	15.00%	-
	Investment in Equity Securities			
1.5	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher.	13,851,194	11,414,084	11,414,084
	ii. If unlisted, 100% of carrying value.	-	100.00%	-
1.6	Investment in subsidiaries	-	100.00%	-
	Investment in associated companies/undertaking			
1.7	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher.	-	100.00%	-
	ii. If unlisted, 100% of net value.	-	100.00%	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.	680,000	100.00%	-
1.9	Margin deposits with exchange and clearing house.	-	-	-
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	8,084,436	100.00%	-

1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc. (Nil)	-	-	-	-
1.12	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	-	100.00%	-	-
1.13	Dividends receivables.	-	-	-	-
1.14	Amounts receivable against Repo financing.	-	-	-	-
1.14	Amount paid as purchaser under the REPO agreement. (Securities purchased under repo arrangement shall not be included in the investments.)	-	-	-	-
1.15	Receivables other than trade receivables	-	100.00%	-	-
1.15	Receivables from clearing house or securities exchange(s)	-	-	-	-
1.16	100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	-	100.00%	-	-
	Receivables from customers				
	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.	-	-	-	-
	ii. Lower of net balance sheet value or value determined through adjustments.				
	ii. In case receivables are against margin trading, 5% of the net balance sheet value.	-	5.00%	-	-
	iii. Net amount after deducting haircut				
	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract,	-	-	-	-
1.17	iii. Net amount after deducting haircut				
	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value.	4,519,926	-	-	4,519,926
	iv. Balance sheet value				
	v. In case 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.	26,238,272	25,229,091	-	25,229,091
	v. Lower of net balance sheet value or value determined through adjustments				
	vi. 100% haircut in the case of amount receivable from related parties.	-	100.00%	-	-
	Cash and Bank balances				
1.18	i. Bank Balance-proprietary accounts	4,014,483	-	-	4,014,483
1.18	ii. Bank balance-customer accounts	42,979,972	-	-	42,979,972
1.18	iii. Cash in hand	519,489	-	-	519,489
1.19	Total Assets	113,594,734			88,677,045
	Liabilities				
	Trade Payables				
2.1	i. Payable to exchanges and clearing house		-	-	
2.1	ii. Payable against leveraged market products	40,838,766	-	-	40,838,766
2.1	iii. Payable to customers		-	-	

	Current Liabilities				
	I. Statutory and regulatory dues	87,500	-	87,500	
	II. Accruals and other payables	45,903	-	45,903	
	III. Short-term borrowings	-	-	-	
	IV. Current portion of subordinated loans	-	-	-	
	V. Current portion of long term liabilities	-	-	-	
	VI. Deferred Liabilities	-	-	-	
	VII. Provision for bad debts	344,467	-	344,467	
	VIII. Provision for taxation	662,624	-	662,624	
	ix. Other liabilities as per accounting principles and included in the financial statements	-	-	-	
	Non-Current Liabilities				
	i. Long-Term financing	-	-	-	
	ii. Staff retirement benefits	-	-	-	
2.3	iii. Other liabilities as per accounting principles and included in the financial statements	-	-	-	
	Subordinated Loans				
2.4	100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted	-	-	-	
2.5	Total Liabilities	41,979,260	-	41,979,260	
	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.	-	-	-	
	Concentration In securities lending and borrowing				
	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 issue : if the market value of securities is less than or equal to the subscription price;				
	the aggregate of:				
	(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 issue 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 currency less total liabilities denominated in foreign currency	-	-	-
3.6	Amount Payable under REPO	-	-	-
	Repo adjustment			
3.7	In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities. In the case of financee/seller the market value of underlying securities after applying haircut less the total amount received, less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.	-	-	-
	Concentrated proprietary positions			
3.8	If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of 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			
3.9	i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying 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			
3.10	i. Increase 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 as collateral and the value of securities held as collateral after applying VAR based Haircuts ii. Increase of proprietary 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 Liabilities	-	-	-

71,615,474 Liquid Capital 46,697,785

Calculations Summary of Liquid Capital

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

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