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**REVIEW REPORT ON STATEMENT OF NET CAPITAL BALANCE
TO THE CHIEF EXECUTIVE OFFICER OF DJM SECURITIES LIMITED**

Introduction

We have reviewed the accompanying Statement of Net Capital Balance of **DJM 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 Brokers (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 DJM 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.




Engagement Partner: Mehmood A. Razzak



Karachi

Date: 09 MAR 2021

CALCULATION OF NET CAPITAL BALANCE FOR THE PURPOSES OF RULE 2(d) OF SECURITIES AND EXCHANGE RULES, 1971

	Note	<u>RUPEES</u>	<u>RUPEES</u>
CURRENT ASSETS			
1. CASH IN HAND AND BANK BALANCES			
1.1			
Cash deposited as margins with Stock Exchanges and National Clearing Company of Pakistan Limited			
1.2			
Clients' Bank Account Balance			
a)		2,314,243	
b)		84,504,817	
d)			86,819,060
1.3			14,049
2. TRADE RECEIVABLES			
2.1			
Aging and break up of Trade Receivables			
a)			
Aging of trade receivables			
i)		235,442,539	
ii)		(223,843,550)	
iii)			11,598,989
3. INVESTMENT IN LISTED SECURITIES IN THE NAME OF BROKERAGE HOUSE			
3.1			
Securities on exposure list (With reference to clarification no. 3.3A of SECP letter no. SMID-/SSED-C&IW-(633)/2016, dated September 08, 2016) Less: 15% Discount			
		2,234,512,738	
		(335,176,911)	
			1,899,335,827
4.			207,571,566
5.			
TOTAL ASSETS			
			<u>2,205,339,491</u>
CURRENT LIABILITIES			
6. TRADE PAYABLES			
6.1			84,504,818
7. OTHER PAYABLES			
7.1			
Accrued and other liabilities			
7.2	2	1,013,853,865	
Trade payables more than 30 days			
		34,621,816	
			1,048,475,681
TOTAL LIABILITIES			
			<u>1,132,980,499</u>
NET CAPITAL BALANCE			
			<u>1,072,358,992</u>



[Signature]
Chief Executive Officer

[Signature]
Director

DJM SECURITIES LIMITED
EXPLANATORY NOTES OF NET CAPITAL BALANCE
AS AT DECEMBER 31, 2020

1. BASIS OF PREPARATION

The Statement of Net Capital Balance (the Statement) of DJM Securities Limited (the Securities Broker) has been prepared in conformity with the requirements of the Second Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 (the Regulations) issued by the Securities & Exchange Commission of Pakistan (SECP) from time to time.

2. ACCRUED AND OTHER LIABILITIES

Other payable

RUPEES

1,013,853,865

1,013,853,865

SM





Chief Executive Officer



Director