



REPORT ON REVIEW OF  
NET CAPITAL BALANCE  
OF  
DJM SECURITIES LIMITED  
FOR THE PERIOD ENDED  
DECEMBER 31, 2022

**BDO Ebrahim & Co. Chartered Accountants**

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



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## INDEPENDENT AUDITORS' REPORT ON REVIEW 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, 2022 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 the 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 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.

The statement of Net Capital Balance of as at December 31, 2021 were audited by another auditor who expressed an unmodified conclusion thereon, as on March 03, 2022.

KARACHI

DATED: 14 MAR 2023

BDO EBRAHIM & CO.  
CHARTERED ACCOUNTANTS  
Engagement Partner: Zulfikar Ali Causer

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**DJM SECURITIES LIMITED**

**STATEMENT OF NET CAPITAL BALANCE FOR THE PURPOSE OF REGULATION 6(3) TO THE SECURITIES BROKERS (LICENSING AND OPERATIONS) REGULATIONS, 2016 AS ON DECEMBER 31, 2022**

S.NO	Head of Account	Valuation Basis	Value in Pak Rupees
<b>A</b>	<b>Description of Current Assets</b>		
1	Cash in hand or in bank	As per book value	69,103,717
2	Trade Receivables	Book Value less those overdue for more than fourteen days	5,881,434
3	Investment in listed securities in the name of broker	Securities on the exposure list marked to market less 15% discount	1,270,593,838
4	Securities purchased for customers	Securities purchased for the customer and held by the broker where the payment has not been received within fourteen days	65,431,562
5	Listed TFCs/ Corporate Bonds of not less than BBB grade assigned by a credit rating company in Pakistan	Marked to Market less 10% discount	-
6	FIBs	Marked to Market less 5% discount	-
7	Treasury Bill	At market value	-
8	Any other current asset specified by the Commission	As per the valuation basis determined by the Commission	-
9	<b>Total Assets</b>		<b>1,411,010,551</b>
<b>B</b>	<b>Description of Current liabilities</b>		
1	Trade payables	Book Value less those overdue for more than 30 days	150,039,349
2	Other liabilities	As classified under the generally accepted accounting principles	879,452,568
<b>C</b>	<b>Total Liabilities</b>		<b>1,029,491,917</b>
<b>D</b>	<b>Net Capital Balance</b>		<b>381,518,634</b>

Note: The Third Schedule to the Securities and Exchange Rules, 1971 "Requirements for Calculation of Net Capital for Purpose of Rule 2(d)". provides that "current assets and current liabilities in relation to member of a Stock Exchange for the purpose of net capital shall be determined by accounting for the current assets and current liabilities". Accordingly, for the purpose of determining the "Net Capital" all the current assets and current liabilities of the Company, prescribed by SECP have been taken into consideration.



**CHIEF EXECUTIVE OFFICER**



**DIRECTOR**

**DJM SECURITIES LIMITED**  
**NOTES TO THE STATEMENT OF NET CAPITAL BALANCE**  
**AS ON DECEMBER 31, 2022**

**1. BASIS OF PREPARATION**

The statement of net capital balance of the company ('the Statement') of DJM Securities Limited ('the Company') has been prepared in accordance with Rule 2(d) and the Third Schedule of the Securities and Exchange Rules, 1971 and in accordance with the clarifications / guidelines issued by Securities and Exchange Commission of Pakistan (SECP).

The statement is prepared specifically to meet the above mentioned requirements and for submission to the Pakistan Stock Exchange, National Clearing Company of Pakistan Limited, and The Securities and Exchange Commission of Pakistan. As a result, the statement may not be suitable for another purpose.

**December 31,  
2022  
Rupees**

**2 CASH IN HAND AND BANK BALANCES**

These are stated at book value.

Cash in hand	25,570
Cash at bank	
Broker's account.	1,842,400
Client's account.	67,235,747
	<u>69,078,147</u>
	<u>69,103,717</u>

**3 TRADE RECEIVABLE**

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

Book value	92,086,329
Less: overdue for more than 14-days	(86,204,895)
	<u>5,881,434</u>

December 31,  
2022  
Rupees

4 INVESTMENT IN LISTED SECURITIES IN THE -  
NAME OF BROKER

Market Value

1,494,816,280

Less: securities in exposure list marked to market -  
15% discount.

(224,222,442)

1,270,593,838

5 SECURITIES PURCHASED FOR CLIENTS

This represents the lower of value of securities appearing in the clients' respective sub-account to the extent of overdue balance for more than 14 days or value of investments.

6 TRADE PAYABLE

As per book values

184,107,077

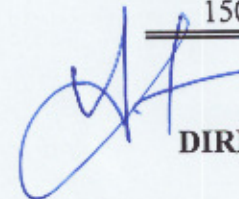
Less: overdue for more than 30 days

(34,067,728)

150,039,349



CHIEF EXECUTIVE OFFICER



DIRECTOR

