

**STATEMENT OF NET WORTH**  
**AS AT \_\_\_\_\_**

<b>DESCRIPTION</b>	<b>VALUATION BASIS</b>	<b>Rs. In '000'</b>
Listed (quoted) investments in the name of the applicant which are not on the default counter of any of the stock exchanges.	Market Value less discounting at the rate prescribed in Note No. 1.	
Other investments like PIBs, Treasury Bills etc., Deposits with scheduled Banks and certificate of investment with NBFIs or DFIs.	At fair value comprising cost plus yield to date thereon	
Immovable assets including Land, Building, plant & machinery, etc.	Please refer Note 2	
Trade Debts	As per book value Less: Overdue for more than 90 days	
Cash with Banks		
<b>(A)</b>		<b>XXX</b>
Current Liabilities		
Long term Liabilities		
<b>(B)</b>		<b>XXX</b>
<b>NET WORTH (A-B)</b>		<b>XXX</b>

**NOTES:**

The Net worth computation shall be certified by the Chartered Accountant who shall be on panel of the State Bank of Pakistan (SBP) under the category A, B or C. He will issue a Report along with the computation as prescribed in Annexure.

**Valuation of assets****1) Investments and other assets**

Investment portfolio / Other Assets will be subject to detailed evaluation keeping in view various subjective and objective factors given as under:

**(i) Quoted Securities**

- Government Securities will be valued at PKRV (Reuter Page) with discount @ 5%
- TFCs and shares will be valued at their market value with discount @ 30%

**(ii) Other Assets**

Classification of Other Assets and provision required there-against shall be determined keeping in view the risk involved and the requirements of the International Accounting Standards.

- Value of Intangible assets including goodwill etc. shall not be considered for Net worth computation.
- Current assets should exclude loans to related parties, bad and doubtful debts and debts outstanding for more than 3 months, prepaid expenses, shares, securities and other assets from clients held as deposit against their trading exposure.
- Value of membership card, office space at Exchange building, deposits and margin (both cash and non-cash) with any Exchange are to be excluded for the purpose of computation of Net worth.

- Deferred costs, preliminary expenses and deferred tax assets shall not be considered for computation.
- Cash in hand shall not be considered.

## **2) Immovable Assets**

Individual members are required to use only the Forced Sale Value for the purpose of valuation of immovable assets. Whereas, corporate members have the option to use either written down value or forced sale value of immovable assets.

Forced Sale Value (FSV), once determined, shall remain valid for three years from the date of valuation.

The FSV of the assets shall be restricted to fresh revaluation or previous year valuation, whichever is lower.

In case of immovable assets, which are pledged / mortgaged / hypothecated assets, the corresponding liability should be disclosed accordingly.

Valuations shall be carried out by an independent professional valuer who should be listed on the panel of valuers maintained by the Pakistan Banks' Association (PBA) for this purpose. The valuer while assigning any values to assets shall take into account all relevant factors affecting the salability of such assets including any difficulty in obtaining their possession, their location, condition and the prevailing economic conditions in the relevant sector, business or industry. The values of assets so determined by the valuers must have to be a reasonably good estimate of the amount that could currently be obtained by selling such assets in a forced / distressed sale condition. The valuers should also mention in their report the assumptions made, the calculations / formulae / basis used and the method adopted in determination of the values.

The Exchange reserves the right to reassess the valuations of the assets through an independent evaluator, on random basis, to verify the reasonableness of the valuations. The unjustified differences in the valuations of the Members and the Exchange shall render the Member and Evaluator liable to penal actions.

For the verification of assets, the auditor will review the following documents:

- Review Search Certificate of the property enlisting details of ownership, encumbrance, etc. of the said property.
- In case of corporate brokerage houses, search report from SECP.
- Review all registration documents in original to ensure that title is in the name of Member.
- Review Valuation Report of the Professional Valuer.
- Select items from fixed assets records and verify their physical existence, also inspect assets and trace to subsidiary ledger/ records.

Corporate members are required to submit their Financial Statements and individual members are required to submit their Wealth Statements.

Details of items comprising investments, current assets, current liabilities and long term liabilities should be given separately.

Debtors should be distinguished as debtors arising from commodity operations and others.

**Review Report of**  
**ABC Company (Pvt.) Limited**  
**As at \_\_\_\_\_**

We have reviewed the accompanying Statement of Net Worth Balance of ABC Company (Pvt.) Limited. The Statement has been prepared in accordance with Rule 11 (1) (n) of the Commodity Exchange and Futures Contracts Rules, 2005. This Statement is the responsibility of the Company's management. Our responsibility is to issue a report on Statement based on our review.

We conducted our review in accordance with the International Standard on Auditing applicable to review engagements. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and an analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the annexed Statement is not presented fairly, in all material respects, in accordance with the provisions of Relevant Rules for preparation of the Statement.

Place:

Dated:

Chartered Accountants