

During year the Company's strategy was to maintain gearing. The gearing ratio as at balance sheet date is as follows:

	2022	2021
	Rupees	
Total interest bearing borrowings	89,010,827	99,623,550
Cash and bank	(31,873,667)	(47,039,598)
Net debt / (cash)	57,137,160	52,583,952
Total equity	303,257,509	441,850,460
Total capital	360,394,669	494,434,412
Gearing ratio	15.85%	10.64%

33 Net Capital Balance of the Brokerage House

Net capital requirements of the Company are set and regulated by Pakistan Stock Exchange Limited and National Clearing Company of Pakistan Ltd. These requirements are put in place to ensure sufficient solvency margins and are based on excess of current assets over current liabilities in the specified manner.

The Net Capital Balance as required under Third Schedule of Securities and Exchange Rules, 1971 read with the SECP guidelines and sub rule 6(3) of the Securities Brokers (Licensing & Operation) Regulations, 2016 and schedule II whereof is calculated as follows;

DESCRIPTION	VALUATION BASIS	Note	RUPEES
<u>CURRENT ASSETS</u>			
Cash and Bank Balances	As per book value	32.1.1	393,853,051
Trade Receivables	Book value less overdue for more than fourteen days	32.1.2	29,836,582
Investment in listed Securities in the name of broker	Securities on the exposure limit marked to market less 15% discount	32.1.3	94,305,576
Investment in listed Securities held in MTS	Securities on the exposure limit marked to market less 15% discount	32.1.4	151,993,662
Securities Purchased Clients	for Securities purchased for the client and held by the member where the payment has not been received within fourteen days.	32.1.5	26,915,154
	Sub-total		696,904,025

6/11/20

CURRENT LIABILITIES:

Trade Payables	Book value less those overdue for more than 30 days	32.1.6	135,082,928
Other Liabilities	As classified under the generally accepted accounting principles (including trade payable overdue for more than 30 days)	32.1.7	415,930,307
	Sub-total		551,013,235
Net Capital Balance as at June 30, 2022			145,890,789

APPORTIONMENT

Allocation of Pakistan Stock Exchange Limited			143,390,789
Allocation of Pakistan Mercantile Exchange Limited			2,500,000

Notes to the Net Capital are as follows:

32.1.1 Cash and Bank Balances

Cash in hand			9,472
Bank Balances pertaining to brokerage house - Current Account			4,992,183
Bank Balances pertaining to client			26,722,012
Exposure margin deposit to NCCPL			362,129,384
			393,853,051

32.1.2 Trade Receivables

Considered Good			63,167,353
Margin Finance			12,103,245
Book value			75,270,598
Less: Overdue for more than 14 days			(45,434,016)
			29,836,582

32.1.3 Investment in listed Securities in the name of broker

Securities marked to market			110,947,736
Less: 15% discount			(16,642,160)
			94,305,576

32.1.4 Investment in listed Securities held in MTS

Securities marked to market			178,816,073
Less: 15% discount			(26,822,411)
			151,993,662

6/2/22