

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

	2021	2020
	Rupees	
Total interest bearing borrowings	99,623,550	68,742,513
Long tem loan non interest bearing	70,000,000	60,000,000
Cash and bank	(47,039,598)	(21,768,718)
Net debt / (cash)	<u>122,583,952</u>	<u>106,973,795</u>
Total equity	<u>441,850,460</u>	<u>215,677,497</u>
Total capital	<u><u>564,434,412</u></u>	<u><u>322,651,292</u></u>
Gearing ratio	<u><u>21.72%</u></u>	<u><u>33.15%</u></u>

### 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
<b><u>CURRENT ASSETS</u></b>			
Cash and Bank Balances	As per book value	32.1.1	474,385,986
Trade Receivables	Book value less overdue for more than fourteen days	32.1.2	132,401,496
Investment in listed Securities in the name of broker	Securities on the exposure limit marked to market less 15% discount	32.1.3	165,166,443
Investment in listed Securities held in MTS	Securities on the exposure limit marked to market less 15% discount	32.1.4	206,457,393
Securities Purchased for 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	28,137,380
	<b>Sub-total</b>		1,006,548,698

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**CURRENT LIABILITIES:**

Trade Payables	Book value less those overdue for more than 30 days	32.1.6	250,123,046
Other Liabilities	As classified under the generally accepted accounting principles (including trade payable overdue for more than 30 days)	32.1.7	481,118,435
	<b>Sub-total</b>		731,241,481
<b>Net Capital Balance as at June 30, 2021</b>			<b>275,307,217</b>

**APPORTIONMENT**

Allocation of Pakistan Stock Exchange Limited			272,807,217
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		9,514
Bank Balances pertaining to brokerage house - Current Account		6,376,647
Bank Balances pertaining to client		40,535,079
Exposure margin deposit to NCCPL		427,464,746
		<u>474,385,986</u>

**32.1.2 Trade Receivables**

Considered Good		89,602,286
Margin Finance		80,490,507
Book value		170,092,793
Less: Overdue for more than 14 days		(37,691,297)
		<u>132,401,496</u>

**32.1.3 Investment in listed Securities in the name of broker**

Securities marked to market		194,313,462
Less: 15% discount		(29,147,019)
		<u>165,166,443</u>

**32.1.4 Investment in listed Securities held in MTS**

Securities marked to market		242,891,051
Less: 15% discount		(36,433,658)
		<u>206,457,393</u>

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