

28 CAPITAL MANAGEMENT

28.1

The Company objectives when managing capital are to safeguard the company's ability as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

28.2 CAPITAL ADEQUACY

The Capital Adequacy level as required by CDC is Calculated as Follows

	Notes	Amount (Rupees)
<i>Total Assets</i>	28.2.1	138,253,438
<i>Less: Total Liabilities</i>		(46,955,068)
<i>Less: Revaluation Reserves (created upon revaluation of fixed assets)</i>		-
Capital Adequacy Level		91,298,369

28.2.1 While determining the value of the total assets of the TREC Holder, Notional value of TREC as at year ended as determined by Pakistan Stock Exchange has been considered.

28.3 NET CAPITAL BALANCE

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

The Net Capital Balance as required under Third Schedule of Securities and Exchange Rules, 1971 read with the SECP guidelines is calculated as follows;

A.	Description of Current Assets	Basis of Accounting	Notes	Amount (Rupees)
1	Cash in hand & Cash in bank Cash in hand Cash at bank-House Account Cash at bank-Client Account	As per book value.	11	11,899 28,862,455 37,268,593 66,142,947
2	Margin deposits		10	12,100,000
3	Receivable From NCCPL		10	19,299,726
4	Trade receivables Less: Outstanding for more than 14 days	Book value less those overdue for more than 14 days.	9	4,747,156 (4,000,369) 746,787
5	Investment in listed securities in the name of company	Securities on the Exposure List to Market less 15 % discount.		-
6	Securities purchase for client			3,417,449
				101,706,909
B.	Description of Current Liabilities			
1	Trade payables Less: Overdue more than 30 days	Book value less those overdue for more than 30 days.	13	41,898,298 (22,521,020) 19,377,278
2	Other liabilities	Accrued & other liabilities	13	23,909,673
	NET CAPITAL BALANCE			43,286,952 56,419,958

