

30 CAPITAL MANAGEMENT

30.1 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.

30.2 CAPITAL ADEQUACY

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

	Notes	Amount (Rupees)
Total Assets	30.2.1	87,908,745
Less: Total Liabilities		(56,968,704)
Less: Revaluation Reserves (created upon revaluation of fixed assets)		-
Capital Adequacy Level		30,940,041

30.2.1 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.

30.3 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	As per book value.	12	92,715
	Cash in hand			19,895
	Cash at bank-House Account			1,692,013
	Cash at bank-Client Account			1,804,623
				-
2	Margin deposits			1,744,351
3	Trade receivables	Book value less those overdue for more than 14 days.		(943,116)
	Less: Outstanding for more than 14 days			801,235
4	Investment in listed securities in the name of company	Securities on the Exposure List to Market less 15 % discount.	11	50,791,777
				(7,618,767)
				43,173,010
5	Securities purchased for client	Lower of overdue 14 days balance and securities held against such balance		865,946
				46,644,814
B.	Description of Current Liabilities			
1	Trade payables	Book value less those overdue for more than 30 days.	15	1,657,082
	Less: Overdue more than 30 days			(64,991)
				1,592,090
2	Other liabilities	As classified under the Generally Accepted Accounting Principles.	15	16,236,173
				17,828,264
	NET CAPITAL BALANCE			28,816,551

