40

30 CAPITAL MANAGEMENT

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

30.2 CAPITAL ADEQUACY

The Capital Adqequacy level as required by CDC is Calculated as Follows	Notes	Amount (Rupees)
Total Assets	*30.2.1*	71,975,357
Less: Total Liabilities		(92,766,098)
Less: Revaluation Reserves (created upon revaluation of fixed assets)		-
Capital Adequacy Level		**(20,790,741)**

30.2.1 While determining the value of the total assets of the TREC Holder, Notional value of the TREC Certificate held by SHAFFI SECURITIES (PVT) LTD as at year ended June 30th 2022 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;

	Description	Basis of Accounting	Notes	Amount (Rupees)
A.	**Description of Current Assets**			
1	**Cash in hand & Cash at bank**	As per book value.	12	
	Cash in hand			71,715
	Cash at bank-House Account			11,325
	Cash at bank-Client Account			1,911,120
				1,994,160
2	**Margin deposits/ NCS receivable**			**1,289,084**
3	**Trade receivables**	Book value less those overdue for more than 14 days.		252,983
	Less: Outstanding for more than 14 days			(181,972)
				71,011
4	**Investment in listed securities in the name of company**	Securities on the Exposure List to Market less 15 % discount.	11	40,843,030
				(6,126,455)
				34,716,576
5	**Securities purchased for client**	Lower of overdue 14 days balance and securities held against such balance		**58,435**
				38,129,265
B.	**Description of Current Liabilities**			
1	**Trade payables**	Book value less those overdue for more than 30 days.	15	1,332,050
	Less: Overdue more than 30 days			(127,717)
				1,204,333
2	**Other liabilites**	As classified under the Generally Accepted Accounting Principles.	15	**9,771,325**
	NET CAPITAL BALANCE			**27,153,608**

IECnet S.K.S.S.S. Chartered Accountants