

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED DECEMBER 31, 2021

	Note	2021 ----- (Rupees) -----	2020 -----
<b>35. CAPITAL ADEQUACY LEVEL</b>			
Total assets	35.1	<b>6,590,531,908</b>	5,390,730,895
Less: Total liabilities		<b>(4,394,156,410)</b>	(2,944,292,273)
Capital Adequacy Level		<b><u>2,196,375,498</u></b>	<u>2,446,438,622</u>

**35.1** While determining the value of the total assets of the Company, Notional value of the TREC certificate held by the Company as at year ended December 31, 2021 as determined by the Pakistan Stock Exchange has been considered.

### 36. 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 has been prepared in conformity with the requirements of the Third Schedule read with rule 2(d) of the Securities and Exchange (SEC) Rules, 1971 and the Securities Brokers (Licensing And Operations) Regulations, 2016 (Regulations) and the guidelines issued by Securities and Exchange Commission of Pakistan (SECP) from time to time.

Description	Valuation Basis	December 31, 2021
<b>Current Assets</b>		
Cash in hand or in bank	As per book value	1,896,146,427
Trade Receivables	Book Value	<b>1,923,641,950</b>
	Less : Overdue for more than 14 days	<b>(325,717,522)</b>
	Book value less those overdue for more than 14 days	1,597,924,428
Investment in listed securities in the name of the broker	Market Value	<b>1,392,509,008</b>
	Less : 15% discount	<b>(208,876,351)</b>
		1,183,632,657
Investment in listed TFCs of not less than BBB grade assigned by credit rating company in Pakistan	Market Value	-
	Less : 10% discount	-
		-
Securities purchased for client	Securities purchased for client and held by the member where the payment has not been received within 14 days	251,094,537
		<b>A</b>
		4,928,798,049
<b>Current Liabilities</b>		
Trade Payables	Book Value	<b>1,239,515,096</b>
	Less : Overdue for more than 30 days	<b>(538,379,422)</b>
Other Liabilities	Book value less	701,135,674
	As classified under generally accepted accounting principles	<b>3,096,286,654</b>
		<b>B</b>
		3,797,422,328
		<b>C = A-B</b>
		<b><u>1,131,375,721</u></b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED DECEMBER 31, 2021

December 31,  
2021  
(Rupees)

### 36.1. Cash in hand or in bank

Cash in hand  
Exposure margins with National Clearing Company of Pakistan Limited  
Bank balances pertaining to:  
- Brokerage house  
- Clients

224,000
609,302,850
240,667,969
1,045,951,608
<u>1,896,146,427</u>

### 36.2. Trade receivables

This also includes receivables against margin finance transactions amounting to Rs.453.31 million.

### 36.3. Securities purchased for clients

Value of trade receivable outstanding for more than 14 days are included in the computation of net capital balance to the extent of outstanding amount or value of securities (after applying VAR) whichever is less.

## 37. LIQUID CAPITAL BALANCE

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
<b>1. Assets</b>				
1.1	Property & Equipment	981,016,380	100.00%	-
1.2	Intangible Assets	5,000,000	100.00%	-
1.3	Investment in Govt. Securities (150,000*99)	-	-	-
1.4	<b>Investment in Debt. Securities</b>			
	If listed than:			
	i. 5% of the balance sheet value in the case of tenure upto 1 year.	-	5.00%	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	7.50%	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	10.00%	-
	<b>If unlisted than:</b>			
	i. 10% of the balance sheet value in the case of tenure upto 1 year.	-	10.00%	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	12.50%	-
1.5	Investment in Equity Securities			
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher.	1,392,509,008	253,023,991	1,139,485,017
	ii. If unlisted, 100% of carrying value.	-	100.00%	-
	iii. Subscription money against Investment in IPO/offer for Sale: Amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker.	-	-	-
1.6	Investment in subsidiaries	-	100.00%	-