

FIRST EQUITY MODARABA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2020

34. 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	VALUATION	Note	2020 RUPEES
CURRENT ASSETS			
Cash and bank balances	As per book value	34.1	90,758,217
Trade receivables	Book value less overdue for more than 14 days		4,251
Investment in listed securities in the name of brokerage house	Securities marked to market less 15% discount		27,705,906
Securities purchased for client			6,692,673
PIBS	Marked to market less 5% discount		-
			<u>125,161,047</u>
CURRENT LIABILITIES			
Trade payables	Book value less		1,006,684
Other payables	As per book values		38,084,131
			<u>39,090,815</u>
Net capital balance as at June 30, 2020			<u><u>86,070,232</u></u>
34. Cash and bank balances			
Bank balance pertaining to brokerage house			87,486,646
Bank balance pertaining to clients			3,271,571
			<u><u>90,758,217</u></u>

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