

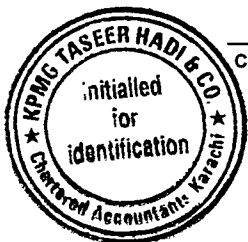


**Next Capital Limited**  
**Statement of Net Capital Balance**  
**As at 30 June 2019**

(Excess of Current Assets over Current Liabilities determined in accordance with the requirements of the second Schedule of Securities Brokers (Licensing and Operations) Regulations, 2016 (the Regulations) read with Rule 2 (d) of the Securities Exchange Commission (SEC) Rules 1971 (SEC Rules 1971) issued by the Securities & Exchange Commission of Pakistan (SECP)).

Description	Valuation Basis	Note	Sub Total	Total (Rupees)
<b>Current Assets</b>				
Cash in hand and bank balances	As per book value	2		245,002,260
Cash deposited as margin with Pakistan Stock Exchange Limited (PSX) and National Clearing Company of Pakistan Limited (NCCPL)	As per book value	3		231,458,183
Investment in listed securities in the name of broker	At market value	4	30,750,500	
	Less: Securities not in exposure		-	
			30,750,500	
	Less: Securities in exposure list marked to market less 15% discount		(4,612,575)	
				26,137,925
Listed TFCs / Corporate Bonds of not less than BBB grade assigned by credit rating company in Pakistan	At market value	5	4,000,000	
	Less: Marked to market less 10% discount		(400,000)	
				3,600,000
Trade debts	As per book value	6	154,678,000	
	Less: Overdue for more than 14 days		(26,905,694)	
				127,772,306
<b>Total Current Assets</b>		<b>A</b>		<b>633,970,674</b>
<b>Current Liabilities</b>				
Trade payables	As per book value	7	197,364,754	
	Less: Overdue for more than 30 days		(32,897,056)	
				164,467,698
Short term borrowing	As per book value			199,986,969
Other liabilities	As per book value	8		66,412,769
<b>Total Current Liabilities</b>		<b>B</b>		<b>430,867,436</b>
<b>Net Capital Balance as at 30 June 2019</b>		<b>A - B</b>		<b>203,103,238</b>

The annexed notes 1 to 9 form an integral part of the statement.



Chief Executive Officer



Chief Financial Officer

**Next Capital Limited**  
**Notes to the Statement of Net Capital Balance**  
**For the year ended 30 June 2019**

**1. STATEMENT OF COMPLIANCE**

The statement of net capital balance of the Company ("the Statement") of the Next Capital Limited ("the Company") has been prepared in accordance with Rule 2 (d) of the Third Schedule to the Securities and Exchange Rules, 1971 and in accordance with the clarifications / guidelines issued by Securities and Exchange Commission of Pakistan (SECP).

**1.1** (SECP).

The accounting policies and methods of computation used in the preparation of the statement of net capital balance are disclosed in the financial statements for the year ended 30 June 2019. Therefore this statement should be read in conjunction with the aforesaid financial statements.

**1.2**

The valuation of current assets and current liabilities for the purpose of net capital balance has been determined on the basis of the following:

**1.3**

Description	Valuation Basis
Cash in hand or in bank	As per book value
Trade receivables	Book value less those overdue for more than fourteen days.
Investment in listed securities in the name of broker	Securities on the exposure list marked to market less 15% discount.
Listed TFCs	Marked to market less 10% discount
Any other assets as specified by the Commission	As per the valuation basis as determined by the Commission.
Trade payables	Book value less those overdue for more than 30 days.
Short term borrowing	As per book value
Other liabilities	As classified under the generally accepted accounting principles.

**2 CASH IN HAND AND BANK BALANCES**

	30 June 2019 (Rupees)
Cash in hand	37,760
Bank balances pertaining to:	
- Next Capital Limited	
- Current account	36,251,483
- Profit and loss sharing account	4,501,597
- Clients - current account and profit and loss sharing account	204,211,420
	<u>245,002,260</u>

*ISM*





### 3 CASH DEPOSITED AS MARGIN WITH PSX AND NCCPL

- Deposit against exposure margin	3.1	222,564,785
- Deposit against Marginal Trading Services	3.2	8,893,398
		<u>231,458,183</u>

3.1 This represents margin deposit with NCCPL consist of amounting Rs. 119.5 million against Futures Market, Rs.103 million against Regular T+2 market and Rs. Nil against Bonds Automated Trading System (BATS) market.

3.2 This represents deposit with National Clearing Company of Pakistan Limited against Marginal Trading System and Margin Financing.

3.3 Deposits held with PSX and NCCPL as basic deposits have not been included as per the clarifications issued by Securities and Exchange Commission of Pakistan (SECP).

### 4 INVESTMENT IN SHARES OF LISTED COMPANY IN THE NAME OF BROKER

	Quantity	Rate	Amount
Lucky Cement Limited	50,000	380.47	19,023,500
Maple Leaf Cement Factory Limited	200,000	23.89	4,778,000
Sui Northern Gas Pipeline Limited	100,000	69.49	6,949,000
			<u>30,750,500</u>
Less: Listed securities in exposure list marked to market less 15% discount.			<u>(4,612,575)</u>
			<u>26,137,925</u>

### 5 LISTED TFCs / CORPORATE BONDS OF NOT LESS THAN BBB GRADE ASSIGNED BY CREDIT RATING COMPANY IN PAKISTAN

	Quantity	Rate	Amount
Soneri Bank Limited - Term Finance Certificates	800	5,000	4,000,000
Less: Listed TFCs marked to market less 10% discount			<u>(400,000)</u>
			<u>3,600,000</u>

### 6 TRADE DEBTS

These are valued at cost less debts outstanding for more than 14 days:

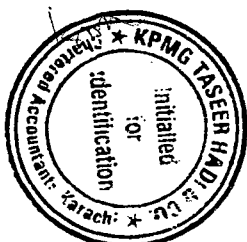
	Note	30 June 2019 (Rupees)
Total receivable	6.1	154,678,000
Less: Receivables other than brokerage business	6.2	-
Total trade receivables		<u>154,678,000</u>
Less: Over due for more than 14 days		<u>(26,905,694)</u>
Balance generated within 14 days and / or not yet due		<u>127,772,306</u>

6.1 The break up of total receivable is as follows:

- Purchases of shares on behalf of clients		123,971,107
- Investments in Marginal Financing System	6.3	21,864,752
- Brokerage commission on equity		8,842,141
		<u>154,678,000</u>

6.2 Amount receivable other than brokerage business is not included for the purpose of Net Capital Balance in accordance with clause 2.7 of clarification/guidelines issued by SECP dated 03 July 2013.

6.3 This amount is given as a Margin Financing System (MFS) to clients through National Clearing Company of Pakistan Limited. This amount is secured against securities of clients held in House accounts under pledged status. The Company is financing on Financing Participation Ratio (FPR) of maximum 75% and charging markup at the rate of 1 month KIBOR + 8%.





# NEXT CAPITAL

Head Office: Next Capital Limited  
2<sup>nd</sup> Floor, Imperial Court Building, Dr. Ziauddin Ahmed Road, Karachi-75530, Pakistan.  
UAN: +(92-21) 111-639-825 Fax: +(92-21) 35632321 Url: www.nextcapital.com.pk

## 7 TRADE PAYABLES

These represents balances due to customers in respect of trading of shares less trade payable balances overdue for more than 30 days which have been included in other liabilities.

## 8 OTHER LIABILITIES

These represents current liabilities, and trade payable which are overdue for more than 30 days. Other liabilities are stated at book value.

The break up is as follows:

	Note	30 June 2019 (Rupees)
As per book value		
- Trade payables overdue for more than 30 days		32,897,056
- Accrued expenses and others	8.1	33,515,713
		<u>66,412,769</u>

### 8.1 The break up of accrued expenses and others is as follows:

- Payable to NCCPL	8,307,611
- Unclaimed Dividend	5,117,003
- Accrued commission to traders	1,333,897
- Accrued salaries and other expenses	1,432,202
- Auditor's remuneration	900,000
- Tax deducted at source	1,601,691
- Accrued Expenses	576,767
- Commission payable	8,424,968
- Markup payable	1,940,496
- Other payables	3,214,411
- Contract Liabilities	666,667
	<u>33,515,713</u>

## 9 GENERAL

### 9.1 Restriction on distribution of statement

This statement is prepared to meet the requirements of the Securities & Exchange Commission of Pakistan (SECP), Pakistan Stock Exchange (PSX) and National Clearing Company of Pakistan Limited (NCCPL). Therefore, this statement may not be suitable for any other purpose and should not be distributed to parties other than Next Capital Limited (the Securities Broker), SECP, PSX or NCCPL.

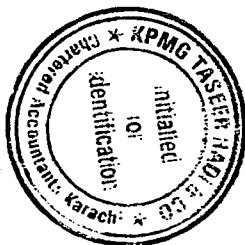
### 9.2 Date of issuance

This statement is being issued on 16 SEP 2019

KRM

Chief Executive Officer

Chief Financial Officer



Lahore Branch:

63-A, Agora Eden City, DHA Phase-VIII, Lahore. Tel: +(92-42) 37135843-48 Fax: +(92-42) 37135840