

**Habib Metropolitan Financial Services Limited****Statement of Net Capital Balance***As at 31 December 2018*

(Excess of Current Assets over Current Liabilities determined in accordance with the requirements of the Second Schedule of the 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 and Exchange Commission of Pakistan (SECP).

Description	Valuation Basis	Note	Sub Total	Total
				(Rupees)
<b>Current assets</b>				
Bank balances and cash deposit	As per book value	2		248,610,163
Trade debts	As per book value	3	90,941,006	
	Less: Overdue for more than 14 days		(4,387,719)	86,553,287
Market treasury bills	At market value	4		98,390,363
		A		<u>433,553,813</u>
<b>Current liabilities</b>				
Trade payables	As per book value	5	120,584,308	
	Less: Overdue for more than 30 days		(35,149,263)	85,435,045
Other liabilities	As per book value	6		
	- Trade payables overdue for more than 30 days		35,149,263	
	- Payable to NCCPL		21,176,492	
	- Payable to Workers' Welfare Fund		3,136,566	
	- Accrued expenses		5,222,561	
	- Provision against leave encashment		2,316,235	
	- Sindh Sales Tax payable		230,057	
	- Short term borrowing		31,871,532	99,102,706
		B		<u>184,537,751</u>
<b>Net Capital Balance as at 31 December 2018</b>		A - B		<u>249,016,062</u>

The annexed notes 1 to 7 form an integral part of the statement.



*Manza Mushtaq*  
Chief Executive Officer



**Habib Metropolitan Financial Services Limited**

**Notes to the Statement of Net Capital Balance**

*For the year ended 31 December 2018*

**1. BASIS OF ACCOUNTING**

- 1.1** The statement of net capital balance ("the Statement") has been prepared in accordance with the requirements of the Second Schedule of the 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 and Exchange Commission of Pakistan (SECP).
- 1.2** The accounting policies and methods of computation used in the preparation of the statement are disclosed in the audited financial statements of the Company for the year ended 31 December 2018. Therefore this statement should be read in conjunction with the aforesaid financial statements.

**1.3 Basis of accounting**

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

Description	Valuation Basis
Bank balances and cash deposit	As per book value
Trade debts	Book value less those overdue for more than fourteen days.
Market treasury bills	At market value
Any other assets as specified by the Commission	As per the valuation basis determined by the Commission.
Trade payables	Book value less those overdue for more than 30 days.
Other liabilities	As classified under the generally accepted accounting principles.

**2. BANK BALANCES AND CASH DEPOSIT**

	31 December 2018 (Rupees)
Bank balances pertaining to:	
- Habib Metropolitan Financial Services Limited - Current Account	302,266
- Habib Metropolitan Financial Services Limited - Profit and loss Sharing Account	10,080
- Clients - Current Account	2.1 62,797,817
- Margin with NCCPL against exposure	2.2 185,500,000
	<u>248,610,163</u>



*Munzar Mushtag*  
Chief Executive Officer



2.1 Trade liability balance is more than the client's current account balance as the transactions under T+2 basis were settled subsequent to the year end on the due date.

2.2 This represents margin deposit with NCCPL in accordance with the provisions of the Securities Act, 2015.

**3. TRADE DEBTS**

These are valued at book value less those overdue for more than fourteen days.

**31 December  
2018  
(Rupees)**

- i) Trade receivable  
ii) over due for more than 14 days  
iii) balance generated with in 14 days and / or not yet due

90,941,006  
(4,387,719)  
86,553,287

**4. MARKET TREASURY BILLS**

This represents market treasury bills amounting to Rs.98.390 million which have been kept as collateral with National Clearing Company of Pakistan Limited against margin requirements for ready market exposures.

**5. TRADE PAYABLES**

This represent 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.

**6. OTHER LIABILITIES**

These represent current liabilities, other than trade payables which are due within 30 days. Other liabilities are stated at book value.

**7. GENERAL**

**7.1 Restriction on distribution of statement**

This statement is prepared to meet the requirements of the SECP, Pakistan Stock Exchange Limited (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 Habib Metropolitan Financial Services Limited, SECP, PSX or NCCPL.

**7.2 Date of Authorisation**

This statement is being issued on 12 March 2019.



*Munzir Mushtaq*  
Chief Executive Officer

