

**Habib Metropolitan Financial Services Limited**

**Statement of Net Capital Balance**

As at 30 June 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		258,689,732
Trade debts	As per book value	3	72,925,292	
	Less: Overdue for more than 14 days		(14,302,661)	58,622,631
Treasury bills	At market value	4		98,910,630
		<b>A</b>		<b>416,222,993</b>
<b>Current liabilities</b>				
Trade payables	As per book value	5	150,685,723	
	Less: Overdue for more than 30 days		(87,486,865)	63,198,858
Other liabilities	As per book value	6		
	- Trade payables overdue for more than 30 days		87,486,865	
	- Payable to Workers' Welfare Fund		3,235,894	
	- Accrued expenses		3,968,563	
	- Provision for compensated absences		3,030,732	
	- Sindh Sales Tax payable		237,487	
	- Short term borrowing		1,095,438	99,054,979
		<b>B</b>		<b>162,253,837</b>
<b>Net Capital Balance as at 30 June 2018</b>		<b>A - B</b>		<b>253,969,156</b>

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



*Munazza Mushtaq*  
Chief Executive Officer



**Habib Metropolitan Financial Services Limited**

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

*For the six months period ended 30 June 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 Regulations read with Rule 2 (d) of the SEC Rules 1971 issued by the SECP.
- 1.2 The accounting policies and methods of computation used in the preparation of the statement are disclosed in the special purpose financial statements for the six months period ended 30 June 2018. Therefore this statement should be read in conjunction with the aforesaid financial information.

**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.
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**

	30 June 2018 (Rupees)
Bank balances pertaining to:	
- Habib Metropolitan Financial Services Limited - Current Account	11,149
- Habib Metropolitan Financial Services Limited - PLS Sharing Account	3,470,841
- Clients - Current Account	2.1 114,707,742
- Margin with NCCPL against exposure	2.2 140,500,000
	<u>258,689,732</u>



*Munzir Mushtaq*  
Chief Executive Officer



2.1 Client's current account balance is less than the trade liability balance as the transactions under T+2 basis were settled subsequent to the period 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 cost less bad and doubtful debts and debts outstanding for more than 14 days.

**30 June  
2018  
(Rupees)**

i) Total receivable	72,925,292
ii) over due for more than 14 days	14,302,661
iii) balance generated with in 14 days and / or not yet due	58,622,631

**4. TREASURY BILLS**

This represents treasury bills amounting to Rs.98.911 million (market value) pledged 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 September 2018.



*Munir Mushtaq*  
Chief Executive Officer

