

Habib Metropolitan Financial Services Limited

Notes to the Statement of Net Capital Balance

For the period from 01 June 2023 to 30 June 2023

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 financial statements for the period from 01 June 2023 to 30 June 2023.
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	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

	Note	30 June 2023 (Rupees)
Cash in Hand & Bank balances pertaining to:		
Cash in Hand		-
- Habib Metropolitan Financial Services Limited - Current Account		1,957,945
- Habib Metropolitan Financial Services Limited - Profit and loss Sharing Account		59,355,371
- Clients - Current Account	2.1	51,101,669
- Margin with NCCPL against exposure	2.2	59,916,627
		<u><u>172,331,612</u></u>

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 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 less debts outstanding for more than 14 days.

	30 June 2023 (Rupees)
Trade receivable - net of provision	48,607,252.00
over due for more than 14 days - net of provision	<u>2,367,359.00</u>
balance generated with in 14 days and / or not yet due	<u><u>46,239,893.00</u></u>

4. TREASURY BILLS

This represents treasury bills amounting to Rs.99.27 million (market value).

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 Ltd (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 14 July 2023

Chief Executive Officer