

HAMZA FARHAD SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

33 NET CAPITAL BALANCE

Description	Note	30-Jun-20 Rupees
<u>Current Assets</u>		
Cash and Bank Balances	14	5,570,767
Trade receivables	33.2	4,179,171
Investment in Listed Securities	33.3	723,520
Receivable from National Clearing Company of Pakistan Limited	10	289,726
Cash Exposure With PSX	11	3,828,263
Securities Purchased for Customers		3,403,537
Total Current Assets		17,994,984
<u>Current Liabilities</u>		
Trade payables	33.4	1,236,639
Other liabilities	33.5	7,152,070
Total Current Liabilities		8,388,709
Net Capital Balance as at June 30, 2020		9,606,275

33.1 STATEMENT OF COMPLIANCE

This Net Capital Balance Statement is prepared in accordance with the requirements of the Regulation 6 and the Second Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 read with Rule 2(d) of the Securities and Exchange Commission Rules, 1971 and SECP guidelines.

The accounting principles and methods of computation used in the preparation of this Statement of Net Capital Balance are the prevailing accounting policies of Hamza Farhad Securities (private) limited.

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

Description	Valuation
Cash in hand or in bank	As per Book
Cash margin with NCCPL	As per Book
Trade Receivables	Book value
Investment in the listed securities	Securities on the exposure list marked to market less 15% discount.
Securities Purchased for Clients	Securities purchased for the customer and held by the broker where the payment has not been received within fourteen days
Trade Payables	Book value less overdue for more than 30 days
Other liabilities	As classified under generally accepted accounting principles

33.2 Trade receivable

These are stated at cost less bad and doubtful debts (if any) and debts outstanding for more than 14 days.

Book Value	10	48,284,393
Less: overdue for more than 14 days		(44,105,222)
		4,179,171

33.3 Investment in Listed Securities

Investment in Listed Securities
Less 15% Discount

Note	30-Jun-20 Rupees
12	851,200
	(127,680)
	<u>723,520</u>

As per the guidelines issued by the SECP, only available for sale and shares pledged with KSE or NCCPL has been taken in calculation of Net Capital Balance. Investment in unlisted Securities and shares in freeze status has not been taken in the calculation of net capital balance.

33.4 Trade payable

This Represent balance payable against trading of shares less trade payables overdue for more than 30 days which has been included in other liabilities (refer to note: 31.6).

Customers
Over due more than 30 days

20	7,419,831
	(6,183,193)
	<u>1,236,639</u>

33.5 Other Liabilities

This Represent current liabilities and trade payable which are overdue for more than 30 days. Other liabilities are stated as book value.

Trade payables overdue for more than 30 days
Accrued and other payable

20	6,183,193
	968,878
	<u>7,152,070</u>

why