

AL Habib Capital Markets (Private) Limited

Financial Statements

For the Quarter ended

March 31, 2018

AL Habib Capital Markets (Private) Limited

Balance Sheet

As at 31 March 2018

	<i>Note</i>	31 March 2018 (Rupees)
<u>ASSETS</u>		
NON-CURRENT ASSETS		
Property and equipment	1	8,683,902
Intangible assets	2	2,949,250
Long term investments	3	41,163,832
Long term loans, advances and deposits	4	1,576,500
Deferred tax asset - net		5,389,431
		<u>59,762,915</u>
CURRENT ASSETS		
Short term investments	5	254,136,789
Trade debts	6	24,440,107
Loans and advances	7	556,307
Deposits and prepayments	8	2,690,674
Other receivables	9	5,693,286
Taxation - net		22,970,031
Cash and bank balances	10	90,935,982
		401,423,176
		<u>461,186,092</u>
<u>EQUITY AND LIABILITIES</u>		
SHARE CAPITAL AND RESERVES		
Issued, subscribed and paid-up capital	11	300,000,000
Unappropriated profit		34,841,780
Unrealized gain on re-measurement of available-for-sale investments		38,000,437
		<u>372,842,217</u>
CURRENT LIABILITIES		
Trade payables, accrued expenses and other liabilities	13	87,287,192
Sales tax and FED payable		1,056,683
		88,343,875
		<u>461,186,092</u>

The annexed notes 1 to 17 form an integral part of these financial statements.

Chief Executive

Chief Financial Officer

AL Habib Capital Markets (Private) Limited

Profit and Loss Account

For the quarter ended 31 March 2018

	<i>Note</i>	31 March 2018 (Rupees)
INCOME		
Brokerage revenue	14	7,925,215
Share subscription income		378,991
Dividend income		844,398
Interest income from Treasury Bills		2,008,418
Profit on saving and deposit accounts		314,550
Loss on sale of investments		-
Other income	15	(13,986)
		<u>11,457,586</u>
EXPENSES		
Administrative expenses	16	(14,844,731)
Provision for Worker's Welfare Fund		-
Finance cost	17	(118,414)
		<u>(14,963,145)</u>
Provision for impairment on available-for-sale investments		(4,414,487)
		<u>(7,920,046)</u>
PROFIT BEFORE TAXATION		
Taxation - current		(1,465,120)
- deferred		(17,723)
		<u>(1,482,843)</u>
PROFIT FOR THE PERIOD		
		<u>(9,402,889)</u>
UNAPPROPRIATED PROFIT BROUGHT FORWARD		
		44,244,669
UNAPPROPRIATED PROFIT		
		<u><u>34,841,780</u></u>

The annexed notes 1 to 17 form an integral part of these financial statements.

Chief Executive

Chief Financial Officer

1. PROPERTY AND EQUIPMENT

	31 March 2018							Rate of depreciation per annum
	Cost			Accumulated depreciation			Written down	
	As at 01 Jan 2018	Additions / (disposals)	As at 31 March 2018	As at 01 Jan 2018	Charge for the period / (disposals)	As at 31 March 2018	As at 31 March 2018	
	----- (Rupees) -----						%	
Room and booths	14,500,000	-	14,500,000	8,700,022	181,251	8,881,273	5,618,727	5
Motor vehicles	1,309,900	-	1,309,900	450,878	65,496	516,374	793,526	20
Furniture and fixture	2,349,967	57,315	2,407,282	1,772,862	42,205	1,815,067	592,215	10
Office equipments	6,678,876	75,750	6,754,626	5,837,884	58,905	5,896,789	857,837	20
Computer equipment	5,902,267	362,630	6,264,897	5,378,236	65,064	5,443,300	821,597	20
	30,741,010	495,695	31,236,705	22,139,882	412,921	22,552,803	8,683,902	

2. INTANGIBLE ASSETS

	31 March 2018							Rate of Amortisation per annum
	Cost			Accumulated amortisation / impairment			Written down	
	As at 01 Jan 2018	Additions	As at 31 March 2018	As at 01 Jan 2018	Charge for the period	As at 31 March 2018	As at 31 March 2018	
	----- (Rupees) -----						%	
Website	125,000	-	125,000	125,000	-	125,000	-	50
Computer software	3,199,849	-	3,199,849	2,470,474	280,125	2,750,599	449,250	50
Trading right entitlement certificate	17,158,785	-	17,158,785	14,658,785	-	14,658,785	2,500,000	-
	20,483,634	-	20,483,634	17,254,259	280,125	17,534,384	2,949,250	

3. LONG TERM INVESTMENTS	<i>Note</i>	31 March 2018 (Rupees)
Available for sale investments - (unquoted)		
Investment in shares of Pakistan Stock Exchange Limited		41,163,832
		<u>41,163,832</u>
4. LONG TERM LOANS, ADVANCES & DEPOSITS		
Long term loans		
Staff loan		37,681
Less: current portion of staff loan		<u>(37,681)</u>
Long term portion of staff loan		-
Security deposits		
- National Clearing Company of Pakistan Limited		1,550,000
- Others		<u>26,500</u>
		1,576,500
		<u>1,576,500</u>
5. SHORT TERM INVESTMENTS		
Available-for-sale		
Listed shares	5.1	105,194,289
Treasurry Bills	5.2	<u>148,942,500</u>
		<u>254,136,789</u>
5.1 * These shares are pledged against PSX exposure. Details of shares pledged are as follows:		(Number of Shares)
The Hub Power Company Limited *		252,500
Pakistan Petroleum Limited *		128,100
Habib Bank Limited *		87,000
Attock Petroleum Limited *		5,600
Engro Fertilizer Limited *		86,000
Pioneer Cement Limited *		88,000
Engro Corporation Limited *		32,000
Pakistan Stock Exchange Limited*		300,000
5.2 These Treasurry Bills will mature on 10 May 2018. These are placed in the IPS account maintained with Bank AL Habib Limited (refer note 12).		
6. TRADE DEBTS - considered good		
Due from clients against trading of securities		24,440,107
	6.1	<u>24,440,107</u>
6.1 The aging analysis of the trade debts is as follows:		
Upto 5 days		21,654,119
More than 5 days*		<u>2,785,988</u>
		<u>24,440,107</u>
* The custody available against these receivable is Rs. 5,055.616 million.		
7. LOANS AND ADVANCES		
Loan to employees - secured		189,966
Advances to employees - secured		285,341
Advance for expenses to contractors & suppliers		<u>81,000</u>
		<u>556,307</u>
8. DEPOSITS AND PREPAYMENTS		
Exposure deposit with National Clearing Company of Pakistan Limited		1,900,000
Prepayments		
- Insurance		584,581
- Others		<u>206,093</u>
		<u>2,690,674</u>

9. OTHER RECEIVABLES	<i>Note</i>	31 March 2018 (Rupees)
Shares Subscription		378,991
Dividend Receivable		465,648
Receivable from PSX against disposal of shares		4,488,274
Others		360,373
		<u>5,693,286</u>

10. CASH AND BANK BALANCES

Cash in hand		15,399
Cash with banks in:		
- Current accounts	10.1	70,963,120
- Saving accounts		2,538,550
- Call treasury deposit account		17,418,913
		90,920,583
		<u>90,935,982</u>

10.1 This includes Rs. 70.570 million kept in designated bank accounts maintained on behalf of clients.

11. SHARE CAPITAL

11.1 Authorised Capital

31 December 2017 (Number of shares)		31 March 2018 (Rupees)
<u>50,000,000</u>	Ordinary shares of Rs. 10/- each fully paid in cash	<u>500,000,000</u>

11.2 Issued, subscribed and paid-up share capital

<u>30,000,000</u>	Ordinary shares of Rs. 10/- each fully paid in cash	<u>300,000,000</u>
-------------------	--	--------------------

11.3 Pattern of shareholding

Categories of Shareholders	Number of shares held	% of shares held
Bank AL Habib Limited (Holding Company)	19,999,600	66.67%
Companies	1,249,900	4.17%
Individuals		
- Salman H. Habib	1,874,997	6.25%
- Other Individuals	6,875,503	22.91%
	<u>30,000,000</u>	<u>100.00%</u>

12. SHORT TERM BORROWING

Short Term Running Finance - Secured	12.1	<u>-</u>
--------------------------------------	------	----------

12.1 The running finance facilities available to the Company at period end amounts to Rs. 175 million and Rs. 100 million from Bank Al Habib Ltd (BAHL) & Bank Alfalah Ltd (BAFL) respectively. The facilities carry mark-up rate at 3 month Avg KIBOR Ask +1 %. These facilities are secured by pledge of listed equity securities, Govt. securities and in case of BAHL there is also secured against hypothecation charge on book debts of the company.

13. TRADE PAYABLES, ACCRUED EXPENSES AND OTHER LIABILITIES	<i>Note</i>	31 March 2018 (Rupees)
Due to clients against trading of securities		83,858,224
Workers' Welfare Fund payable		509,179
Accrued expenses		<u>2,919,789</u>
		<u><u>87,287,192</u></u>
 14. BROKERAGE REVENUE		
Retail customers		3,485,462
Institutional customers		4,403,719
Proprietary trade		36,034
		<u>7,925,215</u>
 15. OTHER INCOME		
Other income		(13,986)
		<u>(13,986)</u>
 16. ADMINISTRATIVE EXPENSES		
Salaries and other benefits		8,913,133
Printing and stationery		31,440
Auditors' remuneration		106,093
Rent, rates and taxes		525,000
Vehicles running		506,669
Utilities		456,327
Legal and professional charges		261,327
Insurance		386,676
Newspapers and periodicals		9,319
Entertainment		19,535
Advertisement and business promotion		233,716
Computer expenses		301,346
Clearing house charges		1,047,287
Office security		144,969
Depreciation	<i>1</i>	412,921
Amortization	<i>2</i>	280,125
Repairs and maintenance		167,879
Conveyance and travelling		100
Communication		263,019
Fee and subscription		560,621
Lease rental of vehicles		146,160
Office supplies		61,962
Postage		9,107
		<u>14,844,731</u>
 17. FINANCE COST		
Mark-up on short term running finance		18,638
Bank charges		99,776
		<u>118,414</u>

Chief Executive

Chief Financial Officer