

AL Habib Capital Markets (Private) Limited

Financial Statements

For the Quarter ended

September 30, 2017

AL Habib Capital Markets (Private) Limited

Balance Sheet

As at 30 September 2017

	<i>Note</i>	30 September 2017 (Rupees)
<u>ASSETS</u>		
NON-CURRENT ASSETS		
Property and equipment	1	8,960,917
Intangible assets	2	3,509,500
Long term investments	3	41,163,832
Long term loans, advances and deposits	4	1,601,301
Deferred tax asset - net		5,863,606
		<u>61,099,156</u>
CURRENT ASSETS		
Short term investments	5	226,598,016
Trade debts	6	23,143,013
Loans and advances	7	289,400
Deposits and prepayments	8	9,053,885
Other receivables	9	6,288,404
Taxation - net		22,296,753
Cash and bank balances	10	84,002,302
		371,671,772
		<u>432,770,930</u>
<u>EQUITY AND LIABILITIES</u>		
SHARE CAPITAL AND RESERVES		
Issued, subscribed and paid-up capital	11	300,000,000
Unappropriated profit		48,327,645
Unrealized gain on re-measurement of available-for-sale investments		29,666,156
		<u>377,993,801</u>
CURRENT LIABILITIES		
Trade payables, accrued expenses and other liabilities	13	53,892,766
Sales tax and FED payable		884,363
		54,777,129
		<u>432,770,930</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 nine months period ended 30 September 2017

	<i>Note</i>	30 September 2017 (Rupees)
INCOME		
Brokerage revenue	14	4,485,276
Dividend income		1,374,750
Interest income from Pakistan Investment Bonds		789,688
Profit on saving and deposit accounts		1,177,906
Gain on sale of investments		58,600
Other income	15	<u>1,066,106</u>
		8,952,326
EXPENSES		
Administrative expenses	16	<u>(13,625,989)</u>
Finance cost	17	<u>(18,492)</u>
		(13,644,481)
PROFIT BEFORE TAXATION		<u>(4,692,155)</u>
Taxation - current		<u>(1,093,258)</u>
- deferred		<u>345,823</u>
		(747,435)
PROFIT FOR THE PERIOD		<u>(5,439,590)</u>
UNAPPROPRIATED PROFIT BROUGHT FORWARD		53,767,235
UNAPPROPRIATED PROFIT		<u><u>48,327,645</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

	30 September 2017							Rate of depreciation per annum
	Cost		Accumulated depreciation			Written down		
	As at 01 July 2017	Additions / (disposals)	As at 30 September 2017	As at 01 July 2017	Charge for the period / (disposals)	As at 30 September 2017		
----- (Rupees) -----							%	
Room and booths	14,500,000	-	14,500,000	8,337,519	181,251	8,518,770	5,981,230	5
Motor vehicles	1,309,900	-	1,309,900	319,886	62,940	382,826	927,074	20
Furniture and fixture	2,231,792	118,175	2,349,967	1,692,360	38,772	1,731,132	618,835	10
Office equipments	6,623,976	-	6,623,976	5,725,978	49,095	5,775,073	848,903	20
Computer equipment	5,740,267	162,000	5,902,267	5,275,956	41,436	5,317,392	584,875	20
	30,405,935	280,175	30,686,110	21,351,699	373,494	21,725,193	8,960,917	

2. INTANGIBLE ASSETS

	30 September 2017							Rate of Amortisation per annum
	Cost		Accumulated amortisation / impairment			Written down		
	As at 01 July 2017	Additions	As at 30 September 2017	As at 01 July 2017	Charge for the period	As at 30 September 2017		
----- (Rupees) -----							%	
Website	125,000	-	125,000	125,000	-	125,000	-	50
Computer software	3,199,849	-	3,199,849	1,910,224	280,125	2,190,349	1,009,500	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	16,694,009	280,125	16,974,134	3,509,500	

3. LONG TERM INVESTMENTS	<i>Note</i>	30 September 2017 (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		132,696
Less: current portion of staff loan		<u>(107,895)</u>
Long term portion of staff loan		24,801
Security deposits		
- National Clearing Company of Pakistan Limited		1,550,000
- Others		26,500
		1,576,500
		<u>1,601,301</u>
5. SHORT TERM INVESTMENTS		
Available-for-sale		
Listed shares	5.1	99,450,590
Treasurry Bills	5.2	127,147,426
		<u>226,598,016</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 *		550
Engro Fertilizer Limited *		76,000
Pioneer Cement Limited *		75,000
Engro Corporation Limited *		32,000
5.2 These Treasurry Bills will mature on 15 February 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		23,143,013
	6.1	<u>23,143,013</u>
6.1 The aging analysis of the trade debts is as follows:		
Upto 5 days		20,326,947
More than 5 days*		2,816,066
		<u>23,143,013</u>
* The custody available against these receivable is Rs. 5,155.960 million.		
7. LOANS AND ADVANCES		
Loan to employees - secured		107,895
Advances to employees - secured		159,505
Advance for expenses to contractors & suppliers		22,000
		<u>289,400</u>
8. DEPOSITS AND PREPAYMENTS		
Exposure deposit with National Clearing Company of Pakistan Limited		8,700,000
Prepayments		
- Insurance		301,373
- Others		52,512
		<u>9,053,885</u>

9. OTHER RECEIVABLES	<i>Note</i>	30 September 2017 (Rupees)
Receivable from PSX against disposal of shares		4,488,274
Dividend Receivable		1,070,250
Interest on PLS A/cs		655,091
Others		74,789
		<u>6,288,404</u>

10. CASH AND BANK BALANCES

Cash in hand		49,685
Cash with banks in:		
- Current accounts	10.1	40,822,301
- Saving accounts		14,670,607
- Call treasury deposit account		28,459,709
		83,952,617
		<u>84,002,302</u>

10.1 This includes Rs. 39.874 million kept in designated bank accounts maintained on behalf of clients.

11. SHARE CAPITAL

11.1 Authorised Capital

31 December 2016 (Number of shares)		30 September 2017 (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>
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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 - related party

Short Term Running Finance - Secured	12.1	<u>-</u>
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12.1 Running finance facility of Rs. 175 million has been obtained by the Company from Bank Al Habib Limited which is secured against hypothecation of amounts due from customers and lien over government securities. The mark-up is payable quarterly. The facilities carry mark-up rate at 3 month Average KIBOR +1 %

13. TRADE PAYABLES, ACCRUED EXPENSES AND OTHER LIABILITIES	<i>Note</i>	30 September 2017 (Rupees)
Due to clients against trading of securities		49,451,224
Workers' Welfare Fund payable		509,179
Accrued expenses		<u>3,932,363</u>
		<u><u>53,892,766</u></u>
 14. BROKERAGE REVENUE		
Retail customers		981,528
Institutional customers		3,482,623
Proprietary trade		<u>21,125</u>
		<u><u>4,485,276</u></u>
 15. OTHER INCOME		
Other income		<u>1,066,106</u>
		<u><u>1,066,106</u></u>
 16. ADMINISTRATIVE EXPENSES		
Salaries and other benefits		8,671,351
Printing and stationery		19,760
Auditors' remuneration		134,122
Rent, rates and taxes		625,000
Vehicles running		350,348
Utilities		74,543
Legal and professional charges		248,897
Insurance		330,153
Newspapers and periodicals		5,428
Entertainment		12,436
Advertisement and business promotion		6,045
Computer expenses		329,889
Clearing house charges		858,171
Office security		198,831
Depreciation	<i>1</i>	373,494
Amortization	<i>2</i>	280,125
Repairs and maintenance		114,745
Conveyance and travelling		400
Communication		131,286
Fee and subscription		642,675
Lease rental of vehicles		146,160
Office supplies		63,715
Others		5,077
Postage		<u>3,338</u>
		<u><u>13,625,989</u></u>
 17. FINANCE COST		
Mark-up on short term running finance		-
Bank charges		<u>18,492</u>
		<u><u>18,492</u></u>

Chief Executive

Chief Financial Officer