

AL Habib Capital Markets (Private) Limited

Financial Statements

For the Quarter ended

March 31, 2017

AL Habib Capital Markets (Private) Limited

Balance Sheet

As at 31 March 2017

	Note	31 March 2017 (Rupees)
<u>ASSETS</u>		
NON-CURRENT ASSETS		
Property and equipment	1	8,896,323
Intangible assets	2	16,569,750
Long term investments	3	24,227,037
Long term loans, advances and deposits	4	8,541,807
Deferred tax asset - net		2,253,579
		<u>60,488,496</u>
CURRENT ASSETS		
Short term investments	5	223,647,961
Trade debts	6	161,513,363
Loans and advances	7	533,305
Deposits and prepayments	8	1,524,133
Other receivables	9	8,167,315
Taxation - net		14,935,756
Cash and bank balances	10	70,876,483
		481,198,316
		<u>541,686,813</u>
<u>EQUITY AND LIABILITIES</u>		
SHARE CAPITAL AND RESERVES		
Issued, subscribed and paid-up capital	11	300,000,000
Unappropriated profit		55,338,752
Unrealized gain on re-measurement of available-for-sale investments		17,474,215
		<u>372,812,967</u>
CURRENT LIABILITIES		
Trade payables, accrued expenses and other liabilities	13	168,370,226
Sales tax and FED payable		503,620
		168,873,846
		<u>541,686,813</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 2017

	<i>Note</i>	31 March 2017 (Rupees)
INCOME		
Brokerage revenue	14	8,592,866
Share subscription income		-
Dividend income		993,293
Interest income from Pakistan Investment bond		3,548,993
Profit on saving and deposit accounts		259,054
gain on sale of investment		29,412,527
Other income	15	69,031
		<u>42,875,764</u>
EXPENSES		
Administrative expenses	16	(16,466,347)
Provision for Worker's Welfare Fund		-
Finance cost	17	(195,243)
		<u>(16,661,590)</u>
PROFIT BEFORE TAXATION		<u>26,214,174</u>
Taxation - current		(8,169,188)
- deferred		(2,414,435)
		<u>(10,583,623)</u>
PROFIT FOR THE PERIOD		<u>15,630,551</u>
UNAPPROPRIATED PROFIT BROUGHT FORWARD		39,708,200
UNAPPROPRIATED PROFIT		<u><u>55,338,752</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 2017							Rate of depreciation per annum
	Cost		Accumulated depreciation			Written down	%	
	As at 01 Jan 2017	Additions / (disposals)	As at 31 March 2017	As at 01 Jan 2017	Charge for the period / (disposals)	As at 31 March 2017		
----- (Rupees) -----								
Room and booths	14,500,000	-	14,500,000	7,975,000	181,251	8,156,251	6,343,749	5
Motor vehicles	1,309,900	-	1,309,900	193,995	62,940	256,935	1,052,965	20
Furniture and fixture	2,001,467	-	2,001,467	1,620,200	31,941	1,652,141	349,326	10
Office equipments	6,309,326	91,000	6,400,326	5,632,856	38,784	5,671,640	728,686	20
Computer equipment	5,654,267	-	5,654,267	5,193,082	39,588	5,232,670	421,597	20
	<u>29,774,960</u>	<u>91,000</u>	<u>29,865,960</u>	<u>20,615,133</u>	<u>354,504</u>	<u>20,969,637</u>	<u>8,896,323</u>	

2. INTANGIBLE ASSETS

	31 March 2017							Rate of Amortisation per annum
	Cost		Accumulated amortisation / impairment			Written down	%	
	As at 01 Jan 2017	Additions	As at 31 March 2017	As at 01 Jan 2017	Charge for the period	As at 31 March 2017		
----- (Rupees) -----								
Website	125,000	-	125,000	125,000	-	125,000	-	50
Computer software	3,199,849	-	3,199,849	1,349,974	280,125	1,630,099	1,569,750	50
Trading right entitlement certificate	17,158,785	-	17,158,785	2,158,785	-	2,158,785	15,000,000	-
	<u>20,483,634</u>	<u>-</u>	<u>20,483,634</u>	<u>3,633,759</u>	<u>280,125</u>	<u>3,913,884</u>	<u>16,569,750</u>	

3. LONG TERM INVESTMENTS	<i>Note</i>	31 March 2017 (Rupees)
Available for sale investments - (unquoted)		
Investment in shares of Pakistan Stock Exchange Limited		<u>24,227,037</u>
		<u>24,227,037</u>
4. LONG TERM LOANS, ADVANCES & DEPOSITS		
Long term loans		
Staff loan		332,257
Less: current portion of staff loan		<u>(280,675)</u>
Long term portion of staff loan		51,582
Security deposits		
- security deposit		576,500
-Advance against Dubai Gold & Commodity Exchange membership		7,913,725
- long term portion of staff loan		<u>51,582</u>
		8,541,807
		<u>8,541,807</u>
5. SHORT TERM INVESTMENTS		
Available-for-sale		
Listed shares	<i>5.1</i>	76,392,692
Pakistan Investment bond		<u>147,255,269</u>
		<u>223,647,961</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 *		242,500
Pakistan Petroleum Limited *		119,100
Habib Bank Limited *		80,000
Pakistan Stock Exchange Limited*		1,572,953
6. TRADE DEBTS - considered good		
Due from clients against trading of securities		<u>161,513,363</u>
	<i>6.1</i>	<u>161,513,363</u>
6.1 The aging analysis of the trade debts is as follows:		
Upto 5 days		131,763,411
More than 5 days*		<u>29,749,952</u>
		<u>161,513,363</u>
* The custody available against these receivable is Rs. 2,395.30 million.		
7. LOANS AND ADVANCES		
Loan to employees - secured		280,675
Advances to employees - secured		192,505
Advance for expenses to contractors & suppliers		<u>60,125</u>
		<u>533,305</u>
8. DEPOSITS AND PREPAYMENTS		
Exposure deposit with National Clearing Company of Pakistan Limited		1,000,000
Prepayments		
- Insurance		524,133
- Others		-
		<u>1,524,133</u>

9. OTHER RECEIVABLES	<i>Note</i>	31 March 2017 (Rupees)
Interest on PLS A/cs, Dividends, retention money for sale of PSX shares.		5,213,402
Interest receivable on Pakistan Investment Bonds		2,953,913
		<u>8,167,315</u>

10. CASH AND BANK BALANCES

Cash in hand		34,735
Cash with banks in:		
- Current accounts	<i>10.1</i>	42,837,898
- Saving accounts		25,195,927
- Call treasury deposit account		2,807,923
		70,841,748
		<u>70,876,483</u>

10.1 This includes Rs. 41.033 million kept in designated bank accounts maintained on behalf of clients.

11. SHARE CAPITAL

11.1 Authorised Capital

31 December 2016 (Number of shares)		31 March 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

Short Term Running Finance - Secured	<i>12.1</i>	<u>-</u>
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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 2017 (Rupees)
Due to clients against trading of securities		165,195,999
Workers' Welfare Fund payable		631,456
Accrued expenses		2,542,771
		<u>168,370,226</u>
14. BROKERAGE REVENUE		
Retail customers		2,359,400
Institutional customers		6,224,201
Proprietary trade		9,265
		<u>8,592,866</u>
15. OTHER INCOME		
Other income		69,031
		<u>69,031</u>
16. ADMINISTRATIVE EXPENSES		
Salaries and other benefits		10,690,993
Printing and stationery		26,966
Auditors' remuneration		99,993
Rent, rates and taxes		651,000
Vehicles running		474,296
Utilities		33,566
Legal and professional charges		226,784
Insurance		299,324
Newspapers and periodicals		13,099
Entertainment		2,095
Advertisement and business promotion		32,130
Computer expenses		350,073
Clearing house charges		1,020,913
Office security		207,555
Depreciation	<i>1</i>	354,504
Amortization	<i>2</i>	280,125
Repairs and maintenance		144,907
Conveyance and travelling		51,089
Communication		185,436
Fee and subscription		536,239
Lease rental of vehicles		146,160
Office supplies		99,543
Others		15,362
Workers' Welfare Fund		524,195
		<u>16,466,347</u>
17. FINANCE COST		
Mark-up on short term running finance		177,697
Bank charges		17,546
		<u>195,243</u>

Chief Executive

Chief Financial Officer