

AL Habib Capital Markets (Private) Limited

Financial Statements

For the Quarter ended

September 30, 2018

AL Habib Capital Markets (Private) Limited

Balance Sheet

As at 30 September 2018

	<i>Note</i>	30 September 2018 (Rupees)
<u>ASSETS</u>		
NON-CURRENT ASSETS		
Property and equipment	1	8,091,616
Intangible assets	2	2,541,668
Long term investments	3	25,919,750
Long term loans, advances and deposits	4	1,561,500
Deferred tax asset - net		6,122,189
		<u>44,236,723</u>
CURRENT ASSETS		
Short term investments	5	240,988,194
Trade debts	6	33,918,724
Loans and advances	7	3,128,442
Deposits and prepayments	8	3,617,806
Other receivables	9	1,731,705
Taxation - net		24,918,431
Cash and bank balances	10	62,890,643
		371,193,945
		<u><u>415,430,669</u></u>
<u>EQUITY AND LIABILITIES</u>		
SHARE CAPITAL AND RESERVES		
Issued, subscribed and paid-up capital	11	300,000,000
Unappropriated profit		32,533,968
Unrealized gain on re-measurement of available-for-sale investments		5,214,170
		<u>337,748,138</u>
CURRENT LIABILITIES		
Trade payables, accrued expenses and other liabilities	13	76,805,343
Sales tax and FED payable		877,188
		77,682,531
		<u><u>415,430,669</u></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 2018

	<i>Note</i>	30 September 2018 (Rupees)
INCOME		
Brokerage revenue	14	7,652,126
Share subscription income		-
Dividend income		1,550,900
Interest income from Treasury Bills		2,774,012
Profit on saving and deposit accounts		197,056
Loss on sale of investments		(20,552)
Other income	15	96,113
		<u>12,249,654</u>
EXPENSES		
Administrative expenses	16	(15,852,698)
Finance cost	17	(41,872)
		<u>(15,894,570)</u>
PROFIT BEFORE TAXATION		<u>(3,644,916)</u>
Taxation - current		(256,978)
- deferred		(79,529)
		<u>(336,506)</u>
PROFIT FOR THE PERIOD		<u>(3,981,422)</u>
UNAPPROPRIATED PROFIT BROUGHT FORWARD		36,515,390
UNAPPROPRIATED PROFIT		<u><u>32,533,968</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 2018							Rate of depreciation per annum
	Cost		Accumulated depreciation			Written down	%	
	As at 01 July 2018	Additions / (disposals)	As at 30 September 2018	As at 01 July 2018	Charge for the period / (disposals)	As at 30 September 2018		
----- (Rupees) -----								
Room and booths	14,500,000	-	14,500,000	9,062,524	181,251	9,243,775	5,256,225	5
Motor vehicles	1,309,900	-	1,309,900	581,870	65,496	647,366	662,534	20
Furniture and fixture	2,524,882	-	2,524,882	1,857,259	46,101	1,903,360	621,522	10
Office equipments	6,373,544	25,000	6,398,544	5,499,210	63,244	5,562,454	836,090	20
Computer equipment	6,305,897	-	6,305,897	5,516,634	74,018	5,590,652	715,245	20
	31,014,223	25,000	31,039,223	22,517,497	430,110	22,947,607	8,091,616	

2. INTANGIBLE ASSETS

	30 September 2018							Rate of Amortisation per annum
	Cost		Accumulated amortisation / impairment			Written down	%	
	As at 01 July 2018	Additions	As at 30 September 2018	As at 01 July 2018	Charge for the period	As at 30 September 2018		
----- (Rupees) -----								
Website	175,000	-	175,000	127,083	6,249	133,332	41,668	50
Computer software	3,199,849	-	3,199,849	3,024,849	175,000	3,199,849	-	50
Trading right entitlement certificate	2,500,000	-	2,500,000	-	-	-	2,500,000	-
	5,874,849	-	5,874,849	3,151,932	181,249	3,333,181	2,541,668	

3. LONG TERM INVESTMENTS	<i>Note</i>	30 September 2018 (Rupees)
Available for sale investments - (unquoted)		
Investment in shares of Pakistan Stock Exchange Limited		25,919,750
		<u>25,919,750</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>11,500</u>
		1,561,500
		<u>1,561,500</u>
5. SHORT TERM INVESTMENTS		
Available-for-sale		
Listed shares	5.1	91,770,070
Treasurry Bills	5.2	<u>149,218,124</u>
		<u>240,988,194</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 *		253,000
Pakistan Petroleum Limited *		118,000
Habib Bank Limited *		87,000
Attock Petroleum Limited *		7,500
Engro Fertilizer Limited *		86,000
Pioneer Cement Limited *		88,000
Engro Corporation Limited *		32,000
5.2 These Treasurry Bills will mature on 25 october 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		33,918,724
	6.1	<u>33,918,724</u>
6.1 The aging analysis of the trade debts is as follows:		
Upto 5 days		26,250,319
More than 5 days*		<u>7,668,404</u>
		<u>33,918,724</u>
* The custody available against these receivable is Rs. 2,006.710 million.		
7. LOANS AND ADVANCES		
Loan to employees - secured		37,681
Advances to employees - secured		442,761
Advance for expenses to contractors & suppliers		<u>2,648,000</u>
		<u>3,128,442</u>
8. DEPOSITS AND PREPAYMENTS		
Exposure deposit with National Clearing Company of Pakistan Limited		3,000,000
Prepayments		
- Insurance		432,963
- Others		<u>184,843</u>
		<u>3,617,806</u>

9. OTHER RECEIVABLES	<i>Note</i>	30 September 2018 (Rupees)
Dividend Receivable		1,463,900
Interest on PLS A/cs		144,762
Others		123,043
		<u>1,731,705</u>

10. CASH AND BANK BALANCES

Cash in hand		28,698
Cash with banks in:		
- Current accounts	<i>10.1</i>	56,421,941
- Saving accounts		1,696,741
- Call treasury deposit account		4,743,263
		<u>62,861,945</u>
		<u>62,890,643</u>

10.1 This includes Rs. 55.522 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 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>
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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	<i>12.1</i>	<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 2018 (Rupees)
Due to clients against trading of securities		72,854,407
Workers' Welfare Fund payable		509,179
Accrued expenses		<u>3,441,757</u>
		<u><u>76,805,343</u></u>
 14. BROKERAGE REVENUE		
Retail customers		3,028,305
Institutional customers		4,608,241
Proprietary trade		15,580
		<u>7,652,126</u>
 15. OTHER INCOME		
Other income		96,113
		<u>96,113</u>
 16. ADMINISTRATIVE EXPENSES		
Salaries and other benefits		9,699,581
Printing and stationery		29,700
Auditors' remuneration		135,684
Rent, rates and taxes		525,000
Vehicles running		609,118
Utilities		557,315
Legal and professional charges		265,711
Insurance		360,958
Newspapers and periodicals		18,016
Entertainment		2,480
Advertisement and business promotion		10,512
Computer expenses		321,879
Clearing house charges		1,117,662
Office security		160,369
Depreciation	<i>1</i>	430,110
Amortization	<i>2</i>	181,249
Repairs and maintenance		97,030
Conveyance and travelling		-
Communication		194,166
Fee and subscription		916,614
Lease rental of vehicles		146,820
Office supplies		55,725
Others		7,626
Postage		6,373
Donation		3,000
		<u>15,852,698</u>
 17. FINANCE COST		
Mark-up on short term running finance		26,408
Bank charges		15,464
		<u>41,872</u>

Chief Executive

Chief Financial Officer