



AL Habib Capital Markets (Pvt) Ltd.

A Subsidiary of Bank AL Habib Ltd.

AL Habib Capital Markets (Private) Limited

Statement of Net Capital Balance

As at 31 December 2018

(Excess of Current Assets over Current Liabilities determined in accordance with the requirements of Second Schedule of the Securities Broker (Licensing and Operations) Regulations, 2016 (the Regulations) read with Rule 2(d) of the Securities Exchange Commission (SEC) Rules 1971 (SEC Rules 1971) issued by the Securities and Exchange Commission of Pakistan (SECP)).

DESCRIPTION	VALUATION BASIS	Note	Sub Total (Rupees)	Total
<u>CURRENT ASSETS</u>				
Cash in hand and bank balances	As per book value	2		69,480,995
Cash deposited as margin with National Clearing Company of Pakistan Limited (NCCPL)	As per book value	3		18,000,000
Trade receivables	As per book value Less: Overdue for more than 14 days	4	28,137,214 (3,197,329)	24,939,885
Investment in listed securities in the name of broker	At market value Less: Securities not in exposure list Less: Securities pledged against Regulatory requirement Less: Outstanding exposure demand as on 31 December 2018 Less: Securities in exposure list marked to market less 15% discount	5	81,262,143 - (14,966,000) (1,964,732) 64,331,411 (9,649,712)	54,681,699
Securities purchased for customers	As per criteria in para 4.1 of clarification/guidelines			1,064,251
Market Treasury Bills	At market value	6		149,288,465
Total Current Assets		A		317,455,295
<u>CURRENT LIABILITIES</u>				
Trade payables	As per book value - trade base Less: Overdue for more than 30 days	7	92,035,035 (23,170,359)	68,864,676
Other liabilities	As per book value	8		29,588,038
Total Current Liabilities		B		98,452,714
Net Capital Balance as at 31 December 2018		A-B		219,002,581

The annexed notes 1 to 9 form an integral part of the statement.

Chief Executive Officer



Chief Financial Officer



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AL Habib Capital Markets (Pvt) Ltd.

Notes to the Statement of Net Capital Balance

As at 31 December 2018

1. STATEMENT OF COMPLIANCE

- 1.1 The statement of net capital balance ("the statement") has been prepared in accordance with the requirements of Second Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 (the Regulations) read with Rule 2(d) of the Securities Exchange Commission (SEC) Rules 1971 (SEC Rules 1971) issued by the Securities and Exchange Commission of Pakistan (SECP).
- 1.2 The accounting policies and methods of computation used in the preparation of the statement of net capital balance are disclosed in the audited financial statements for the six months period ended 31 December 2018. Therefore this statement should be read in conjunction with the aforesaid financial statements.
- 1.3 The valuation of current assets and current liabilities for the purpose of net capital balance has been determined on the basis of the following:

Description	Valuation Basis
Cash in hand or in bank	As per book value
Cash deposited as margin with National Clearing Company of Pakistan	As per book value
Trade receivables	Book value less those overdue for more than fourteen days.
Investment in listed securities in the name of broker	Securities on the exposure list marked to market less 15% discount.
Market Treasury Bills	At market value
Any other assets as specified by the Commission	As per the valuation basis as determined by the Commission.
Trade payables	Book value less those overdue for more than 30 days.
Other liabilities	As classified under the generally accepted accounting principles.

2. CASH IN HAND AND BANK BALANCES	Note	31 December 2018 (Rupees)
These are stated at book value.		
Cash in hand		12,040
Bank balances pertaining to:		
- Brokerage house - Current account		1,225,907
- Profit and loss sharing account		2,513,605
- Call Treasury Account		1,834,977
- Clients - current account		64,082,401
		<u>69,668,930</u>
Less: Adjustment to restrict client account to client-wise / overall creditors	2.1	(187,935)
		<u><u>69,480,995</u></u>



AL Habib Capital Markets (Pvt) Ltd.

- 2.1 The client's bank account balance amounting to Rs. 64,082,401 has been restricted to client wise trade payables balance on settlement base Rs. 63,894,466 for the purpose of Net Capital Balance in accordance with clause 1.5 A of clarification / guidelines issued by SECP on 08 September 2016.

3. CASH DEPOSITED AS MARGIN WITH NCCPL

This represents cash deposited with National Clearing Company of Pakistan Limited against the exposure margin deposits. Deposits held with PSX and NCCPL as basic deposits have not been included as per the clarifications issued by Securities and Exchange Commission of Pakistan (SECP).

4. TRADE RECEIVABLES

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

	31 December 2018 (Rupees)
Total receivable	28,137,214
Less: Outstanding for more than 14 days	(3,197,329)
Balance generated within 14 days and/or not yet due	<u>24,939,885</u>

5. INVESTMENTS IN LISTED SECURITIES IN THE NAME OF BROKER

31 December 2018				31 December 2018	
Number of shares	Name of investee	Note	Carrying amount	Market value	
					(Rupees)
253,000	The Hub Power Company Limited		24,920,159	21,704,870	
147,315	Pakistan Petroleum Limited	5.1	24,700,784	22,047,163	
87,000	Habib Bank Limited		14,748,629	10,479,150	
310,000	Pakistan Stock Exchange Limited		5,925,000	4,206,700	
9,000	Attock Petroleum Limited		4,617,590	3,883,320	
32,000	Engro Corporation Limited		10,075,009	9,314,560	
86,000	Engro Fertilizer Limited		6,191,759	5,938,300	
88,000	Pioneer Cement Limited		4,984,574	3,688,080	
			<u>96,163,504</u>	<u>81,262,143</u>	

- 5.1 This includes 100,000 shares (30 June 2018 : 45,000) pledged against Base Minimum Capital.

6. MARKET TREASURY BILLS

These Treasury Bills have been valued at market value as prescribed in Rule 2 (d) of the Third Schedule of the Securities and Exchange Rules, 1971.

7. TRADE PAYABLES

This represents balances payable against trading of shares less trade payable balance overdue for more than 30 days which have been included in other liabilities (refer note 8).



8. OTHER LIABILITIES

These represents current liabilities, and trade payable which are overdue for more than 30 days. Other liabilities are stated at book value.

The break up is as follows:

	<i>Note</i>	31 December 2018 (Rupees)
- Accrued expenses		4,171,411
- Workers' Welfare Fund		509,179
- Other liabilities		972,432
- Payable to Provident Fund		383,422
- Sales tax and FED payable		381,235
- Trade payables overdue for more than 30 days	7	<u>23,170,359</u>
		<u><u>29,588,038</u></u>

9. GENERAL

9.1 Restriction of distribution of statement

This statement is prepared to meet the requirements of the Securities & Exchange Commission of Pakistan (SECP), Pakistan Stock Exchange (PSX) and National Clearing Company of Pakistan Limited (NCCPL). Therefore, this statement may not be suitable for any other purpose and should not be distributed to parties other than AL Habib Capital Markets (Private) Limited (the Securities Broker), SECP, PSX or NCCPL.

9.2 Date of issuance

This statement is being authorized for issue on 12 MAR 2019



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Chief Executive Officer



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Chief Financial Officer