

NINE MONTHS  
REPORT  
31 March  
2013

striving  
to excel

 ARIF HABIB  
LIMITED

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## Corporate Information



### Board of Directors

Ms. Sharmin Shahid (Chairperson)  
Mr. Muhammad Shahid Ali (Chief Executive Officer)  
Mr. Amanullah Suleman  
Mr. Haroon Usman  
Ms. Nida Ahsan  
Mr. Abdullah A. Rahman  
Mr. Muhammad Rafique Bhundi

### Audit Committee

Mr. Haroon Usman (Chairman)  
Ms. Nida Ahsan  
Mr. Abdullah A. Rahman

### Human Resource & Remuneration Committee

Mr. Haroon Usman (Chairman)  
Mr. Muhammad Shahid Ali  
Ms. Nida Ahsan

### Company Secretary & CFO

Mr. Zia-ur-Rahim Khan  
Email: secretariat@arifhabibltd.com

### Equity Brokerage

Mr. Muhammad Imran  
Phone : 32462596, Ext: 227  
Email : m.imran@arifhabibltd.com  
sales@arifhabibltd.com

### Inter Bank Brokerage

Mr. Zilley Askari  
Phone: 32400223, Ext: 206  
Email: askari@arifhabibltd.com  
mm.fx@arifhabibltd.com

### Corporate Finance

Mr. Muhammad Rafique Bhundi  
Phone : 32460741, Ext: 232  
Email : rafique.bhundi@arifhabibltd.com  
cf@arifhabibltd.com

### Research

Mr. Khurram Schehzad  
Phone : 32460742, Ext: 222  
Email : k.shehzad@arifhabibltd.com  
research@arifhabibltd.com

**Auditors**

M/s. Rahman Sarfaraz Rahim Iqbal Rafiq  
Chartered Accountants

**Legal Advisors**

M/s. Bawaney & Partners

**Bankers**

Allied Bank Ltd.  
Askari Bank Ltd.  
Bank Al Falah Ltd.  
Bank Al Habib Ltd.  
Bank Islami Pakistan Ltd.  
Habib Bank Ltd.  
Habib Metropolitan Bank Ltd.  
JS Bank Ltd.  
KASB Bank Ltd.  
MCB Bank Ltd.  
NIB Bank Ltd.  
Soneri Bank Ltd.  
Standard Chartered Bank (Pakistan) Ltd.  
Summit Bank Ltd.  
The Bank of Khyber  
The Bank of Punjab  
United Bank Ltd.

**Registered Office**

Arif Habib Centre  
23, M.T. Khan Road, Karachi-74000.  
UAN : 111-245-111  
Fax No. : 32416072 – 32429653  
E-mail : ahl@arifhabibltd.com  
Website : www.arifhabibltd.com

**Registrar & Share transfer Office**

Share Registrar Department  
Central Depository Company of Pakistan Ltd.  
CDC House, 99-B, Block-B  
S.M.C.H.S., Main Shahra-e-Faisal  
Karachi-74400.  
Tel: Customer Support Services (Toll Free)  
0800-CDCPL (23275)  
Fax : (92-21) 34326053  
Email : info@cdcpak.com  
Website : www.cdcpakistan.com

## Directors' Report

On behalf of the Board of Directors of ArifHabib Limited (AHL), I am pleased to present the nine month report of the Company for the year 2012-13 together with the condensed interim financial information of the nine month period ended March 31, 2013 as per the accounting, regulatory and legal standards / requirements.

### Economic Performance

Despite some macroeconomic indicators turning unfavorable during FY13TD, Pakistan's economy showed improvement on account of higher remittances, lower inflation and favorable discount rates. On the external front, current account posted a deficit of USD 1,028mn in 9MFY13 compared to a deficit of USD 3,038mn during the same period last year, down 66% YoY. A reasonable growth in remittances (+6% YoY) and massive receipts under the Coalition Support Fund (USD 1.2bn) remained the underlying factors for current account deficit to shrink this year. With oil prices averaging around a level of USD 109/bbl during 9MFY13, country's import bill also shrank by 3% YoY clocking in at USD 29bn as compared to USD 30bn recorded in corresponding period last year. During this period, the exchange rate parity also averaged at PKR 96.23 per US dollar, marking 4.4% depreciation on a YoY basis.

However, country's fiscal side remained under pressure with government making a borrowing of PKR 722bn during the 9MFY13 to finance its budget deficit, leaving little room for private sector credit. On the other hand, the revenue side also remained constrained with the tax collection totaling PKR 1.01tr during 1HFY13 against revised full year target of PKR 2.1tr. However, a cushion was provided by inflation that went down to single digit averaging 8% in 9MFY13. This gave room to central bank for cutting discount rate by 250bps to 9.5% in Dec'12 (Aug'12: 150bps, Oct'12: 50bps and Dec'12: 50bps). In its successive monetary policy announcement recently, the State Bank of Pakistan has kept the rate unchanged.

Going forward, we foresee economy encountering pressures in both fiscal and external accounts. This would be mainly due to the repayments to the IMF (USD 866mn in remaining months of FY13), sluggish economic growth, uncertainty on the political front, inflationary pressures and deteriorating energy situation in the country.

### Market Performance

The benchmark KSE100 index posted a strong 31% return during 9MFY13 as it traced a rising trajectory from 13,801 levels to end the period at 18,043. Liquidity of the market improved by a hefty 59% YoY to 170mn shares during 9MFY13 compared to 107mn shares exchanging hands in the same period last year. Interest of the foreign investors was revitalized with promising performance of the market, evident from a 62% YoY improvement in Foreign Investment Portfolio Investment (FIPI) inflows to USD 228mn, compared to USD 141mn in the corresponding period last year.

Pakistan's equity market is trading at attractive valuations (PE 7.3x, Dividend yield 6.7%, PB 1.5x) offering a deep discount to regional markets, inviting investors to large potential gains. On the other side, severe energy crisis and bleak law & order situation is hampering business activities in the country. Going forward, the situation is expected to improve as Pakistan is witnessing first ever democratic transfer to a new government, which will strengthen the institutional foothold for the sustainability of democratic process and setting the sail towards new prosperous horizon.

### Financial Performance

By the grace of Almighty Allah, your company has continued to perform well and achieved healthy profitability during the nine month under review. The Company has posted a profit of PKR.467.20 mn (PKR. 387.86 mn) this resulting in an EPS of PKR.9.34 (PKR.7.76).

During this period the brokerage and corporate finance division witnessed an outstanding growth. The brokerage revenue increased to PKR. 83.46 mn (PKR. 66.89 mn) and Corporate Finance income rose manifold to PKR. 19.14 mn (PKR.3.17 mn). The Company's investment portfolio has also done significantly well, yielding the combined realized and unrealized revenue of PKR. 420 mn (PKR. 521 mn).

On the expense side, the administrative cost went up to PKR.182.69 mn(PKR.169.82mn) on account of higher trading cost due to increasing volumes, higher staff salary etc. Our financial costs posted at PKR.136.50 mn (PKR.124.93mn) as higher borrowings were deployed in the opportunistic investments' which has done extremely well.

Thanks to continually good profits during the nine month period, total equity of the Company has increased by 30% to PKR.1.4bn (PKR.1.1bn). The healthier equity level was achieved despite the release of PKR. 135 mn reserves for cash dividends approved in the AGM held on September 22, 2012.

### New Business Line

By the grace of Almighty Allah, your company has been sanctioned the license of money market & forex brokerage from the Financial Markets Association of Pakistan. We have deployed a team of experienced and competent dealers to add value to the Company.

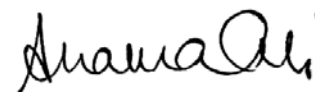
### Future Prospects

The future prospects of our Company look as positive on account of growing market volumes and the expected increase in our market share. We are targeting to generate brokerage from foreign business going forward on account of our increasing relationship with foreign fund managers and broker dealers. We are confident to improve our market share in local and international brokerage and also from money market desk.

### Acknowledgement

Our company is consistently and sustainably profitable since financial crisis, and attaining increasing scope of customers, products and customer service. The Board of Directors is thankful to company's valued customers, SECP, stock exchanges, shareholders and the business partners, without whose continued support and guidance we would not be able to pursue our strategy and good performance. The dedicated contribution put in by the company employees is also sincerely appreciated.

For and on behalf of the board



**Muhammad Shahid Ali**  
Chief Executive Officer and Director  
April 25, 2013  
Karachi.



Un Audited Financial Information  
for the Nine Months Period Ended  
March 31, 2013

**CONDENSED INTERIM BALANCE SHEET**

As at March 31, 2013

	Notes	Un audited March 31, 2013	Audited June 30, 2012
Rupees			
<b>ASSETS</b>			
<b>NON- CURRENT ASSETS</b>			
Property, plant and equipment	5	65,345,994	73,277,343
Intangible assets	6	69,353,452	69,716,293
Long term investments	7	154,342,551	33,000,000
Investment property		311,253,600	53,000,000
Advance against investments		-	154,428,115
Long term deposits		4,594,700	4,664,700
		<b>604,890,297</b>	<b>388,086,451</b>
<b>CURRENT ASSETS</b>			
Short term investments		1,809,303,043	1,519,733,697
Trade debts - considered good		658,981,802	746,748,191
Receivable against sale of securities- net		-	529,534,120
Short term loans		1,068,249	1,586,536
Trade deposits and prepayments		43,986,758	15,499,960
Other receivables		3,348,890	8,798,436
Cash & bank balances		15,786,815	47,956,149
		<b>2,532,475,557</b>	<b>2,869,857,089</b>
<b>TOTAL ASSETS</b>		<b>3,137,365,854</b>	<b>3,257,943,540</b>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
<b>Authorized Capital</b>			
75,000,000 (June 2012: 50,000,000) ordinary shares of Rs.10/- each		<u>750,000,000</u>	<u>500,000,000</u>
Issued, subscribed & paid-up capital		500,000,000	450,000,000
Unappropriated profits		928,145,193	645,946,335
		<b>1,428,145,193</b>	<b>1,095,946,335</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Liabilities against assets subject to finance lease		1,713,671	2,497,747
Loan from associate		290,720,986	262,270,429
		<b>292,434,657</b>	<b>264,768,176</b>
<b>CURRENT LIABILITIES</b>			
Short term borrowings- secured		1,138,708,983	1,653,936,052
Current portion of liability subject to finance lease		1,030,490	964,541
Trade and other payables		245,362,736	198,202,436
Markup accrued		30,954,955	41,951,956
Taxes payable		728,840	2,174,044
		<b>1,416,786,004</b>	<b>1,897,229,029</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	8	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,137,365,854</b>	<b>3,257,943,540</b>

The annexed notes 1 to 12 form an integral part of the condensed interim financial information.



Chief Executive Officer



Director



Chief Financial Officer



**CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UN AUDITED)**

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2013

	Nine Months ended		Third Quarter ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	Rupees			
Operating revenue	127,824,540	111,711,433	51,027,065	68,029,910
Capital gain on sale of short term investments	176,941,938	257,538,951	63,415,497	81,580,035
Unrealized gain on re-measurement of short term investments	218,184,996	263,188,514	20,114,371	297,895,697
Unrealized gain on remeasurement of investment property	96,253,788	-	-	-
	<b>619,205,262</b>	<b>632,438,899</b>	<b>134,556,933</b>	<b>447,505,642</b>
Administrative and operating expenses	(182,692,023)	(169,817,763)	(29,725,098)	(119,561,157)
Finance costs	(136,502,858)	(124,934,353)	(46,345,109)	(44,232,210)
Other operating income	181,669,931	79,070,393	21,871,905	29,544,337
Other charges	-	(2,800,000)	-	(2,400,000)
<b>Profit before taxation</b>	<b>481,680,312</b>	<b>413,957,176</b>	<b>80,358,631</b>	<b>310,856,613</b>
Taxation	(14,481,454)	(26,096,186)	(8,913,259)	(7,726,858)
<b>Profit after taxation</b>	<b>467,198,858</b>	<b>387,860,989</b>	<b>71,445,372</b>	<b>303,129,755</b>
<b>Earning per share - basic and diluted</b>	<b>9.34</b>	<b>7.76</b>	<b>1.43</b>	<b>6.06</b>

The annexed notes 1 to 12 form an integral part of the condensed interim financial information.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN AUDITED)**

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2013

	Nine Months ended		Third Quarter ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
			Rupees	
Profit for the nine months and third quarter period ended	467,198,858	387,860,989	71,445,372	303,129,755
Other comprehensive income for the nine months and third quarter period ended	-	-	-	-
Total comprehensive income for the nine months and third quarter period ended	467,198,858	387,860,989	71,445,372	303,129,755

The annexed notes 1 to 12 form an integral part of the condensed interim financial information.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN AUDITED)**

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2013

	Issued, subscribed & paid up capital	Unappropriated profits	Total
	Rupees		
Balance as at July 1, 2011	450,000,000	280,035,022	730,035,022
Comprehensive income for the nine month period ended on March 31,2012	-	387,860,989	387,860,989
<b>Balance as at March 31,2012</b>	<b>450,000,000</b>	<b>667,896,011</b>	<b>1,117,896,011</b>
Balance as at July 1, 2012	450,000,000	645,946,335	1,095,946,335
Bonus shares allocated @ 11.11% for the year ended June 30, 2012 (2011: Nil)	50,000,000	(50,000,000)	-
Cash dividend paid @ 30% for the year ended June 30, 2012 (2011: Nil)		(135,000,000)	(135,000,000)
Comprehensive income for the nine month period ended on March 31,2013	-	467,198,858	467,198,858
<b>Balance as at March 31, 2013</b>	<b>500,000,000</b>	<b>928,145,193</b>	<b>1,428,145,193</b>

The annexed notes 1 to 12 form an integral part of the condensed interim financial information.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

**CONDENSED INTERIM CASHFLOW STATEMENT (UN AUDITED)**

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2013

	Note	Nine months ended	
		March 31, 2013	March 31, 2012
Rupees			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		481,680,312	413,957,175
Adjustments for:			
Depreciation		8,427,169	9,722,637
Amortization of intangible asset		362,840	474,237
Loss on disposal of investment property		-	(2,800,000)
Gain on disposal of property, plant and equipment		(274,523)	(9,030)
Gain/(loss) on re-measurement of short term investments		(218,184,995)	(263,188,514)
Loss / (gain) on short term investment		(176,941,938)	(40,904,478)
Unrealized gain /(loss) on re-measurement of investment property		(96,253,788)	-
Dividend income		(25,230,441)	-
Gain on initial recognition		(121,342,551)	-
Provision against doubtful debts		87,826,947	-
Finance costs		136,502,858	124,934,353
		<b>(405,108,422)</b>	<b>(171,770,795)</b>
<b>Cash generated from operating activities before working capital changes</b>		<b>76,571,890</b>	<b>242,186,380</b>
<b>Effect on cash flow due to working capital changes</b>			
<b>(Increase)/decrease in current assets</b>			
Short-term investments		105,557,588	(600,091,197)
Trade debts		(60,558)	(443,496,384)
Receivable against sale of securities- Net		529,534,120	-
Short term loans		518,287	194,349
Deposits and short-term prepayments		(28,486,799)	(4,844,257)
Other receivables		7,166,251	(26,605,067)
<b>Increase/(decrease) in current liabilities</b>			
Trade and other payables		47,160,300	1,020,088,579
		<b>661,389,188</b>	<b>(54,753,977)</b>
<b>Cash generated from operations</b>		<b>737,961,078</b>	<b>187,432,403</b>
Taxes paid		(15,926,657)	(7,120,715)
Finance costs paid		(119,004,802)	(88,310,544)
<b>Net cash generated from operating activities</b>		<b>603,029,619</b>	<b>92,001,145</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment	5	(1,001,917)	(388,847)
Proceeds from disposal of property, plant and equipment	5	736,120	319,904
Acquisition of intangible assets		-	(2,091,513)
Expenditure on investment property		(7,571,697)	-
Sale proceeds on disposal of Investment property		-	33,700,000
Dividends received		23,513,737	40,904,478
Long term deposits		70,000	-
<b>Net cash generated from investing activities</b>		<b>15,746,242</b>	<b>72,444,022</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of finance lease liability		(718,127)	(656,297)
Dividend paid		(135,000,000)	-
<b>Net cash used in financing activities</b>		<b>(135,718,127)</b>	<b>(656,297)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>483,057,734</b>	<b>163,788,870</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>(1,605,979,903)</b>	<b>(82,298,006)</b>
<b>Cash and cash equivalents at the end of the period</b>	10	<b>(1,122,922,168)</b>	<b>81,490,864</b>

The annexed notes 1 to 12 form an integral part of the condensed interim financial information.



Chief Executive Officer



Director



Chief Financial Officer

**CONDENSED INTERIM SELECTED NOTES TO THE FINANCIAL INFORMATION (UN AUDITED)**

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2013

**1 STATUS AND NATURE OF BUSINESS**

- 1.1 Arif Habib Limited (the Company) is a public listed company incorporated in Pakistan under the Companies Ordinance, 1984. The shares of the Company are quoted on Karachi and Lahore stock exchanges of Pakistan. The Company was initially incorporated as an unquoted public limited company wholly owned by Arif Habib Corporation Limited (the parent company). Subsequently, the Parent Company offered its 25% share holding in the Company to general public and the Company obtained listing on Karachi Stock Exchange Limited on January 31, 2007.

The Company is holder of Trading Right Entitlement Certificate (TRE) Holder of Karachi, Lahore and Islamabad Stock Exchanges. The principal activities of the Company are Investments, share brokerage, Inter bank brokrage, Initial Public Offer (IPO) underwriting, advisory and consultancy services.

The registered office of the Company is situated at Arif Habib Centre, 23 M.T. Khan Road, Karachi.

- 1.2 The Parent Company holds 79.38% shares of the Company.

- 1.3 Arif Habib Limited subscribed 100% ownership of Arif Habib Commodities (Pvt) Limited, as detailed in note 6 of the financial statements for the year ended June 30, 2012. The business of subsidiary comprises of commodity brokerage and commodity investments in Commodity exchanges i.e. Pakistan Mercantile Exchange Limited.

The Securities and Exchange Commission of Pakistan vide its letter bearing No. EMD/233/683/2002-48 dated July 18, 2012 have exempt the Company from the applicability of the provisions of the Section 237 "Consolidated Financial Statements". Hence, the Consolidated Financial statements of the Company has not been presented.

**2 BASIS OF PREPARATION****Statement of compliance**

These condensed interim financial statements of the Company for the nine month ended March 31, 2013 have been prepared in accordance with the requirements of the international Accounting Standard 34 "Interim Financial Reporting" and provision and directives issued under the Companies Ordinance, 1984 have been followed.

These condensed interim financial statement are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and the listing regulation of the Stock Exchanges of Pakistan where the company is listed.

The comparative balance sheet presented in these condensed interim financial statements as at June 30, 2012 has been extracted from the audited financial statements of the Company for the year ended June 30, 2012, whereas the comparative profit and loss account, statement of comprehensive income, statement of changes in equity and the cashflow statement for the nine months ended March 31, 2012 has been taken from the published Financials for the nine months than ended.

**3 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended June 30, 2012.

Amendments to certain existing standards and new interpretation on approved accounting standards that become effective during the period either were not relevant to the Company's operations or did not have any significant impact on the accounting policies of the Company.

**CONDENSED INTERIM SELECTED NOTES TO THE FINANCIAL INFORMATION (UN AUDITED)**

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2013

**4 ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of the condensed interim financial information in conformity with approved accounting standards require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

In preparing the condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the preceding published annual financial statements of the Company as at and for the year ended June 30, 2012.

**5 PROPERTY, PLANT & EQUIPMENT**

During the nine months period ended March 31, 2013, addition made amounting to Rs. 0.957 million (June 2012: 0.578 million) which comprised of computer and allied and vehicals. Further, assets having WDV of Rs. 0.462 million where sold for Rs. 0.736 million (June 2012: WDV OF Rs. 0.320 million where sold of Rs. 0.329 million).

6	INTANGIBLE ASSETS	Note	March 31,	June 30,
			2013	2012
			Rupees	
	Computer software		1,698,452	2,061,293
	Trading right entitlement certificate and offices	6.1	67,655,000	67,655,000
			<b>69,353,452</b>	<b>69,716,293</b>

**6.1 TRADING RIGHT ENTITLEMENT CERTIFICATE AND OFFICES**

	<b>Trading right entitlement certificates</b>	6.1.1	<b>26,000,000</b>	26,000,000
	<b>Offices</b>			
	Islamabad Stock Exchange Limited		22,005,000	22,005,000
	Lahore Stock Exchange Limited		17,550,000	17,550,000
			<b>39,555,000</b>	<b>39,555,000</b>
	<b>Booths</b>			
	Karachi Stock Exchange Limited		2,100,000	2,100,000
			<b>67,655,000</b>	<b>67,655,000</b>

6.1.1 This represents the cost of membership cards of stock exchanges which are surrendered to the stock exchanges under the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 and Trading Right Entitlement (TRE) Certificate are issued to the members carrying the similar rights.

7	LONG TERM INVESTMENTS	Note	March 31,	June 30,
			2013	2012
			Rupees	
	At cost	7.1	33,000,000	33,000,000
	Through profit and loss	7.2	121,342,551	-
			<b>154,342,551</b>	<b>33,000,000</b>

**7.1 At cost**

This represent paid up share capital constituting 100% ownership in Arif Habib Commodities (Pvt) Limited (AHCPL) which was incorporated as a wholly owned subsidiary for the purpose of expanding non-core revenue stream of the commodity brokerage.

**CONDENSED INTERIM SELECTED NOTES TO THE FINANCIAL INFORMATION (UN AUDITED)**

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2013

**7.2 Through profit and loss Investment**

This includes the shares of Stock Exchanges received by the Company in pursuance of Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 (the Demutualization Act). The total number of shares received by the company are 7,885,962 with a face value of Rs. 10 each. These includes 4,731,577 (60% shares) which are held in separate CDC blocked account to restrict the sale of these shares by the members whereas stock exchanges will dispose off these shares under the Demutualization Act, however the proceeds of these shares and right to dividend / bonus is vested with member whereas voting rights attached to these shares are suspended.

The fair value of these shares is determined by the Company on the basis of valuation technique as allowed under the relevant accounting standard of the stock exchanges incorporating the observable market input and represents the lowest possible value to be materialized by the company.

These shares are initially recognized at fair value of Rs. 121.342 million and classified as through profit and loss investment at the initial stage. However, subsequently the ICAP through its opinion has required the investment to be classify as available for sale and hence the classification has been changed accordingly.

March 31, 2013	June 30, 2012
Rupees	

**8 CONTINGENCIES AND COMMITMENTS****COMMITMENTS**

Following commitments are outstanding as at the period end.

- Outstanding settlement against sale/purchases of securities in future market.	<b>6,232,615</b>	164,721,490
- Outstanding Settlements against MarginTrading contracts	<b>718,837,754</b>	262,917,405
- Outstanding Settlements against (purchase)/sale of securities in regular market.	<b>6,232,615</b>	12,055,180
- Guarantee given by a commercial bank on behalf of the company	<b>100,000,000</b>	100,000,000

**CONTINGENCIES**

There were no know contingencies at the period end.

**9 RELATED PARTY DISCLOSURE**

Related parties comprise of group companies directors and their close family members, major shareholders of the Company, key managemnet personnel and staff providedn fund. Remuniration and benefits to the executives of the Company are in accordance with the terms and condition of the employment while contribution to the provided fund is in accordance with staff service rules. Transactions with related parties during the period other than those disclosed elcewhere in the Condensed Interim Financial Information are given below:

**CONDENSED INTERIM SELECTED NOTES TO THE FINANCIAL INFORMATION (UN AUDITED)**

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2013

	March 31 2013	March 31 2012
Brokerage commission and other services to:	Rupees	
Parent	8,953,349	6,778,513
Group companies	5,138,894	3,622,978
Key management personnel	3,189,844	473,113
Other related parties	1,770,937	6,800,025
Rent paid associated company	15,673,680	17,241,048
Rent income from Subsidiary	1,800,000	-
Dividend paid to related parties	103,543,227	-
Remuneration to CEO & directors	10,826,415	8,459,485
Contribution to staff provident fund	1,489,706	1,323,788
Balances with related parties at the end of the period are as follows:	March 31 2013	June 2012
<b>(Advances to) / receivable from related parties</b>	Rupees	
Parent	102,369,422	-
Group Companies	11,277,288	-
Subsidiary	600,000	-
Key management personnel	9,848,250	10,823,571
Other related parties	1,117,166	-
Investment in		
Related parties	1,143,624,696	1,096,360,077
Subsidiary	33,000,000	-
Payable to related parties:		
Key management personnel	-	10,430,000
Other related parties	10,433,984	483,113,218

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company as at and for the year ended June 30, 2012.

**10 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents at the end of the reporting year as shown in the cash flow statement are reconciled to the related items in the balance sheet as follows:

	March 31 2013	March 31 2012
	Rupees	
Cash and bank balances	15,786,815	1,089,756,636
Short term borrowings	(1,138,708,983)	(1,008,265,772)
	<u>(1,122,922,168)</u>	<u>81,490,864</u>

**14 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue by the Board of Directors in meeting held on April 13, 2013.

**15 GENERAL**

Figures have been rounded off to the nearest rupee.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer





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