

Progression Towards **New Horizons**



quarterly report  
september 30, 2017

Progression Towards

# New Horizons



**At Arif Habib Limited (AHL),** we constantly strive to reach new heights in all that we associate ourselves in. Our **Progression Towards New Horizons** is testament to the corporate goals and objectives we set.

Our theme depicts the upward flight of a flock of birds, who are known to do so in a seamless and structured manner. This is very much in line with how we set our Company's progression in our day-to-day activities. The flock is shown to be soaring towards new horizons, an acknowledgment of where we as a Company see ourselves.

# Horizons

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# Corporate Information

## Board of Directors

Mr. Zafar Alam  
Chairman & Non-executive Director

Mr. Muhammad Shahid Ali Habib  
Chief Executive Officer & Executive Director

Mr. Ali Murtaza Kazmi  
Independent Director

Mr. Haroon Usman  
Non-executive Director

Ms. Sharmin Shahid  
Non-executive Director

Ms. Nida Ahsan  
Non-executive Director

Dr. Muhammad Sohail Salat  
Independent Director

## Audit Committee

Mr. Ali Murtaza Kazmi  
Chairman

Mr. Haroon Usman  
Member

Ms. Nida Ahsan  
Member

## Human Resource & Remuneration Committee

Mr. Haroon Usman  
Chairman

Mr. Muhammad Shahid Ali Habib  
Member

Ms. Nida Ahsan  
Member

## Company Secretary & CFO

Mr. Muhammad Taha Siddiqui

## Auditors

M/s. Rahman Sarfaraz Rahim Iqbal Rafiq  
Chartered Accountants

## Credit Rating

JCR-VIS Credit Rating Company Limited

## Legal Advisors

M/s. Bawaney & Partners

## Bankers

Allied Bank Limited  
Askari Bank Limited  
Bank Alfalah Limited  
Bank Al Habib Limited  
Bank Islami Pakistan Limited  
Dubai Islamic Bank Pakistan Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
JS Bank Limited  
MCB Bank Limited  
National Bank of Pakistan  
NIB Bank Limited  
Sindh Bank Limited  
Soneri Bank Limited  
Standard Chartered Bank (Pakistan) Limited  
Summit Bank Limited  
The Bank of Khyber  
The Bank of Punjab  
United Bank Limited

## Registrar & Share Transfer Office

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

## Registered Office

Arif Habib Centre  
23, M.T. Khan Road Karachi-74000  
UAN: (92-21) 111-245-111  
Fax No: (92-21) 32416072; 32429653  
E-mail: [info@arifhabibltd.com](mailto:info@arifhabibltd.com)  
Company website: [www.arifhabibltd.com](http://www.arifhabibltd.com)  
Online Trade: [www.ahletrade.com](http://www.ahletrade.com)  
Branch Reg. No: BOA-050/01



# Director's Report

Dear Fellow Members of Arif Habib Limited

On behalf of the Board of Directors of Arif Habib Limited (AHL), I am pleased to present the First Quarter Report of the Company for the year 2017-18 together with the financial statements of the quarter as per the accounting, regulatory and legal standards/requirements.

## Business environment

Major economic indicators remained favorable as GDP growth is expected to surpass 5.5% due to strong growth from manufacturing sector. The LSM sector recorded growth of 12.98% in Jul'17. During 1QFY18, inflationary pressure on the economy relieved with CPI averaging at 3.39% as compared to 3.88% in 1QFY17. As a result SBP kept the policy rate unchanged at 5.75% during the period under review. On external account, increase in exports by 12.4% in 1QFY18 led by textile group kept the pressure on external account in check whereas imports were significantly up by 25% in 1QFY18 amid rise in import of transport group for CPEC related projects coupled with increase in imports of petroleum products. Moreover, workers remittances stands at USD 4.80 billion, increased by meager 1% on yearly basis. Hence, Current account deficit jumped by 117% YoY to USD 3.56 billion as compared to USD 1.64 billion in 1QFY17.

## Stock Market

The KSE-100 index posted a negative return of 8.93% in 1QFY18 to close at 42,409 points. Pressure on stock market stems from i) Increasing Trade deficit, ii) Political apprehension given Apex Court verdict against ex-prime minister to step down which resulted in 4,803 points or 10.4% plunged from index and iii) major selling from foreigners kept the benchmark KSE-100 under check. Major negative contribution emanated from Commercial banks, Cements and Automobile Assemblers whereas during the period support was derived from Oil & Gas Exploration Companies and Food & Personal Care sector.  
Your company's Performance

By the grace of Almighty Allah, your Company has posted after tax profit of PKR 33.45 million (1QFY17: PKR 357.95 million) which translate in an EPS of PKR 0.61 (1QFY17: PKR 6.51).

The first quarter of FY18 witnessed a major decline of 47% in volumes and of 27% in traded values compared to first quarter FY17. However, the brokerage division managed to perform well with a decline by 19% from the same period last year and posted a total brokerage revenue of PKR 71.91 million (1QFY17: PKR. 89.02 million). The Investment Banking division continues to perform well with revenues standing at PKR 69.92 million (1QFY17: PKR 63.55 million) from the same period last year, a solid increase of 9%.

Your Company has done well in expense management with administrative and operating expenses decreasing by a 23% as compared to the same period last year. The decrease is due to the fact that the

Company have exercised strict cost control. Our finance cost for the period has decreased and posted a total of PKR 39.88 million (1QFY17: PKR 45.32 million). The decrease is due to rate cut on borrowing and effective management of funds by the Company.

The equity of the Company as at the balance sheet date is PKR 2.68 billion (June 2017: PKR 3.20 billion) which translates into book value per share of PKR 48.81 (June 30, 2017: PKR 58.20). The

# Director's Report

Dear Fellow Members of Arif Habib Limited

equity level decreased due to the release of PKR 550 million reserves for cash dividends approved in the AGM held on September 23, 2017.

## Future prospects

The future prospects of your Company are very encouraging on account of the Management's efforts in increasing the Company's market share and through wider participation in all its business segments. The Company is striving to yield better volumes from its existing clientele as well as prospective foreign and domestic clients, by expanding and growing relationships with them through the Company's premium suite of services. This includes offering novel products and services through augmenting the Company's high quality Research.

The Management also foresees increased activity on account of new equity and debt listings for which the Investment Banking Division is well poised.

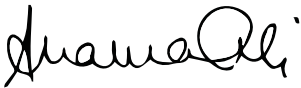
The Management is buoyant that the Company's investment portfolio will continue to demonstrate lucrative results, as the economy and the market continues to offer rewarding investment opportunities.

## Acknowledgement

We are grateful to the Company's shareholders for their continuing confidence and patronage. We record our sincere appreciation to all Stakeholders and to our Parent Company, the State Bank of Pakistan, the Securities & Exchange Commission of Pakistan and the Management of Pakistan Stock Exchange Limited for their unwavering support and guidance.

We acknowledge and appreciate the hard work put in by the employees of the Company during the period. We also acknowledge the valuable contribution and active role of the members of the Board Committees in supporting and guiding the management on matters of great importance.

For and on behalf of the Board of Directors,



**Muhammad Shahid Ali Habib**  
Chief Executive Officer and Director

Karachi,  
Dated: October 26, 2017

# Financial Statements





# Condensed Interim Balance Sheet

As At September 30, 2017

	Un audited September 30, 2017	Audited June 30, 2017
Note	Rupees	
<b>ASSETS</b>		
<b>NON- CURRENT ASSETS</b>		
Property, plant and equipment	5 39,696,510	40,928,161
Intangible assets	9,916,575	10,093,747
Long term investments	172,314,337	172,314,338
Investment property	6 1,039,059,219	369,211,719
Long-term deposits	16,957,540	19,033,324
	<b>1,277,944,181</b>	<b>611,581,289</b>
<b>CURRENT ASSETS</b>		
Short term investments	7 3,727,777,594	3,263,767,965
Trade debts - considered good	73,567,780	74,783,140
Receivable against Margin Financing	562,533,565	559,457,704
Short term loans - secured	3,546,496	4,034,172
Trade deposits and prepayments	29,987,097	137,215,090
Other receivables	173,825,228	209,351,235
Cash and bank balances	573,462,352	832,793,413
	<b>5,144,700,112</b>	<b>5,081,402,719</b>
<b>TOTAL ASSETS</b>	<b>6,422,644,293</b>	<b>5,692,984,008</b>
<b>EQUITY AND LIABILITIES</b>		
<b>CAPITAL AND RESERVES</b>		
<b>Authorized Capital</b>		
75,000,000 (June 2015: 75,000,000) ordinary of PKR10/- each	<b>750,000,000</b>	<b>750,000,000</b>
Issued, subscribed and paid-up capital	<b>550,000,000</b>	<b>550,000,000</b>
Unappropriated profits	<b>2,119,083,635</b>	<b>2,635,627,251</b>
	<b>2,669,083,635</b>	<b>3,185,627,251</b>
Surplus on revaluation	<b>15,432,500</b>	<b>15,432,500</b>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Liabilities against assets subject to finance lease	<b>331,709</b>	<b>470,480</b>
<b>CURRENT LIABILITIES</b>		
Short term borrowings- secured	<b>2,056,130,113</b>	<b>1,408,013,323</b>
Current portion of liability subject to finance lease	<b>1,345,933</b>	<b>1,345,933</b>
Trade and other payables	<b>1,486,563,868</b>	<b>869,995,587</b>
Payable against purchase of securities- net	<b>-</b>	<b>34,414,007</b>
Markup accrued	<b>38,169,699</b>	<b>9,640,501</b>
Taxes payable -net	10 <b>155,586,836</b>	<b>168,044,426</b>
	<b>3,737,796,449</b>	<b>2,491,453,777</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	11	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,422,644,293</b>	<b>5,692,984,008</b>

The annexed notes from 1 to 19 form an integral part of the condensed interim financial information.

Chief Executive Officer

Director

# Condensed Interim Profit and Loss Account

For The Quarter Ended September 30, 2017 (Un-Audited)

	September 30, 2017	September 30, 2016
	Rupees	
Operating revenue	141,834,974	202,628,698
Capital (loss) / gain on sale of short term investments	(38,121,115)	21,495,386
Unrealized gain on remeasurement of investment property	150,712,422	-
Unrealized (loss) / gain on re-measurement of short term investments	<u>(114,681,659)</u>	<u>259,244,150</u>
	<b>139,744,622</b>	<b>483,368,234</b>
Administrative and operating expenses	(73,294,751)	(95,367,209)
Finance costs	(39,884,208)	(45,315,645)
Other operating income	18,757,496	42,815,824
Other charges	-	(7,710,024)
<b>Profit before taxation</b>	<u><b>45,323,159</b></u>	<u>377,791,180</u>
Taxation	(11,866,775)	(19,837,443)
<b>Profit after taxation</b>	<u><b>33,456,384</b></u>	<u>357,953,737</u>
<b>Earning per share - basic and diluted</b>	<u><b>0.61</b></u>	<u>6.51</u>

The annexed notes from 1 to 19 form an integral part of the condensed interim financial information.

Chief Executive Officer

Director

# Condensed Interim Statement of Comprehensive Income

For The Quarter Ended September 30, 2017 (Un-Audited)

	September 30, 2017	September 30, 2016
	Rupees	
Profit after taxation	33,456,384	357,953,737
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>33,456,384</u>	<u>357,953,737</u>

The annexed notes from 1 to 19 form an integral part of the condensed interim financial information.

Chief Executive Officer

Director

# Condensed Interim Statement of Changes In Equity

For The Quarter Ended September 30, 2017 (Un-Audited)

	Issued, subscribed & paid up capital	Unappropriated profits	Total
	Rupees		
Balance as at July 1, 2016	550,000,000	2,140,091,803	2,690,091,803
Cash dividend paid @ 70% for the year ended June 30, 2016	-	(385,000,000)	(385,000,000)
Comprehensive income for the three months ended September 30, 2016	-	357,953,737	357,953,737
<b>Balance as at September 30, 2016</b>	<u>550,000,000</u>	<u>2,113,045,540</u>	<u>2,663,045,540</u>
Balance as at October 1, 2016	550,000,000	2,113,045,540	2,663,045,540
Comprehensive income for the period October 2016 - June 2017	-	522,581,711	522,581,711
Balance as at June 30, 2017	<u>550,000,000</u>	<u>2,635,627,251</u>	<u>3,185,627,251</u>
<b>Balance as at July 1, 2017</b>	<b>550,000,000</b>	<b>2,635,627,251</b>	<b>3,185,627,251</b>
Cash dividend paid @ 100% for the year ended June 30, 2017	-	(550,000,000)	(550,000,000)
Comprehensive income for the three months ended September 30, 2017	-	<b>33,456,384</b>	<b>33,456,384</b>
<b>Balance as at September 30, 2017</b>	<u><b>550,000,000</b></u>	<u><b>2,119,083,635</b></u>	<u><b>2,669,083,635</b></u>

The annexed notes from 1 to 19 form an integral part of the condensed interim financial information.

**Chief Executive Officer**

**Director**

# Condensed Interim Cash Flow Statement

For The Quarter Ended September 30, 2017 (Un-Audited)

	September 30, 2017	September 30, 2016
Note	Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	45,323,159	377,791,180
Adjustments for:		
Depreciation	1,997,952	1,602,146
Amortization of intangible asset	177,172	649,258
Loss on disposal of property, plant and equipment	13,200	10,238
Loss / (Gain) on re-measurement of short term investments	114,681,659	(259,244,150)
Loss / (Gain) on short term investment	38,121,115	(21,495,386)
Unrealized gain on re-measurement of investment property	(150,712,422)	-
Dividend income	(708)	(50,053,495)
Recovery of provision against doubtful debts	-	(30,236,570)
Finance costs	39,884,208	45,315,645
	<u>44,162,176</u>	<u>(313,452,314)</u>
<b>Cash generated from operating activities before working capital changes</b>	<b>89,485,335</b>	<b>64,338,866</b>
<b>Effect on cash flow due to working capital changes</b>		
<b>(Increase)/decrease in current assets</b>		
Short-term investments - net	(616,812,403)	(34,033,873)
Trade debts - consider good	1,215,360	(356,257,867)
Receivable against margin financing	(3,075,861)	-
Short term loans	487,676	(39,565)
Deposits and short-term prepayments	107,227,993	(112,733,127)
Other receivables	27,855,770	89,396,992
<b>Increase/(decrease) in current liabilities</b>		
Trade and other payables	66,568,281	224,025,616
Payable against purchase of securities- net	(34,414,007)	(310,501,249)
	<u>(450,947,191)</u>	<u>(500,143,073)</u>
<b>Cash used in operations</b>	<b>(361,461,856)</b>	<b>(435,804,207)</b>
Taxes paid	(24,324,365)	(27,439,317)
Finance costs paid	(11,355,010)	(47,015,285)
<b>Net cash used in operating activities</b>	<b>(397,141,231)</b>	<b>(510,258,809)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment and investment property	(885,253)	(768,991)
Proceeds from disposal of property, plant and equipment	105,753	10,000
Acquisition of intangible assets	-	(524,850)
Expenditure on investment property - net	(519,135,078)	-
Dividends received	7,670,945	329,745
Long term deposits	2,075,784	-
<b>Net cash used in investing activities</b>	<b>(510,167,849)</b>	<b>(954,096)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Liability against assets subject to finance lease	(138,771)	(173,147)
<b>Net cash used in financing activities</b>	<b>(138,771)</b>	<b>(173,147)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(907,447,851)</b>	<b>(511,386,052)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>(575,219,910)</b>	<b>(1,574,428,713)</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>16 (1,482,667,761)</b>	<b>(2,085,814,765)</b>

The annexed notes from 1 to 19 form an integral part of the condensed interim financial information.

Chief Executive Officer

Director

# Condensed Interim Selected Notes To The Financial Statement For The Quarter Ended September 30, 2017 (Un-Audited)

## 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 Pakistan Stock Exchange Limited ("the Exchange"). 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% shareholding in the Company to general public and the Company obtained listing on the Exchange on January 31, 2007.

The Company is a holder of Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange Limited. The principal activities of the Company are brokerage of shares, equity and debt securities, forex and other financial instruments, corporate finance services and securities investments. The registered office of the Company is situated at Arif Habib Centre, 23 M.T. Khan Road, Karachi..

- 1.2 The Parent Company holds 65.52% shares of the Company.

- 1.3 The Securities and Exchange Commission of Pakistan vide its letter No. EMD/233/683/07-294 dated October 05, 2017 and EMD/233/683/07-295 dated October 05, 2017 has granted exemption to the Company from preparation of the Consolidated Financial Statements for its subsidiaries namely M/s. Arif Habib Commodities (Pvt.) Limited and M/s. Arif Habib 1857 (Pvt.) Limited respectively. These subsidiaries have been consolidated by the ultimate holding Company i.e. Arif Habib Corporation Limited. The financial statements of the subsidiary company are available for inspection at the Company's registered office and would be available to the members on request without any cost.

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

These condensed interim financial statement of the Company for the quarter ended September 30, 2017 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 are required under section 245 of the companies Ordinance, 1984 and the listing regulation of the Stock Exchanges of Pakistan where the company is listed.

These Condensed interim financial statements comprise of the balance sheet as at September 30, 2017 and profit and loss account, statement of comprehensive income, statement of changes in equity and the cash flow statement for the period ended September 30, 2017.

The comparative balance sheet presented in these condensed interim financial statements as at June 30, 2017 has been extracted from the audited financial statements of the company for the year ended June 30, 2017, whereas the comparative profit and loss account, statement of comprehensive income, statement of changes in equity and the cash flow statement for the quarter ended September 30, 2016.

## 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, 2017.

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.

## 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, 2017.

## 5 PROPERTY, PLANT & EQUIPMENT

During the period ended September 30, 2017, addition made amounting to PKR 885 thousands (June 2017: 5,152 thousands) which comprised of office equipment and computer & allied. Further, assets having WDV of PKR 118 thousands were sold for PKR 105 thousands (June 2017: WDV of PKR 106 thousands were sold of PKR 63 thousands).

# Condensed Interim Selected Notes To The Financial Statement For The Quarter Ended September 30, 2017 (Un-Audited)

6	INVESTMENT PROPERTY	September 30,	June 30,
		2017	2017
		Rupees	
	Carrying Value	369,211,719	531,966,414
	Sale during the period	(23,104,922)	(207,978,965)
	Acquisition during the year	542,240,000	12,945,000
		888,346,797	336,932,449
	Increase in fair value - net	150,712,422	32,279,270
		<u>1,039,059,219</u>	<u>369,211,719</u>

## 7 TRADE DEBTS

### 7.1 Treatment of amount receivable from customers

Trade debts and other receivables are recognized at fair value and subsequently measured at amortized cost. A provision for impairment in trade debts and other receivables is made when there is objective evidence that the Company will not be able to collect all amounts due according to original terms of receivables. Trade debts and other receivables considered irrecoverable are written off.

7.2 The Company holds equity securities having fair value of PKR 37,994 million (June 2017: PKR 33,780 million) owned by its clients, as collaterals against trade debts.

	September-17		June-17	
	Gross	Impairment	Gross	Impairment
Not past due	562,533,565	-	559,457,704	-
Past due 1 day - 30 days	68,021,304	-	75,206,461	-
Past due 31 days - 180 days	15,228,734	-	9,118,206	-
Past due 181 days - 1 year	3,619,492	-	889,799	-
More than one year	861,316,315	874,618,000	864,186,674	874,618,000
	<i>Rupees</i> <u>1,510,719,410</u>	<u>874,618,000</u>	<u>1,508,858,844</u>	<u>874,618,000</u>

8	CASH AND BANK BALANCES	September 30,	June 30,
		2017	2017
		Rupees	
	<b>Cash in hand</b>	1,593,304	1,399,005
	<b>Cash at Bank</b>		
	<i>in current accounts</i>	107,953,057	114,406,304
	<i>in savings accounts</i>	463,915,991	716,988,104
		8.1 <u>571,869,048</u>	716,988,104
		<u>573,462,352</u>	<u>718,387,109</u>

8.1 This includes customer's bank balances held in designated bank accounts amounting to PKR 527.428 million

## 9 SHORT TERM BORROWINGS - SECURED

9.1 Short term running finance facilities are available from various commercial banks, under mark-up arrangements which represents the aggregate of sale prices of all mark-up agreements between the Company and the banks.

9.2 Total value of pledged securities with financial institutions indicating separately securities belonging to customers is as under:

	Number of securities	Amount (Rupees)
Client	139,100,000	4,752,607,000
House	77,438,500	1,351,751,173
<b>Total</b>	<u>216,538,500</u>	<u>6,104,358,173</u>

# Condensed Interim Selected Notes To The Financial Statement For The Quarter Ended September 30, 2017 (Un-Audited)

## 10 TAXES PAYABLE -NET

The Finance Act, 2015 introduced a new tax under Section 5A of the Income Tax Ordinance, 2001 at the rate of ten percent on every public company other than a scheduled bank or modaraba, that derives profits for tax year and does not distribute cash dividend within six months of the end of said tax year or distributes dividends to such an extent that its reserves, after such distribution, are in excess of 100% of its paid up capital, so much of its reserves as exceed the threshold shall be treated as income of the said company. However, this tax on undistributed reserves is not applicable to a public company which distributes profit equal to either 40% of its after tax profits or 50% of its paid up capital, whichever is less, within six months of the end of the tax year.

Board of Directors of the Company intends to distribute sufficient cash dividend for the year ending 30 June 2018 to comply with the above stated requirement. Accordingly, no provision for tax on undistributed reserves has been recognized in these condensed unconsolidated interim financial information.

## 11 CONTINGENCIES AND COMMITMENTS

### CONTINGENCIES

There were no change in contingencies at the period end as disclosed in the financial statements for the year ended June 30, 2017.

	September 30, 2017	June 30, 2017
	Rupees	
<b>COMMITMENTS</b>		
Following commitments are outstanding as at the year end.		
- Outstanding Settlements against Marginal Trading contracts	263,095,905	282,746,717
- Outstanding Settlements against (purchase) / sale of securities in regular market.	157,147,826	381,424,500
-Guarantee given by a commercial bank on behalf of the Company	250,000,000	250,000,000

12 Income from dividend for the period ended September 30, 2017 amounts to PKR 708.

	September 30, 2017	September 30, 2016
	Rupees	
<b>13 RELATED PARTY DISCLOSURE</b>		
<b>Brokerage commission and other services to:</b>		
Parent	1,648,352	437,301
Group companies	1,911,728	1,949,117
Key management personnel	1,230,218	918,918
Other Related Party	3,545,457	2,398,483
Rent paid associated company	5,224,560	5,224,560
Remuneration to Chief Executive Officer	4,426,028	2,238,094
Remuneration to other directors	150,000	150,000
Contribution to staff provident fund	1,408,389	979,345
	September 30, 2017	June 30, 2017
	Rupees	
<b>Balances with related parties at the end of the period are as follows:</b>		
Receivable from related parties		
Parent	1,648,352	43,873
Group Companies	3,611,044	3,803,671
Key management personnel	50,820	206,022
Other related parties	167,712	256,133
Subsidiary	88,000,000	88,000,000
Payable to related parties:		
Group Companies	436,099	2,214,945
Key management personnel	42,358,781	21,654,699
Other related parties	3,011,939	5,480,712



# Condensed Interim Selected Notes To The Financial Statement For The Quarter Ended September 30, 2017 (Un-Audited)

## 14 FINANCIAL RISK MANAGEMENT

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, 2018.

## 15 INVESTMENT TURNOVER

Turnover during the period comprises of the following:

During the period ended September 2017	Turnover in Value
Institution	33,461,892,611
Retail	13,579,366,642
Proprietary	6,863,757,160
<b>Total</b>	<b>53,905,016,413</b>

## 16 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:

	September 30, 2017	September 30, 2016
	Rupees	
Cash and bank balances	573,462,352	368,656,621
Short term borrowings	<u>(2,056,130,113)</u>	<u>(2,454,471,386)</u>
	<u>(1,482,667,761)</u>	<u>(2,085,814,765)</u>

## 17 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors in meeting held on October 26, 2017.

## 18 APPROPRIATION FOR DIVIDEND

Shareholders in their annual general meeting held on September 23, 2017 have approved cash dividend of PKR 10 per share amounting to PKR 550 million. This condensed interim financial information includes the effect of the aforementioned appropriation.

## 19 GENERAL

Figures have been rounded off to the nearest rupee.

## Pattern of Shareholding As Of September 30, 2017

Categories of Shareholders	Shareholders	Shares Held	Percentage
<b>Directors and their spouse(s) and minor children</b>			
ZAFAR ALAM	1	500	0.00
MUHAMMAD SHAHID ALI	1	732	0.00
SHARMIN SHAHID	1	916	0.00
MUHAMMAD HAROON	1	1,298	0.00
ALI MURTAZA KAZMI	1	500	0.00
NIDA AHSAN	1	916	0.00
MUHAMMAD SOHAIL SALAT	1	500	0.00
<b>Associated Companies, undertakings and related parties</b>			
ARIF HABIB CORPORATION LIMITED	2	36,038,237	65.52
<b>Executives</b>			
	-	-	-
<b>Public Sector Companies and Corporations</b>			
	1	46,184	0.08
<b>Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds</b>			
	8	992,695	1.80
<b>Mutual Funds</b>			
CDC - TRUSTEE ATLAS STOCK MARKET FUND	1	446,500	0.81
CDC - TRUSTEE ALFALAH GHP VALUE FUND	1	53,600	0.10
CDC - TRUSTEE APF-EQUITY SUB FUND	1	6,000	0.01
CDC - TRUSTEE ALFALAH GHP STOCK FUND	1	57,500	0.10
CDC - TRUSTEE ALFALAH GHP ALPHA FUND	1	33,300	0.06
CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	1	475,000	0.86
CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	1	56,000	0.10
CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	1	230,000	0.42
<b>General Public</b>			
a. Local	3813	13,278,305	24.14
b. Foreign	2	73,000	0.13
<b>Foreign Companies</b>			
	3	1,085,500	1.97
<b>Others</b>			
	84	2,122,817	3.86
<b>Totals</b>	<b>3928</b>	<b>55,000,000</b>	<b>100.00</b>

Share holders holding 5% or more	Shares Held	Percentage
ARIF HABIB CORPORATION LIMITED	36,038,237	65.52

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





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


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