

SURMOUNTING CHALLENGES

Quarterly Report
31st March 2015



SURMOUNTING CHALLENGES are two words that highlight our Company's constant approach in our day-to-day business activities. We are focused on moving forward and contributing constantly to the development of our industry and help enhance Pakistan's economic prosperity.



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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

Mr. Zeshan Afzal
Executive 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. Faisal Mehmood Shaikh

Auditors

Rehman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

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
KASB Bank Limited
MCB Bank Limited
Meezan 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 Ltd.
CDC House, 99-B, Block-B
S.M.C.H.S., Main Shahra-e-Faisal
Karachi-74400
Tel: Customer Support Services
0800-CDCPL (23275)
Fax: (92-21) 34326053
Email: info@cdcpak.com
Website: 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
Company website: www.arifhabibltd.com
Online Trade: www.ahletrade.com

Milestones



Mr. Arif Habib, Chairman, Arif Habib Group,
receiving KSE "**Top 25 Companies of Pakistan Award**"
for Arif Habib Limited from the
Honourable Prime Minister, Muhammad Nawaz Sharif.
Also present at the ceremony was Minister for Finance,
Revenue, Economic Affairs, Statistics and Privatization,
Senator Mohammad Ishaq Dar.

Milestones

AHL is honoured to have been one of the advisors to Government of Pakistan's (GoP) key transactions over the last year which reinstates our commitment to contribute towards the growth and economic prosperity of Pakistan.

	<ul style="list-style-type: none"> ● Largest equity offering in the history of Pakistan and Asian Frontier Markets ● PKR 102.4 Billion raised ● PKR 162 Billion total demand generated ● Participation from over 40 international equity fund managers and over 480 domestic investors ● Base offer oversubscribed by 3.91x ● Total offer oversubscribed by 1.61x
	<ul style="list-style-type: none"> ● "Best Deal Award" for Pakistan awarded by The Asset - Asia's most prestigious corporate ranking journal ● PKR 38 Billion raised ● PKR 63 Billion total demand generated ● Participation from over 30 international equity fund managers and over 200 domestic investors ● Base offer oversubscribed by 2.46x ● Total offer oversubscribed by 1.63x
	<ul style="list-style-type: none"> ● One of the largest domestic secondary public offering in Pakistan ● PKR 15.3 Billion raised ● PKR 30 Billion total demand generated ● Domestic participation from over 1000 investors ● Total Offer oversubscribed by 2.04x ● This was the first instance in the history of Pakistan's capital markets where the strike price was higher than the market price

Directors' Report

The Directors of Arif Habib Limited(AHL) are pleased to present the Directors' Report of the Company together with condensed interim financial statements for the Nine Months period ended 31st March 2015.

Economic Review

The economy continued to recover in 3QFY15, on the back of an improving global economic outlook, as well as sound economic policies enacted by the incumbent government. As crude oil prices continue to hover in the USD50-60/bbl range, our economy has been a beneficiary, as inflation has fallen (the CPI clocking in at 5.1% YoY in 9MFY15, compared to 8.6% in 9MFY14). State Bank of Pakistan slashed the discount rate by 150 bp in 3QFY15 to 8% which should help further stimulate economic activities. The revival of the economy can also be gauged by looking at the current account deficit, which has been reduced to USD 1.6 billion for Jul-Feb15, from a deficit of USD 2.5 billion in the corresponding period last year.

Tax revenues have improved 12.0% YoY in 9MFY15, which augurs well for reducing the fiscal deficit and meeting the government's target of 4.9% of GDP. Also, the country continues to receive IMF loan tranches, following consecutive successful reviews, and Coalition Support Fund installments alongside remittances, which are up by 15.0% YoY to USD 13.33 billion in 9MFY15. In addition, Moody's has also upgraded country Outlook from 'Stable' to 'Positive', which is expected to help increase FDI as well as FPI.GoP's divestment of 41.5% stake in HBL will also add \$ 764 mn into the SBP's reserve balance.

Capital Markets Review

Equities

The stock market maintained its upward momentum during the first month of 3QFY15, reaching an all-time high of 34,827pts. The market underwent a massive decline in the latter half of the quarter, due

to a one-off situation, where a foreign fund liquidated its holdings in the capital market, triggering panic selling as investors rushed to offload their equities to beat the downward trend. As a result, market capitalization declined by 9.7% QoQ to reach USD 66.3 billion at the close of 3QFY15. The quarter also saw foreigners divesting their holdings, with Foreign Investors' Portfolio Investment (FIPI) recording net selling of USD 131 million during the quarter, compared to net buying of USD 36 million in 3QFY14. The average daily traded volumes dropped by 6.9% YoY to 200 million shares during 9MFY15, however the average traded value has risen by 27% YoY to USD 129 million.

Debt and Money Market

As far as monetary sector goes, government borrowing increased by 4.87% during 9MFY15, however at a slower pace than in the same period last year (5.21% during 9MFY15). The declining borrowing requirement from the government in the wake of increased foreign inflows, coupled with marked decline in CPI readings, led to visible decline in the yield of Treasury Bills and Pakistan Investment Bonds (PIBs), which were down, on average, by 200bps and 390bps, respectively, during 9MFY15.

Financial Performance

By the grace of Almighty Allah, your Company has continued to perform well and achieved healthy profitability during the nine months of the fiscal year 2015. The Company has posted after tax profit of PKR 623 million which translate in an EPS of PKR 11.35.

During the period under review, the brokerage division revenue witnessed an increase of 17% revenue from the same period last year in the stock market where overall volumes are showing decreasing trends by 7% YoY at PKR 212 million (PKR. 181 million). The Corporate Finance income sizably increased by 135% to PKR 89 million (PKR 37 million) from last year with the help of successful completion of equity & debt market IPO's and secondary offerings. The Company's investment portfolio has yielded healthy realized and unrealized revenue of PKR 561 million.

The administrative expenses for the period stood at PKR 188 million compared to PKR 123 million in the corresponding period last year. Our finance cost for the period remains stabilized at PKR 185 million (PKR 185 million).

The equity of the Company as at the balance sheet date is PKR 2.36 billion (June 2014: PKR 2.01 billion) which translates into book value per share of PKR 43 (June 30, 2014: PKR 36). The increased equity level has also allowed for the release of PKR 275 million reserves for cash

dividends approved in the AGM held on September 27, 2014.

Future Outlook

With a more focused approach, your Company has managed to increase its market share in both brokerage and corporate finance. With our increased emphasis on attracting foreign clients, which has provided highly encouraging results so far, the future outlook of your Company looks promising in every aspect of the business. Moreover, better relationship management with institutional clients locally through efficient delivery of services has enabled your Company to be in a perfect position to increase its market share. Through greater investment in research services, a larger number of companies are in coverage, which should allow for increased traded volumes in the future. Furthermore, your company is engaged in number of advisory mandates out of which some will mature in next quarter. We are bullish on the possibilities of further improving our investment portfolio as the market still has a lot to offer. Your Company was successful in completion of noteworthy transactions during the first nine months of the period, including Pakistan Petroleum Limited, Saif Power Limited and Synthetic Products Enterprises Limited. Your Company has also been part of the monumental transaction of Habib Bank Limited which has been the largest capital market transaction not just in Pakistan but the entire Asian Frontier Markets region. A number of other advisory transactions are in the pipeline to further boost the Company's standing as well as the profitability in the quarters to come.

Acknowledgement

We are grateful to the Company's stockholders for their continuing confidence and patronage. We record our appreciation to our customers, stakeholders, parent company, the State Bank of Pakistan, the Securities & Exchange Commission of Pakistan, the Central Depository Company of Pakistan and the managements of Karachi, Lahore and Islamabad Stock Exchanges for their continuing support and guidance, without which we would not be able to pursue our strategy and goals. We acknowledge and appreciate the hard work put in by the employees of the Company during the period.

For and on behalf of the board;



Muhammad Shahid Ali Habib
Director & Chief Executive Officer
April 15, 2015

CONDENSED INTERIM FINANCIAL INFORMATION
For the Nine Months and Third Quarter Period
Ended March 31, 2015



CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2015

	Unaudited March 31, 2015	Audited June 30, 2014
Note	Rupees	
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	5 51,677,533	56,143,981
Intangible assets	60,378,085	60,702,274
Long term investments	6 209,342,551	159,342,551
Investment property	452,889,974	328,146,600
Advance against Investments	-	975,000
Long-term deposits	12,119,601	6,845,217
Deferred tax asset	17,475,379	12,080,129
	803,883,123	624,235,752
CURRENT ASSETS		
Short term investments	2,400,451,047	2,328,085,305
Trade debts - considered good	2,295,643,050	309,075,533
Receivable against sale of securities- net	-	967,275,773
Short term loans - secured	3,512,814	1,157,480
Trade deposits and prepayments	244,322,642	44,114,685
Other receivables	232,038,745	328,003,022
Cash & bank balances	276,419,437	168,992,512
	5,452,387,735	4,146,704,310
TOTAL ASSETS	6,256,270,858	4,770,940,062
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Authorized Capital		
75,000,000 (June 2014: 75,000,000) ordinary shares of Rs.10/- each	750,000,000	750,000,000
Issued, subscribed & paid-up capital	550,000,000	550,000,000
Unappropriated profits	1,810,489,556	1,462,060,100
	2,360,489,556	2,012,060,100
LIABILITIES		
NON-CURRENT LIABILITIES		
Liabilities against assets subject to finance lease	1,792,725	2,235,913
CURRENT LIABILITIES		
Short term borrowings- secured	2,972,496,074	2,381,091,230
Current portion of liability subject to finance lease	488,974	468,892
Trade and other payables	762,417,550	312,982,271
Markup accrued	57,432,015	51,932,846
Taxes payable -net	101,153,964	10,168,810
	3,893,988,577	2,756,644,049
CONTINGENCIES AND COMMITMENTS	7 -	-
TOTAL EQUITY AND LIABILITIES	6,256,270,858	4,770,940,062

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



Chairman



Chief Executive Officer



Chief Financial Officer

**CONDENSED INTERIM
PROFIT AND LOSS ACCOUNT**
FOR THE NINE MONTHS AND THIRD QUARTER ENDED MARCH 31, 2015 (Unaudited)

	Nine Months ended		Third Quarter ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	Rupees			
Operating revenue	351,800,914	233,223,335	102,906,305	112,060,474
Capital gain on sale of short term investments	852,825,705	481,913,778	219,908,632	207,689,887
Unrealized (loss)/gain on re-measurement of short term investments	(341,606,007)	144,406,112	(196,577,616)	98,311,484
Unrealized gain on re-measurement of investment property	106,383,374	-	106,383,374	-
	969,403,986	859,543,225	232,620,695	418,061,845
Administrative and operating expenses	(187,572,671)	(122,547,345)	(57,598,834)	(47,424,717)
Finance costs	(185,094,740)	(185,865,890)	(59,990,294)	(69,040,262)
Other operating income	173,427,363	120,551,823	77,595,512	46,148,413
Other charges	(15,415,002)	(6,478,731)	(3,866,907)	-
Profit before taxation	754,748,936	665,203,082	188,760,172	347,745,279
Taxation	(131,319,480)	(29,876,816)	(43,847,232)	(21,564,248)
Profit after taxation	623,429,456	635,326,266	144,912,940	326,181,031
Earning per share - basic and diluted	11.34	11.55	2.63	5.93

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



Chairman



Chief Executive Officer



Chief Financial Officer

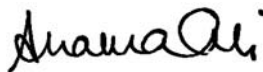
**CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE INCOME**
FOR THE NINE MONTHS AND THIRD QUARTER ENDED MARCH 31, 2015 (Unaudited)

	Nine Months ended		Third Quarter ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	Rupees			
Profit for the period	623,429,456	635,326,266	144,912,940	326,181,031
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>623,429,456</u>	<u>635,326,266</u>	<u>144,912,940</u>	<u>326,181,031</u>

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



Chairman



Chief Executive Officer



Chief Financial Officer

**CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS AND THIRD QUARTER ENDED MARCH 31, 2015 (Unaudited)**

	Issued, subscribed & paid up capital	Unappropriated profits	Total
	Rupees		
Balance as at July 1, 2013	500,000,000	843,415,798	1,343,415,798
Bonus shares allocated @ 10% for the year ended June 30, 2013	50,000,000	(50,000,000)	-
Cash dividend paid @ 30% for the year ended June 30, 2013		(150,000,000)	(150,000,000)
Comprehensive income for the nine months ended March 31, 2014	-	635,326,267	635,326,267
Balance as at March 31, 2014	<u>550,000,000</u>	<u>1,278,742,065</u>	<u>1,828,742,065</u>
Balance as at April 01, 2014	550,000,000	1,278,742,065	1,828,742,065
Comprehensive income for the quarter ended June 30, 2014	-	183,318,035	183,318,035
Balance as at June 30, 2014	<u>550,000,000</u>	<u>1,462,060,100</u>	<u>2,012,060,100</u>
Balance as at July 1, 2014	550,000,000	1,462,060,100	2,012,060,100
Cash dividend paid @ 50% for the year ended June 30, 2014	-	(275,000,000)	(275,000,000)
Comprehensive income for the nine months ended March 31, 2015	-	623,429,456	623,429,456
Balance as at March 31, 2015	<u>550,000,000</u>	<u>1,810,489,556</u>	<u>2,360,489,556</u>

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


Chairman


Chief Executive Officer


Chief Financial Officer

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2015 (Unaudited)

Note	Nine Months ended	
	March 31, 2015	March 31, 2014
Rupees		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	754,748,936	665,203,097
Adjustments for:		
Depreciation	6,661,027	7,204,691
Amortization of intangible asset	456,435	328,524
Gain on disposal of investment property	-	(1,647,500)
Loss on disposal of property, plant and equipment	(1,754)	(396,671)
Loss / (gain) on re-measurement of short term investments	341,606,007	(144,406,112)
Gain on short term investment	(852,825,705)	(481,913,778)
Unrealized gain on re-measurement of investment property	(106,383,374)	-
Dividend income	(50,265,149)	(14,310,642)
Recovery of provision against doubtful debts	(1,011,715)	(95,472)
Finance costs	185,094,740	185,865,890
	<u>(476,669,488)</u>	<u>(449,371,070)</u>
Cash generated from operating activities before working capital changes	278,079,448	215,832,027
Effect on cash flow due to working capital changes		
(Increase)/decrease in current assets		
Short-term investments - net	438,853,956	237,965,212
Trade debts - consider good	(1,985,555,802)	(837,829,992)
Receivable against sale of securities- Net	967,275,773	-
Short term loans	(2,355,334)	1,171,743
Deposits and short-term prepayments	(200,207,957)	(726,077)
Other receivables	95,964,277	(218,774,080)
Increase/(decrease) in current liabilities	449,435,279	(459,067,646)
Trade and other payables	(236,589,808)	(1,277,260,840)
Cash generated from / (used in) operations	41,489,640	(1,061,428,813)
Taxes paid	(45,729,576)	(16,719,147)
Finance costs paid	(179,595,571)	(128,603,329)
Net cash used in operating activities	(183,835,507)	(1,206,751,289)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment and investment property	(2,933,950)	(2,712,381)
Proceeds from disposal of property, plant and equipment	876,125	1,921,531
Acquisition of intangible assets	(267,246)	(150,000)
Proceed from disposal of intangible assets	-	14,200,000
Expenditure on investment property	(17,385,000)	(8,540,000)
Share subscription of subsidiary	(50,000,000)	-
Dividends received	50,265,149	14,310,642
Long term deposits	(5,274,384)	(3,898,620)
Net cash (used in) / generated from investing activities	(24,719,306)	15,131,172
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of finance lease liability	(423,106)	(495,920)
Dividend paid	(275,000,000)	(150,000,000)
Net cash used in financing activities	(275,423,106)	(150,495,920)
Net decrease in cash and cash equivalents	(483,977,919)	(1,342,116,038)
Cash and cash equivalents at the beginning of the period	(2,212,098,718)	(718,363,590)
Cash and cash equivalents at the end of the period	(2,696,076,637)	(2,060,479,628)

The annexed notes 1 to 13 form an integral part of the condensed interim financial information.



Chairman



Chief Executive Officer



Chief Financial Officer

CONDENSED INTERIM SELECTED NOTES TO THE FINANCIAL STATEMENTS FOR THE NINE MONTHS AND THIRD QUARTER ENDED MARCH 31, 2015 (Unaudited)

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 the 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 in a mix of listed and unlisted equity and debt securities and reverse repurchase transactions, share brokerage, Inter bank brokerage, 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 69% shares of the Company.

1.3 The Securities and Exchange Commission of Pakistan vide its letter No. EMD/233/683/2007-228 dated October 23, 2014 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.

2 BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information of the Company for nine months period ended March 31, 2015 has been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial reporting" and provisions of and directives issued under the Companies Ordinance 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

This condensed interim financial information is unaudited and is being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984.

This condensed interim financial information does not include all the information required for full financial statements and should be read in conjunction with the annual audited separate financial statements as at and for the year ended 30 June 2014.

The comparative balance sheet presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Company for the year ended 30 June 2014, whereas the comparative condensed interim Profit and Loss Account, condensed interim Statement of Comprehensive Income, condensed interim Cash Flow statement and condensed interim Statement of Changes in Equity are extracted from the unaudited condensed interim financial information for the period ended March 31, 2014.

This condensed interim financial information is presented in Pakistan Rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest rupee.

This condensed interim financial information has been prepared on the basis of a single reportable segment.

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, 2014.

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.

CONDENSED INTERIM SELECTED NOTES TO THE FINANCIAL STATEMENTS FOR THE NINE MONTHS AND THIRD QUARTER ENDED MARCH 31, 2015 (Unaudited)

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, 2014.

5 PROPERTY, PLANT & EQUIPMENT

During the nine months period ended March 31, 2015, addition made amounting to Rs. 2.947 million (June 2014: 6.351 million) which comprised of computer and allied. Further, assets having WDV of Rs. 0.889 million were sold for Rs. 0.888 million (June 2014: WDV OF Rs. 1.875 million were sold of Rs. 2.272 million).

		March 31, 2015	June 30, 2014
		Rupees	
6	LONG TERM INVESTMENT		
	Investments in ;		
	Arif Habib Commodities (Private) Limited - at cost	6.1 38,000,000	38,000,000
	Arif Habib 1857 (Private) Limited	6.2 50,000,000	-
	Stock Exchanges -through profit and loss		
	Karachi Stock Exchanges Limited	62,755,618	62,755,618
	Islamabad Stock Exchange Limited	33,380,639	33,380,639
	Lahore Stock Exchange Limited	25,206,294	25,206,294
		209,342,551	159,342,551

6.1 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. The total amount of Investment approved by the shareholders of the Company in the extra-ordinary general meeting held on June 16, 2012 is Rs 100 million. As of the balance sheet date, the Company has invested a total sum of Rs.38 million.

6.2 This represent paid up share capital constituting 100% ownership in Arif Habib 1857 (Pvt) Limited which was incorporated as a wholly owned subsidiary for the purpose of the share brokerage. The total amount of Investment approved by the shareholders of the Company in the extra-ordinary general meeting held on September 27, 2014 is Rs 60 million. As of the balance sheet date, the Company has invested a total sum of Rs.50 million.

7 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, 2014 except as disclosed below:

The Company is contesting a demand of PKR 45.42 million raised against its non taxable services vide order issued on 12 September 2014 by AC SRB. The Company has filed appeal against the impugned order in the appropriate forum and stay has been granted against the impugned demand. The Company's legal counsel is of the view that the Company has a favorable case based on merit. The company has accordingly not made any provision of the said amount in these financial statements.

		March 31, 2015	June 30, 2014
		Rupees	
	COMMITMENTS		
	Following commitments are outstanding as at the year end.		
	- Outstanding settlement against sale/purchases of securities in future market.	-	40,609,905
	- Outstanding Settlements against Marginal Trading	1,913,817,341	563,200,039
	- Outstanding Settlements against (purchase)/sale of securities in regular market.	5,248,530	181,065,922
	-Guarantee given by a commercial bank on behalf of the company	100,000,000	100,000,000

CONDENSED INTERIM SELECTED NOTES TO THE FINANCIAL STATEMENTS FOR THE NINE MONTHS AND THIRD QUARTER ENDED MARCH 31, 2015 (Unaudited)

		March 31, 2015	March 31, 2014
		Rupees	
8	RELATED PARTY DISCLOSURE		
	Brokerage commission and other services to:		
	Parent	5,339,089	5,216,474
	Group Companies	975,340	2,269,003
	Key management personnel	277,840	2,678,467
	Other Related Party	1,758,105	4,102,052
	Rent paid to Group Company	15,673,860	15,673,680
	Tenderable gain from Parent Company	-	4,400,765
	Dividend paid to related parties	201,807,285	97,442,355
	Markup income on advance to related parties	3,355,780	-
	Rent income from Subsidiary	-	1,800,000
	Remuneration to Chief Executive Officer	5,287,536	7,199,226
	Remuneration to other directors	6,019,273	3,041,220
	Contribution to staff provident fund	2,158,501	1,475,640
		March 31, 2015	June 30, 2014
		Rupees	
	Balances with related parties at the end of the period are as follows:		
	Receivable from related parties:		
	Parent	43,359	-
	Group Companies	-	1,695,957
	Subsidiary	-	-
	Key management personnel	6,468,650	1,951,418
	Other related parties	13,368,298	-
	Advance to Group Companies	24,210,588	-
	Investment in Group Companies	981,089,228	715,976,112
	Investment in subsidiary	88,000,000	38,000,000
	Payable to related parties:		
	Subsidiary	44,333,432	-
	Key management personnel	4,903,855	826,255
	Other related parties	292,269,903	300,168,505

9 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, 2014.

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:

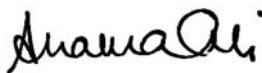
	March 31, 2015	March 31, 2014
		Rupees
Cash and bank balances	276,419,437	59,637,543
Short term borrowings	<u>(2,972,496,074)</u>	<u>(2,120,117,171)</u>
	<u>(2,696,076,637)</u>	<u>(2,060,479,628)</u>

11 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors in meeting held on April 15, 2015.

12 GENERAL

Figures have been rounded off to the nearest rupee.


Chairman

Chief Executive Officer

Chief Financial Officer



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