BUILDING ON VALUES

QUARTER REPORT
SEPTEMBER 30,

2019

ARIF HABIB
LIMITED

TABLE OF CONTENT

CORPORATE INFORMATION

Board of Directors

Mr. Zafar Alam	Chairman & Independent Director
Mr. Muhammad Shahid Ali Habib	Chief Executive Officer & Executive 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
Mr. Mohsin Madni	Non-executive Director

Audit Committee

Dr. Muhammad Sohail Salat	Chairman
Mr. Haroon Usman	Member
Ms. Nida Ahsan	Member

Human Resource & Remuneration Committee

Dr. Muhammad Sohail Salat	Chairman
Mr. Haroon Usman	Member
Mr. Muhammad Shahid Ali Habib	Member
Ms. Nida Ahsan	Member

Company Secretary

Mr. Aamir Jamal

Chief Financial Officer

Mr. Muhammad Taha Siddiqui

Auditors

M/s. Rahman Sarfaraz Rahim Iqbal Rafiq

Chartered Accountants

CORPORATE INFORMATION

Credit Rating

JCR-VIS Credit Rating Company Limited

Legal Advisors

M/s. Bawaney & Partners

Management Rating

The Pakistan Credit Rating Agency

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
National Bank of Pakistan
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 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
Branch Reg. No. BOA-050101

Lahore Branch

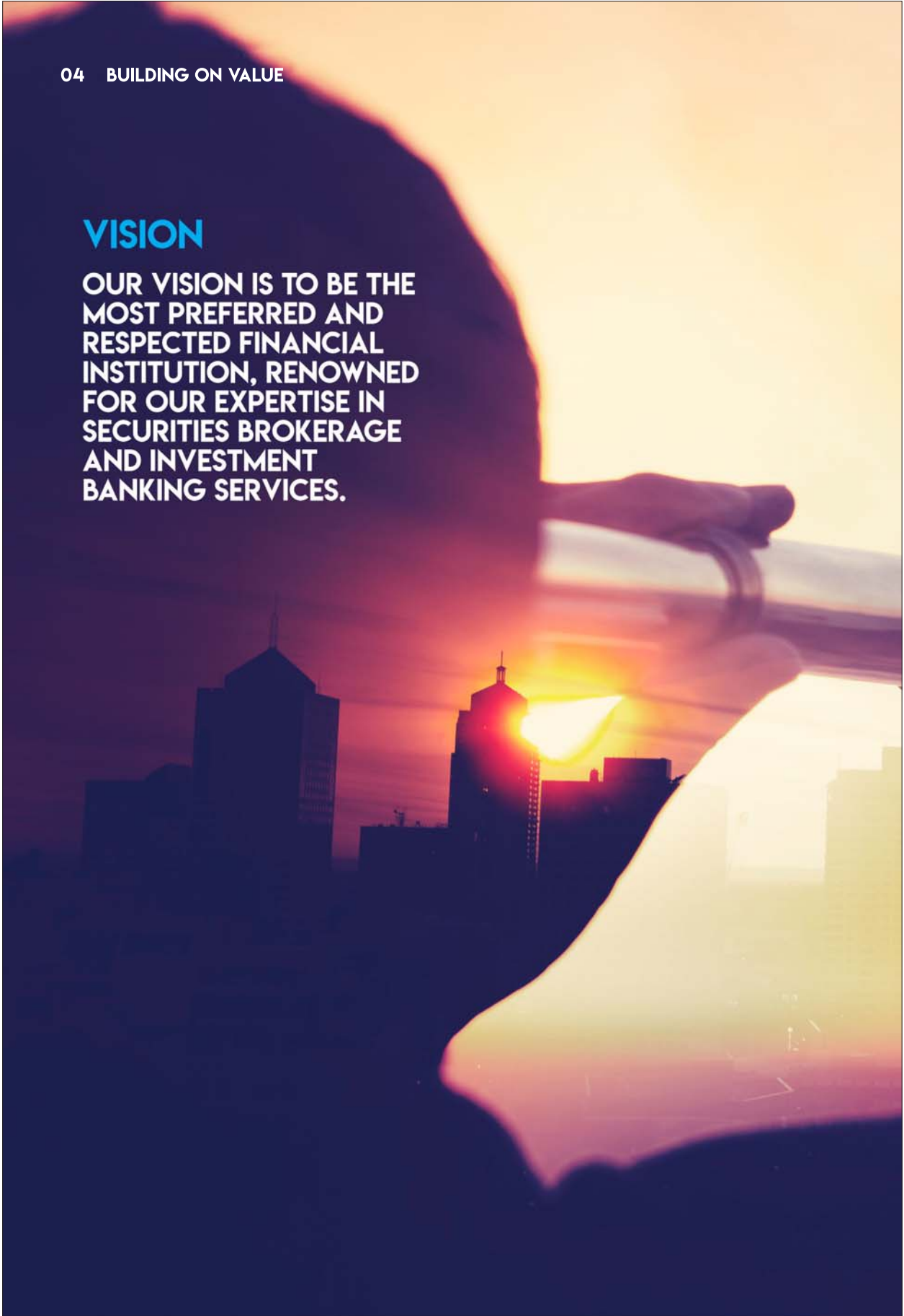
16/7-B, Eden Cottages, Main Gulberg 2,
Near: MCB House, Lahore.
Tel: +92 42 3587 1732 – 34 , 042-35712861

Islamabad Branch

Office No. 506, 5th Floor, ISE Towers,
Jinnah Avenue, Islamabad.
Tel: +92 51 2894505 – 06

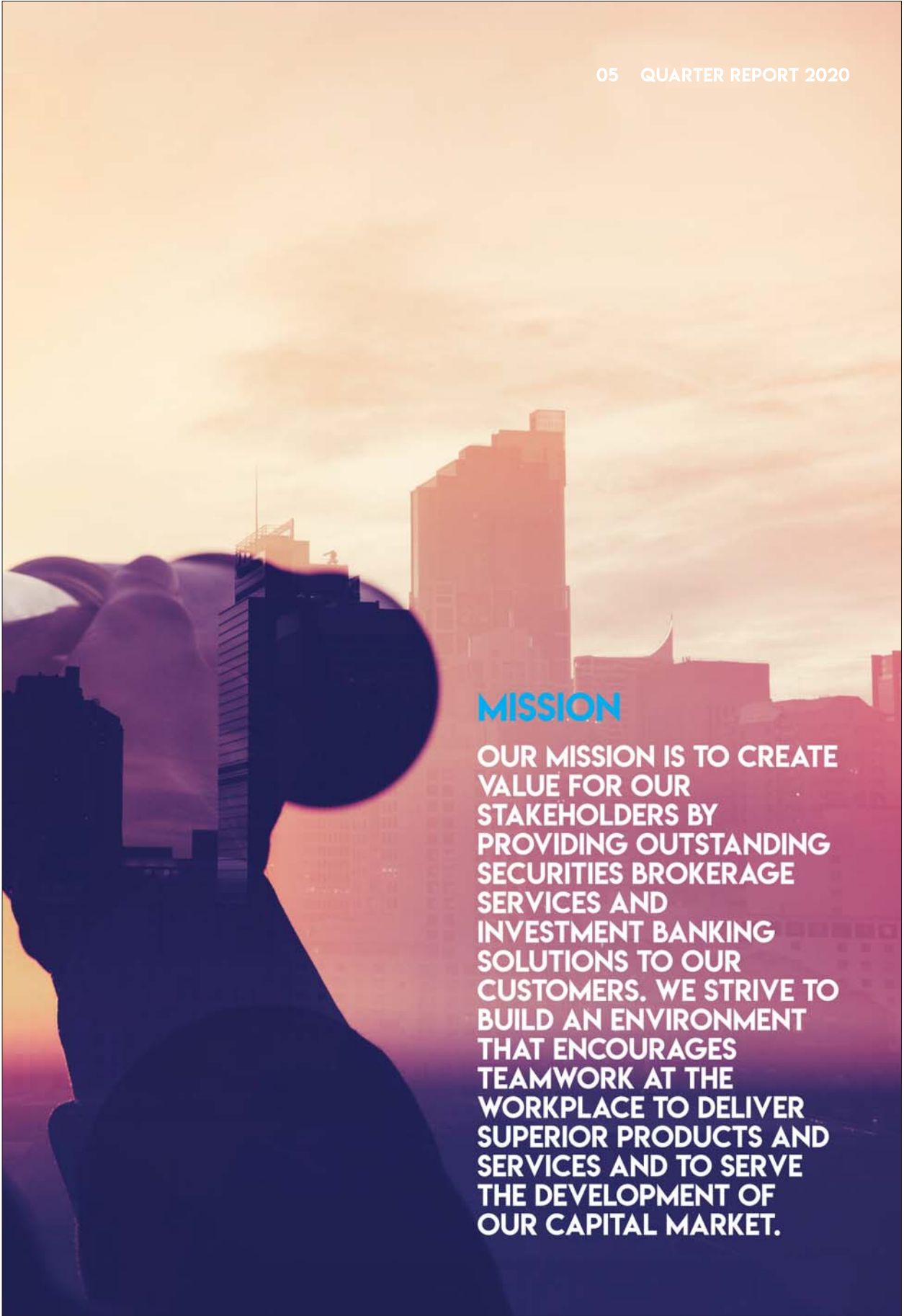
Peshawar Branch

Shops No. F13, F14, F15, F16, F17,
1st Floor, The Mall Tower, Peshawar Cantt.
Tel: +92 91 5253913



VISION

OUR VISION IS TO BE THE MOST PREFERRED AND RESPECTED FINANCIAL INSTITUTION, RENOWNED FOR OUR EXPERTISE IN SECURITIES BROKERAGE AND INVESTMENT BANKING SERVICES.



MISSION

OUR MISSION IS TO CREATE VALUE FOR OUR STAKEHOLDERS BY PROVIDING OUTSTANDING SECURITIES BROKERAGE SERVICES AND INVESTMENT BANKING SOLUTIONS TO OUR CUSTOMERS. WE STRIVE TO BUILD AN ENVIRONMENT THAT ENCOURAGES TEAMWORK AT THE WORKPLACE TO DELIVER SUPERIOR PRODUCTS AND SERVICES AND TO SERVE THE DEVELOPMENT OF OUR CAPITAL MARKET.

DIRECTORS' REPORT

Dear Fellow Members of Arif Habib Limited,

On behalf of the Board of Directors, I am pleased to present the financial statements of Arif Habib Limited (AHL) for the first quarter ended September 30, 2019.

Economic Review:

The first quarter of this FY20 witnessed an array of mixed trends with respect to Pakistan's economy. On the external account, the lagged impact of currency depreciation continued to reap benefits as the economy continued showeding signs of improvement with the Current Account Deficit settling at USD 1.55bn during 1QFY20, a 64% YoY downturn. Pakistan successfully attracted portfolio investment in T-Bills and has received a foreign inflow of USD 332mn. Resultantly, foreign exchange reserves with SBP increased from USD 7,280 million at June 2019 to USD 7,742 million as at September 2019, up by 6%.

In the meantime, economic activity during the period under review continued its slow trajectory on the back of subdued demand in the economy after a contractionary fiscal and monetary policy adopted by the government. Large scale manufacturing (LSM) witnessed a decrease of 6.04% YoY in 2MFY20. Inflation crossed the double digit mark during the quarter and averaged at 10.1% compared to 6.1% in the same period last year. The rising trend in inflation once again forced the State Bank to increase policy rate by 100bps to 13.25% in Jul'19. However, the SBP adopted a status quo stance in the September MPS primarily on the back of improvements on the external account and subdued inflationary expectations going forward.

Stock Market Review

The KSE-100 index posted a negative return of 5% in 1QFY20 to close at 32,079 points with major contribution to the downside led by Banks (-523pts), Oil & Gas chain ((including E&P, OMCs and Refinery) (-462pts) and Fertilizer (-363pts). End of July saw further hike in Discount rate by State Bank of Pakistan, which kept the equities under pressure and the benchmark index witnessed a new low of 28,764pts on August 16, 2019. On the other hand, currency parity with USD, which reached a high of PKR: USD ~164 at the end of 4QFY19 gradually came down to ~157 by end 1QFY20. During the first quarter, Individuals and Foreign investors were net buyers, matched by Mutual Funds and Insurance Companies on the sell side. Activity picked pace with the inflows from Government Pension Funds in Oil & Gas E&P sector and Banks, and was later followed by further inflows from High Net Worth Individuals, which further drove the index by investing in Cement and Steel Sectors. By the end of 1QFY20, market participants were buoyed by possible exclusion from FATF grey list, which on October 18, 2019 realized in a status quo with further extension till February 2020.

Your Company's Performance

During the period under review, your Company has posted after tax loss of Rs. 186.27 million.

The first quarter of FY20 witnessed a major decline of 48% in market traded volumes and 42% in market traded values compared to first quarter FY19. However, the brokerage and investment banking divisions managed to perform well and posted a total brokerage & investment banking revenue of Rs. 76.93 million (1QFY19: Rs. 85.55 million).

The short term investment portfolio has taken a hit due to deteriorating market, however, it was partly offset by realized and unrealized gain on our real estate investment portfolio.

During the period, operating expenses decreased by 19% as compared to the same period last year and posted a total of Rs. 67.79 million (1QFY19: Rs. 84.08 million). Your Company has invested in its human resources and expanded its business and support teams, especially in the retail sector which resulted in increase in salaries and related expenses. However, some of the compensation for the brokerage and investment banking team is also linked to the revenues generated for the Company, this variable compensation has decreased in view of the decrease in related revenues. During the said period, our financing costs have increased significantly due to increase in monetary policy rates and increased utilization of borrowing lines for diversification of Company's investment in more profitable opportunities. Further, the management has significantly reduced its financing rates with the banks due to our strong balance sheet and higher credit rating.

The equity of the Company as at the balance sheet date is Rs. 2.51 billion (June 2019: Rs. 2.92 billion), which translates into book value per share of Rs. 42.09 (June 30, 2019: Rs. 44.21). The equity level decreased due to the release of Rs. 231 million reserves for buy back of shares approved in the EOGM held on July 03, 2019 and also due to loss incurred by the company during the quarter.

Future Prospects

The future prospects of your Company are 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 by providing improved quality of services through extensive research, corporate access and advisory services. We are continuously working on expanding our online and retail client base in order to increase the market participation of investors and avail benefits from the lucrative market opportunities.

DIRECTORS' REPORT

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

Zafar Alam
Chairman

Karachi.
Dated: October 25, 2019

CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2019

	Note	Un audited September 30, 2019	Audited June 30, 2019
		Rupees	
ASSETS			
NON- CURRENT ASSETS			
Property and equipment	5	36,835,478	38,761,490
Intangible assets		7,286,810	6,954,089
Long term investments		149,468,092	154,046,528
Investment property	6	1,698,744,800	1,726,419,800
Long-term deposits		4,488,985	4,488,985
		1,896,824,165	1,930,670,892
CURRENT ASSETS			
Short term investments		3,822,751,068	2,411,100,877
Trade debts	7	40,194,472	30,933,887
Receivable against margin financing		53,304,494	114,245,832
Short term loans - secured		73,002	50,002
Advances, deposits and prepayments		44,896,337	288,323,875
Loan to related party		15,000,000	15,000,000
Accrued markup		-	26,899,464
Other receivables		533,936,955	197,775,763
Cash and bank balances	8	473,271,285	627,456,271
		4,983,427,613	3,711,785,971
TOTAL ASSETS		6,880,251,778	5,642,456,863
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized Capital			
75,000,000 (June 2015: 75,000,000) ordinary of PKR10/- each		750,000,000	750,000,000
Issued, subscribed and paid-up capital		594,000,000	660,000,000
Unappropriated profits		1,890,863,160	2,242,134,654
		2,484,863,160	2,902,134,654
Surplus on revaluation		15,432,500	15,432,500
LIABILITIES			
CURRENT LIABILITIES			
Short term borrowings- secured	9	2,953,748,396	1,909,233,639
Trade and other payables		423,166,826	637,975,550
Unclaimed dividend		14,460,393	14,460,393
Payable against purchase of securities- net		841,834,175	30,970,319
Markup accrued		104,452,620	84,812,447
Taxes payable -net	10	42,293,708	47,437,361
		4,379,956,118	2,724,889,709
CONTINGENCIES AND COMMITMENTS	11		
TOTAL EQUITY AND LIABILITIES		6,880,251,778	5,642,456,863

The annexed notes from 1 to 18 form an integral part of the condensed interim unconsolidated financial information.

Chief Executive Officer | Director | Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)

	Note	September 30, 2019	September 30, 2018
		Rupees	
Operating revenue		**81,783,356**	86,062,429
Capital (loss) / gain on sale of short term investments		**(95,152,411)**	88,733,374
Unrealized loss on re-measurement of short term investments		**(161,180,340)**	(39,531,796)
Unrealized gain on remeasurement of investment property		**132,500,000**	117,100,000
		(42,049,395)	252,364,007
Administrative and operating expenses		**(67,793,635)**	(84,080,710)
Finance costs		**(107,401,730)**	(27,421,800)
Other operating income		**43,869,392**	23,780,271
(Loss) / Profit before taxation		**(173,375,368)**	164,641,768
Taxation		**(12,896,126)**	(15,436,557)
(Loss) / Profit after taxation		**(186,271,494)**	149,205,211
(Loss) / earning per share - basic & diluted	**17**	**(2.99)**	2.26

The annexed notes from 1 to 18 form an integral part of the condensed interim unconsolidated financial information.

Chief Executive Officer

Director

Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)

	September 30, 2019	September 30, 2018
	Rupees	
Profit after taxation	**(186,271,494)**	149,205,211
Other comprehensive income for the period	**-**	-
Total comprehensive income for the period	**(186,271,494)**	149,205,211

The annexed notes from 1 to 18 form an integral part of the condensed interim unconsolidated financial information.

Chief Executive Officer

Director

Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)

	Share Capital	Reserves			Surplus on revaluation	Total
	Issued, subscribed & paid up capital	Unappropriated profits	Reserve for Issue of Bonus Shares	Sub Total		
	Rupees					
Balance as at July 1, 2018	550,000,000	2,621,883,347	-	2,621,883,347	15,432,500	3,187,315,847
Effect of adoption of new accounting standards	-	(42,288,164)	-	(42,288,164)	-	(42,288,164)
Cash dividend paid @ 30% for the year ended June 30, 2018	-	(165,000,000)	-	(165,000,000)	-	(165,000,000)
Bonus shares issued @ 20% for the year ended June 30, 2018	-	(110,000,000)	110,000,000	-	-	-
Comprehensive income for the three months ended September 30, 2018	-	149,205,211	-	149,205,211	-	149,205,211
Balance as at September 30, 2018	550,000,000	2,453,800,394	110,000,000	2,563,800,394	15,432,500	3,129,232,894
Balance as at October 1, 2018	550,000,000	2,453,800,394	110,000,000	2,563,800,394	15,432,500	3,129,232,894
Issuance of bonus shares against revenue reserve	110,000,000		(110,000,000)	(110,000,000)		-
Comprehensive income for the period October 2018 - June 2019	-	(211,665,740)	-	(211,665,740)	-	(211,665,740)
Balance as at June 30, 2019	660,000,000	2,242,134,654	-	2,242,134,654	15,432,500	2,917,567,154
Balance as at July 1, 2019	**660,000,000**	**2,242,134,654**	**-**	**2,242,134,654**	**15,432,500**	**2,917,567,154**
Effect of Buy-Back of 10% shares	**(66,000,000)**	**(165,000,000)**	**-**	**(165,000,000)**	**-**	**(231,000,000)**
Bonus shares issued @ 20% for the year ended June 30, 2018	**-**	**-**	**-**	**-**	**-**	**-**
Comprehensive loss for the three months ended September 30, 2019	**-**	**(186,271,494)**	**-**	**(186,271,494)**	**-**	**(186,271,494)**
Balance as at September 30, 2019	**594,000,000**	**1,890,863,160**	**-**	**1,890,863,160**	**15,432,500**	**2,500,295,660**

The annexed notes from 1 to 18 form an integral part of the condensed interim unconsolidated financial information.

Chief Executive Officer

Director

Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT

FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)

	Note	September 30, 2019	September 30, 2018
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		(173,375,368)	164,641,768
Adjustments for:			
Depreciation		1,926,012	1,909,135
Amortization of intangible asset		125,212	136,832
Gain on disposal of investment property		(775,000)	(6,640,000)
Loss on disposal of property and equipment		-	11,885
Loss on re-measurement of short term investments		161,180,340	39,531,796
Loss / (Gain) on short term investment		95,152,411	(88,733,374)
Unrealized gain on re-measurement of investment property		(132,500,000)	(117,100,000)
Dividend income		(4,855,725)	(512,300)
Finance costs		107,401,730	27,421,800
		227,654,980	(143,974,226)
Cash generated from operating activities before working capital changes		54,279,612	20,667,542
Effect on cash flow due to working capital changes			
(Increase)/decrease in current assets			
Short-term investments - net		(1,663,404,506)	193,550,539
Trade debts - consider good		(9,260,585)	(70,375,098)
Receivable against margin financing		60,941,338	(4,631,039)
Short term loans		(23,000)	(1,147,172)
Deposits and short-term prepayments		243,427,538	(4,335,506)
Accrued markup		26,899,464	21,175,998
Other receivables		(336,161,192)	9,918,906
Increase/(decrease) in current liabilities			
Trade and other payables		(214,808,724)	(43,798,449)
Unclaimed dividend		-	5,962,487
Payable against purchase of securities- net		810,863,856	(64,485,763)
		(1,081,525,811)	41,834,903
Cash (used in) / generated from operations		(1,027,246,199)	62,502,445
Taxes paid		(18,039,779)	6,117,585
Dividend paid		-	(165,000,000)
Finance costs paid		(87,761,557)	(46,685,285)
Net cash used in operating activities		(1,133,047,535)	(143,065,255)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		-	(3,050,566)
Proceeds from disposal of property and equipment		-	20,000
Acquisition of intangible assets		(457,933)	-
Expenditure on investment property - net		-	(145,000,000)
Sale proceeds on disposal of Investment property		160,950,000	121,480,000
Dividends received		4,855,725	2,557,100
Long term deposits - net		-	(242,908)
Net cash generated from / (used in) investing activities		165,347,792	(24,236,374)
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal repayment against finance lease liability		-	(1,026,668)
Repurchase of shares		(231,000,000)	-
Net cash used in financing activities		(231,000,000)	(1,026,668)
Net decrease in cash and cash equivalents		(1,198,699,743)	(168,328,297)
Cash and cash equivalents at the beginning of the year		(1,281,777,368)	(785,815,814)
Cash and cash equivalents at the end of the year	15	(2,480,477,111)	(954,144,111)

The annexed notes from 1 to 18 form an integral part of the condensed interim unconsolidated financial information.

Chief Executive Officer | Director | Chief Financial Officer

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (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 insturments, 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 72.80% shares of the Company.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim unconsolidated financial statement of the Company for the quarter ended September 30, 2019 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 Act, 2017 have been followed.

These condensed interim financial statements are being submitted to the shareholders as required under section 237 of the the Companies Act, 2017 (the Act) and the Listing Regulations of Pakistan Stock Exchange Limited.

These Condensed interim unconsolidated financial statements comprise of the statement of financial position as at September 30, 2019 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, 2019.

The comparative statement of financial position presented in these condensed interim financial statements as at June 30, 2019 has been extracted from the audited financial statements of the company for the year ended June 30, 2019, 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, 2018.

These condensed interim unconsolidated financial statements are presented in Pakistan Rupee which is the functional currency of the Company and rounded off to the nearest rupee.

These condensed interim unconsolidated financial statements 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 unconsolidated financial information are the same as those applied in the preparation of the unconsolidated financial statements for the year ended June 30, 2019.

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 unconsolidated 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 unconsolidated financial statements of the Company as at and for the year ended June 30, 2019.

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)

5 PROPERTY & EQUIPMENT

During the period ended September 30, 2019, neither any additions nor any disposals were made in property & equipment.

6 INVESTMENT PROPERTY

	September 30, 2019	June 30, 2019
	Rupees	
Carrying Value	**1,726,419,800**	1,373,500,000
Sale during the period	**(160,175,000)**	(180,540,000)
Acquisition during the year	**-**	163,419,941
	1,566,244,800	1,356,379,941
Increase in fair value - net	**132,500,000**	370,039,859
	1,698,744,800	1,726,419,800

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 37,139 million (June 2019: PKR 37,076 million) owned by its clients, as collaterals against trade debts.

	September-19		June-19	
	Gross	**Impairment**	Gross	Impairment
Not past due	**55,240,216**	**-**	116,163,581	-
Past due 1 day - 30 days	**36,747,593**	**-**	32,051,907	-
Past due 31 days - 180 days	**15,681,705**	**-**	11,978,370	-
Past due 181 days - 1 year	**9,778,819**	**-**	13,350,004	-
More than one year	**843,315,120**	**867,242,289**	838,878,146	867,242,289
Rupees	**960,763,454**	**867,242,289**	1,012,422,008	867,242,289

8 CASH AND BANK BALANCES

	Note	September 30, 2019	June 30, 2019
		Rupees	
Cash in hand		**86,187**	175,294
Cash at Bank			
in current accounts		**28,140,242**	194,874,279
in savings accounts		**445,044,856**	432,406,698
	8.1	**473,185,098**	627,280,977
		473,271,285	627,456,271

8.1 This includes customer's bank balances held in designated bank accounts amounting to PKR 454.455 million (June 2019: PKR 595.989 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:

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)

	September 30, 2019		June 30, 2019	
	Number of securities	**Amount (Rupees)**	Number of securities	Amount (Rupees)
Client	**193,800,000**	**4,912,372,000**	155,810,000	3,941,528,500
House	**129,500,995**	**2,077,512,388**	127,500,995	1,956,264,488
Total	**323,300,995**	**6,989,884,388**	283,310,995	5,897,792,988

10 TAXES PAYABLE -NET

Section 5A of the Income Tax Ordinance, 2001 imposes tax at the rate of 5% on every public company other than a scheduled bank or modaraba, that derives profits for tax a year but does not distribute at least 20% of accounting profit through cash dividend within six months of the end of said tax year.

Board of Directors of the Company intends to distribute sufficient cash dividend for the year ending 30 June 2020 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, 2019.

	September 30, 2019	June 30, 2019
	Rupees	
COMMITMENTS		
Following commitments are outstanding as at the year end.		
- Outstanding Settlements against Marginal Trading contracts	**70,462,619**	183,844,159
- Outstanding Settlements against (purchase) / sale of securities in regular market.	**112,711,600**	67,513,807
- 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, 2019 amounts to PKR 4.85 million.

13 RELATED PARTY TRANSACTIONS AND BALANCES

Name of the related party, relationship with company & Nature of Transaction	Period Ended 30 September 2019	30 September 2018
	Rupees	
PARENT COMPANY		
Arif Habib Corporation Limited		
Brokerage Commission earned during the period on sale and purchase of Securities	**1,109,345**	1,503,860
SUBSIDIARY		
Arif Habib Commodities (Private) Limited		
Brokerage Commission earned during the period on sale and purchase of Securities	**13,877**	46,156

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)

	Period Ended	
	30 September 2019	30 September 2018
	Rupees	
GROUP COMPANIES		
Javedan Corporation Limited		
Purchase of plots	-	125,000,000
Development Charges Paid	-	20,000,000
KEY MANAGEMENT PERSONNEL		
Zafar Alam (Chairman)		
Meeting Fee Paid	**25,000**	25,000
Muhammad Shahid Ali (CEO)		
Brokerage Commission earned during the period on sale and purchase of Securities	**749,227**	1,305,389
Muhammad Haroon (Director)		
Brokerage Commission earned during the period on sale and purchase of Securities	**1,650**	34,545
Meeting Fee Paid	**25,000**	25,000
Muhammad Sohail Salat (Director)		
Meeting Fee Paid	**25,000**	25,000
Sharmin Shahid (Director)		
Brokerage Commission earned during the period on sale and purchase of Securities	**121,533**	63,031
Meeting Fee Paid	**25,000**	25,000
Nida Ahsan (Director)		
Brokerage Commission earned during the period on sale and purchase of Securities	**114,400**	1,508,202
CLOSE FAMILY MEMBERS		
Arif Habib		
Brokerage commission earned during the period on sale and purchase of Securities	**685,763**	2,679,638
Payment made under buy-back scheme	**130,070,292**	-
Abdus Samad A. Habib		
Brokerage commission earned during the period on sale and purchase of Securities	**4,054**	3,703
Muhammad Kashif A. Habib		
Brokerage commission earned during the period on sale and purchase of Securities	**3,963**	-
POST EMPLOYMENT BENEFIT PLAN		
Provident fund trust - Contribution paid during the period	**1,477,151**	1,648,324

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)

Balances with related parties at the end of the period are as follows:	30 September 2019	June 30, 2019
	Rupees	
PARENT COMPANY		
Arif Habib Corporation Limited		
Balance Receivable at period end	**48,342**	40,128
SUBSIDIARY		
Arif Habib Commodities (Private) Limited		
Balance payable at period end	**-**	433,481
Other receivables	**15,256,305**	15,256,305
KEY MANAGEMENT PERSONNEL		
Muhammad Shahid Ali (CEO)		
Balance payable at period end	**29,928,446**	25,972,102
Nida Ahsan (Director)		
Balance recievable at period end	**7,286**	-
Balance payable at period end	**-**	12,182
Muhammad Haroon (Director)		
Balance payable at period end	**16,613**	4,239
CLOSE FAMILY MEMBERS		
Abdus Samad A. Habib		
Balance payable at period end	**4,240**	-

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, 2019.

15 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, 2019	September 30, 2018
	Rupees	
Cash and bank balances	**473,271,285**	552,832,336
Short term borrowings	**(2,953,748,396)**	(1,506,976,447)
	(2,480,477,111)	(954,144,111)

16 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors in meeting held on October 25, 2019.

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)

17 (LOSS) / EARNINGS PER SHARE

	September 30, 2019	September 30, 2018
	Rupees	
(Loss) / Profit after taxation attributable to ordinary shareholders	**(186,271,494)**	149,205,211
Weighted average number of ordinary shares outstandint at	**62,269,565**	66,000,000
(Loss) / Earnings per share	**(2.99)**	2.26

Reconciliation of weighted average number of shares:

	2019	2018
	Rupees	
Number of shares as on July 01	**66,000,000**	55,000,000
Bonus Shares issued	-	11,000,000
Shares Buy Back and cancelled	**(6,600,000)**	-
Adjustment for timing factor	**2,869,565**	-
	62,269,565	66,000,000

18 GENERAL

Figures have been rounded off to the nearest rupee.

Chief Executive Officer

Director

Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2019

	Note	Un audited September 30, 2019	Audited June 30, 2019
		Rupees	
ASSETS			
NON- CURRENT ASSETS			
Property and equipment	5	37,679,917	39,664,224
Intangible assets		10,786,810	10,454,089
Long term investments		61,468,092	66,046,528
Investment property	6	1,698,744,800	1,726,419,800
Long-term deposits		32,503,690	32,503,690
		1,841,183,309	1,875,088,331
CURRENT ASSETS			
Short term investments		3,822,751,068	2,417,046,133
Trade debts	7	40,194,472	30,933,887
Receivable against margin financing		53,304,494	114,245,832
Short term loans - secured		4,073,002	4,100,002
Advances, deposits and prepayments		112,787,705	346,522,172
Accrued markup		-	26,899,464
Other receivables		533,923,296	197,776,510
Cash and bank balances	8	504,171,947	657,572,366
		5,071,205,984	3,795,096,366
TOTAL ASSETS		6,912,389,293	5,670,184,697
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized Capital			
75,000,000 (June 2015: 75,000,000) ordinary shares of PKR10/- each		750,000,000	750,000,000
Issued, subscribed and paid-up capital		594,000,000	660,000,000
Unappropriated profits		1,916,754,587	2,264,332,324
		2,510,754,587	2,924,332,324
Surplus on revaluation		15,432,500	15,432,500
LIABILITIES			
CURRENT LIABILITIES			
Short term borrowings- secured	9	2,953,748,396	1,909,233,639
Trade and other payables		425,080,835	639,337,108
Unclaimed dividend		14,460,393	14,460,393
Payable against purchase of securities- net		841,834,175	30,970,319
Loan from related party	10	3,800,000	3,800,000
Markup accrued		104,452,620	84,812,447
Taxes payable -net	11	42,825,787	47,805,967
		4,386,202,206	2,730,419,873
CONTINGENCIES AND COMMITMENTS	12		
TOTAL EQUITY AND LIABILITIES		6,912,389,293	5,670,184,697

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

Chief Executive Officer | Director | Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)

	Note	September 30, 2019	September 30, 2018
		Rupees	
Operating revenue		**86,345,941**	88,517,899
Capital (loss) / gain on sale of short term investments		**(95,152,411)**	91,707,444
Unrealized (loss) / gain on re-measurement of short term investments		**(161,180,340)**	(39,531,796)
Unrealized gain on remeasurement of investment property		**132,500,000**	117,100,000
		(37,486,810)	257,793,547
Administrative and operating expenses		**(72,446,384)**	(88,748,739)
Finance costs		**(107,406,193)**	(27,432,466)
Other operating income		**47,938,038**	24,396,416
Profit before taxation		**(169,401,349)**	166,008,758
Taxation		**(13,176,388)**	(17,926,858)
Profit after taxation		**(182,577,737)**	148,081,900
(Loss) / earning per share - basic & diluted	**18**	**(2.93)**	2.24

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

Chief Executive Officer

Director

Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)

	September 30, 2019	September 30, 2018
	Rupees	
Profit after taxation	**(182,577,737)**	148,081,900
Other comprehensive income for the period	**-**	-
Total comprehensive income for the period	**(182,577,737)**	148,081,900

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

Chief Executive Officer

Director

Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)

	Share Capital	Reserves			Surplus on revaluation	Total
	Issued, subscribed & paid up capital	Unappropriated profits	Reserve for Issue of Bonus Shares	Sub Total		
	Rupees					
Balance as at July 1, 2018	550,000,000	2,647,092,238	-	2,647,092,238	15,432,500	3,212,524,738
Effect of adoption of new accounting standards	-	(42,288,164)	-	(42,288,164)	-	(42,288,164)
Cash dividend paid @ 30% for the year ended June 30, 2018	-	(165,000,000)	-	(165,000,000)	-	(165,000,000)
Bonus shares issued @ 20% for the year ended June 30, 2018	-	(110,000,000)	110,000,000	-	-	-
Comprehensive income for the three months ended September 30, 2018	-	148,081,900	-	148,081,900	-	148,081,900
Balance as at September 30, 2018	550,000,000	2,477,885,974	110,000,000	2,587,885,974	15,432,500	3,153,318,474
Balance as at October 1, 2018	550,000,000	2,477,885,974	110,000,000	2,587,885,974	15,432,500	3,153,318,474
Issuance of bonus shares against revenue reserve	110,000,000		(110,000,000)	(110,000,000)		-
Comprehensive income for the period October 2018 - June 2019	-	(213,553,650)	-	(213,553,650)	-	(213,553,650)
Balance as at June 30, 2019	660,000,000	2,264,332,324	-	2,264,332,324	15,432,500	2,939,764,824
Balance as at July 1, 2019	**660,000,000**	**2,264,332,324**	**-**	**2,264,332,324**	**15,432,500**	**2,939,764,824**
Effect of Buy-Back of 10% shares	**(66,000,000)**	**(165,000,000)**	**-**	**(165,000,000)**	**-**	**(231,000,000)**
Bonus shares issued @ 20% for the year ended 30, 2018	**-**	**-**	**-**	**-**	**-**	**-**
Comprehensive loss for the three months ended September 30, 2019	**-**	**(182,577,737)**	**-**	**(182,577,737)**	**-**	**(182,577,737)**
Balance as at September 30, 2019	**594,000,000**	**1,916,754,587**	**-**	**1,916,754,587**	**15,432,500**	**2,526,187,087**

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

Chief Executive Officer

Director

Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT

FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)

	Note	September 30, 2019	September 30, 2018
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		(169,401,349)	166,008,758
Adjustments for:			
Depreciation		1,984,307	1,970,721
Amortization of intangible asset		125,212	136,832
Gain on disposal of investment property		(775,000)	(6,640,000)
Loss on disposal of property and equipment		-	11,885
Loss on re-measurement of short term investments		161,180,340	39,531,796
Loss / (Gain) on short term investment		95,152,411	(91,707,444)
Unrealized gain on re-measurement of investment property		(132,500,000)	(117,100,000)
Dividend income		(4,855,725)	(512,300)
Finance costs		107,406,193	27,432,466
		227,717,738	(146,876,044)
Cash generated from operating activities before working capital changes		58,316,389	19,132,714
Effect on cash flow due to working capital changes			
(Increase)/decrease in current assets			
Short-term investments - net		(1,657,459,250)	185,607,236
Trade debts - consider good		(9,260,585)	(70,375,098)
Receivable against margin financing		60,941,338	(4,631,039)
Short term loans		27,000	(1,237,571)
Deposits and short-term prepayments		233,734,467	(22,791,884)
Accrued markup		26,899,464	21,175,998
Other receivables		(336,146,786)	10,048,925
Increase / (decrease) in current liabilities			
Trade and other payables		(214,256,273)	(23,149,390)
Unclaimed dividend		-	5,962,487
Payable against purchase of securities- net		810,863,856	(64,485,763)
		(1,084,656,769)	36,123,901
Cash (used in) / generated from operations		(1,026,340,380)	55,256,615
Taxes paid		(18,156,568)	6,484,107
Dividend paid		-	(165,000,000)
Finance costs paid		(87,766,020)	(46,695,951)
Net cash used in operating activities		(1,132,262,968)	(149,955,229)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		-	(3,050,566)
Proceeds from disposal of property and equipment		-	20,000
Acquisition of intangible assets		(457,933)	-
Expenditure on investment property - net		-	(145,000,000)
Sale proceeds on disposal of Investment property		160,950,000	121,480,000
Dividends received		4,855,725	2,557,100
Long term deposits - net		-	(242,908)
Net cash generated from / (used in) investing activities		165,347,792	(24,236,374)
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal repayment against finance lease liability		-	(1,026,668)
Repurchase of shares		(231,000,000)	-
Net cash used in financing activities		(231,000,000)	(1,026,668)
Net decrease in cash and cash equivalents		(1,197,915,176)	(175,218,271)
Cash and cash equivalents at the beginning of the year		(1,251,661,273)	(760,483,047)
Cash and cash equivalents at the end of the year	16	(2,449,576,449)	(935,701,318)

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

Chief Executive Officer | Director | Chief Financial Officer

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (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 insturments, 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 72.80% shares of the Company.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim consolidated financial statement of the Company for the quarter ended September 30, 2019 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 Act, 2017 have been followed.

These condensed interim financial statements are being submitted to the shareholders as required under section 237 of the the Companies Act, 2017 (the Act) and the Listing Regulations of Pakistan Stock Exchange Limited.

These Condensed interim consolidated financial statements comprise of the statement of financial position as at September 30, 2019 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, 2019.

The comparative statement of financial position presented in these condensed interim financial statements as at June 30, 2019 has been extracted from the audited financial statements of the company for the year ended June 30, 2019, 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, 2018.

These condensed interim consolidated financial statements are presented in Pakistan Rupee which is the functional currency of the Company and rounded off to the nearest rupee.

These condensed interim consolidated financial statements 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 consolidated financial information are the same as those applied in the preparation of the consolidated financial statements for the year ended June 30, 2019.

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 consolidated 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 consolidated financial statements of the Company as at and for the year ended June 30, 2019.

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)

5 PROPERTY & EQUIPMENT

During the period ended September 30, 2019, neither any additions nor any disposals were made in property & equipment.

6 INVESTMENT PROPERTY

	September 30, 2019	June 30, 2019
	Rupees	
Carrying Value	**1,726,419,800**	1,373,500,000
Sale during the period	**(160,175,000)**	(180,540,000)
Acquisition during the year	**-**	163,419,941
	1,566,244,800	1,356,379,941
Increase in fair value - net	**132,500,000**	370,039,859
	1,698,744,800	1,726,419,800

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 37,139 million (June 2019: PKR 37,076 million) owned by its clients, as collaterals against trade debts.

	September-19		June-19	
	Gross	**Impairment**	Gross	Impairment
Not past due	**55,240,216**	**-**	116,163,581	-
Past due 1 day - 30 days	**36,747,593**	**-**	32,051,907	-
Past due 31 days - 180 days	**15,681,705**	**-**	11,978,370	-
Past due 181 days - 1 year	**9,778,819**	**-**	13,350,004	-
More than one year	**843,315,120**	**867,242,289**	838,878,146	867,242,289
Rupees	**960,763,454**	**867,242,289**	1,012,422,008	867,242,289

8 CASH AND BANK BALANCES

	Note	September 30, 2019	June 30, 2019
		Rupees	
Cash in hand		**86,187**	175,294
Cash at Bank			
in current accounts		**30,648,389**	195,786,812
in savings accounts		**473,437,371**	461,610,260
	8.1	**504,085,760**	657,397,072
		504,171,947	657,572,366

8.1 This includes customer's bank balances held in designated bank accounts amounting to PKR 454.455 million (June 2019: PKR 595.989 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:

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)

	September 30, 2019		June 30, 2019	
	Number of securities	**Amount (Rupees)**	Number of securities	Amount (Rupees)
Client	**193,800,000**	**4,912,372,000**	155,810,000	3,941,528,500
House	**129,500,995**	**2,077,512,388**	127,500,995	1,956,264,488
Total	**323,300,995**	**6,989,884,388**	283,310,995	5,897,792,988

10 LOAN FROM RELATED PARTY

This represents short term interest free loan from director of M/s. Arif Habib Commodities (Private) Limited ('the Subsidiary Company') to meet working capital requirements of the Subsidiary Company and is repayable on demand.

11 TAXES PAYABLE -NET

Section 5A of the Income Tax Ordinance, 2001 imposes tax at the rate of 5% on every public company other than a scheduled bank or modaraba, that derives profits for tax a year but does not distribute at least 20% of accounting profit through cash dividend within six months of the end of said tax year.

Board of Directors of the Company intends to distribute sufficient cash dividend for the year ending 30 June 2019 to comply with the above stated requirement. Accordingly, no provision for tax on undistributed reserves has been recognized in these condensed consolidated interim financial information.

12 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, 2019.

	September 30, 2019	June 30, 2019
	Rupees	
Following commitments are outstanding as at the year end.		
- Outstanding Settlements against Marginal Trading contracts	**70,462,619**	183,844,159
- Outstanding Settlements against (purchase) / sale of securities in regular market.	**112,711,600**	67,513,807
- Guarantee given by a commercial bank on behalf of the Company	**250,000,000**	250,000,000

13 Income from dividend for the period ended September 30, 2019 amounts to PKR 4.85 million.

14 RELATED PARTY TRANSACTIONS AND BALANCES

Name of the related party, relationship with company & Nature of Transaction	**Period Ended** 30 September 2019	30 September 2018
	Rupees	
PARENT COMPANY		
Arif Habib Corporation Limited		
Brokerage Commission earned during the period on sale and purchase of Securities	**1,109,345**	1,503,860
GROUP COMPANIES		
Javedan Corporation Limited		
Purchase of plots	**-**	125,000,000
Development Charges Paid	**-**	20,000,000

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)

Name of the related party, relationship with company & Nature of Transaction	Period Ended 30 September 2019	Period Ended 30 September 2018
	Rupees	
KEY MANAGEMENT PERSONNEL		
Zafar Alam (Chairman of Holding Company)		
Meeting Fee Paid	**25,000**	25,000
Muhammad Shahid Ali (CEO of Holding Company)		
Brokerage Commission earned during the period on sale and purchase of Securities	**749,227**	1,305,389
Muhammad Haroon (Director of Holding Company)		
Brokerage Commission earned during the period on sale and purchase of Securities	**1,650**	34,545
Meeting Fee Paid	**25,000**	25,000
Muhammad Sohail Salat (Director of Holding Company)		
Meeting Fee Paid	**25,000**	25,000
Sharmin Shahid (Director of Holding Company)		
Brokerage Commission earned during the period on sale and purchase of Securities	**121,533**	63,031
Meeting Fee Paid	**25,000**	25,000
Nida Ahsan (Director of Holding Company)		
Brokerage Commission earned during the period on sale and purchase of Securities	**114,400**	1,508,202
CLOSE FAMILY MEMBERS		
Arif Habib		
Brokerage commission earned during the period on sale and purchase of Securities	**685,763**	2,679,638
Payment made under buy-back scheme	**130,070,292**	-
Abdus Samad A. Habib		
Brokerage commission earned during the period on sale and purchase of Securities	**4,054**	3,703
Muhammad Kashif A. Habib		
Brokerage commission earned during the period on sale and purchase of Securities	**3,963**	-
POST EMPLOYMENT BENEFIT PLAN		
Provident fund trust - Contribution paid during the period	**1,477,151**	1,648,324

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)

Balances with related parties at the end of the period are as follows:	30 September 2019	June 30, 2019
	Rupees	
PARENT COMPANY		
Arif Habib Corporation Limited		
Balance Receivable at period end	**48,342**	40,128
KEY MANAGEMENT PERSONNEL		
Muhammad Shahid Ali (CEO of Holding Company)		
Balance payable at period end	**29,928,446**	25,972,102
Nida Ahsan (Director of Holding Company)		
Balance recievable at period end	**7,286**	-
Balance payable at period end	**-**	12,182
Muhammad Haroon (Director of Holding Company)		
Balance payable at period end	**16,613**	4,239
CLOSE FAMILY MEMBERS		
Abdus Samad A. Habib		
Balance payable at period end	**4,240**	-

15 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, 2019.

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, 2019	September 30, 2018
	Rupees	
Cash and bank balances	**504,171,947**	575,699,810
Short term borrowings	**(2,953,748,396)**	(1,511,401,128)
	(2,449,576,449)	(935,701,318)

17 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors in meeting held on October 25, 2019.

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)

18 (LOSS) / EARNINGS PER SHARE

	September 30, 2019	September 30, 2018
	Rupees	
(Loss) / Profit after taxation attributable to ordinary shareholders	**(182,577,737)**	148,081,900
Weighted average number of ordinary shares outstandint at	**62,269,565**	66,000,000
(Loss) / Earnings per share	**(2.93)**	2.24

Reconciliation of weighted average number of shares:

	2019	2018
	Rupees	
Number of shares as on July 01	**66,000,000**	55,000,000
Bonus Shares issued	-	11,000,000
Shares Buy Back and cancelled	**(6,600,000)**	-
Adjustment for timing factor	**2,869,565**	-
	62,269,565	66,000,000

19 GENERAL

Figures have been rounded off to the nearest rupee.

Chief Executive Officer

Director

Chief Financial Officer

PATTERN OF SHAREHOLDING

AS OF SEPTEMBER 30, 2019

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children			
MUHAMMAD HAROON	1	1,557	0.00
NIDA AHSAN	1	1,099	0.00
SHARMIN SHAHID	1	1,099	0.00
MOHSIN MADNI	1	500	0.00
MUHAMMAD SHAHID ALI	1	878	0.00
ZAFAR ALAM	1	600	0.00
MUHAMMAD SOHAIL SALAT	1	600	0.00
Associated Companies, undertakings and related parties			
M/S. ARIF HABIB CORPORATION LIMITED	2	43,245,884	72.80
ARIF HABIB	1	1,274,008	2.14
Public Sector Companies and Corporations	1	55,420	0.09
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds	5	425,640	0.72
Mutual Funds			
CDC - TRUSTEE ATLAS STOCK MARKET FUND	1	136,277	0.23
CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	1	79,652	0.13
General Public			
a. Local	3285	13,371,923	22.51
b. Foreign	1	12,000	0.02
Foreign Companies	1	2,400	0.00
Others	41	790,463	1.33
Totals	**3346**	**59,400,000**	**100.00**

Share holders holding 5% or more	Shares Held	Percentage
M/S. ARIF HABIB CORPORATION LIMITED	43,245,884	72.80

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ARIF HABIB
LIMITED

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