



# Defining the Way to Growth

Nine Months Period Ended  
March 31, 2014



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## Corporate Information

### Board of Directors

**Ms. Sharmin Shahid**

Chairperson & Non-executive Director

**Mr. Shahid Ali Habib**

Chief Executive Officer & Executive Director

**Mr. Amanullah Suleman**

Independent Director

**Mr. Haroon Usman**

Non-executive Director

**Ms. Nida Ahsan**

Non-executive Director

**Mr. Abdullah A. Rahman**

Non-executive Director

**Mr. Muhammad Rafique Bhundi**

Executive Director

### Audit Committee

**Mr. Haroon Usman**

Chairman

**Ms. Nida Ahsan**

Member

**Mr. Abdullah A. Rahman**

Member

### Human Resource & Remuneration Committee

**Mr. Haroon Usman**

Chairman

**Mr. Shahid Ali Habib**

Member

**Ms. Nida Ahsan**

Member

### Company Secretary & CFO

**Mr. Faisal Mehmood Shaikh**

### Auditors

M/s. Rahman Sarfaraz Rahim Iqbal Rafiq  
Chartered Accountants

### Legal Advisors

M/s. Bawaney & Partners



### Bankers

Allied Bank Limited  
 Askari Bank Limited  
 Bank Al Falah 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  
 National Bank of Pakistan Limited  
 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 Shakra-e-Faisal  
 Karachi-74400.  
 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: 111-245-111  
 Fax No : 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)

# Directors' Report

The Directors of Arif Habib Limited (AHL), are pleased to present the Directors' Report of the Company together with unaudited condensed interim financial statements for the nine months and third quarter period ended March 31, 2014.

## Economy

In 9MFY14, all major macro economic indicators have improved and growth recovery appears to be in place. Higher foreign inflows, strong remittances receipts, lower inflation, appreciating PKR and a favorable discount rate have helped prosper business activity in the country.

As of the latest official figures published, Pakistan's fiscal deficit posted a figure of PKR 540bn (2.1% of the GDP) compared to PKR 624.6bn (or 2.6% of the GDP) in 1HFY13. Government revenue remained firm with tax collection totaling PKR 1.15tn against PKR 0.99tn in the corresponding period last year, an increase of 17% YoY. The government with realization of inflows under Pakistan Development Fund (PDF) worth USD 1.5bn and Euro Bond proceeds amounting to USD 2bn will help reduce borrowing requirement.

In addition, foreign inflows in the form of concessionary grants, unilateral & bilateral funding, improving remittances receipt (growth of 11%YoY to USD 10.8bn) has helped build up county's foreign exchange reserve which touched a low of USD 7.9bn in Jan-14 reaching USD 10bn by Mar-14. As a result PKR gained significantly against USD, appreciating by 7% since Dec - 13.

Average inflation of 8.6% during the period has remained subdued, and it is likely to remain below 9% for FY14. This is considerably lower than SBP's initial target of 10-11%. As a result, SBP eased monetary policy bringing it down to 10% from 11% in Jul-13.

Going forward we foresee PKR to remain stable against the USD, based on planned bilateral inflows, 3G/4G spectrum auction, incremental exports on account of GSP+ status by EU and Euro Bond issue in 4QFY14. In addition, monetary easing further down the road would help recover business and thus improve LSM, a key ingredient for sustainable economic growth.

## Market

KSE-100 benchmark index continued its upward momentum during 9MFY14 posting a solid return of 29% (6,154 points) to end the period at 27,159 points with market capitalization increasing by USD 14.5bn to stand at USD 67.13bn at the period-end. Better foreign exchange reserves position, improving PKR, successful completion of IMF's quarterly

reviews and increase in Pakistan's weight in MSCI Frontier Market Index to 8.9% from 4.3%, were the major contributors toward this strong KSE performance.

During 9MFY14, Foreign Investors Portfolio Investment (FIPI) recorded a net inflow of USD 22.8mn as compared to USD 228mn during the same period last year. Though on a net basis, FIPI has shown a decline, however share of the market activity by the foreign investors have improved to 7% in 9MFY14 from 5% in the same period last year. Liquidity of the market improved by a 7% YoY to an average of 215mn shares per day, compared to 201mn shares exchanging hands in the same period last year. Similarly, average value traded recorded a 51% YoY growth to USD 108mn versus last year average value traded of USD 71mn.

#### **Financial Performance**

By the grace of Almighty Allah, your Company has continued to perform well and achieved healthy profitability during the nine month period of the fiscal year 2014. The Company has posted after tax profit of PKR 635.3mn(PKR 467.2mn) which translates into an EPS of PKR 11.55(PKR 8.49).

During the period under-review, all divisions supported to achieve revenue growth of 22%. The brokerage division has shown an outstanding growth as its revenue increased by 117% from last nine months results to PKR181.1mn (PKR83.5mn). The Corporate Finance income increase by 98% from last nine months results stood at PKR 37.8mn (PKR 19.1mn). The Company's investment portfolio has yielded healthy realized and unrealized revenue growth of 53% to PKR 644mn (PKR 420mn), compared to last nine month of the same period.

The administrative expenses for the period were reduced by 33% to PKR 122.5mn compared to PKR182.5mn in the corresponding last nine month period on account of controlling provisions. Our finance cost for the period increased by 26% to PKR185.7mn(PKR 136.5mn) as higher borrowings were deployed in the opportunistic investments' which have performed significantly well.

The equity of the Company has increased by 38% to PKR 1.8bn (June 2013: PKR.1.3bn) which translates into book value per share of PKR 33.34(June 30, 2013: PKR 24.42). The healthier equity level was achieved despite the release of PKR 150mn reserves for cash dividends approved in the AGM held on October 25, 2013.

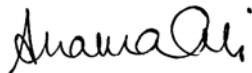
#### **Future Prospects**

The future prospects of our company look positive on account of growing volumes and expected increase in our market share. We are targeting to generate higher brokerage revenue from foreign clients going forward as we strengthen our relationship with foreign fund managers and broker dealers. We are confident to improve our market share in local and international brokerage and from our money-market desk. We are engaged in potential equity and debt transactions which are likely to add to our earnings going forward.

#### **Acknowledgment**

We are grateful to the Company's stockholders for their continuing confidence and patronage. We record our appreciation and thanks to our customers, stakeholders, parent company, the State Bank of Pakistan, the Securities & Exchange Commission of Pakistan and the managements of Karachi, Lahore and Islamabad Stock Exchanges for their continuing support and guidance. 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**



**Shahid Ali Habib**  
**Chief Executive Officer & Director**  
**April 23, 2014**  
**Karachi.**

Un Audited Financial Information  
for the Nine Months Period Ended  
March 31, 2014





**CONDENSED INTERIM  
BALANCE SHEET**  
AS AT MARCH 31, 2014

	Note	Un audited March 31 2014	Audited June 30, 2013
		Rupees	
<b>ASSETS</b>			
<b>NON- CURRENT ASSETS</b>			
Property, plant and equipment	5	58,451,865	62,828,262
Intangible assets		59,653,776	72,234,800
Long term investments		159,342,551	159,342,551
Investment property		323,876,600	315,336,600
Advance against investments		975,000	975,000
Long term deposits		6,435,121	2,536,500
Deferred tax asset		8,745,623	6,542,854
		617,480,536	619,796,567
<b>CURRENT ASSETS</b>			
Short term investments		2,304,252,425	1,915,897,747
Trade debts - considered good		1,394,409,908	556,484,443
Short term loans - secured		1,145,585	2,317,328
Trade deposits and prepayments		50,536,538	49,810,461
Other receivables		284,606,279	65,832,199
Cash & bank balances		59,637,543	406,760,741
		4,094,588,278	2,997,102,919
<b>TOTAL ASSETS</b>		<b>4,712,068,814</b>	<b>3,616,899,486</b>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
<b>Authorized Capital</b>			
75,000,000 (June 2013: 75,000,000) ordinary shares of Rs.10/- each		750,000,000	750,000,000
Issued, subscribed & paid-up capital		550,000,000	500,000,000
Unappropriated profits		1,278,742,079	843,415,798
		1,828,742,079	1,343,415,798
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Liabilities against assets subject to finance lease		1,773,195	-
Loan from associate		332,699,267	300,168,506
		334,472,462	300,168,506
<b>CURRENT LIABILITIES</b>			
Short term borrowings- secured		2,120,117,171	1,125,124,331
Current portion of liabilities subject to finance lease		2,016,603	2,494,974
Trade and other payables		355,524,049	814,591,695
Markup accrued		53,127,735	28,395,905
Taxes payable		18,068,715	2,708,277
		2,548,854,273	1,973,315,182
<b>CONTINGENCIES AND COMMITMENTS</b>	6	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,712,068,814</b>	<b>3,616,899,486</b>

The annexed notes 1 to 11 form an integral part of the condensed interim financial information.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

**CONDENSED INTERIM  
PROFIT AND LOSS ACCOUNT**

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2014 (UN-AUDITED)

	Nine Months ended		Third Quarter ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Rupees				
Operating revenues	233,223,335	127,824,540	112,060,474	51,027,065
Capital gain on sale of short term investments	481,913,778	176,941,938	207,689,887	63,415,497
Unrealized gain on remeasurement of investment property	-	96,253,788	-	-
Unrealized gain on re-measurement of short term investments	144,406,112	218,184,996	98,311,484	20,114,371
	859,543,225	619,205,262	418,061,845	134,556,933
Administrative and operating expenses	(122,547,345)	(182,692,023)	(47,424,717)	(29,725,098)
Finance costs	(185,865,890)	(136,502,858)	(69,040,262)	(46,345,109)
Other operating incomes	120,551,838	181,669,931	46,148,413	21,871,905
Other charges	(6,478,731)	-	-	-
<b>Profit before taxation</b>	<b>665,203,097</b>	<b>481,680,312</b>	<b>347,745,279</b>	<b>80,358,632</b>
Taxation - net	(29,876,816)	(14,481,454)	(21,564,248)	(8,913,259)
<b>Profit after taxation</b>	<b>635,326,281</b>	<b>467,198,858</b>	<b>326,181,031</b>	<b>71,445,373</b>
<b>Earning per share - basic and diluted</b>	<b>11.55</b>	<b>8.49</b>	<b>5.93</b>	<b>1.30</b>

The annexed notes 1 to 11 form an integral part of the condensed interim financial information.

  
 Chief Executive Officer

  
 Director

  
 Chief Financial Officer

**CONDENSED INTERIM  
STATEMENT OF COMPREHENSIVE INCOME**  
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2014 (UN-AUDITED)

	Nine Months ended		Third Quarter ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	Rupees			
Profit for the period	635,326,281	467,198,858	326,181,031	71,445,373
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>635,326,281</u>	<u>467,198,858</u>	<u>326,181,031</u>	<u>71,445,373</u>

The annexed notes 1 to 11 form an integral part of the condensed interim financial information.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

**CONDENSED INTERIM  
STATEMENT OF CHANGES IN EQUITY**  
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2014 (UN-AUDITED)

	Issued, subscribed & paid up capital	Unappropriated profits	Total
	Rupees		
Balance as at July 1, 2012	450,000,000	645,946,335	1,095,946,335
Bonus shares allocated @ 11.11% for the year ended June 30, 2012 (2011: Nil)	50,000,000	(50,000,000)	-
Cash dividend paid @ 30% for the year ended June 30, 2012 (2011: Nil)	-	(135,000,000)	(135,000,000)
Comprehensive income for the nine months period ended on March 31, 2013	-	467,198,858	467,198,858
<b>Balance as at March 31, 2013</b>	<b>500,000,000</b>	<b>928,145,193</b>	<b>1,428,145,193</b>
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 (2012: 11.11%).	50,000,000	(50,000,000)	-
Cash dividend paid @ 30% for the year ended June 30, 2013 (2012: 30%)	-	(150,000,000)	(150,000,000)
Comprehensive income for the nine months period ended on March 31, 2014	-	635,326,281	635,326,281
<b>Balance as at March 31, 2014</b>	<b>550,000,000</b>	<b>1,278,742,079</b>	<b>1,828,742,079</b>

The annexed notes 1 to 11 form an integral part of the condensed interim financial information.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer



# CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2014 (UN-AUDITED)

Note	Nine Months ended	
	March 31, 2014	March 31, 2013
	Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	665,203,097	481,680,312
Adjustments for:		
Depreciation on property, plant and equipment	7,204,691	8,427,169
Amortization of intangible asset	328,524	362,840
Gain on disposal of intangible assets	(1,647,500)	-
Gain on disposal of property, plant and equipment	(396,671)	(274,523)
Gain on re-measurement of short term investments	(144,406,112)	(218,184,995)
Gain on short term investment	(481,913,778)	(176,941,938)
Unrealized gain on re-measurement of investment property	-	(96,253,788)
Dividend income	(14,310,642)	(25,230,441)
Initial recognition of stock exchanges shares	-	(121,342,551)
(Recovery) / provision against doubtful debts	(95,472)	87,826,947
Finance costs	185,865,890	136,502,858
	(449,371,070)	(405,108,422)
<b>Cash generated from operating activities before working capital changes</b>	<b>215,832,027</b>	<b>76,571,890</b>
<b>Effect on cash flow due to working capital changes</b>		
<b>(Increase)/decrease in current assets</b>		
Short-term investments	237,965,212	105,557,588
Trade debts	(837,829,993)	(60,558)
Receivable against sale of securities- Net	-	529,534,120
Short term loans	1,171,743	518,287
Deposits and short-term prepayments	(726,077)	(28,486,799)
Other receivables	(218,774,080)	7,166,251
<b>(Decrease) / increase in current liabilities</b>		
Trade and other payables	(459,067,646)	47,160,300
	(1,277,260,841)	661,389,190
<b>Cash (used in) / generated from operations</b>	<b>(1,061,428,814)</b>	<b>737,961,080</b>
Taxes paid	(16,719,147)	(15,926,657)
Finance costs paid	(128,603,329)	(119,004,802)
<b>Net cash (used in) / generated from operating activities</b>	<b>(1,206,751,290)</b>	<b>603,029,621</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment and investment property	(2,712,381)	(1,001,917)
Proceeds from disposal of property, plant and equipment	1,921,531	736,120
Acquisition of intangible assets	(150,000)	-
Proceed from disposal of intangible assets	14,200,000	-
Expenditure on investment property	(8,540,000)	(7,571,697)
Dividends received	14,310,642	23,513,737
Long term deposits	(3,898,620)	70,000
<b>Net cash generated from investing activities</b>	<b>15,131,172</b>	<b>15,746,243</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of finance lease liability	(495,920)	(718,127)
Dividend paid	(150,000,000)	(135,000,000)
<b>Net cash used in financing activities</b>	<b>(150,495,920)</b>	<b>(135,718,127)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(1,342,116,038)</b>	<b>483,057,737</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>(718,363,590)</b>	<b>(1,605,979,903)</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>(2,060,479,628)</b>	<b>(1,122,922,168)</b>

The annexed notes 1 to 11 form an integral part of the condensed interim financial information.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

**CONDENSED INTERIM  
SELECTED NOTES TO THE FINANCIAL STATEMENT  
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2014 (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 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 (TREC) 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/233/683/2002-474 dated October 30, 2013 has granted exemption to the Company from preparation of the Consolidated Financial Statements.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

This condensed interim financial information of the Company for nine months period ended 31 March 2014 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 2013.

The comparative balance sheet presented in this condensed interim financial information has been extracted from the annual audited separate financial statements of the Company for the year ended 30 June 2013, 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 31 March 2013.

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.

**2.2 Basis of measurement**

This condensed interim financial information has been prepared under the historical cost convention, except for certain investment classified as at fair value through profit or loss and available for sale which are measured at fair value.

**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, 2013.

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

**CONDENSED INTERIM  
SELECTED NOTES TO THE FINANCIAL STATEMENT**  
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2014 (UN-AUDITED)

**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, 2013.

**5 PROPERTY, PLANT & EQUIPMENT**

During the nine months period ended March 31, 2014, addition made amounting to Rs. 4.503 million (June 2013: 1.09 million) which comprised of leasehold improvement, office equipment, computer and allied and vehicles. Further, assets having WDV of Rs. 1.674 million were sold for Rs. 2.072 million (June 2013: WDV OF Rs. 0.521 million were sold of Rs. 0.788 million).

**6 CONTINGENCIES AND COMMITMENTS**

**March 31, 2014**      **June 30, 2013**  
**Rupees**

**CONTINGENCIES**

There were no change in contingencies at the period end as disclosed in the financial statements for the year ended June 30, 2013.

**COMMITMENTS**

Following commitments are outstanding as at the year end.

- Outstanding settlement against (purchases)/sale of securities in future market.	<b>55,404,665</b>	22,746,380
- Outstanding Settlements against Marginal Trading	<b>414,811,674</b>	354,849,362
- Outstanding Settlements against (purchase)/sale of securities in regular market.	<b>76,555,547</b>	115,552,990
- Guarantee given by a commercial bank on behalf of the company	<b>100,000,000</b>	100,000,000

**7 RELATED PARTY DISCLOSURE**

**March 31, 2014**      **March 31, 2013**  
**Rupees**

Brokerage commission and other services to:

Parent	5,216,474	5,075,739
Group companies	2,269,003	3,868,889
Key management personnel	2,678,467	2,689,386
Other Related Party	4,102,052	-
Rent paid associated company	15,673,680	11,494,034
Tenderable gain from parent company	4,400,765	-
Dividend paid to related parties	97,442,355	103,543,227
Rent income from Subsidiary	1,800,000	1,800,000
Contribution to staff provident fund	1,671,917	956,065
Remuneration to other directors	3,041,220	1,522,358
Remuneration to Chief Executive Officer		
Remuneration	3,173,167	5,636,486
Other Allowances	855,678	767,712
Commission and performance bonus	3,170,381	1,254,742
	<b>7,199,226</b>	<b>7,658,940</b>

**CONDENSED INTERIM  
SELECTED NOTES TO THE FINANCIAL STATEMENT**  
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2014 (UN-AUDITED)

	March 31, 2014	June 30, 2013
	Rupees	
Balances with related parties at the end of the period are as follows:		
Receivable from related parties		
Group Companies	2,245,378	-
Subsidiary	1,200,000	5,000,000
Key management personnel	5,590,525	4,359,494
Other related parties	4,800,955	-
Investment in related parties	630,864,568	268,054,120
Subsidiary	38,000,000	38,000,000
Payable to related parties:		
Parent	22,439,408	-
Group Companies	951,282	-
Key management personnel	465,229	1,638,725
Other related parties	655,698	300,168,505

**8 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, 2013.

**9 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, 2014	March 31, 2013
	Rupees	
Cash and bank balances	59,637,543	15,786,815
Short term borrowings	(2,120,117,171)	(1,138,708,983)
	<u>(2,060,479,628)</u>	<u>(1,122,922,168)</u>

**10 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue by the Board of Directors in meeting held on April 23, 2014.

**11 GENERAL**

Figures have been rounded off to the nearest rupee.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer





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