

Progression Towards **New Horizons**



Quarterly Report
March 31, 2018

Progression Towards

New H



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

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

This Quarter Report can also be accessed from
www.arifhabibltd.com/quarterreportmarch2018

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Corporate Information

Board of Directors

Mr. Zafar Alam
Chairman & Non-executive Director

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

Mr. Ali Murtaza Kazmi
Independent Director

Mr. Haroon Usman
Non-executive Director

Ms. Sharmin Shahid
Non-executive Director

Ms. Nida Ahsan
Non-executive Director

Dr. Muhammad Sohail Salat
Independent Director

Audit Committee

Mr. Ali Murtaza Kazmi
Chairman

Mr. Haroon Usman
Member

Ms. Nida Ahsan
Member

Human Resource & Remuneration Committee

Mr. Haroon Usman
Chairman

Mr. Muhammad Shahid Ali Habib
Member

Ms. Nida Ahsan
Member

Company Secretary & CFO

Mr. Muhammad Taha Siddiqui

Auditors

M/s. Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

Credit Rating

JCR-VIS Credit Rating Company Limited

Legal Advisors

M/s. Bawaney & Partners

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
National Bank of Pakistan
Sindh Bank Limited
Silk 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-050/01

Lahore Office

14-A Jail Road, Lahore-54000.
Tel: (92-42) 3587-1730-34



Directors' Report

Dear Fellow Members of Arif Habib Limited,

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

Economic Review

Macroeconomic indicators during the quarter under review remained favorable. The government opted for a pro-active approach in Jan'18 and raised policy rate by 25bps to 6.00% in order to stop the economy from overheating. However, recent PKR depreciation against the Green Back did not push the consumer price index upwards. During 3QFY18, average headline inflation settled at 3.78% (Mar'18: 3.25%) compared to 4.27% in same period last year. Moreover, Large Scale Manufacturing (LSM) recorded growth of 6.24% in Jul'17-Feb'18 (8MFY17: 4.24%) on the back of increase in manufacturing of steel, automobiles, pharmaceuticals, petroleum products, electronics, paper and board and food. While on the external account front, uptick in exports by 12% in 8MFY18 was led by the textile group whereas imports moved up significantly by 17% amid rise in import of transport group for CPEC related projects, coupled with increase in imports of petroleum products; this kept the trade balance in negative. Workers' Remittances stood at USD 12.8 billion, depicting an incline of 3.4% YoY. Nonetheless, Current Account Deficit jumped up by 50% YoY to USD 10.8 billion as compared to USD 7.2 billion in 8MFY17.

Stock Market Review

After experiencing two depressing quarters previously, the outgoing quarter remained fruitful for the KSE-100 index in terms of value and volumes which provided hefty returns of 12.6% (+5,089pts) to close at 45,560pts. While uptick in market activity was majorly led by i) foreigners accumulating stocks worth of USD 31 million during 3Q, ii) diluting political noise as another elected government is about to complete its tenure, and iii) PKR depreciation of over 4% against USD which was deemed positive for overall macroeconomic situation along with being beneficial for heavy weight sectors like Banks, E&Ps, Power and Textile. During 3QFY18, major contribution to the upside stemmed from Commercial Banks and Cements on the back of change in policy rate by 25bps in Jan'18 and higher offtake of cements coupled with price hikes in North amid end of winter season.

Your Company's Performance

By the grace of Almighty Allah, during the 9MFY18 your Company has posted after tax profit of PKR 303.64 million which translates into an EPS of PKR 5.52. Further, during the 3MFY18 your Company has posted after tax profit of PKR 367.63 million which translates into an EPS of PKR 6.68.

During the quarter ended March 31, 2018 the market traded value witnessed a major decline of 48% as compared to same period last year, however, our brokerage division performed well and witnessed a lower decline of 27%. It is pertinent to state here that during the quarter ended March 31, 2018 our brokerage division executed the biggest ever block transaction in HUBCO worth PKR 41.84 billion and our market share increased to 12% in value terms, which is one of the highest in brokerage industry.

The short term investment portfolio has recovered during the period under review and has recorded unrealized gains.

During the 3MFY18, your Company has done well in expense management with administrative and operating expenses decreasing by 6% as compared to the same period last year. The decrease is due to the fact that the Company has exercised strict cost control. Our finance cost for the 3MFY18 has increased and posted a total of PKR 46.64 million (3MFY17: PKR 29.39 million).

The equity of the Company as at the balance sheet date is PKR 2.95 billion (June 2017: PKR 3.20 billion) which translates into book value per share of PKR 53.72 (June 30, 2017: PKR 58.20).

Future Prospects

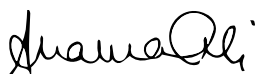
The future prospects of your Company are encouraging on account of the Management's efforts in increasing the Company's market share in brokerage and consolidating the market share in Investment Banking, as we already enjoy the highest market share in IPOs & SPOs. The Company is striving to yield better volumes by providing improved quality of services through extensive research, corporate and advisory services. We are continuously working on expanding our online client base in order to increase the market participation of investors and avail benefits from the lucrative market opportunities.

Acknowledgement

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

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

For and on behalf of the Board of Directors,



Muhammad Shahid Ali Habib
Chief Executive Officer and Director



Zafar Alam
Chairman

Karachi.
Dated: April 26, 2018

Financial Statements



Condensed Interim Balance Sheet AS AT MARCH 31, 2018

		Unaudited March 31, 2018	Audited June 30, 2017
	Note	Rupees	
ASSETS			
Non-current assets			
Property and equipment	5	36,685,253	40,928,161
Intangible assets		9,596,918	10,093,747
Long term investments		173,031,156	172,314,338
Investment property	6	1,322,951,719	369,211,719
Long-term deposits		15,933,674	19,033,324
		1,558,198,720	611,581,289
Current assets			
Short term investments		3,552,266,338	3,263,767,965
Trade debts - considered good	7	25,959,242	74,783,140
Receivable against margin financing		419,117,704	559,457,704
Short term loans - secured		4,517,901	4,034,172
Trade deposits and prepayments		42,622,541	137,215,090
Other receivables		167,233,584	209,351,235
Cash and bank balances	8	742,568,283	832,793,413
		4,954,285,593	5,081,402,719
Total assets		6,512,484,313	5,692,984,008
EQUITY AND LIABILITIES			
Capital and reserves			
Authorized capital			
75,000,000 (June 2017: 75,000,000) ordinary shares of Rs.10/- each		750,000,000	750,000,000
Issued, subscribed and paid-up capital		550,000,000	550,000,000
Unappropriated profits		2,389,265,428	2,635,627,251
		2,939,265,428	3,185,627,251
Surplus on revaluation		15,432,500	15,432,500
Non-current liabilities			
Liabilities against assets subject to finance lease		309,763	470,480
Current liabilities			
Short term borrowings - secured	9	2,671,054,325	1,408,013,323
Current portion of liability subject to finance lease		1,100,727	1,345,933
Trade and other payables		744,766,558	869,995,587
Payable against purchase of securities - net		43,363,711	34,414,007
Markup accrued		43,590,376	9,640,501
Taxation - net	10	53,600,925	168,044,426
		3,557,476,622	2,491,453,777
Contingency and commitments	11		
Total equity and liabilities		6,512,484,313	5,692,984,008

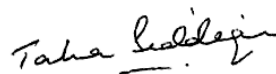
The annexed notes form an integral part of these condensed interim financial statements.



Chairman



Chief Executive Officer



CFO & Company Secretary

Condensed Interim Profit and Loss Account (Unaudited) FOR THE NINE MONTHS & THIRD QUARTER ENDED MARCH 31, 2018

	Note	Nine months ended		Third Quarter ended	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
		Rupees			
Operating revenue	12	409,396,108	590,039,194	118,008,148	240,456,578
Capital gain on sale of short term investments		85,929,216	821,430,413	(26,002,345)	520,093,102
Unrealized (loss) / gain on re-measurement of investments		(255,954,107)	(205,622,030)	383,518,649	(371,083,524)
Unrealised gain on re-measurement of investment property		344,580,000	32,279,270	-	32,279,270
		583,951,217	1,238,126,847	475,524,452	421,745,426
Administrative and operating expenses		(218,398,620)	(251,698,365)	(72,401,481)	(76,850,235)
Finance costs		(136,617,206)	(125,313,541)	(46,635,247)	(29,386,608)
Other operating income		125,428,790	208,941,817	33,552,895	33,405,425
Profit before taxation		354,364,181	1,070,056,758	390,040,619	348,914,008
Taxation	13	(50,726,004)	(182,740,653)	(22,409,774)	(83,387,838)
Profit after taxation		303,638,177	887,316,105	367,630,845	265,526,170
Earning per share - basic and diluted		5.52	16.13	6.68	4.83

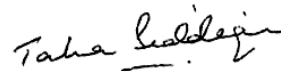
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Chairman



Chief Executive Officer



CFO & Company Secretary

**Condensed Interim
Statement of Comprehensive Income (Unaudited)**
FOR THE NINE MONTHS & THIRD QUARTER ENDED MARCH 31, 2018

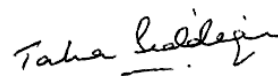
	Nine months ended		Third Quarter ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Rupees			
Profit after taxation	303,638,177	887,316,105	367,630,845	265,526,170
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>303,638,177</u>	<u>887,316,105</u>	<u>367,630,845</u>	<u>265,526,170</u>



Chairman



Chief Executive Officer



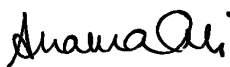
CFO & Company Secretary

**Condensed Interim
Statement of Changes In Equity (Unaudited)
FOR THE NINE MONTHS & THIRD QUARTER ENDED MARCH 31, 2018**

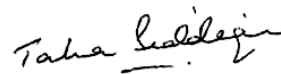
	Issued, subscribed & paid up capital	Unappropriated profits	Total
	Rupees		
Balance as at July 1, 2016	550,000,000	2,140,091,803	2,690,091,803
Total comprehensive income for the half year ended March 31, 2017	-	887,316,105	887,316,105
Cash dividend paid @ 70%, Rs. 7 per share, for the year ended June 30, 2016	-	(385,000,000)	(385,000,000)
Balance as at March 31, 2017	550,000,000	2,642,407,908	3,192,407,908
Balance as at July 1, 2017	550,000,000	2,635,627,251	3,185,627,251
Total comprehensive income for the half year ended March 31, 2018	-	303,638,177	303,638,177
Cash dividend paid @ 100%, Rs. 10 per share, for the year ended June 30, 2017	-	(550,000,000)	(550,000,000)
Balance as at March 31, 2018	550,000,000	2,389,265,428	2,939,265,428



Chairman



Chief Executive Officer



CFO & Company Secretary

Condensed Interim Cash Flow Statement (Unaudited) FOR THE NINE MONTHS & THIRD QUARTER ENDED MARCH 31, 2018

	March 31, 2018	March 31, 2017
Note	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	354,364,181	1,070,056,758
Adjustments for:		
Depreciation	5,872,438	5,902,390
Amortization of intangible asset	496,829	629,936
Gain on disposal of investment property	(44,398,469)	(23,646,771)
Loss on disposal of property and equipment	20,395	37,741
Impairment Loss on intangible asset	-	7,500,000
Gain on re-measurement of short term investments	255,237,289	205,622,030
Gain on re-measurement of long term investments	(716,818)	-
Gain on disposal of short term investment	(85,929,216)	(800,592,024)
Gain on disposal of long term investment	-	(20,838,389)
Unrealized gain on re-measurement of investment property	(344,580,000)	(32,279,270)
Dividend income	(63,430,904)	(64,275,853)
Recovery of bad debts written off	-	(30,236,570)
Finance costs	136,617,206	125,313,541
	(140,811,250)	(626,863,239)
Cash generated from operating activities before working capital changes	213,552,931	443,193,519
Working capital changes		
(Increase) / decrease in current assets		
Short-term investments - net	(457,806,446)	1,856,456,017
Trade debts - consider good	48,823,898	569,251,296
Receivable against margin financing	140,340,000	(408,898,892)
Short term loans	(483,729)	(2,895,604)
Deposits and short-term prepayments	94,592,549	(12,941,789)
Other receivables	34,447,414	140,470,429
Increase / (decrease) in current liabilities		
Trade and other payables	(125,229,029)	313,119,273
Payable against purchase of securities- net	8,949,704	(465,407,950)
	(256,365,639)	1,989,152,780
Cash (used in) / generated from operations	(42,812,708)	2,432,346,299
Taxes paid	(165,169,506)	(95,894,824)
Finance costs paid	(102,667,331)	(145,806,203)
Net cash (used in) / generated from operating activities	(310,649,545)	2,190,645,272
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(2,513,331)	(2,414,580)
Proceeds from disposal of property and equipment	863,407	58,582
Acquisition of intangible assets	-	(614,066)
Expenditure on investment property	(829,120,000)	(9,492,000)
Proceeds from disposal of investment property	264,358,469	44,882,684
Proceeds from disposal of long term investment	-	214,665,136
Dividends received	71,101,141	56,584,310
Long term deposits	3,099,650	(158,476)
Net cash (used) in / generated from investing activities	(492,210,664)	303,511,590
CASH FLOWS FROM FINANCING ACTIVITIES		
Rental paid against finance lease liability	(405,923)	(509,459)
Dividend paid	(550,000,000)	(385,000,000)
Net cash used in financing activities	(550,405,923)	(385,509,459)
Net (decrease) / increase in cash and cash equivalents	(1,353,266,132)	2,108,647,403
Cash and cash equivalents at the beginning of the period	(575,219,910)	(1,574,428,713)
Cash and cash equivalents at the end of the period	(1,928,486,042)	534,218,690

The annexed notes form an integral part of these condensed interim financial statements.


Chairman


Chief Executive Officer


CFO & Company Secretary

Condensed Interim Selected

Notes To The Financial Information (Unaudited)

FOR THE NINE MONTHS & THIRD QUARTER ENDED MARCH 31, 2018 (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 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 Pakistan Stock Exchange on January 31, 2007.

The Company is the Trading Right Entitlement Certificate (TREC) Holder of Pakistan Stock Exchange Limited. The principal activities of the Company are investments, 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 currently holds 65.52% shares of the Company.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statement of the Company for the nine months period ended March 31, 2018 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.

The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended March 31, 2018 and 2017 have not been reviewed by the external auditors of the company as they have reviewed the cumulative figures for the half year ended December 31, 2017. These condensed interim financial statements do not include all the information as required in the annual financial statements and should be read in conjunction with the company's annual financial statements for the year ended June 30, 2017.

The comparative balance sheet presented in these condensed interim financial statements as at June 30, 2017 has been extracted from the audited financial statements of the Company for the year ended June 30, 2017, whereas the extracted comparative profit and loss account, statement of comprehensive income, statement of changes in equity and the cash flow statement for the nine month period ended March 31, 2017.

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

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2017.

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

4 ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim financial statements 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 these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the preceding published annual financial statements of the Company as at and for the year ended June 30, 2017.

5 PROPERTY AND EQUIPMENT

During the nine month period ended March 31, 2018, additions made amounting to Rs. 2.5 million (June 2017: Rs. 5.15 million) which mainly comprised of computer and allied accessories.

Condensed Interim Selected

Notes To The Financial Information (Unaudited)

FOR THE NINE MONTHS & THIRD QUARTER ENDED MARCH 31, 2018 (UN-AUDITED)

	Unaudited March 31, 2018	Audited June 30, 2017
6 INVESTMENT PROPERTY	Rupees	
Opening carrying value	369,211,719	531,966,414
Disposals during the period / year	(219,960,000)	(207,978,965)
Additions during the period / year	829,120,000	12,945,000
	978,371,719	336,932,449
Increase in fair value - net	344,580,000	32,279,270
	1,322,951,719	369,211,719

- 6.1** This represents the investment in residential and commercial plots of land situated at Naya Nazimabad, Deh Manghopir, Gadap Town, Karachi as well as the investment in offices located in the building complex of Pakistan Stock Exchange Limited, ISE Towers REIT Management Company Limited and LSE Financial Services Limited.

	Unaudited March 31, 2018	Audited June 30, 2017
7 TRADE DEBTS	Rupees	
Considered good	25,959,242	74,783,140
Considered doubtful	874,618,000	874,618,000
	900,577,242	949,401,140
Less: Provision for the doubtful debts	(874,618,000)	(874,618,000)
	25,959,242	74,783,140

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 Rs. 29,274 million (June 2017: Rs. 33,780 million) owned by its clients, as collaterals against trade debts.

- 7.3** The aging analysis of the Company's trade debts as at reporting date is as follows:

	Unaudited March 31, 2018		Audited June 30, 2017	
	Gross	Impairment	Gross	Impairment
Not past due	419,177,704	-	559,457,704	-
Past due 1 day - 30 days	19,847,364	-	75,206,461	-
Past due 31 days - 180 days	3,077,592	-	9,118,206	-
Past due 181 days - 1 year	3,034,286	-	889,799	-
More than one year	874,618,000	874,618,000	864,186,674	874,618,000
	1,319,694,946	874,618,000	1,508,858,844	874,618,000

Condensed Interim Selected

Notes To The Financial Information (Unaudited)

FOR THE NINE MONTHS & THIRD QUARTER ENDED MARCH 31, 2018 (UN-AUDITED)

	Note	Unaudited March, 31 2018	Audited June 30, 2017
8 CASH AND BANK BALANCES		Rupees	
Cash in hand		91,019	1,399,005
Cash at bank:			
- in current accounts		156,442,454	114,406,304
- in savings accounts	8.1	586,034,810	716,988,104
		742,477,264	831,394,408
		742,568,283	832,793,413
8.1	This includes customers' balances held in designated bank accounts amounting to PKR 457.048 million (June 2017: PKR 789.431 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:		
		Unaudited March 31, 2018	Audited June 30, 2017
		Number of securities	Amount (Rupees)
		Number of securities	Amount (Rupees)
Client		139,700,000	4,596,010,000
House		126,235,500	1,995,459,813
Total		265,935,500	6,591,469,813
		153,768,000	5,072,918,923
10 TAXATION - NET			
The Company has filed a constitutional petition against the newly introduced clause 4B in the Income Tax Ordinance, 2001 through Finance Act, 2015 in the High Court of Sindh, requiring the companies to pay super tax on the income over Rs. 500 million derived during the tax year. The Company is of the view that the same is imposed against the merit of law and, accordingly, filed a constitutional petition and stay has been granted. The Company's legal counsel is of the view that the Company has a favorable case on merit. However, provision made on prudent basis in financial statements for the year ended June 30, 2015 and 2017 has not been reversed. Provision for super tax for the year ended June 30, 2016 was not provided as the income of the Company for the said period was below the threshold mentioned above.			
11 CONTINGENCIES AND COMMITMENTS			
11.1 Contingencies			
As of the reporting date, there was no change in the status of the contingency as reported in the Company's published audited financial statements for the year ended June 30, 2017.			
11.2 Commitments		Unaudited March 31, 2018	Audited June 30, 2017
		Rupees	
Following commitments are outstanding as at the year end.			
- Outstanding settlements to NCCPL against Marginal Trading contracts		275,137,360	282,746,717
- Outstanding settlements to NCCPL against purchase of securities in the regular market.		114,150,616	381,424,500
- Guarantees given by commercial banks on behalf of the Company		250,000,000	250,000,000

Condensed Interim Selected

Notes To The Financial Information (Unaudited)

FOR THE NINE MONTHS & THIRD QUARTER ENDED MARCH 31, 2018 (UN-AUDITED)

	Nine months ended		Third Quarter ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
12 OPERATING REVENUE				
Brokerage income	214,686,426	313,376,494	75,829,605	100,457,087
Consultancy income	131,278,778	212,386,847	42,178,543	131,694,198
Dividend income	63,430,904	64,275,853	-	8,305,293
	409,396,108	590,039,194	118,008,148	240,456,578

	Note	Unaudited	
		March 31, 2018	March 31, 2017
13 TAXATION			
Current		50,726,004	170,230,890
Prior		-	(8,967,062)
		50,726,004	161,263,828
Deferred	13.1	-	21,476,825
		50,726,004	182,740,653

- 14.1** The Finance Act, 2017 amended Section 233A of the Income Tax Ordinance, 2001 whereby the tax collected by the stock exchange from its members shall now be treated as a final tax (instead of being adjustable against the normal tax liability arising from brokerage commission income). Due to the enactment of the said amendment, the Company's major source of revenue (i.e. brokerage income) has now been subject to taxation under Presumptive Tax Regime. Since, in view of this development, the temporary differences between the carrying amounts and tax base of assets and liabilities are not expected to reverse in the future accounting periods, the management deems it appropriate not to recognize the related deferred tax effects in these condensed interim financial statements.

	Unaudited	
	March 31, 2018	March 31, 2017
14 RELATED PARTY DISCLOSURES		
Transactions during the period		
Brokerage commission and other services to:		
- Parent Company	2,548,823	3,225,068
- Associated companies	3,558,340	19,701,103
- Key management personnel	4,585,669	5,010,086
- Other related parties	1,785,421	9,090,559
Rent paid to associated company	15,673,680	15,673,680
Remuneration to Chief Executive Officer	5,743,270	7,257,900
Remuneration to other directors	425,000	450,000
Contribution to staff provident fund	4,479,946	2,371,428

Condensed Interim Selected Notes To The Financial Information (Unaudited) FOR THE NINE MONTHS & THIRD QUARTER ENDED MARCH 31, 2018 (UN-AUDITED)

15 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended June 30, 2017.

16 INVESTMENT TURNOVER

Turnover during the period comprises of the following:

	Turnover in value
Institution	140,549,124,511
Retail	38,240,083,189
Proprietary	22,398,770,025
Total	<u>201,187,977,725</u>

17 CASH AND CASH EQUIVALENTS

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


	Unaudited	
	March 31, 2018	March 31, 2017
	Rupees	
Cash and bank balances	742,568,283	661,317,353
Short term borrowings	(2,671,054,325)	(127,098,663)
	<u>(1,928,486,042)</u>	<u>534,218,690</u>

19 GENERAL

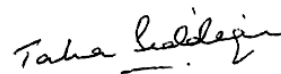
These condensed interim financial statements were authorized for issue by the Board of Directors in their meeting held on April 26, 2018.



Chairman



Chief Executive Officer



CFO & Company Secretary

Pattern of Shareholding

AS AT MARCH 31, 2018

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children			
MUHAMMAD HAROON	1	1,298	0.00
NIDA AHSAN	1	916	0.00
SHARMIN SHAHID	1	916	0.00
MUHAMMAD SHAHID ALI	1	732	0.00
ALI MURTAZA KAZMI	1	500	0.00
ZAFAR ALAM	1	500	0.00
MUHAMMAD SOHAIL SALAT	1	500	0.00
Associated Companies, undertakings and related parties			
ARIF HABIB CORPORATION LIMITED	2	36,038,237	65.52
Public Sector Companies and Corporations	1	46,184	0.08
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds	4	1,328,045	2.41
Mutual Funds			
CDC - TRUSTEE ATLAS STOCK MARKET FUND	1	446,500	0.81
CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	1	34,500	0.06
CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	1	230,000	0.42
General Public			
a. Local	3607	15,046,053	27.36
b. Foreign	2	73,000	0.13
Foreign Companies	1	100,000	0.18
Others	73	1,652,119	3.00
Totals	3700	55,000,000	100.02

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

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