ARIF HABIB
LIMITED

synergy

annual report 2015

Arif Habib Limited
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synergy

At Arif Habib Limited, we strive to deliver premium products and services to our wide spectrum of stakeholders. The cornerstone to achieving this is developing close **SYNERGY**, which we build in to our approach.

SYNERGY is much more than just a word to us, it is a firm commitment in how we conduct ourselves. Each letter that makes up this word represents an element, which when combined sets us on a path towards development.

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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
Ms. Sharmin Shahid	Non-executive Director
Mr. Ali Murtaza Kazmi	Independent Director
Mr. Haroon Usman	Non-executive Director
Ms. Nida Ahsan	Non-executive Director
Mr. Zeshan Afzal	Executive Director

Audit Committee

Mr. Ali Murtaza Kazmi	Chairman
Mr. Haroon Usman	Member
Ms. Nida Ahsan	Member

Human Resource & Remuneration Committee

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

Company Secretary & CFO

Mr. Faisal Mehmood Shaikh, ACA

Auditors
M/s. Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

Credit Rating
JCR-VIS Credit Rating Company

Legal Advisors
M/s. Bawaney & Partners

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

Registrar & Share Transfer Office
Share Registrar Department
Central Depository Company of Pakistan Ltd.
CDC House, 99-B, Block-B
S.M.C.H.S., Main Shahra-e-Faisal
Karachi-74400
Tel: Customer Support Services
0800-CDCPL (23275)
Fax: (92-21) 34326053
Email: info@cdcpak.com
Website: www.cdcpakistan.com

Registered Office
Arif Habib Centre
23, M.T. Khan Road Karachi-74000
UAN: (92-21) 111-245-111
Fax No: (92-21) 32416072; 32429653
E-mail: info@arifhabibltd.com
website: www.arifhabibltd.com
www.ahletrade.com


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SOCIALLY RESPONSIBLE

We incorporate social values in every aspect of our business, whilst respecting the needs of all our stakeholders and our community




Corporate Social Resposibility

At AHL, we pride ourselves in contributing to the betterment of the lives of our communities and the people of Pakistan. Corporate philanthropy and development are means to this, which allows us to give back to the people around us. We actively work with local bodies and authorities to find ways in which we can help in various social and corporate development projects. Our aim has always been to promote the well-being of our spectrum of constituents and do so in an effective and measurable manner.

Social Development

During the year, AHL has contributed donations towards a number of social causes and development projects amounting to over PKR 23 million. This includes support for the following organizations and causes:

- Arif Habib Foundation (AHF)
- Society for the Rehabilitation of Special Children (SRSC)
- Marie Adelaide Leprosy Centre (MALC)
- Karwan-e-Hayat
- Lahore University of Management Sciences (LUMS)
- Special Children's Educational Institute (SCEI)
- Pakistan Tennis Federation (PTF)




Arif Habib Foundation

The Arif Habib Foundation aims to help make a difference to thousands of lives through a range of charitable work directly and by partnering with individuals and agencies. Our contribution to the Foundation will go towards the development of state-of-the-art facilities and amenities at Naya Nazimabad, a development project, which aims to accommodate the housing demand of the middle income group of Karachi along with providing them with an unmatched quality lifestyle. The proceeds will specifically go towards the construction of the school, grand mosque and vocational center envisioned at Naya Nazimabad. Upon completion, the project will have up to 30,000 homes accommodating a population of over 100,000 people.

Corporate Development

Being an active member of Pakistan's capital markets, we work tirelessly on nurturing the development and advancement of events and projects that directly result in the enhancement of the sector. This year, AHL contributed over PKR 1.8 million to this cause with the key objective of promoting investment in Pakistan and gearing towards the development of our capital markets.

The Company has also contributed to the exchequer by paying an amount of PKR 141.458 million in direct and indirect taxes during the year (PKR 38.957 FY14).

YEARNING TO SUCCEED

Constantly challenging our limits, we strive to scale newer heights

Key Milestones

Rated AA- long term

HBL

Largest equity capital market transaction in Pakistan & Asian Frontier Markets

UBL where you come first

First privatisation transaction after a gap of 7 years

PPL

Largest domestic secondary public offering

ARIF HABIB DOLMEN

Dolmen City REIT
First listed REIT fund in South Asia

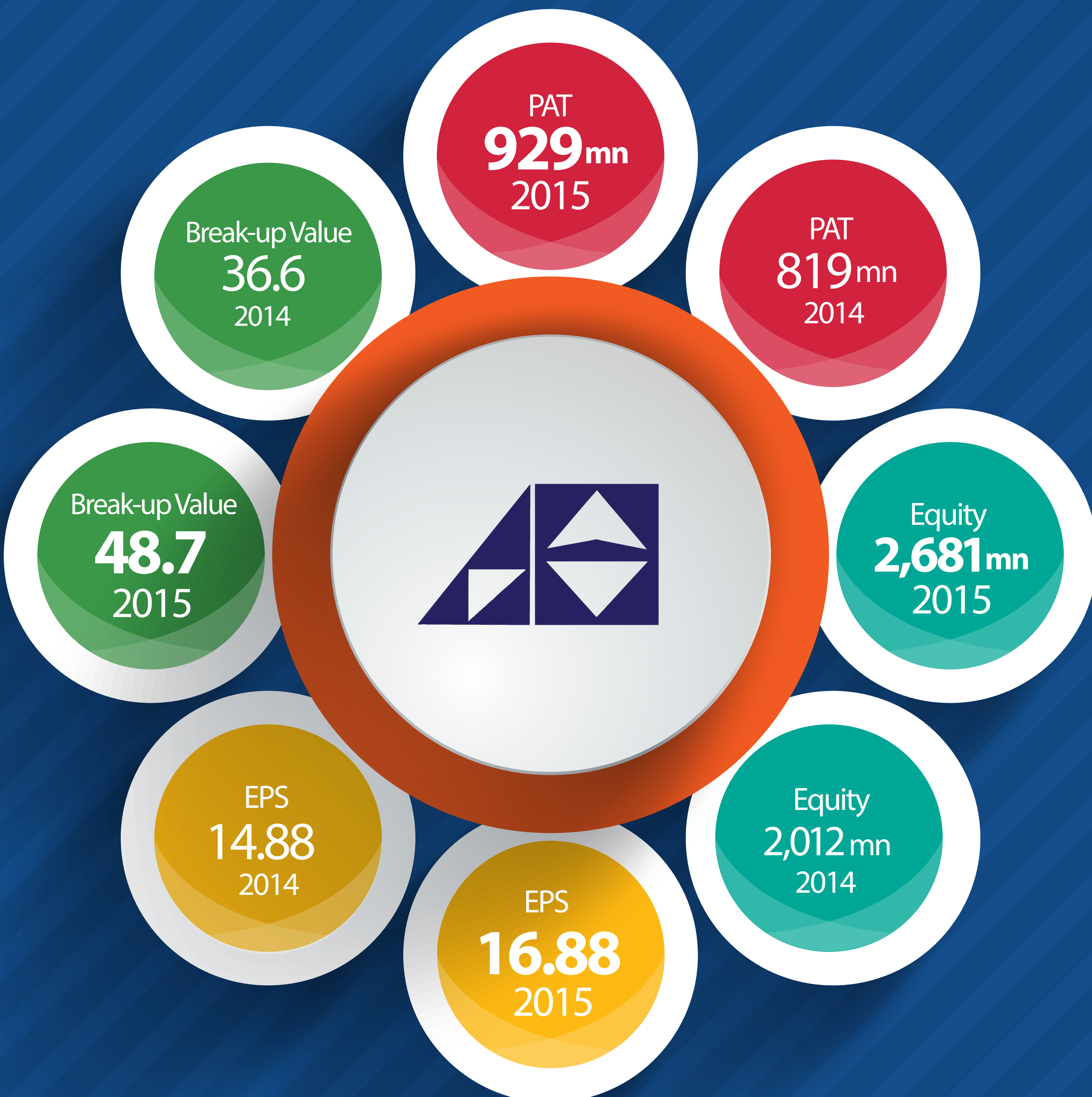
"Best Deal Award – Pakistan" (UBL Share Placement) (2014) Asset Asian Awards

"Innovative IPO Instrument" – (2014) – S.A.F.E.

"Best CEO – Financial Services" (2014) – Mass Human Resource Services

"Top 25 Companies of Pakistan" (2012, 2008 & 2007) – KSE

Financial Highlights



NURTURING TALENT

We realize the true potential of our organization by developing talent and individual growth

Vision

Our vision is to be the most Preferred and Respected Financial Institution, renowned for our expertise in Brokerage and Investment Banking services.

Mission

Our mission is to create value for our stakeholders by providing outstanding 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.

Our Values

Integrity
We conduct ourselves with uncompromising integrity and honesty as individuals, as teams, and as a Company.

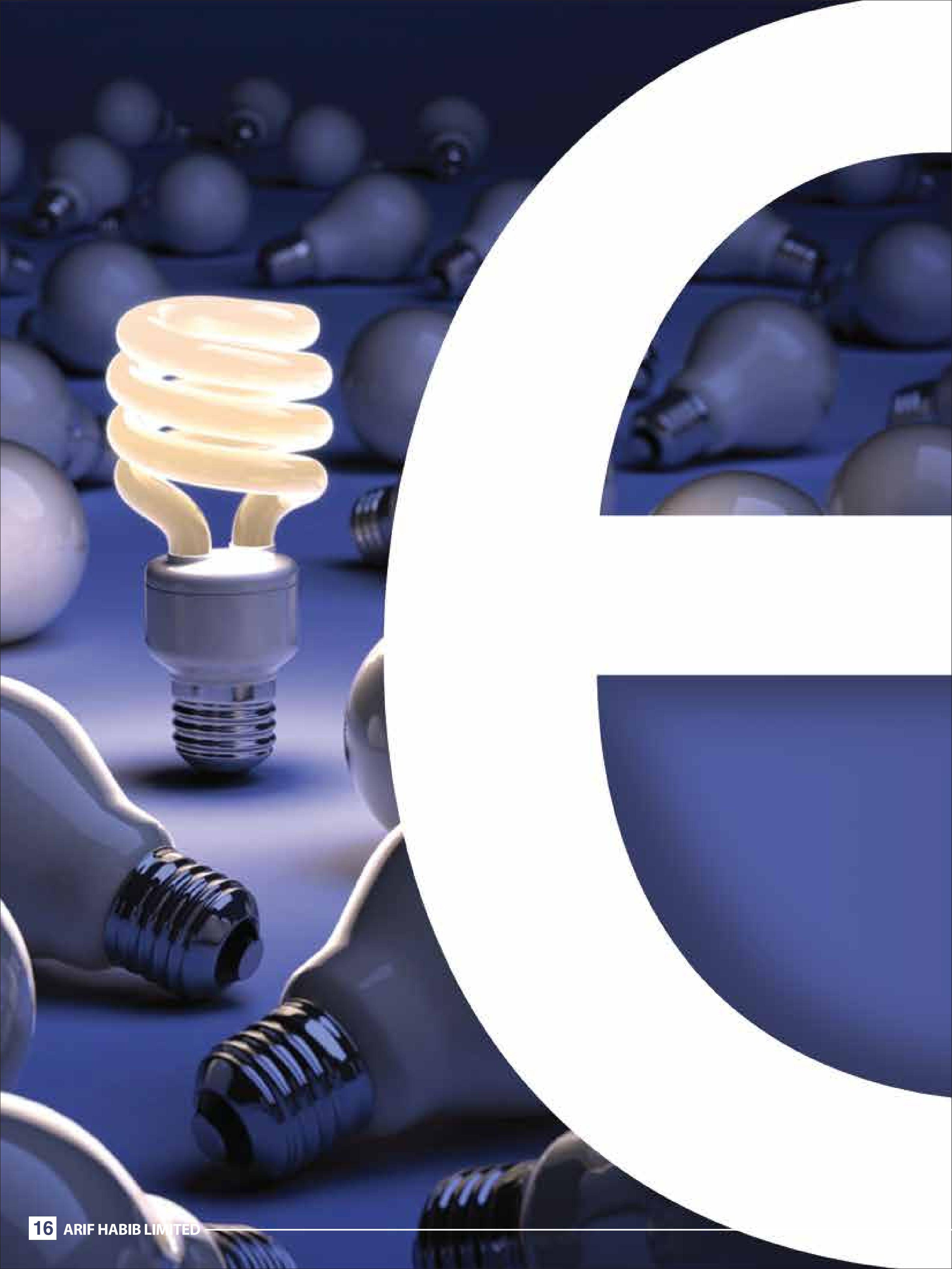
Credibility
We strive to earn enduring credibility which we believe is essential to long-term business relationships.

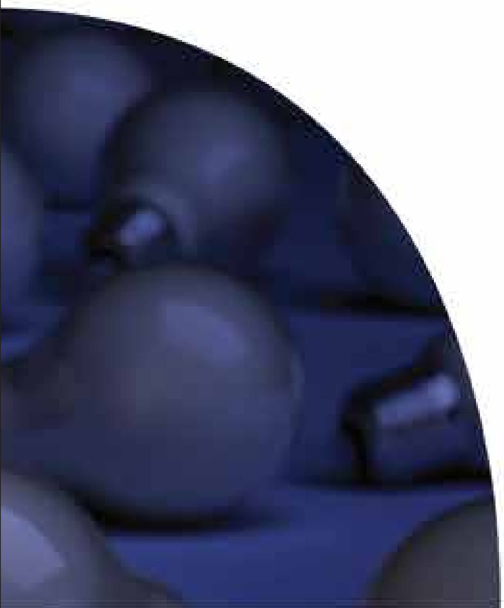
Efficiency
We pride ourselves on our efficiency which plays a major part in identifying and capitalizing opportunities in all aspects of our businesses and operations.

Social Responsibility
We hold sound governance values and a responsible approach to social and environmental risks which begins with our people and communities.

Code of Conduct

Arif Habib Limited strongly believes in running business progressively without compromising on the best ethical standards as guided by the "Code of Ethics and Business Practices".





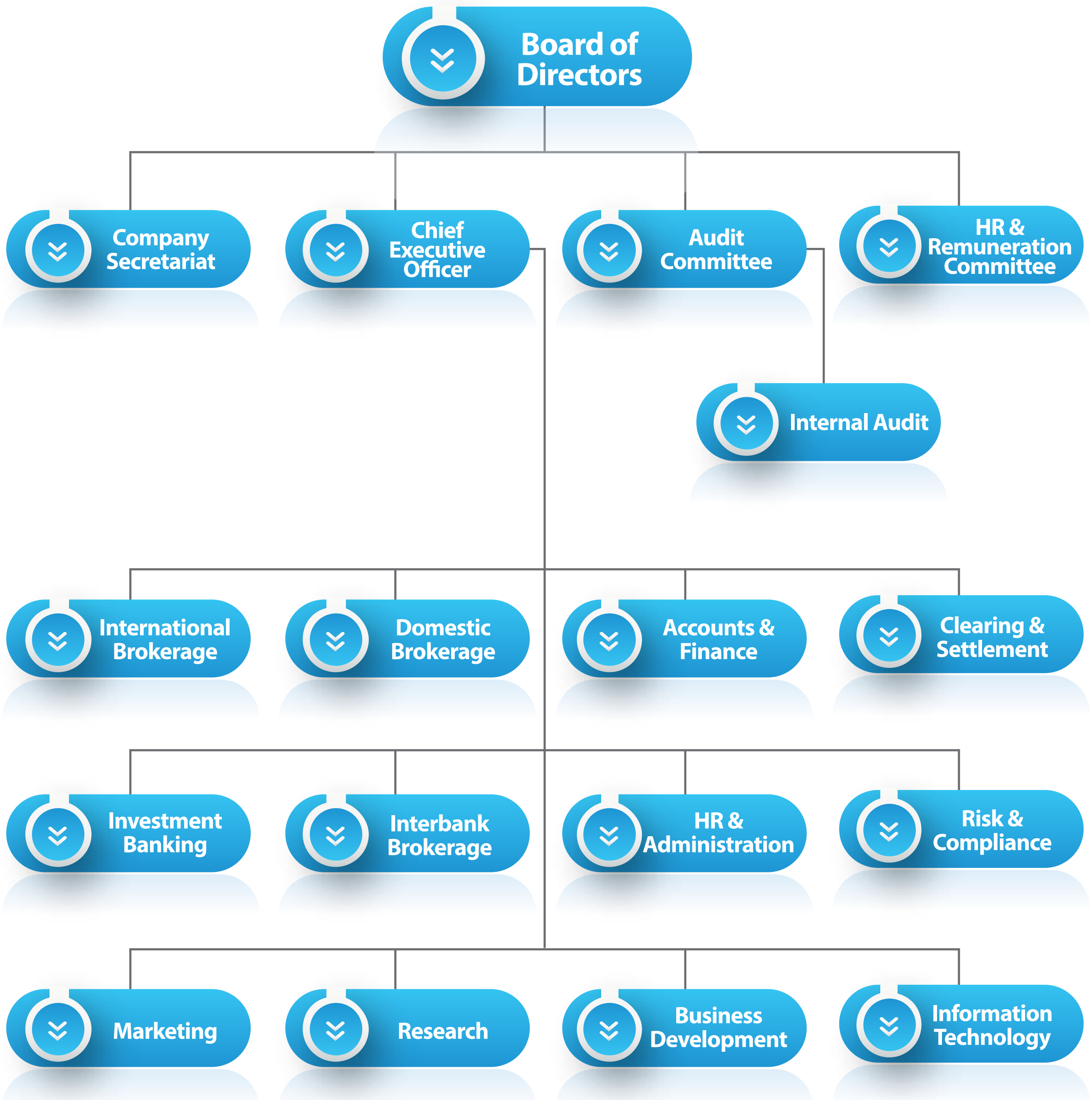
E F F I C I E N T   A P P R O A C H

Our structure is set in a way which streamlines the functionality of the business, making it cost effective and efficient

Corporate Strategy

- Strive continuously to maximize value for our clients and stakeholders.
- Control credit, market and operational risks to mitigate overall risk.
- Provide proactive and effective services to our clients.
- Expand the range of our products and services.
- Continue exercising high level of ethical standards.

Organizational Structure



RESONATING PASSION

Our every step radiates powerful ambition towards excellence

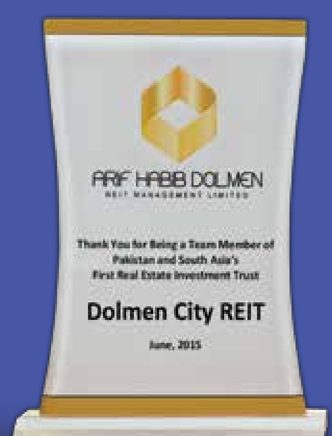
Awards & Recognition

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

Mr. Muhammad Shahid Ali Habib receiving the award of Best CEO – Financial Services from S. M. Muneer, CEO Trade Development Authority of Pakistan at the 4th CEO, CFO, CIO Conference & Corporate Leadership Awards hosted by Mass Human Resource Services

AHL was awarded with the **Innovative IPO Instrument** accolade at the 2014 IPO Summit organized by the South Asian Federation of Exchanges (S.A.F.E.)

AHL was part of the consortium that carried out the **SPO for Habib Bank Limited**, the largest equity capital market transaction in Pakistan and Asian Frontier Markets



The momentous transaction of UBL was recognized as the **Best Deal – Pakistan** by the Asset Magazine, one of Asia's most prestigious corporate ranking journals

AHL successfully executed the IPO for **Dolmen City REIT**, South Asia's first listed REIT fund

Directors' Profiles

Mr. Zafar Alam

Chairman of the Board of Directors and Non-Executive Director

Mr. Zafar is a Master's degree holder in nuclear physics and has over 30 years experience in investment banking encompassing Origination, Trading, Sales and Asset Management in various financial centers around the globe. He has been a key member of the Top Executive Group-TEG at ABN AMRO Bank and RBS Bank. Mr. Zafar had several leadership responsibilities including leading teams of over 300 people and managing revenues of several hundred million dollars. Mr. Zafar has a diverse experience across geographies and various aspects of finance, having worked in London, Singapore, Hong Kong and Dubai in Equities, Fixed Income and Asset Management. The last initiative being in Dubai setting up a Shariah based fund in Mauritius.

Mr. Zafar joined ABN AMRO as Investment Manager in Dubai. In 1988 he moved to Hong Kong as Head of ABN AMRO Securities & Finance Co. focusing on fixed income trading and sales. In 1990 he started equities brokerage business and origination in Asian equities. In 1995 he moved to Singapore, as Head of Local Markets and Credit Trading. He started to build local markets business in the bank for the first time. The bank was only active in FX sphere but gave the direction to add Fixed Income and Derivatives as the market was set to take off in the aftermath of the Asian crisis. The activities included origination, trading and sales in thirteen Asian countries.

In 2002, he was appointed Managing Director and moved to London as Global Head of Emerging Markets responsible for origination, trading and sales in Emerging Markets, before taking on his role in Equities Directorate.

In 2010, he was Regional Head of Equities and Structured Retail Sales for Middle East and Africa, based in Dubai, to build an Equities platform for MENA region for RBS investor clients. He was also managing the Structured Equities Solution team which provided equity financing with an overlay of derivative solutions.

Prior to relocating to Dubai, Mr. Zafar was based in London as Global Head of Equity Derivatives Sales in the enlarged RBS Global Banking & Markets Group. In this role Mr. Zafar was responsible for combining the successful Private Investor Products (PIP) and Institutional/Corporate business of ABN AMRO with the growing RBS Structured Investor Products business. He was responsible for developing, manufacturing and distributing structured products consisting of multi-assets.

Prior to that, in his role as Global Head of Private Investor Products, Mr. Zafar was responsible for distribution of innovative structured products to private and retails clients within RBS and ABN AMRO Bank. The team distributed structured products through all major international banks.

Mr. Muhammad Shahid Ali Habib

Chief Executive Officer and Executive Director

Mr. Shahid carries a proven track record of establishing successful business organizations and turning around ventures into vibrant units. He has over 18 years of experience in the fields of Securities Brokerage, Banking, Asset Management, Corporate Finance and Investment Banking. He has served in leading positions at top local and international institutions.

Mr. Shahid has also served as Executive Director and Chairman of few local equity brokerage and financial services institutions. He has also worked at Bank Al Bilad, one of the leading Islamic banks in Saudi Arabia.
Mr. Shahid also served the Karachi Stock Exchange as member of various committees including Development and Trading Affairs Committee, New Product Committee, Arbitration Committee and Companies Affairs and Corporate Governance Committee.
He holds an MBA (Finance) degree from the Institute of Business & Administration (IBA). Mr. Shahid has also passed two levels of CFA, and has a Certification in Finance from London School of Economics (LSE) as well as a Bachelor's degree in Computer Science from FAST ICS. He has also attended various international professional development courses in the fields of finance, technology and energy.

Mr. Ali Murtaza Kazmi

Independent Director

Mr. Ali is a law graduate from the University of Essex, England and has since then been practicing in Pakistan for over 9 years. Mr. Ali's areas of expertise range from corporate & commercial transactions which include providing legal counsel to public and private limited companies on various compliance and corporate secretarial matters as well as mergers and acquisitions. Mr. Ali's is currently head of Legal and Land Acquisition Department at Pakistan Textile City Ltd and has additionally been given charge of the Marketing and Sales portfolio. He has from time to time served as the Company Secretary for Textile City.

Mr. Haroon Usman

Non-Executive Director

Mr. Haroon is a Commerce Graduate and a Fellow Member of the Institute of Cost and Management Accountants of Pakistan. He has over 40 years experience in the fields of commerce, finance and industry. He has served a number of local and foreign organizations of repute in different executive positions related to accounts, finance, general management and consultancy, both in Pakistan and abroad. Mr. Haroon serves as Chairman of the Human Resource & Remuneration Committee of the Company.

Ms. Sharmin Shahid

Non-Executive Director

Ms. Sharmin has over 15 years of experience in the field of Securities Brokerage and Portfolio Management. She was awarded the top position in her Bachelor's Degree in Commerce. She has also participated in the Directors Training Program. She has been awarded the Top 25 Companies Award on behalf of AHL for several years. Ms. Sharmin actively participates in welfare activities and remains one of the trustees of Memon Health and Education Foundation (MHEF).Under her patronage & direction, AHL has continued to excel and become a leading name in the industry.

Ms. Nida Ahsan

Non-Executive Director

Ms. Nida, is a Commerce Graduate. She represents the Arif Habib family who are the majority owners of the Arif Habib Group and have made significant contributions in the development of Securities Market in Pakistan. She has over 11 years experience of investing in listed securities including a number of first and second tier stocks.

Mr. Zeshan Afzal

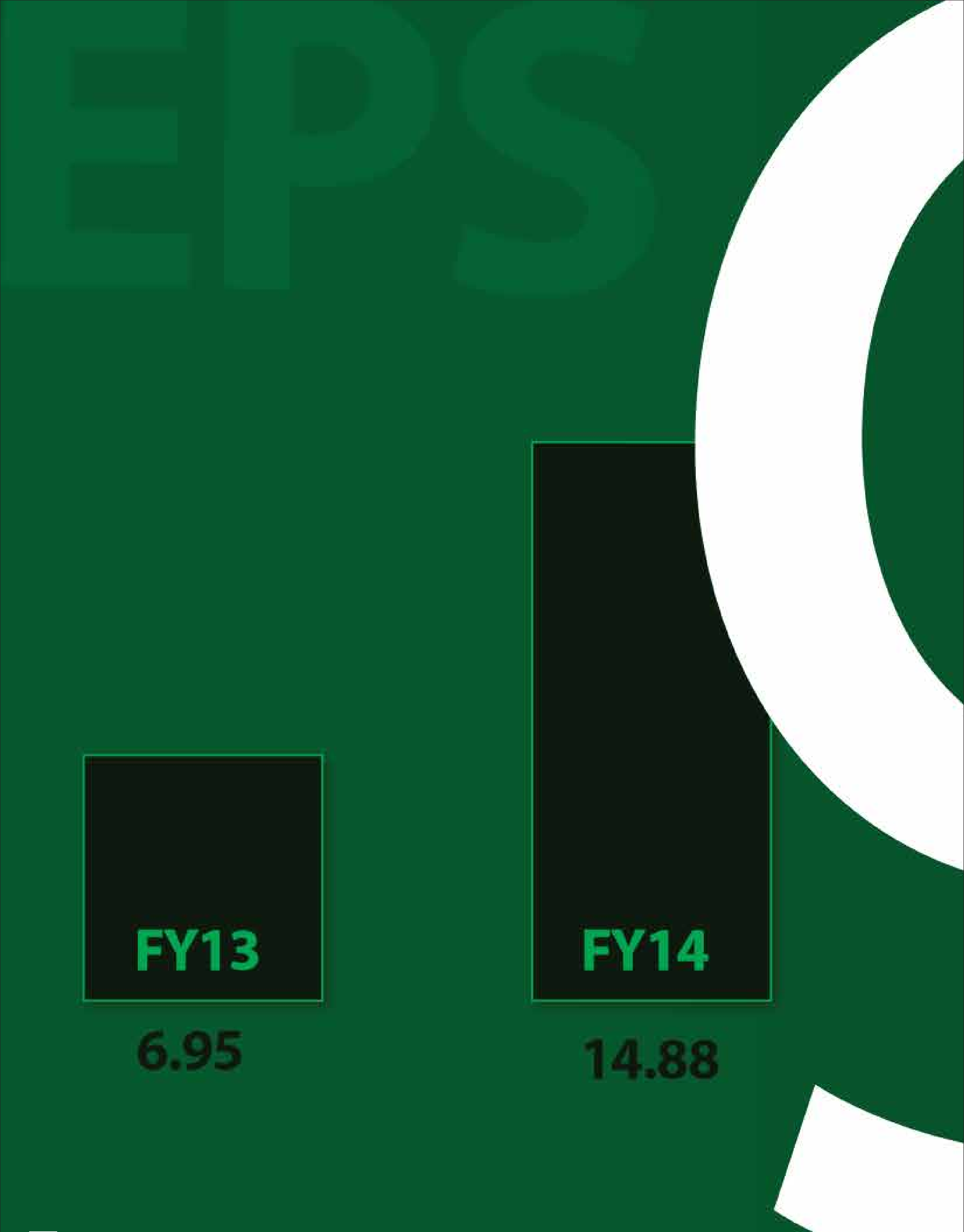
Executive Director

Mr. Zeshan is currently the Executive Director & Head of Corporate Finance at Arif Habib Limited. He is responsible for the origination, planning, execution and monitoring of the investment banking activities of the Company.

Mr. Zeshan has held various roles within the Group and has worked as the Group Head of Strategic Investments at Arif Habib Corporation Limited ("Flagship Company of the Group") and was also a Director on boards of Crescent Textiles Limited, Safe Mix Concrete Limited, Reliance Sacks (Pvt.) Limited and Serendib Stock Brokers in Sri Lanka and had been part of various audit and advisory committees of the Group companies.

Before joining Arif Habib Group, Mr. Zeshan had worked in New York with KPMG - Financial Services where he worked on leading Financial Institutions in various financial and risk advisory roles and consultancy assignments. In addition to working in New York, he has also worked for KPMG Pakistan and KPMG Saudi Arabia, and has been part of various technical trainings conducted by KPMG in Canada, United Kingdom, Dubai and Sri Lanka.

He is a Fellow member of the Association of Chartered Certified Accountants, a member of Pakistan Institute of Public Finance Accountants, a member of the Institute of Financial Consultants and a member of the Institute of Internal Controls and is a certified Director by Pakistan Institute of Corporate Governance ("PICG").


EPS
FY13
6.95
FY14
14.88

FY15

16.88

GEARED TOWARDS GROWTH

Our philosophy encompasses a focused direction towards growth and development

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 Annual Report of the Company for the financial year 2015 together with the audited financial statements of the year as per the accounting, regulatory and legal requirements.

Business Environment

The country experienced most of the challenges prevalent last year, including i) energy shortages, ii) dismal law and order situation, iii) low private sector investment, and iv) persisting floods damaging agricultural activity. Moreover, political sit-ins during the earlier part of the year also hampered economic performance. Despite challenges, improving macros and sound policies enabled the country to churn out a respectable GDP growth figure of 4.2% YoY during FY15.

The biggest stimulus during the year was on the global front, as oil prices underwent a massive decline, with Brent Crude falling 33% YoY during FY15. Having a major impact on the country's import bill as well as inflation, sliding oil prices came as a welcome boost for the economy, resulting in 11 year low CPI inflation of 4.6% YoY. This provided the SBP with sufficient room to slash the Policy Rate by 300bps during the year to 7.0%.

On the external front, the Current Account Balance was negative USD 2.28bn, (-0.8% of GDP) compared to negative USD 3.13bn, (-1.3% of GDP) last year. A surge in remittances to USD 18.5bn aided considerably in reducing the overall deficit. Foreign exchange reserves reached USD 18.7bn, an all-time high, up by 32% YoY. Privatization proceeds, continued support from the IMF and the Coalition Support Fund inflows alongside Eurobond issue all contributed towards shoring up FX reserves.

On the fiscal side, overall deficit as a percentage of GDP fell to 5.0% during FY15 (FY14: 5.5%). This was achieved through increase in tax revenues, rising 15.8% YoY, while expenditures were kept relatively constant, increasing marginally by 0.8% YoY.

A hallmark of Pakistan's improving scenario is the revision of its credit rating by internationally acclaimed rating agencies including Moody's, which earlier revised Pakistan's Outlook, from 'Stable' to 'Positive', and upgraded Pakistan's sovereign credit rating to B3 with Stable Outlook, from Caa1 earlier.

Stock Market

FY15 was another robust year for the KSE-100 Index, which rose 16% YoY. The market exhibited an impressive performance due to improving macros (fall in oil and commodity prices) with additional impetus from other key factors, such as CPEC and improved sovereign credit ratings. Going forward, with an improving law and order situation, increased investment in the energy sector, and expected improvement on the fiscal front through increased taxation and reduction in overall subsidies, Pakistan's increased weight in the MSCI FM Index and its possible upgrade into the MSCI EM ahead, should all support capital markets' performance.

Your Company's Performance

During the year under review, your Company has achieved profit after tax of PKR 928 mn as compared to PKR 818 mn in FY14. This translates to an earning per share of Rs. 16.88 compared to Rs. 14.88 in the previous year. The equity of the Company has increased by 33% to PKR 2.68 bn from PKR 2.01 bn in FY14 which translates into book value per share of PKR 48.74 compared to PKR 36.58 in FY14.

	2015	2014
Profit after tax	928,535,002	818,644,302
Un – appropriated profit brought forward	1,187,060,100	643,415,798
Profit available for appropriation	2,115,595,102	1,462,060,100
Appropriations:		
*Final Cash Dividend at Rs. 7 per share i.e. 70% for the year ended June 30, 2015	385,000,000	
(Rs. 5 per share i.e. 50% for the year ended June 30, 2014)		275,000,000
Unappropriated Profit carried forward	1,730,595,102	1,187,060,100
Earning per share – basic & diluted	16.88	14.88

*subject to the approval by members in the AGM to be held on September 19, 2015.

Our financial results reflect strong underlying performance across virtually all our businesses including Equities' brokerage, Investment banking and Securities investments. Based on the performance during the year under review, the Board has recommended a final Cash Dividend for the year ended 30th June, 2015 at Rs. 7 per share i.e. 70%. This entitlement shall be available to those shareholders whose names appear on the shareholders' register at the close of business on September 10, 2015.

Brokerage

Our Brokerage revenues increased by 21% YoY to PKR 323 mn for FY15 while the market volume increased by 2% only. The Company remained one of the top players in equity brokerage and has achieved a deeper penetration among all existing local and foreign institutional, corporate, high net worth individual and retail clients as well as opening a considerable number of new accounts across all client segments. During the period under review, your Company has made significant inroads in entering international equity sales, capitalizing its strong balance sheet, building on its reputable brand name and top-notch research services.

Investment Banking

The Investment Banking division generated PKR 256 mn, a growth of 92% compared to the previous year. Your Company remained a market leader by managing leading IPO and debt transactions in FY15 either independently or jointly which includes Secondary Public Offering of Habib Bank Limited, IPO of Soneri Bank Limited TFC, OFS of Saif Power Limited, IPO of Synthetic Products Enterprises Limited and IPO of Dolmen City REIT, which is the first listed REIT fund in South Asia. We are engaged in a number of mandated and potential equity & debt capital market transactions for 2015-16, which will continue to add to our earnings and reputation in the market.

Securities Investment

The company is following the prudential principles of portfolio management, which specifies the Portfolio Size, its limits, Bench marking, Holding Period and diversification. This has in turn enabled your Company's investment portfolio to yield lucrative returns totaling to PKR 977 mn (PKR 840 mn) and a decent dividend income of PKR 69 mn (15 mn).

Expense Management

Operating expenses were increased by 38% as compared to last year. The increase is due to the fact that the Company has invested in its human resources and expanded its business and support teams that have generated prosperous results. Our financing costs have decreased by 35% due to reduction of funding rate and better management of liquidity. These funds have been utilised towards the Company's business and opportunistic investments which have performed extremely well.

Credit Rating

JCR-VIS Credit Rating Company Limited (JCR-VIS), the premier rating company of Pakistan, has assigned entity ratings of AA-(Double A Minus) for the Long Term and A 1 (A One) for the short term with 'Stable' outlook. These rating denotes low credit risk and a strong capacity of timely and efficient discharge of financial commitments. This endorsement is a testament to the strength of our internal processes, corporate governance and financial stability.

Human Resources

AHL firmly believes in nurturing and investing in its employees with the ultimate objective of ensuring high employee morale and productivity. We work towards understanding and assimilating employee objectives with corporate goals. Your Company is working on a series of initiatives geared towards employee development which we feel will strengthen the bond between our diligent workforce and the Company.

Risk Management

Risks are inherent in our business and include liquidity, market, credit, operational, legal, regulatory and reputational risks.

AHL's risk management governance starts with our Board, which plays an important role in reviewing and approving risk management policies and practices.

Our risk management framework and systems are longstanding, standardized and robust. We believe that effective risk management is of primary importance to the success of the Company. Accordingly, we have adopted comprehensive risk management processes through which we monitor, evaluate and manage the risks we assume in conducting our activities. We apply a rigorous framework of limits to control risk across multiple transactions, products, businesses and markets. This includes setting credit and market risk limits at a variety of levels and monitoring these limits on a daily basis.

We also focus on the rigor and effectiveness of our risk systems. We devote significant time and resources to our risk management technology to ensure that it consistently provides us with complete, accurate and timely information.

Corporate Social Responsibility

In keeping with the glorious tradition, your Company continued its contribution to the society as a socially responsible organization through various initiatives. AHL is committed towards fulfilling its Corporate Social Responsibility and has been actively involved with special focus on healthcare, education, environment, community welfare, sports & relief work and aims to enhance its scope and contribution in the future.

We at AHL are conscious of the well-being of our employees as well as the community at large. The Company focuses on energy conservation and all departments and employees adhere to the power conservation measures. Your Company takes its contribution towards national economy seriously and has always discharged its obligations in a transparent, accurate and timely manner. The details of the contribution made by the Company is presented at Page No. 06.

Code of Corporate Governance

The Board and management of the Company are committed to ensure that requirements of the Code of Corporate Governance are fully met. The Company has adopted good Corporate Governance practices with an aim to enhance the accuracy, comprehensiveness and transparency of financial and non-financial information.

The Directors are pleased to report that:

a. The financial statements prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity;
b. Proper books of account of the Company have been maintained;

c. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgement;

d. International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements;

e. The system of internal control is sound in design and has been effectively implemented and monitored;

f. There are no significant doubts upon the Company's ability to continue as a going concern;

g. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations;

h. The Company has on account of statutory payment of taxes, duties, levies and charges has no outstanding liability as at the balance sheet date;

i. The Company has paid amount of PKR 3.03 mn in the Provident Fund of the employees of the Company and the Company has no outstanding liability at the year-end as the Provident Fund is managed by a separate trust.

Changes in the Board

During the year under review, no changes was made in the Board of Directors.

Board and Audit Committee Meetings and Attendance

During the year under review, five meetings of the Board of Directors and four meetings of the Audit Committee were held from July 01, 2014 to June 30, 2015. The attendance of the Board and Audit Committee members was as follows:

The leave of absence was granted to the members not attending the Board and Committee meetings.

Name of Director	Board Meeting	Audit Committee Meeting
Mr. Zafar Alam*1	4	N/ A
Ms. Sharmin Shahid	5	N/A
Ms. Nida Ahsan	4	4
Mr. Haroon Usman	5	4
Mr. Ali Murtaza Kazmi*1	4	4
Mr. Zeshan Afzal *1	4	N/A
Mr. Muhammad Shahid Ali Habib	5	N/A
Mr. Amanullah Suleman *2	1	N/A
Mr. Muhammad Rafique Bhundi *2	1	N/A
Mr. Abdullah A. Rahman *2	1	1

*the directors were replaced in the election of directors held at 9th Annual General Meeting of the Company on September 27, 2014.

*1 represents the incoming directors
*2 represents the outgoing directors

Trading in Shares of the Company by Directors and Executives

500 shares each were bought by newly elected directors during the year. No trades in the shares of the Company were carried out by the Directors, CEO, CFO, Company Secretary and their spouses and minor children.

Audit Committee

The Audit Committee of the Board continued to perform its duties and responsibilities effectively as per its terms of reference duly approved by the Board. The committee composition has also been attached with this report.

Corporate and Secretarial Compliance

The Company Secretary has furnished a Secretarial Compliance Certificate as part of the annual return filed with the Registrar of Companies to certify that these secretarial and corporate requirements of the Companies Ordinance, 1984, Memorandum and Articles of Association of the Company and the listing regulations have been duly complied with.

Ethics and Business Practices

As per the Corporate Governance guidelines, the Company has circulated a "Code of Ethics" for compliance. It has been signed by all directors and employees of the Company acknowledging their understanding and acceptance of the Code.

Pattern of Shareholding

The detailed pattern of the shareholding and categories of shareholders of the Company as at June 30, 2015, as required under the listing regulations, have been appended to the Annual Report.

Information to Stakeholders

Key operating and financial data of previous years has been summarized and presented at page No. 108.

Post Balance Sheet Date Event / Dividend

The Board of Directors in its meeting held on July 30, 2015 has proposed a final cash dividend @ Rs. 7 per share i.e., 70% for the year ended June 30, 2015 for approval of the members at the Annual General Meeting to be held on September 19, 2015. The financial statements do not reflect this proposed dividend.

Related Party Transaction

In order to comply with the requirements of the listing regulations, the Company presented all related party transactions before the Audit Committee and Board for their review and approval. These transactions have been approved by the Audit Committee and Board in their respective meetings. The details of all related party transactions have been provided in note 29 & 30 of the annexed audited financial statements.

Auditors

The retiring auditors M/s. Rehman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, have offered themselves for re-appointment. The Board recommends their re-appointment. A resolution proposing the appointment of M/s. Rehman Sarfaraz Rahim Iqbal Rafiq as auditors of the Company for the financial year 2015-16 will be submitted at the forthcoming Annual General Meeting for approval.

Future Prospects

The future prospects of your Company look outstanding on account of growing market volumes with our increasing market share. We are targeting to generate better volumes from our existing and potential foreign clients and local clients on account of our increasing relationship with foreign and local fund managers and broker dealers. We also foresee increased activity on new equity and debt listings for which our Investment Banking department is well poised. We are confident that the investment portfolio will keep delivering better results going forward as the market is still offering opportunities. We are also taking substantial steps to increase our market share in the Money Market and Forex desk division. Steps are also being taken to provide excellent research services to our local and international clients to improve our business and reflect our brand's strong performance.

Acknowledgement

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 without which we would not be able to pursue our strategy and good performance.

We acknowledge and appreciate the hard work put in by the employees of the Company during the period. We also appreciate 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 Executive Director

Date: July 30, 2015
Karachi.


DEBENHAMS

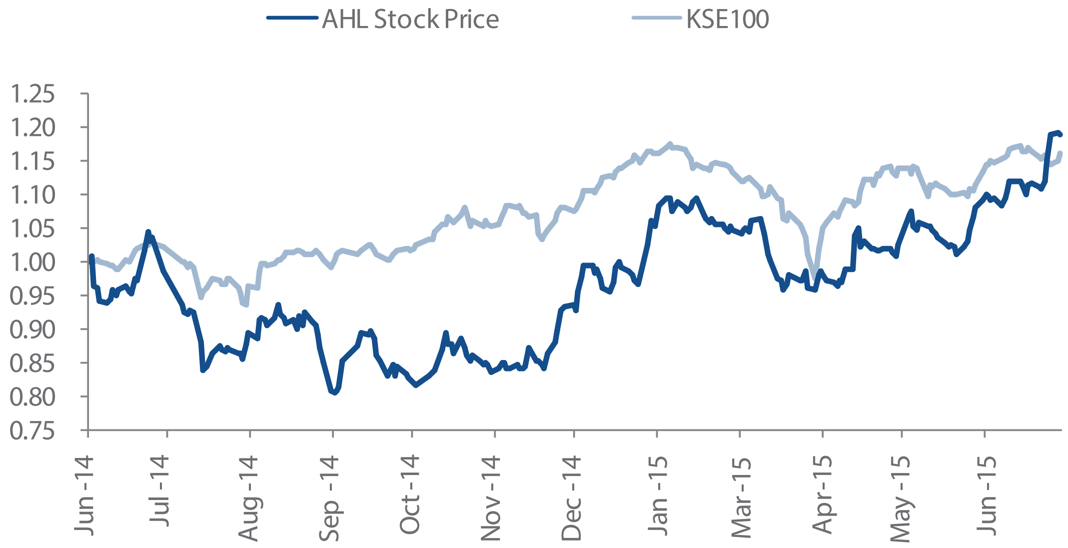
YIELDING OPPORTUNITIES

We constantly explore new markets to expand our dimensions and diversify our portfolio

Financial & Business Highlights
Year ended 30 June

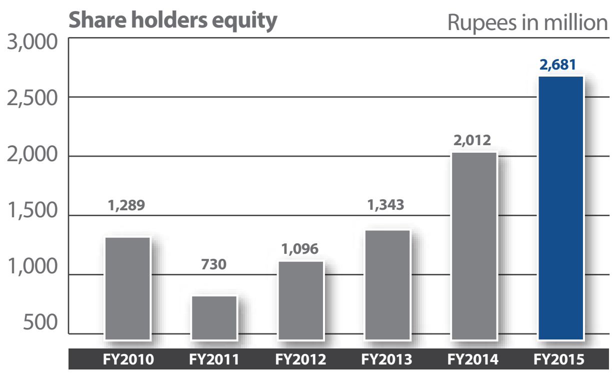
	2015	2014	2013	2012	2011	2010
Profit and Loss Account						
Operating revenue	648	415	172	174	107	223
Investment gains - net	909	825	322	516	17	62
Other	58	203	202	107	313	101
Total turnover	**1,717**	**1,443**	**799**	**796**	**448**	**382**
Operating & administrative expenses	(300)	(217)	(199)	(210)	(930)	(105)
Finance cost	(234)	(358)	(180)	(186)	(68)	(110)
Profit / (loss) before taxation	1,145	851	401	395	(550)	164
Profit / (loss) after taxation	**929**	**819**	**382**	**366**	**(559)**	**146**
Balance Sheet						
Share capital	550	550	500	450	450	375
Reserves	2,116	1,462	843	646	280	914
Share holders equity	2,681	2,012	1,343	1,096	730	1,289
Long term investment	209	159	159	33	-	-
Investment property	512	328	315	53	126	99
Current assets	3,212	4,147	2,997	2,870	941	1,826
Current liabilities	1,351	2,757	1,973	1,897	273	813
Total assets	4,034	4,771	3,617	3,258	1,236	2,107
Total liability	1,353	2,759	2,273	2,162	506	818
RATIOS						
Performance						
Profit before tax (%)	67%	59%	50%	50%	-123%	43%
Expense / income (%)	17%	15%	25%	26%	207%	27%
Return on equity (%)	40%	49%	31%	40%	-55%	12%
Leverage						
Financial leverage (x)	1.72	2.84	2.97	3.57	1.22	1.70
Debt to equity (%)	21%	118%	84%	151%	15%	45%
Interest cover (x)	5.89	3.37	3.24	3.13	(7.05)	2.49
Liquidity						
Current (x)	2.38	1.50	1.52	1.51	3.44	2.25
Quick / acid test (x)	1.87	1.02	1.46	1.22	3.38	1.89

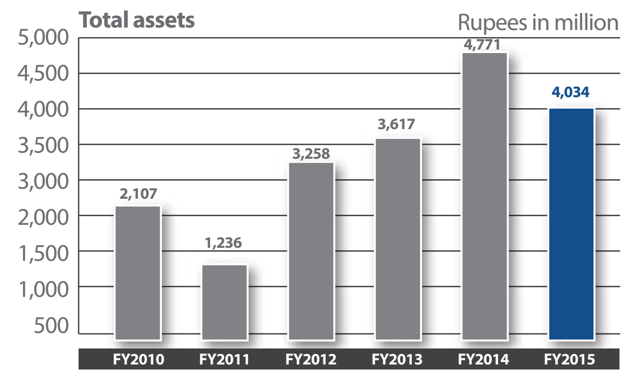
	2015	2014	2013	2012	2011	2010
Valuation						
EPS(PKR)	16.88	14.88	6.95	6.65	(10.17)	2.65
Break-up value (PKR)	48.74	36.58	26.87	24.35	16.22	34.38
Price earning ratio (%)	4.12	3.93	4.28	3.26	(1.23)	8.76
Price to book ratio (%)	1.43	1.60	1.11	0.89	0.77	0.68
Dividend yield ratio	10%	9%	10%	14%	0%	0%
Dividend payout ratio	41%	34%	43%	45%	0%	0%
Cash dividend per share (PKR)	7.00	5.00	3.00	3.00	-	-
Stock dividend per share	-	-	10.00%	11.11%	-	20.00%
Market value at year-end (PKR)	69.61	58.54	29.78	21.70	12.46	23.23
High (during the year) (PKR)	69.76	59.71	31.38	27.80	25.70	43.01
Low (during the year) (PKR)	47.17	25.26	20.86	7.85	8.07	22.18

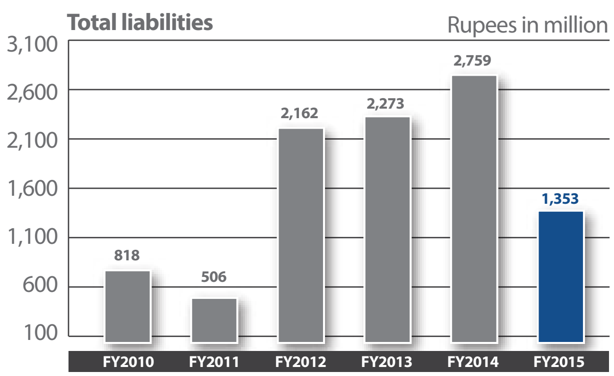


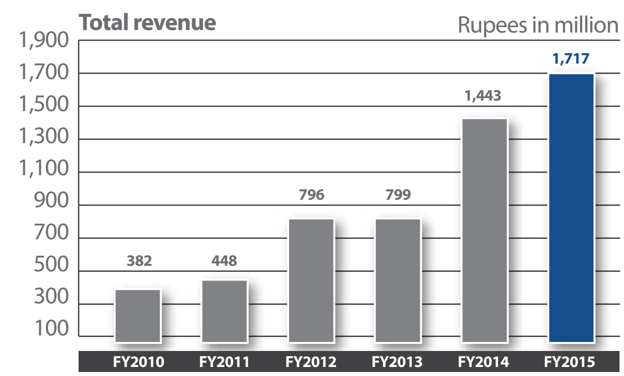
Source: Bloomberg, Arif Habib Limited, Equity Research Division

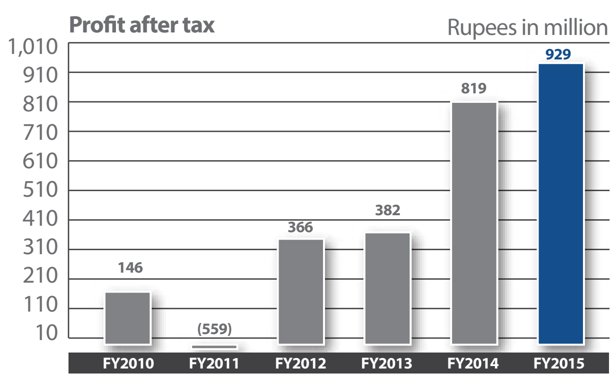
Graphical Representation

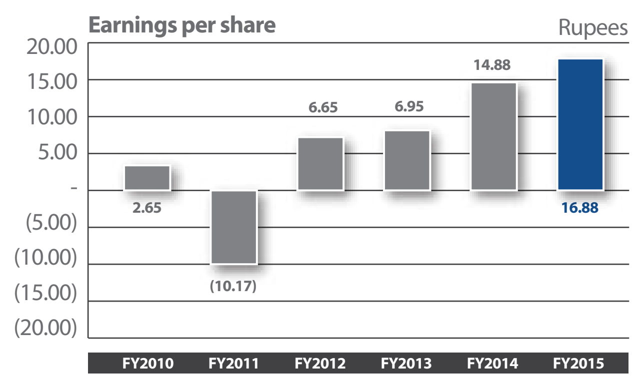


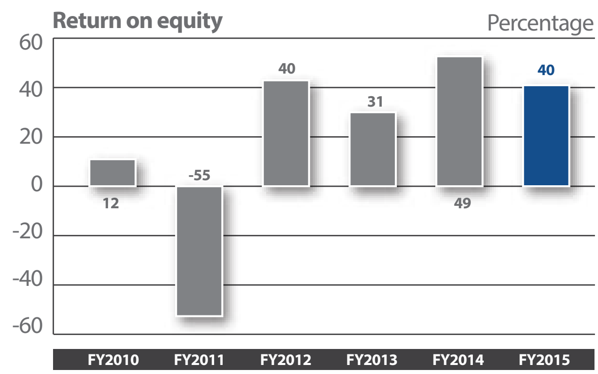


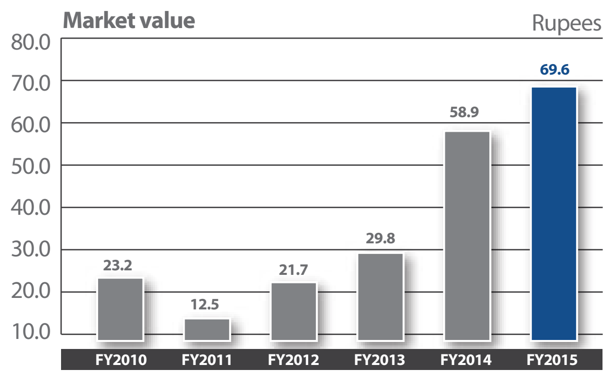


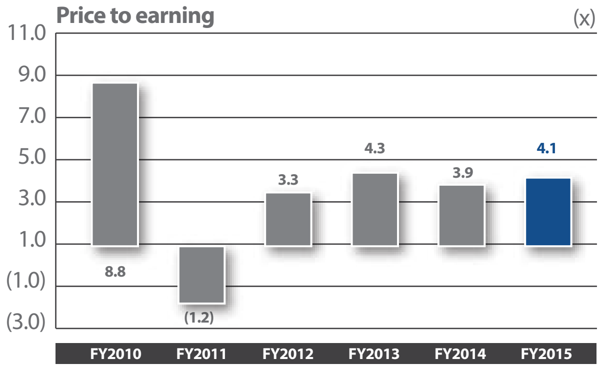


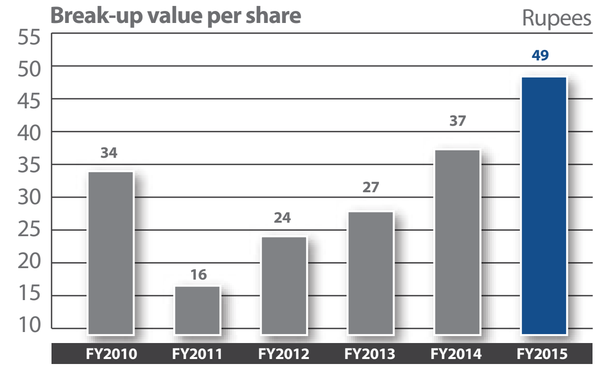


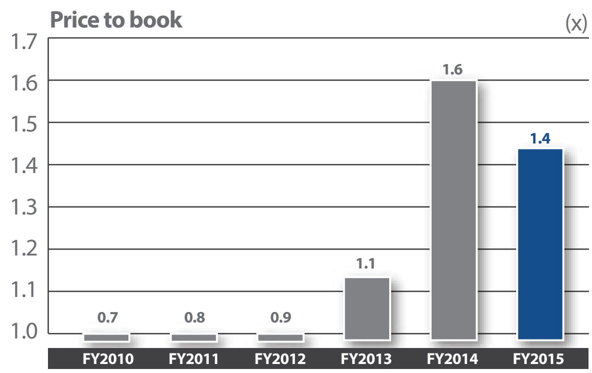


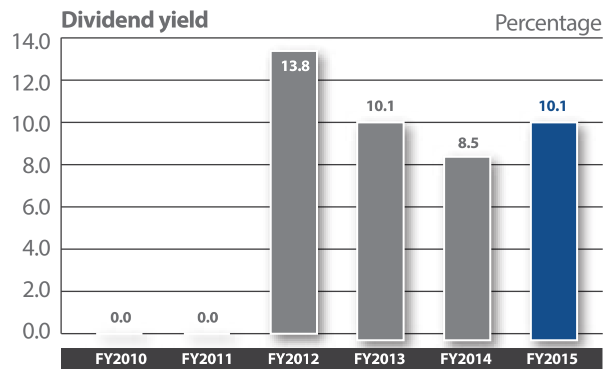

Return on equity
Percentage
60
40
20
0
-20
-40
-60
12
-55
40
31
49
40
FY2010
FY2011
FY2012
FY2013
FY2014
FY2015


Market value
Rupees
80.0
70.0
60.0
50.0
40.0
30.0
20.0
10.0
23.2
12.5
21.7
29.8
58.9
69.6
FY2010
FY2011
FY2012
FY2013
FY2014
FY2015


Price to earning
(x)
11.0
9.0
7.0
5.0
3.0
1.0
(1.0)
(3.0)
8.8
(1.2)
3.3
4.3
3.9
4.1
FY2010
FY2011
FY2012
FY2013
FY2014
FY2015


Break-up value per share
Rupees
55
50
45
40
35
30
25
20
15
10
34
16
24
27
37
49
FY2010
FY2011
FY2012
FY2013
FY2014
FY2015


Price to book
(x)
1.7
1.6
1.5
1.4
1.3
1.2
1.1
1.0
0.7
0.8
0.9
1.1
1.6
1.4
FY2010
FY2011
FY2012
FY2013
FY2014
FY2015


Dividend yield
Percentage
14.0
12.0
10.0
8.0
6.0
4.0
2.0
0.0
0.0
0.0
13.8
10.1
8.5
10.1
FY2010
FY2011
FY2012
FY2013
FY2014
FY2015

Vertical Analysis of Financial Statements

	2015		2014		2013	
	Rupees in million	%	Rupees in million	%	Rupees in million	%
Balance Sheet	`					
Total equity and minority interest	2,681	66.5	2,012	42.2	1,343	37.1
Total non-current liabilities	2	0.0	3	0.1	300	8.3
Total current liabilities	1,351	33.5	2,757	57.8	1,973	54.6
Total equity and liabilities	4,034	100.0	4,771	100.0	3,617	100.0
Total non-current assets	822	20.4	625	13.1	620	17.1
Total current assets	3,212	79.6	4,147	86.9	2,997	82.9
Total assets	4,034	100.0	4,771	100.0	3,617	100.0
Profit and Loss Accounts						
Net operating revenue	1,717	100.0	1,240	100.0	597	100.0
Operating and administrative expenses	(300)	(17.5)	(217)	(17.5)	(199)	(33.3)
Operating profit / (loss)	1,417	82.5	1,023	82.5	398	66.7
Other income / (charges) - net	(38)	(2.2)	186	15.0	183	30.6
	1,379	80.3	1,209	97.5	581	97.3
Finance cost	(234)	(13.6)	(358)	(28.9)	(180)	(30.1)
Profit / (loss) before tax	1,145	66.7	851	68.6	401	67.2
Taxation	(216)	(12.6)	(32)	(2.6)	(19)	(3.2)
Profit / (loss) after tax	929	54	819	66	382	64

	2012		2011		2010	
	Rupees in million	%	Rupees in million	%	Rupees in million	%
Balance Sheet	`					
Total equity and minority interest	1,096	33.6	730	59.1	1,289	61.2
Total non-current liabilities	265	8.1	233	18.8	4	0.2
Total current liabilities	1,897	58.2	273	22.1	813	38.6
Total equity and liabilities	3,258	100.0	1,236	100.0	2,107	100.0
Total non-current assets	388	11.9	295	23.9	281	13.3
Total current assets	2,870	88.1	941	76.1	1,826	86.7
Total assets	3,258	100.0	1,236	100.0	2,107	100.0
Profit and Loss Accounts						
Net operating revenue	690	100.0	136	(100)	280	(100)
Operating and administrative expenses	(210)	(30.4)	(930)	(684.8)	(105)	(37.3)
Operating profit / (loss)	480	69.6	(794)	(584.8)	176	62.7
Other income / (charges) - net	101	14.6	313	-	98	-
	581	84.3	(482)	(354.6)	274	97.7
Finance cost	(186)	(26.9)	(68)	-	(110)	-
Profit / (loss) before tax	395	57.3	(550)	(404.9)	164	58.4
Taxation	(29)	(4.3)	(9)	-	(18)	-
Profit / (loss) after tax	366	53	(559)	(412)	146	52

Statement of Compliance With Code of Corporate Governance

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No 5.19 of listing regulations of Karachi and chapter x of listing regulations of Lahore Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes:

Category	Names
Independent Director:	Mr. Ali Murtaza Kazmi
Executive Directors:	Mr. Muhammad Shahid Ali Habib Mr. Zeshan Afzal
Non-Executive Directors:	Mr. Zafar Alam Ms. Sharmin Shahid Ms. Nida Ahsan Mr. Haroon Usman

The independent director meet the criteria of independence under clause 5.19.1. (b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.

3. All the directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a broker of a stock exchange, has been declared as a defaulter by that stock exchange.

4. No casual vacancy occurred on the board during the year.

5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the Board/shareholders.

8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the Board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The Board had arranged an approved directorship training program for two of its directors during the year which brings the total number of certified directors of the Company to four. While the Board have approved for remaining three directors to get the certification during the ongoing year and well before in time as prescribed under the clause 5.19.7. of the CCG.

10. No new appointment of CFO, Company Secretary and Head of Internal Audit has been made after the revised CCG has taken effect. However, the Board has approved their remuneration and terms and conditions of employment.

11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by the CEO and CFO before approval of the Board.

13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

14. The Company has complied with all the corporate and financial reporting requirements of the CCG.

15. The Board has formed an Audit Committee. It comprises of three (3) members, of whom two (2) are non-executive directors and the Chairman of the committee is an independent director.

16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The Board has formed a Human Resource and Remuneration Committee. It comprises of three (3) members, of whom two (2) are non-executive directors and the Chairman of the committee is a Non-Executive director.

18. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.

19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchange(s).

22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).

23. We confirm that all other material principles enshrined in the CCG have been complied with.

On behalf of the Board of Directors

Muhammad Shahid Ali Habib
Chief Executive Officer & Executive Director
July 30, 2015
Karachi

Review Report to the Members on Statement of Compliance with Best Practices of Code of Corporate Governance

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of Arif Habib Limited ("the Company"), to comply with the Listing Regulations of the Karachi and Lahore Stock Exchanges where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of the audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Boards statement on internal control covers all risks and control, or to form an opinion on the effectiveness of such internal controls, the Company corporate governance procedures and risks.

Further Listing Regulations of the stock exchanges requires the Company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in the arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the Audit Committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of directors and placement of such transactions before the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended June 30, 2015.

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants
Muhammad Rafiq Dosani

Karachi.
July 30, 2015

Auditors' Report to the Members

We have audited the annexed balance sheet of Arif Habib Limited (herein after referred as 'the Company') as at June 30,2015 and the related profit & loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by the management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification,

We report that:

(a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance,1984;

(b) in our opinion:

(i) the balance sheet and profit and loss account together with the notes there on have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;

(ii) the expenditure incurred during the year was for the purpose of the Company's business;

(iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

(c) in our opinion, and to the best of our information and according to the explanations given to us, the balance sheet, profit & loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance,1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2015, and of the profit, other comprehensive incomes, changes in equity and its cashflows for the year then ended; and

(d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the central Zakat Fund established under section 7 of that Ordinance.

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants
Muhammad Rafiq Dosani

Karachi.
July 30, 2015

Balance Sheet

AS AT JUNE 30, 2015

	Note	2015	2014
		Rupees	
ASSETS			
NON- CURRENT ASSETS			
Property, plant and equipment	4	**48,446,729**	56,143,981
Intangible assets	5	**17,861,178**	60,702,274
Long term investments	6	**209,342,551**	159,342,551
Investment property	7	**511,639,974**	328,146,600
Advance against investment property		**-**	975,000
Long-term deposits	8	**14,886,171**	6,845,217
Deferred tax asset		**20,258,431**	12,080,129
		822,435,034	624,235,752
CURRENT ASSETS			
Short term investments	9	**1,500,910,603**	2,328,085,305
Trade debts - considered good	10	**537,407,441**	309,075,533
Receivable against sale of securities- net		**-**	967,275,773
Short term loans - secured	11	**3,732,139**	1,157,480
Trade deposits and prepayments	12	**407,051,166**	44,114,685
Other receivables	13	**267,522,705**	328,003,022
Cash & bank balances	14	**495,624,281**	168,992,512
		3,212,248,335	4,146,704,310
TOTAL ASSETS		**4,034,683,369**	4,770,940,062
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized Capital			
75,000,000 (2014: 75,000,000) ordinary shares of Rs.10/- each		**750,000,000**	750,000,000
Issued, subscribed & paid-up capital	15	**550,000,000**	550,000,000
Unappropriated profits		**2,115,595,052**	1,462,060,100
		2,665,595,052	2,012,060,100
Surplus on revaluation of assets		**15,432,500**	-
LIABILITIES			
NON-CURRENT LIABILITIES			
Liabilities against assets subject to finance lease	16	**1,660,874**	2,235,913
CURRENT LIABILITIES			
Short term borrowings - secured	17	**573,669,027**	2,381,091,230
Current portion of liability subject to finance lease	16	**500,013**	468,892
Trade and other payables	18	**524,978,669**	312,982,271
Payable against purchase of securities- net		**44,558,395**	-
Markup accrued		**43,753,713**	51,932,846
Taxes payable	19	**164,535,126**	10,168,810
		1,351,994,943	2,756,644,049
CONTINGENCIES AND COMMITMENTS	20	**-**	-
TOTAL EQUITY AND LIABILITIES		**4,034,683,369**	4,770,940,062

The annexed notes from 1 to 34 form an integral part of these financial statements.

CHAIRMAN

CHIEF EXECUTIVE OFFICER

Profit and Loss Account

FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015	2014
		Rupees	
Operating revenue	21	**647,828,356**	414,789,175
Capital gain on sale of investments - net		**1,148,039,676**	558,504,866
(Loss) / gain on re-measurement of investments carried at fair value through profit or loss - net	9.2	**(239,603,335)**	266,808,214
Unrealised gain on re-measurement of investment property	7	**101,983,374**	-
		1,658,248,071	1,240,102,255
Administrative and operating expenses	22	**(300,230,112)**	(217,019,603)
Finance costs	23	**(233,741,105)**	(358,236,182)
Other charges	24	**(37,368,332)**	(17,362,761)
Other incomes	25	**58,053,803**	203,062,377
Profit before taxation		**1,144,962,325**	850,546,086
Taxation - net	26	**(216,427,373)**	(31,901,784)
Profit after taxation		**928,534,952**	818,644,302
Earnings per share - basic & diluted	27	**16.88**	14.88

The annexed notes from 1 to 34 form an integral part of these financial statements.

CHAIRMAN

CHIEF EXECUTIVE OFFICER

Statement of Comprehensive Income
FOR THE YEAR ENDED JUNE 30, 2015

	2015	2014
	Rupees	
Profit after taxation	**928,534,952**	818,644,302
Other comprehensive income	-	-
Total comprehensive profit for the year transferred to equity	**928,534,952**	818,644,302

The annexed notes from 1 to 34 form an integral part of these financial statements.

CHAIRMAN

CHIEF EXECUTIVE OFFICER

Cash Flow Statement

FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015	2014
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**1,144,962,325**	850,546,086
Adjustments for:			
Depreciation		**8,642,059**	9,501,378
Amortization of intangible asset		**666,096**	453,301
Impairment loss on intangible assets		**14,000,000**	-
Loss / (gain) on disposal of property, plant and equipment		**1,754**	(396,701)
Gain on disposal of intangible asset		**-**	(1,647,500)
Loss / (gain) on re-measurement of Investments carried at fair value through-held for trading		**239,603,335**	(266,808,214)
Gain on short term investment		**(1,148,039,676)**	(558,504,866)
Unrealized gain on re-measurement of investment property		**(101,983,374)**	-
Dividend income		**(68,512,270)**	(14,708,002)
Reversal of provision against doubtful debts		**(1,171,715)**	(105,235,384)
Finance costs		**233,741,105**	358,236,182
		(823,052,686)	(579,109,806)
Cash generated from operating activities before working capital changes		**321,909,639**	271,436,280
Effect on cash flow due to working capital changes			
(Increase)/decrease in current assets			
Short-term investments		**1,735,752,181**	413,125,522
Trade debts		**(227,160,193)**	352,644,294
Receivable against sale of securities- net		**967,275,773**	(967,275,773)
Short term loans		**(2,574,659)**	1,159,848
Deposits and short-term prepayments		**(362,936,481)**	5,695,776
Other receivables		**60,480,317**	(262,170,823)
Increase/(decrease) in current liabilities			
Trade and other payables		**211,996,398**	(501,759,424)
Payable against sale of securities- net		**44,558,395**	-
		2,427,391,731	(958,580,580)
Cash generated from / (used in) operations		**2,749,301,370**	(687,144,300)
Taxes paid		**(70,239,359)**	(29,978,526)
Finance costs paid		**(241,920,238)**	(184,886,624)
Net cash generated from / (used in) operating activities		**2,437,141,773**	(902,009,450)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		**(17,119,451)**	(3,509,875)
Proceeds from disposal of property, plant and equipment	4.1	**916,752**	2,271,601
Acquisition of intangible asset		**(1,777,500)**	(1,323,275)
Proceeds from disposal of intangible asset		**-**	14,200,000
Investment in investment property		**(20,035,000)**	(12,810,000)
Dividends received		**68,512,270**	14,708,002
Investment in subsidiary		**(50,000,000)**	-
Long term deposits		**(8,040,954)**	(4,308,717)
Net cash (used in) / generated from investing activities		**(27,543,883)**	9,227,736
CASH FLOWS FROM FINANCING ACTIVITIES			
Rental paid against finance lease liability		**(543,918)**	(953,414)
Dividend paid		**(275,000,000)**	(150,000,000)
Loan paid to associate		**-**	(450,000,000)
Net cash used in financing activities		**(275,543,918)**	(600,953,414)
Net increase/(decrease) in cash and cash equivalents		**2,134,053,972**	(1,493,735,128)
Cash and cash equivalents at the beginning of the year		**(2,212,098,718)**	(718,363,590)
Cash and cash equivalents at the end of the year	28	**(78,044,746)**	(2,212,098,718)

The annexed notes from 1 to 34 form an integral part of these financial statements.

CHAIRMAN

CHIEF EXECUTIVE OFFICER

Statement of Changes in Equity

FOR THE YEAR ENDED JUNE 30, 2015

	Issued, subscribed & paid up capital	Unappropriated profits	Total
		Rupees	
Balance as at July 1, 2013	500,000,000	843,415,798	1,343,415,798
Bonus shares allocated @ 10% for the year ended June 30, 2013	50,000,000	(50,000,000)	-
Cash dividend paid @ 30% for the year ended June 30, 2013	-	(150,000,000)	(150,000,000)
Comprehensive income for the year ended June 30, 2014	-	818,644,302	818,644,302
Balance as at June 30, 2014	550,000,000	1,462,060,100	2,012,060,100
Balance as at July 1, 2014	**550,000,000**	**1,462,060,100**	**2,012,060,100**
Cash dividend paid @ 50% for the year ended June 30, 2014	**-**	**(275,000,000)**	**(275,000,000)**
Comprehensive income for the year ended June 30, 2015	**-**	**928,534,952**	**928,534,952**
Balance as at June 30, 2015	**550,000,000**	**2,115,595,052**	**2,665,595,052**

The annexed notes from 1 to 34 form an integral part of these financial statements.

CHAIRMAN

CHIEF EXECUTIVE OFFICER

1 STATUS AND NATURE OF BUSINESS

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 Parent Company holds 69% shares of the Company.

The Company is holder of Trading Right Entitlement Certificate (TREC) Holder of Karachi, Lahore and Islamabad Stock Exchanges. The principal activities of the Company are Investments, share brokerage, Inter bank brokerage, Initial Public Offer (IPO), Book Building, underwriting, advisory and consultancy services. The registered office of the Company is situated at Arif Habib Centre, 23 M.T. Khan Road, Karachi.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the Companies Ordinance, 1984 (the Ordinance), directives issued by the Securities and Exchange Commission of Pakistan (SECP) and approved financial reporting standards as applicable in Pakistan. Approved financial reporting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board as are notified under the provisions of the Ordinance. Wherever the requirements of the Ordinance, or the directives issued by the SECP differ with the requirements of these standards, the requirements of the Ordinance or of the said directives have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for Investment property, derivatives, investment classified as 'held for trading' and 'available for sale' which are stated at fair value and asset classified as 'held for sale' which are measured at lower of fair value less cost to sell and carrying amount.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is Company's functional and presentation currency.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved financial reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about judgments made by the management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates and assumptions with a significant risk of material adjustment in the future periods are included in following notes:

- Useful lives and residual values of property, plant and equipment (note 3.1)
- Useful lives and residual values of intangible assets (note 3.2)
- Investment property (note 3.3)
- Impairment (note 3.4 and 3.5.4)
- Classification of Investments (note 3.5)
- Fair value of Investments (note 3.5)
- Derivative financial instruments (note 3.6 and 3.7)
- Provision for Taxation (note 3.17)
- Provisions (note 3.18)

2.5 Initial application of standards, amendments or an interpretation to existing standards

a) Standards, amendments or interpretations which became effective during the year

During the year certain amendments to Standards or new interpretations became effective, however, the amendments or interpretation were either not relevant to the Company's operations or were not expected to have any significant impact on the Company's financial statements.

b) New / revised accounting standards, amendments to published accounting standards, and interpretations that are not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2015:

- Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have an impact on Company's financial statements.

- Certain further amendments have been made to IFRS 10, IFRS 12 and IAS 28 clarifying the requirements relating to accounting for investment entities and would be effective for annual periods beginning on or after 1 January 2016. Management is currently considering the effect of new standard.

- IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2015) replaces IAS 31 'Interests in Joint Ventures'. Firstly, it carves out, from IAS 31 jointly controlled entities, those cases in which although there is a separate vehicle, that separation is ineffective in certain ways. These arrangements are treated similarly to jointly controlled assets/operations under IAS 31 and are now called joint operations. Secondly, the remainder of IAS 31 jointly controlled entities, now called joint ventures, are stripped of the free choice of using the equity method or proportionate consolidation; they must now always use the equity method. IFRS 11 has also made consequential changes in IAS 28 which has now been named 'Investment in Associates and Joint Ventures'. The amendments requiring business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business are effective for annual periods beginning on or after 1 January 2016. The adoption of this standard is not like to have an impact on Company's financial statements.

- IFRS 12 'Disclosure of Interest in Other Entities' (effective for annual periods beginning on or after 1 January 2015) combines the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structured entities, into one place. The adoption of this standard is not like to have material impact on Company's financial statements.

- IFRS 13 'Fair Value Measurement' effective for annual periods beginning on or after 1 January 2015) defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. IFRS 13 explains how to measure fair value when it is required by other IFRSs. It does not introduce new fair value measurements, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards. Management is currently considering the effect of new standard.

- Amendment to IAS 27 'Separate Financial Statement' (effective for annual periods beginning on or after 1 January 2016). The amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

- Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; are accounted for in the same way as self-constructed items of property, plant and equipment during construction.

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) [effective for annual periods beginning on or after 1 January 2016]. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

- Annual Improvements 2012-2014 cycles (amendments are effective for annual periods beginning on or after 1 January 2016). The new cycle of improvements contain amendments to the following standards:

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. IFRS 5 is amended to clarify that if an entity changes the method of disposal of an asset (or disposal group) i.e. reclassifies an asset from held for distribution to owners to held for sale or vice versa without any time lag, then such change in classification is considered as continuation of the original plan of disposal and if an entity determines that an asset (or disposal group) no longer meets the criteria to be classified as held for distribution, then it ceases held for distribution accounting in the same way as it would cease held for sale accounting.

- IFRS 7 'Financial Instruments- Disclosures'. IFRS 7 is amended to clarify when servicing arrangements are in the scope of its disclosure requirements on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety. IFRS 7 is also amended to clarify that additional disclosures required by 'Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS7)' are not specifically required for inclusion in condensed interim financial statements for all interim periods.

- IAS 19 'Employee Benefits'. IAS 19 is amended to clarify that high quality corporate bonds or government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid.

- IAS 34 'Interim Financial Reporting'. IAS 34 is amended to clarify that certain disclosures, if 'they are not included in the notes to interim financial statements and disclosed elsewhere 'should be cross referred.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant and equipment

3.1.1 Owned

Items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the asset including borrowing costs.

Where major components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Subsequent costs are included in the carrying amount as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the profit and loss account during the year in which they are incurred.

When the written down value of the item of property, plant and equipment falls below Rs.10,000 the same is charged directly to the profit and loss account.

Disposal of an item of property, plant and equipment is recognized when significant risks and rewards incidental to ownership have been transferred. Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognized within 'Other operating expenses/income' in the profit and loss account.

Depreciation is charged to profit and loss account applying the reducing balance method at the rates specified in note 4 to the financial statements.

Depreciation is charged when asset is avalaible for use until asset is disposed off.

3.1.2 Leased assets

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership, are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount lower of its fair value and present value of minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Outstanding obligations under the lease less finance cost allocated to future periods are shown as a liability.

Finance cost under lease agreements are allocated to the periods during the lease term so as to produce a constant periodic rate of finance cost on the remaining balance of principal liability for each period.

Leased assets are depreciated over the period shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Depreciation is charged to profit and loss account using reducing balance method at the rates specified in note 4.

3.2 Intangible assets

These are stated at cost less accumulated amortization and impairment losses, if any. Amortization is charged using reducing balance method over assets estimated useful life at the rates stated in note 5, after taking into accounts residual value, if any. The residual values, useful life and amortization methods are reviewed and adjusted, if appropriate, at balance sheet date.

Amortization on additions is charged from the month the assets are put to use while no amortization is charged in the month in which the assets are disposed off.

Gain and losses on disposal of such assets, if any, are included in the profit and loss account.

3.2.1 Membership cards and offices

This is stated at cost less impairment, if any. The carrying amount is reviewed at each balance sheet date to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds estimated recoverable amount, it is written down to its estimated recoverable amount.

3.2.2 Computer software

Expenditure incurred to acquire identifiable computer software and having probable economic benefits exceeding the cost beyond one year, is recognized as an intangible asset. Such expenditure includes the purchase cost of software (license fee) and related overhead cost.

Costs associated with maintaining computer software programs are recognized as an expense when incurred.

Costs which enhance or extend the performance of computer software beyond its original specification and useful life is recognized as capital improvement and added to the original cost of the software.

Computer software and license costs are stated at cost less accumulated amortization and any identified impairment loss and amortized through reducing balance method using the rate specified in note 5.1 to the account.

Amortization is charged from the month in which the related asset is available for use while no amortization is charged for the month in which such asset is disposed off.

3.3 Investment property

Property that is held for long-term rental yields or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the supply of services or for administrative purposes, is classified as investment property. Investment property is initially measured at its cost, including related transaction costs and borrowing costs, if any.

Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Latest valuation was carried out by the independent valuer on June 30, 2015.

For the purpose of subsequent measurement, the Company determines with sufficient regularity the fair value of the items of investment property based on available active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. Valuations wherever needed are performed as of the reporting date by professional valuers who hold recognized and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property.

Changes in fair values are recognized in the profit and loss account. An item of Investment property is derecognized either when disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal.

3.4 Impairment

A financial asset, other than that carried at fair value through profit or loss, is assessed at each balance sheet date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred and that the loss event has a negative effect on the estimated future cash flows of that asset.

In case of investment in equity securities classified as available for sale and measured at fair value, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired. If any such evidence exists, the cumulative loss measured as a difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized, is transferred from other comprehensive income to the profit and loss account. Such impairment losses are not subsequently reversed through the profit and loss account.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognized in the profit and loss account.

The carrying amount of the Company's non financial assets and investments carried at cost are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss, if any. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its estimated recoverable amount. The recoverable amount is higher of an asset's fair value less cost to sell and value in use. Impairment losses are recognized in the profit and loss account.

3.5 Financial assets

3.5.1 The Company classifies its financial assets in the following categories: at cost, at fair value through profit or loss, loans and receivables, available for sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

a) Long term investment

Investment in subsidiary

(i) The company considers its subsidiary companies to be such enterprise in which the company has control and/ownership of more than half or fifty percent of the voting power.

Investment in subsidiaries are carried at cost in accordance with IAS-27- 'Consolidated and Separate Financial Statements.'

(ii) Investments in stock exchange shares

The Company has designated Investments in Stock Exchange at fair value through profit or loss.

The Company has established the fair value of shares in Stock Exchanges' using a valuation technique which incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing Financial Instruments.

b) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables comprise trade debts, loans, advances, deposits, other receivable and cash and bank balances in the balance sheet.

d) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investments within twelve months from the balance sheet date.

e) Held to maturity

Financial assets with fixed or determinable payments and fixed maturity, where management has intention and ability to hold till maturity are classified as held to maturity. There are no financial assets held to maturity at the balance sheet date.

3.5.2 All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of investments are recognized on trade-date - the date on which the Company commits to purchase or sell the asset. Financial assets are initially recognized at fair value plus transaction costs besides financial assets at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the profit and loss account. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortized cost using the effective interest rate method.

Changes in the fair value of securities classified as available-for-sale are recognized in other comprehensive income. Investments in associates are accounted for using the equity method.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognized in other comprehensive income are included in the profit and loss account as a reclassification adjustment. Interest on available-for-sale securities calculated using the effective interest method is recognized in the profit and loss account. Dividends on available for-sale equity instruments are recognized in the profit and loss account when the Company's right to receive payments is established.

The fair value of quoted equity instruments are based on current market prices. Subsequent to initial measurement equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are stated at cost less impairment in value, if any.

3.5.3 Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date.

When available, the Company measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

If a market for financial instrument is not active, the Company establishes fair value using a valuation technique. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Company, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument. The Company calibrates valuation techniques and tests them for validity using prices from observable current market transactions in the same instrument or based on other available observable market data.

3.5.4 The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for available for-sale financial assets, the cumulative loss that had been recognized in other comprehensive income shall be reclassified from equity to profit and loss account as a reclassification adjustment. Impairment losses recognized in the profit and loss account on equity instruments classified as available-for-sale are not reversed through the profit and loss account. Impairment testing of trade and other receivables is described in note 3.10.

3.6 Derivatives

Derivative instruments held by the Company primarily comprise of future contracts in the capital market. These are initially recognized at fair value and are subsequently re-measured at fair value. The fair value of future contracts is calculated as being the net difference between the contract price and the closing price reported on the primary exchange of the future contracts. Derivatives with positive market values (unrealized gains) are included in assets and derivatives with negative market values (unrealized losses) are included in liabilities in the balance sheet. The resultant gains and losses are included in the profit and loss account. Derivative financial instrument contracts entered into by the Company do not meet the hedging criteria as defined by International Accounting Standard (IAS) '39: 'Financial Instruments: Recognition and Measurement'. Consequently, hedge accounting is not being applied by the Company.

3.7 Securities purchased / sold under resale / repurchase agreements

Transactions of purchase under resale (reverse-repo) of marketable securities including the securities purchased under margin trading system are entered into at contracted rates for specified periods of time. Securities purchased with a corresponding commitment to resale at a specified future date (reverse-repo) are not recognized in the balance sheet. Amounts paid under these agreements in respect of reverse repurchase transactions are included in assets. The difference between purchase and resale price is treated as income from reverse repurchase transactions in marketable transactions / margin trading system and accrued over the life of the reverse repo agreement.

Transactions of sale under repurchase (repo) of marketable securities are entered into at contracted rates for specified periods of time. Securities sold with a simultaneous commitment to repurchase at a specified future date (repo) continue to be recognized in the balance sheet and are measured in accordance with accounting policies for investments. The counterparty liabilities for amounts received under these transactions are recorded as liabilities. The difference between sale and repurchase price is treated as finance cost and accrued over the life of the repo agreement.

3.8 Financial liabilities

Financial liabilities are initially recognized at fair value plus directly attributable cost, if any, and subsequently carried at amortized cost using effective interest rate method.

3.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle either on a net basis, or realize the asset and settle the liability simultaneously.

3.10 Trade debts and other receivables

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. Trade Receivables in respect of securities sold on behalf of client are recorded at settlement date of transaction.

3.11 Fiduciary assets

Assets held in trust or in a fiduciary capacity by the company are not treated as assets of the Company and accordingly are not included in these financial statements.

3.12 Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows includes cash in hand, balance with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts / short term borrowings. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

3.13 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.14 Borrowings

Borrowings that are acquired for long term financing are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the profit and loss account over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

3.15 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost using the effective interest method. Trade payables in respect of securities purchased are recorded at settlement date of transaction.

These are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

3.16 Staff retirement benefits

Defined contribution plan

The Company operates a defined contribution plan i.e. recognized provident fund (the Fund) for all of its eligible employees in accordance with trust deed and rules made there under. Monthly contributions at the rate of 12.50% of basic salary are made to the Fund by the Company and the employees.

3.17 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognized in the profit and loss account, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current

The current income tax charge is based on the taxable income for the year calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred

Deferred tax is recognized using balance sheet liability method, providing for all temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.18 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made of the amount of obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

3.19 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value. Financial assets are derecognized when the contractual right to the cash flow from the financial assets expires or is transferred. Financial liabilities are derecognized when they are extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired. Financial instruments carried on the balance sheet include investments, trade debts and other receivables, loans and advances, cash and bank balances, deposits, borrowings, trade and other payables and accrued and other liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet only when the company has legally enforceable right to offset the recognized amount and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction on the measurement date.

When available, the Company measures the fair value of an investment using quoted price in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transaction on an arm's length basis.

If a market for a financial instrument is not active, the company establishes fair value using a valuation technique. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Company, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument. the Company calibrates valuation techniques and test them for validity using price from observables current market transactions in the same instrument or based on other available observable market data.

3.20 Foreign currency transactions and translation

Monetary assets and liabilities in foreign currencies are translated into Pakistan Rupees at the rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are translated into functional currency using the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account.

3.21 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of any direct expenses. Revenue is recognized on the following basis:

- Brokerage, consultancy, advisory fee and commission etc. are recognized as and when such services are provided.

- Income from bank deposits, revrse repo and magin deposits is recognized at effective yield on time proportion basis.

- Income from marginal finance is recognized as and when such services are provided.

- Dividend income is recorded when the right to receive the dividend is established.

- Gains / (losses) arising on sale of investments are included in the profit and loss account in the period in which they arise.

- Unrealized capital gains / (losses) arising from mark to market of investments classified as 'financial assets at fair value through profit or loss - held for trading' are included in profit and loss account for the period in which they arise.

- Rental income from investment properties is recognized on accrual basis.

- Other/miscellaneous income is recognized on receipt basis.

3.22 Borrowing costs

Borrowing costs incurred on short term and long term borrowing are recognized as an expense in the period in which these are incurred.

Notes to the Financial Statements

FOR THE YEAR ENDED JUNE 30, 2015

3.23 Related party transactions

All transactions involving related parties arising in the normal course of business are conducted at normal commercial rates on the same terms and conditions as third party transactions using valuation models, as admissible, except in extremely rare circumstances where, subject to the approval of the Board of Directors, it is in the interest of the Company to do so.

4 PROPERTY, PLANT AND EQUIPMENT

	Owned Assets						Lease assets	
	Leasehold office	Leasehold improvements	Office equipments	Furniture & Fixture	Computer & Allied	Vehicles	Vehicles	Total
	Rupees							
As at June 30, 2013								
Cost	2,115,000	101,622,500	776,245	189,651	10,197,496	4,541,551	5,246,000	124,688,443
Accumulated depreciation	-	(48,248,553)	(514,945)	(96,308)	(7,208,912)	(3,266,781)	(2,524,682)	(61,860,181)
Net book value	2,115,000	53,373,947	261,300	93,343	2,988,584	1,274,770	2,721,318	62,828,262
Year ended June 30, 2014								
Opening net book value	2,115,000	53,373,947	261,300	93,343	2,988,584	1,274,770	2,721,318	62,828,262
Additions during the year	-	862,679	103,100	-	884,718	1,659,378	2,841,500	6,351,375
Disposals / transfers/writeoff								
Cost	-	-	-	-	92,054	4,905,800	3,497,000	8,494,854
Accumulated depreciation	-	-	-	-	(20,385)	(3,102,569)	(1,837,622)	(4,960,576)
Net book value (note 4.1)	-	-	-	-	71,669	1,803,231	1,659,378	3,534,278
Depreciation for the year	-	(7,523,578)	(60,305)	(22,961)	(1,150,647)	(183,363)	(560,524)	(9,501,378)
Closing net book value	2,115,000	46,713,048	304,095	70,382	2,650,986	947,554	3,342,916	56,143,981
As at June 30, 2014								
Cost	2,115,000	102,485,179	879,345	189,651	10,990,160	1,295,129	4,590,500	122,544,964
Accumulated depreciation	-	(55,772,131)	(575,250)	(119,269)	(8,339,174)	(347,575)	(1,247,584)	(66,400,983)
Net book value	2,115,000	46,713,048	304,095	70,382	2,650,986	947,554	3,342,916	56,143,981
Year ended June 30, 2015								
Opening net book value	2,115,000	46,713,048	304,095	70,382	2,650,986	947,554	3,342,916	56,143,981
Additions during the year	13,000,000	-	40,000	64,131	4,015,320	-	-	17,119,451
Disposals / transfers/								
writeoff /Cost	15,115,000	-	75,897	-	429,987	1,295,129	-	16,916,013
Accumulated depreciation	-	-	(56,073)	-	(245,294)	(440,002)	-	(741,369)
Net book value (note 4.1)	15,115,000	-	19,824	-	184,693	855,127	-	16,174,644
Depreciation for the year	-	(6,513,766)	(43,153)	(14,278)	(1,367,856)	(92,427)	(610,579)	(8,642,059)
Closing net book value	-	40,199,282	281,118	120,235	5,113,757	-	2,732,337	48,446,729
As at June 30, 2015								
Cost	-	102,485,179	843,448	253,782	14,575,493	-	4,590,500	122,748,402
Accumulated depreciation	-	(62,285,897)	(562,330)	(133,547)	(9,461,736)	-	1,858,163)	(74,301,673)
Net book value	-	40,199,282	281,118	20,235	5,113,757	-	2,732,337	48,446,729
Annual rates of depreciation	0%	15%	15%	15%	33%	20%	20%	

4.1 Particulars of disposal of property, plant and equipment are as follows:

Particulars	Cost	WDV at Disposal	Accumlated Depreciation	Sale Proceed	Gain / (Loss)	Mode of Disposal	Particulars of Buyer
Vehciles:							
Suzuki Cultus (AMZ-423)	500,000	390,983	109,017	390,983	-	Negotiation	Employee
Honda 70 (KDT-0912)	61,840	37,166	24,674	37,166	-	Negotiation	Employee
Honda 70 (KDT-0911)	54,289	26,387	27,902	26,387	-	Negotiation	Employee
Suzuki alto (ATN-127)	679,000	400,591	278,409	400,591	-	Negotiation	Employee
	1,295,129	855,127	440,002	855,127	-		
Assets having carrying value below Rs. 50,000:							
	180,000	63,379	116,621	61,625	(1,754)		
Total	1,475,129	918,506	556,623	916,752	(1,754)		

	Note	2015	2014
		Rupees	
5 INTANGIBLES ASSETS			
Computer software	5.1	**3,761,178**	2,649,774
Trading right entitlement certificates and offices	5.2	**14,100,000**	58,052,500
		17,861,178	60,702,274

5.1 Computer software

	Rupees
As at July 1, 2013	
Cost	2,917,231
Accumulated amortization	(1,137,431)
Net book value	1,779,800
Year ended June 30, 2014	
Opening net book value	1,779,800
Additions during the year	1,323,275
Disposals / transfers	-
Amortization	(453,301)
Closing net book value	2,649,774
As at July 1, 2014	
Cost	**4,240,506**
Accumulated amortization	**(1,590,732)**
Net book value	**2,649,774**
Year ended June 30, 2015	
Opening net book value	**2,649,774**
Additions during the year	**1,777,500**
Disposals / transfers	**-**
Amortization	**(666,096)**
Closing net book value	**3,761,178**
Annual rate of amortization	**25%**

	Note	2015	2014
		Rupees	

5.2 TRADING RIGHT ENTITLEMENT CERTIFICATES AND OFFICES

	Note	2015	2014
Trading right entitlement certificates			
Karachi Stock Exchange Limited	5.2.1	**15,000,000**	15,000,000
Lahore Stock Exchange Limited	5.2.1	**7,000,000**	7,000,000
Islamabad Stock Exchange Limited	5.2.1	**4,000,000**	4,000,000
		26,000,000	26,000,000
Impairment			
Karachi Stock Exchange Limited	5.2.2	**(8,000,000)**	-
Lahore Stock Exchange Limited	5.2.2	**(4,000,000)**	-
Islamabad Stock Exchange Limited	5.2.2	**(2,000,000)**	-
		(14,000,000)	-
Offices			
Islamabad Stock Exchange Limited		**-**	12,402,500
Lahore Stock Exchange Limited		**-**	17,550,000
		-	29,952,500
Booths			
Karachi Stock Exchange Limited		**2,100,000**	2,100,000
		14,100,000	58,052,500

5.2.1 This represents cost of membership card of Stock Exchanges of Pakistan with indefinite useful life and which are surrendered to the stock exchanges under Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012. Trading right certificates are issued to the members carrying the similar rights.

5.2.2 Trading Right Entitlement Certificates were revalued as at June 30, 2015 revaluation was carried out by independent valuer (M/s. Harvest Services (Pvt) Limited) in which impairment loss amounted to Rs.14 million has been recognized due to which carrying value has been reduced to Rs. 12 million.

6 LONG TERM INVESTMENTS

	Note	2015	2014
Investments in Subsidiaries - at cost			
Arif Habib Commodities (Private) Limited (AHCPL)	6.1	**38,000,000**	38,000,000
Arif Habib 1857 (Private) Limited	6.2	**50,000,000**	-
		88,000,000	38,000,000
At fair value through profit or loss	6.5		
- designated on initial recognition			
Karachi Stock Exchanges Limited		**62,755,618**	62,755,618
Islamabad Stock Exchange Limited		**33,380,639**	33,380,639
Lahore Stock Exchange Limited		**25,206,294**	25,206,294
		121,342,551	121,342,551
		209,342,551	159,342,551

6.1 This represent paid up share capital constituting 100% ownership in Arif Habib Commodities (Pvt) Limited (AHCPL) which was incorporated as a wholly owned subsidiary for the purpose of expanding non-core revenue stream of the commodity brokerage. The total amount of Investment approved by the shareholders of the company in the extra-ordinary general meeting held on June 16, 2012 is Rs 100 million. As of the balance sheet date, the company has invested a total sum of Rs.38 million.

6.2 This represent paid up share capital consisting 100% ownership in Arif Habib 1857 (Pvt) Limited which was incorporated on 7th July 2014 as a wholly owned subsidiary for the purpose of share brokerage. The total amount of Investment approved by the shareholders of the Company in the extra-ordinary general meeting held on September 27, 2014 is Rs. 60 million. As of the balance sheet date, the Company has invested a total sum of Rs. 50 million.

6.3 The Securities and Exchange Commission of Pakistan vide its letter No. EMD/233/683/2007-228 dated October 23, 2014 has granted exemption to the Company from preparation of the Consolidated Financial Statements. The extracts of audited balance sheets as at June 30, 2015 and profit & loss accounts for the year ended June 30, 2015 of its subsidiaries are as follows:

6.3.1 Arif Habib Commodities (Private) Limited

	Note	2015	2014
		Rupees	
BALANCE SHEET			
ASSETS			
NON- CURRENT ASSETS			
Property & equipment		**737,984**	692,580
Intangible assets		**1,000,000**	1,000,000
Long term deposits		**9,007,205**	9,007,205
		10,745,189	10,699,785
CURRENT ASSETS			
Deposits and prepayments		**2,957,438**	1,178,261
Short term Investments		**9,479,169**	184,128
Other receivable		**4,852,284**	4,770,783
Taxation-net		**121,598**	53,110
Cash & bank balances		**36,171**	12,929,876
		17,446,660	19,116,158
TOTAL ASSETS		**28,191,849**	29,815,943
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized Capital			
10,000,000 (2013: 10,000,000) ordinary shares		**100,000,000**	100,000,000
Issued, Subscribed & Paid-up Capital		**38,000,000**	38,000,000
Accumulated losses		**(10,315,856)**	(8,646,014)
		27,684,144	29,353,986
CURRENT LIABILITIES			
Trade and other payables		**507,705**	461,951
TOTAL EQUITY AND LIABILITIES		**28,191,849**	29,815,943

	Note	2015	2014
		Rupees	
PROFIT & LOSS ACCOUNT			
Operating revenue		**13,084,028**	9,715,734
Administrative and operating expenses		**(16,352,790)**	(17,017,423)
Finance cost		**(48,277)**	(53,782)
Other income		**1,797,566**	2,570,012
Loss before taxation		**(1,519,473)**	(4,785,459)
Provision for taxation		**(150,369)**	(122,857)
Loss after taxation		**(1,669,842)**	(4,908,316)
Earning Per share		**(0.04)**	(0.13)

6.3.2 Arif Habib 1857 (Private) Limited

	2015
	Rupees
BALANCE SHEET	
ASSETS	
NON- CURRENT ASSETS	
Intangible assets	**9,500,000**
Long term deposits	**307,500**
	9,807,500
CURRENT ASSETS	
Cash & bank balances	**39,513,900**
TOTAL ASSETS	**49,321,400**
EQUITY AND LIABILITIES	
CAPITAL AND RESERVES	
Authorized Capital	
10,000,000 (2013: 10,000,000) ordinary shares	**100,000,000**
Issued, Subscribed & Paid-up Capital	**50,000,000**
Accumulated loss	**(708,600)**
	49,291,400
CURRENT LIABILITIES	
Trade and other payables	**30,000**
TOTAL EQUITY AND LIABILITIES	**49,321,400**
PROFIT & LOSS ACCOUNT	
For the period from 7 July 2014 to 30 June 2015	
Operating revenue	**-**
Pre-operating expenses	**(708,600)**
Loss before taxation	**(708,600)**
Provision for taxation	**-**
Loss after taxation	**(708,600)**
Earning Per share	**(0.14)**

6.4 The financial statements of the subsidiary company are available for inspection at the Subsidiary Company's registered office and would be available to the members on request without any cost.

6.5 This represents unquoted shares of Stock Exchanges received by the Company in pursuance of Stock Exchanges(Corporatization, Demutualization and Integration) Act, 2012. The total number of shares received by the Company are 4,007,383 of Karachi Stock Exchange Limited (KSEL), 3,034,604 shares of Lahore Stock Exchange Limited(LSEL) and 843,975 shares of Islamabad Stock Exchange (ISEL), with a face value of Rs 10 each. These include 60% shares of KSEL, LSEL and ISEL respectively held in separate CDC blocked Account to restrict the sale of these shares by the members whereas stock exchanges will dispose of these shares under the Demutualization Act, however the proceeds of these shares and right to dividend/bonus is vested with the Company whereas the voting rights attached to these shares are suspended.

The Company has designated these shares at Fair Value through Profit and Loss at initial recognition. Any subsequent changes in fair value will be recognized in profit and loss accounts.

The fair value of these shares is determined by the company that was vetted in the year 2013 by the independent valuer "Deloitte M. Yusuf Adil Saleem & Co. Chartered Accountants " for KSE and "Al - Mu'izz Financials" for LSE and ISE in their Project Index Valuation Report dated September 30,2013 using valuation techniques under the guidelines of IAS 39-"Financial Instruments: Recognition and Measurement". AHL has calibrated valuation technique and tested its validity by comparing the Financial Projections used in valuation technique by "Deloitte M. Yusuf Adil Saleem & Co. Chartered Accountants " and "Al - Mu'izz Financials" with the latest financial information of KSE, LSE and ISE this year and concluded that the value per should remain same and unchanged i.e Rs. 15.66, Rs. 29.88 and Rs. 11.01 for KSE, LSE and ISE respectively.

Valuation techniques and key assumptions used for the remeasurement of above unquoted investments at fair value are as under. Management estimates that changing any such assumptions to a reasonably possible alternative would not result in significantly different fair values.

Valuation Method	Key Assumptions				
	Long Term Growth Rate	**Cost of Equity**	**Value of Exchange (bn Rs)**	**Value per Share**	**Valuation Techniques**
Karachi Stock Exchange Limited					
CAPM-Country Risk Premium Method	10%	14.99%	12,552,802	15.66	Discounted Cash Flows
Lahore Stock Exchange Limited					
CAPM-Country Risk Premium Method	10%	14.99%	3,833,056	29.88	Discounted Cash Flows
Islamabad Stock Exchange Limited					
CAPM Country Risk Premium Method	10%	14.99%	4,042,697	11.01	Discounted Cash Flows

		Note	2015	2014
			Rupees	
7	**INVESTMENT PROPERTY**			
	Opening balance		**328,146,600**	315,336,600
	Transfers during the year		**60,500,000**	-
	Acquisition during the year		**21,010,000**	12,810,000
	Carrying value		**409,656,600**	328,146,600
	Increase in fair value	7.1	**115,983,374**	-
	Decrease in the fair value	7.2	**(14,000,000)**	-
			101,983,374	-
	Fair value - closing balance		**511,639,974**	328,146,600

7.1 Investment properties located at Naya Nazimabad & Islamabad Stock Exchange was revalued as at June 30, 2015. Revaluation was carried out by independent valuer (M/s. Harvester Services (Private) Limited) in which fair value increase amounted to Rs.106.383 million & 9.6 million respectively.

7.2 Investment properties located at Karachi Stock Exchange was revalued as at June 30, 2015. Revaluation was carried out by independent valuer (M/s. Harvester Services (Private) Limited) in which fair value decrease amounted to Rs.14 million.

		Note	2015	2014
8	**LONG TERM DEPOSITS**			
	Karachi Stock Exchange Limited		**114,809**	110,000
	Lahore Stock Exchange Limited	8.1	**12,352,766**	4,578,621
	National Clearing Company of Pakistan Limited		**901,000**	150,000
	Security deposits of lease assets		**1,164,150**	901,000
	Islamabad Stock Exchange Limited		**150,000**	902,150
	Others		**203,446**	203,446
			14,886,171	6,845,217

8.1 During the year deposit amounted Rs. 7.78 million was made to Lahore Stock Exchange for construction of New South Tower in which company has reserved four offices.

		2015	2014
9	**SHORT TERM INVESTMENTS**		
	Financial assets at fair value through profit or loss- Held for trading:		
	Investment in quoted equity securities:		
	- Related parties	**803,274,307**	715,976,122
	- Other listed companies	**662,865,575**	1,580,051,860
	Investment in privately placed preference share	**34,386,904**	31,798,323
	Term Finance Certificates [TFCs]	**383,817**	259,000
		1,500,910,603	2,328,085,305
9.1	**Gain / (loss) on remeasurement of investment at fair value through profit or loss - held for trading**		
	Market value	**1,500,910,603**	2,328,085,305
	Cost of the investment	**1,202,972,433**	1,790,543,800
		297,938,170	537,541,505

		Note	2015	2014
			Rupees	
9.2	**Unrealized (loss) / gain on the re measurement of investment carried at fair value through profit or loss-held for trading**			
	At the beginning of the year		**537,541,505**	270,733,291
	Net unrealized (loss) /gain in the value of investment for the year		**(239,603,335)**	266,808,214
	Closing fair value		**297,938,170**	537,541,505

9.3 Fair value of shares pledged with banking companies against various short term running finance facilities amounted to Rs. 369.7 million as at 30 June 2015 (2014: Rs. 1,083.6 million).

10 TRADE DEBTS

	Note	2015	2014
Considered good			
Trade debtors	10.1&10.2	**537,407,441**	309,075,533
Considered doubtful		**875,288,868**	876,460,583
		1,412,696,309	1,185,536,116
Less: Provision for the doubtful debts		**(875,288,868)**	(876,460,583)
		537,407,441	309,075,533

10.1 This includes Rs. 12.52 million (2014: Rs 10.21 million) due from related parties. The Company holds capital securities having fair value of PKR 51,863 million (2014: PKR 23,391 million) owned by its clients, as collaterals against trade debts.

10.2 This include receivable against Marginal financing as at 30th June 2015. The same is provided to client's on markup basis ranging from 12% to 16% per annum.

11 SHORT TERM LOANS - secured

	Note	2015	2014
Loans to:			
- executives		**3,053,820**	547,213
- staff		**678,319**	610,267
	11.1	**3,732,139**	1,157,480

11.1 Loan to staff and executive are interest free. These loans are given for motor car and for general purpose in accordance with the terms of employment. These loan are repayable within one year and are recovered through deduction from salaries. The loans and advances are secured against staff provident fund balances.

	Note	2015	2014
		Rupees	
12 TRADE DEPOSITS AND PREPAYMENTS			
Trade Deposits			
Exposure deposit with Karachi Stock Exchange Ltd (KSE)	12.1	**282,646,455**	1,812,806
Exposure deposit with National Clearing Company Pakistan Ltd (NCCPL)	12.1	**102,431,823**	40,583,863
Prepayments			
Rent		**21,108,240**	1,600,000
Advance for travelling		**-**	60,784
Related party		**64,623**	57,232
others		**800,025**	-
		407,051,166	44,114,685

12.1 These represent amounts of deposits held at the year end against exposure arising out of trading in securities in accordance with the regulations of KSE & NCCPL, respectively.

13 OTHER RECEIVABLES

	2015	2014
Reverse repo transactions	**168,899,934**	263,314,009
Dividend receivable	**8,390,749**	8,465,860
Related party	**77,545,332**	-
Other parties	**15,517,906**	59,054,369
Less: provision for doubtful debts	**(2,831,216)**	(2,831,216)
	267,522,705	328,003,022

14 CASH AND BANK BALANCES

	Note	2015	2014
Cash in hand		**40,885**	37,539
Cash at bank			
in current accounts		**78,997,854**	12,857,946
in savings accounts	14.1	**416,585,542**	156,097,027
		495,583,396	168,954,973
		495,624,281	168,992,512

14.1 The return on these balances is 6% to 7.5% (2014: 6.5% to 7.5%) per annum on daily product basis.

15 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2015	2014		2015	2014
(Number of shares)			Rupees	
12,000,000	12,000,000	Ordinary shares of Rs.10/- fully paid in cash	**120,000,000**	120,000,000
43,000,000	43,000,000	Ordinary shares of Rs.10/- each issued as fully paid bonus shares	**430,000,000**	430,000,000
55,000,000	55,000,000		**550,000,000**	550,000,000

		Note	2015	2014
			(Number of shares)	
15.1	The reconciliation of ordinary shares is as follows:			
	Opening Balance		**55,000,000**	50,000,000
	Add: Bonus shares issued during the year		**-**	5,000,000
			55,000,000	55,000,000

		Note	2015	2014
			Rupees	
16	**LIABILITIES AGAINST ASSET SUBJECT TO FINANCE LEASE**			
	Present value of minimum lease payments		**2,160,887**	2,704,805
	Less : Current portion shown under current liabilities		**(500,013)**	(468,892)
			1,660,874	2,235,913

The minimum lease payments have been discounted at an implicit interest rate 9% reset at the beginning of every six months. The implicit interest rate used during the year to arrive at the present value of minimum lease payment is 12% since the implicit interest rate is linked with KIBOR so the amount of minimum lease payments and finance charge may vary from period to period. The term of lease has given option to lessee to purchase the assets after expiry of the lease term.

Taxes, repairs and insurance costs are to be borne by the company. In case of early termination of lease, the lessee shall pay entire amount of rentals for unexpired period of lease agreement.

The amount of future payments of the lease and the period in which these payments will become due are as follows :

	Minimum lease Payments	Future finance cost	Present Value of lease liability 2015	Present Value of lease liability 2014
	Rupees			
Not later than one year	608,208	108,195	500,013	468,892
Later than one year and not later than five years	1,811,812	150,938	1,660,874	2,235,913
	2,420,020	259,133	2,160,887	2,704,805

17 SHORT TERM BORROWINGS - secured

Short term running finance facilities are available from various commercial banks, under mark-up arrangements, amounting to Rs. 573 million (2014: Rs.2,381 million) which represents the aggregate of sale prices of all mark-up agreements between the Company and the banks. These facilities have various maturity dates up to March 2016. These arrangements are secured against pledge of marketable securities. These running finance facilities carry mark-up ranging from 3 month KIBOR +1.25% to 2% and 6 month KIBOR + 1.25% (2014: 3 month KIBOR +1.25 % to 2%) calculated on a daily product basis that is payable quarterly.

		Note	2015	2014
			Rupees	
18	**TRADE AND OTHER PAYABLES**			
	Creditors	18.1	**363,132,315**	212,733,744
	Commission payable	18.2	**47,117,193**	47,088,325
	Accrued expenses		**9,227,173**	8,780,950
	Dividend payable		**4,737,523**	3,557,380
	Worker welfare fund payable	18.3	**59,973,027**	36,606,449
	Payable against purchase under margen trading		**22,119,707**	-
	Sindh sales tax payable		**17,626,227**	3,174,949
	Other liabilities		**1,045,504**	1,040,474
			524,978,669	312,982,271

18.1 This includes amount of Rs. 20.79 million (2014: Rs. 0.97 million) payable to related parties of the Company.

18.2 This includes an amount of Rs. 42.18 million (2014: Rs. 26.82 million) payable to related parties of the Company on account of commission.

18.3 During the year ended 30 June 2011, the Honourable High Court of Lahore vide their order in respect of writ petition No.8763/2011, has declared amendments introduced through Finance Acts 2006 and 2008 in Workers' Welfare Ordinance,1971 as unconstitutional. Further, the Company has also filed a petition in the Honourable High Court of Sindh at Karachi to impugn the amendments made to the Workers' Welfare Ordinance 1971, vide Finance Act, 2008. The management of the Company is contesting the case vigorously and as per the legal counsel, the Company has a reasonable case and the management is confident that the petition will be decided in favor of the Company. However, based on prudence the Company has provided for Workers' Welfare Fund in these financial statements.

19 TAXES PAYABLE

	2015	2014
Provision for taxation-current	**224,605,675**	37,439,059
Less: advance income tax	**(60,070,549)**	(27,270,249)
Taxation-net	**164,535,126**	10,168,810

20 CONTINGENCIES AND COMMITMENTS

20.1 COMMITMENTS

Following commitments are outstanding as at the year end.

	2015	2014
- Outstanding settlement against sale/purchase of securities in future market.	**-**	40,609,905
- Outstanding Settlements against Marginal Trading contracts	**1,286,119,630**	563,200,039
- Outstanding Settlements against sale/purchase of securities in regular market.	**87,182,861**	181,065,922
-Guarantee given by a commercial bank on behalf of the company	**100,000,000**	100,000,000

20.2 CONTINGENCIES

20.2.1 The Company is contesting a demand of PKR 45.42 million for tax year 2011 to 2013 raised against its non taxable services vide order issued on September 12, 2014 by AC-SRB. The Company has filed appeal against the impugned order in the appropriate forum and stay has been granted against the impugned demand. The Company's legal counsel is of the view that the Company has a favorable case based on merit. The Company has accordingly not made any provision of the said amount in these financial statements.

20.2.2 The Company is contesting a demand of PKR 64.53 million for tax year 2010 to 2013, vide order issued on June 29, 2015 by DC inland revenue - FBR, raised against its non taxable or taxable services which after enactment of the Eighteenth Amendment of the Constitution, the Provincial Legislature now has the sole authority to impose a levy that has already been enacted through the Sindh Sales Tax Act, 2011. The Company has timely paid out its dues for the said tax year's with sales tax/ FED returns file with SRB/ FBR as per applicable law. The Company has filed constitution petition against the impugned order in the appropriate forums and stay has been granted by the Honourable High Court of Sindh against the impugned demand. The matter is pending for furthuer adjudication. The Company's legal counsel is of the view that the Company has a strong favorable case based on merit. The Company has accordingly not made any provision of the said amount in these financial statements.

		Note	2015	2014
			Rupees	
21	**OPERATING REVENUE**			
	Brokerage and operating revenue		**323,103,493**	266,070,564
	Advisory and consultancy fee		**256,212,593**	134,010,609
	Dividend income		**68,512,270**	14,708,002
			647,828,356	414,789,175
22	**ADMINISTRATIVE AND OPERATING EXPENSES**			
	Salaries and other benefits	22.1 & 30	**185,116,568**	135,328,637
	C.D.C & clearing house charges		**12,953,167**	4,869,760
	Research cost		**2,984,568**	2,357,670
	Legal and professional charges		**5,512,376**	3,279,978
	Membership and other subscription		**354,900**	1,395,910
	Communication		**3,958,166**	2,881,190
	Rent, rates and taxes		**21,137,785**	21,006,654
	Depreciation and amortization	4 & 5.1	**9,308,155**	9,983,215
	Building maintenance		**9,217,994**	8,529,368
	Repairs and maintenance		**3,795,139**	1,800,523
	Insurance		**2,675,948**	2,408,139
	Advertisement & business promotion		**1,728,354**	1,263,712
	Business Representation		**1,183,295**	-
	Motor vehicle and travelling expense		**9,221,252**	13,718,926
	Printing and stationery		**2,481,724**	2,008,647
	Conveyance and meals		**190,139**	155,996
	Entertainment		**88,390**	290,007
	Meeting expenses		**654,900**	494,280
	Auditors' remuneration	22.2	**1,650,000**	1,500,000
	Donation	22.3	**23,670,000**	2,635,000
	Others		**2,347,292**	1,111,991
			300,230,112	217,019,603

		Note	2015	2014
			Rupees	
22.1	**Salaries and other benefits**			
	Salaries and other benefits	22.1.1	**61,761,672**	44,276,815
	Commission		**123,354,896**	91,051,822
			185,116,568	135,328,637

22.1.1 The Company has set up provident fund for its employees and the contributions were made by the Company to the Trust in accordance with the requirement of Section 227 of the Companies Ordinance, 1984. The audit of the provident fund for the years ended 2010 to 2015 is in progress. The entire fund balance amounting to Rs.7.90 million as of 30 June 2015 is placed with bank under deposit account in accordance with the requirement of Section 227 of the Companies Ordinance, 1984.

			2015	2014
22.2	**Auditors' remuneration**			
	Annual audit fee		**1,000,000**	970,000
	Half yearly review		**311,040**	228,096
	Certification on compliance with code of corporate governance		**195,466**	163,296
	Other certifications		**143,494**	138,608
			1,650,000	1,500,000

22.3 Donation were not made to any donee in which any director of the company or his spouse had any interest.

		Note	2015	2014
23	**FINANCE COSTS**			
	Interest and mark-up on :			
	Loan from related parties			
	Unwinding of loan from associate		**-**	149,831,495
			-	149,831,495
	Others:			
	Liabilities against assets subject to finance lease		**164,734**	134,049
	Short term borrowing from banking companies		**219,712,590**	190,181,051
	Markup on MTS Securities		**10,934,802**	7,373,140
	Bank charges and others		**2,928,980**	4,426,149
	Markup on repo transactions		**-**	6,290,298
			233,741,105	208,404,687
			233,741,105	358,236,182
24	**OTHER CHARGES**			
	Worker welfare fund	18.3	**23,366,578**	17,362,761
	Impairment loss on Trading Right Entitlement Certificate	5.2.2	**14,000,000**	-
	Loss on disposal	4.1	**1,754**	-
			37,368,332	17,362,761

		Note	2015	2014
			Rupees	
25	**OTHER INCOME**			
	On financial assets			
	Income on reverse repo & other transactions		**37,669,653**	81,352,470
	Profit on savings accounts		**4,975,348**	3,051,642
	Profit on exposure deposit		**5,322,685**	2,529,783
	Reversal of Provision of Bad debts		**1,171,715**	105,235,384
	Markup from group companies		**6,015,478**	-
	Tenderable gain		**-**	4,400,765
	Gain on disposal of asset		**-**	2,044,201
	Other		**-**	612,752
	On non-financial assets			
	Rental income from investment property		**2,898,924**	3,835,380
			58,053,803	203,062,377

		Note	2015	2014
26	**TAXATION - NET**			
	Current tax		**169,419,080**	37,439,059
	Super tax		**55,186,595**	-
			224,605,675	37,439,059
	Deferred	26.4	**(8,178,302)**	(5,537,275)
			216,427,373	31,901,784

26.1 Reconciliation of tax charge for the year

	2015	2014
Average effective rate of tax for the year is calculated as follows:		
Profit before tax	**1,144,962,325**	850,546,086
Tax charge for the year	**(216,427,373)**	(31,901,784)
Average effective rate of tax for the year (%)	**18.90%**	3.75%

26.2 The reconciliation of the effective tax rate with the applicable tax rate is as follows:

	Note	2015	2014
		%	
Applicable income tax rate		**33**	34
Add/(less):			
-Tax effect of income taxed at final tax regime		**(10.71)**	(18.84)
-Tax effect of income taxed at lower rate		**(12.38)**	(19.65)
-Tax credit		**(0.16)**	(0.03)
-Tax effect of inadmissible deductions not accounted for in deferred tax		**5.04**	8.27
-Tax effect due to impact of super tax		**4.11**	-
		18.90	3.75

26.3 Assessment up to tax year 2014 deemed to be finalized under Section120 of the Income Tax Ordinance, 2011.

26.4 The Company based on current years results and future years projections estimates that only Rs. 20.57 million of Deferred Tax Asset will be utilized, arising because of deductible temporary difference on Provisioning of WWF amounting to Rs. 59.973 million. Consequently, no deferred tax asset is recognized on remainder of deductible temporary difference amounting to Rs 64.447 million.

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

26.6 The Board of Directors in their meeting held on July 30, 2015 has distributed sufficient cash dividend for the year ended 30 June 2015 which complies with the above stated requirements. Accordingly, no provision for tax on undistributed reserves has been recognized in these financial statements for the year ended June 30, 2015.

	2015	2014
	Rupees	
27 EARNINGS PER SHARE - BASIC AND DILUTED		
27.1 Basic earnings per share		
Profit for the year - Rupees	**928,534,952**	818,644,302
	Number	
Weighted average number of ordinary shares	**55,000,000**	55,000,000
	Rupees	
Earnings per share	**16.88**	14.88

27.2 Diluted earnings per share

There is no dilutive effect on the basic earnings per share of the Company, since there are no convertible instruments in issue as at June 30, 2015 and June 30, 2014 which would have any effect on the earnings per share if the option to convert is exercised.

28 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:

	Note	2015	2014
		Rupees	
Cash and bank balances		**495,624,281**	168,992,512
Short term borrowings		**(573,669,027)**	(2,381,091,230)
		(78,044,746)	(2,212,098,718)

29 RELATED PARTY

Related parties comprise of group companies (including subsidiaries and associates), directors and their close family members, major shareholders of the Company, companies where directors also hold directorship, key management personnel and staff provident fund. Transactions with related parties are carried out at contractual / agreed rates. Remuneration and benefits to executives of the Company are in accordance with the terms of the employment while contribution to the provident fund is in accordance with staff service rules. Remuneration of chief executive, directors and executives is disclosed in note 30 to the financial statements.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers its Chief Executive Officer, Chief Financial Officer, Company Secretary, Non-Executive Directors and departmental heads to be its key management personnel. There are no transactions with key management personnel other than their terms of employment / entitlement. Transactions and balances with related parties during the year other than those disclosed elsewhere in the financial statements are given below:

Name of the related party and relationship with company	Nature of Transaction	Year ended 30 June 2015	30 June 2014
		Rupees	
Parent Company	Brokerage Commission earned during the year on sale and purchase of Securities	**7,518,121**	7,239,570
Subsidiaries	Purchase of Shares	**50,000,000**	-
	Advance against equity	**-**	-
	Other receivables	**64,623**	57,232
Associates	Purchase of shares	**34,760,370**	495,150
	Capital Gain earned	**-**	305,727,601
	Sale of Shares	**-**	997,435,723
	Balance investment at year end	**457,614,974**	274,121,600
Key Management Personnel	Brokerage Commission earned during the year on sale and purchase of Securities	**865,645**	1,129,081
	Balance Receivable at year end	**9,812,005**	5,979,386
	Commission payable at year end	**4,942,436**	1,638,725
	Balance payable at year end	**20,786,841**	1,314,615
Group Companies	Brokerage Commission earned during the year on sale and purchase of Securities	**1,500,463**	2,791,374
	Capital gain earned	**70,824,962**	150,043,778
	Rent paid on property	**21,137,785**	21,006,654
Other Related Parties	Brokerage commission earned during the year on sale and purchase of Securities	**4,284,080**	4,284,080
	Loan Outstanding from Associate	**-**	-
	Loan repayment	**-**	450,000,000
	Purchase of investment Property	**20,035,000**	12,800,000
	Balance receivable		
	Balance Payable		
AHL Provident fund	Contribution paid during the year	**3,042,230**	2,217,327

30 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements for remuneration, including certain benefits to Directors, Chief Executive and Executives of the Company, are as follows:

	Chief Executive		Directors		Other Executives	
	2015	2014	2015	2014	2015	2014
	Rupees					
Managerial remuneration	**11,118,067**	4,784,212	**6,405,636**	3,521,416	**27,968,572**	13,141,440
Contribution to provident fund	**1,125,000**	324,453	**392,630**	179,726	**1,199,429**	757,120
Medical allowance	**900,000**	260,362	**362,605**	143,780	**1,721,858**	605,696
Commission & performance bonus	**19,646,911**	28,080,607	**380,000**	542,094	**1,372,244**	1,898,020
	32,789,978	33,449,634	**7,540,871**	4,387,016	**32,262,103**	16,402,276
Number of persons	**1**	1	**6**	5	**15**	10

30.1 The Company also provides to the Directors and certain Executives with Company maintained car.

31 FINANCIAL RISK MANAGEMENT

31.1 Financial Risk Factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (interest/mark-up rate risk and price risk). The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. Overall, risks arising from the company's financial assets and liabilities are limited. The Company consistently manages its exposure to financial risk without any material change from previous periods in the manner described in notes below.

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. All treasury related transactions are carried out within the parameters of these policies.

a) Market Risk

Market risk means that the future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, equity prices and interest rates. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company's market risk comprises of two types of risk: foreign exchange or currency risk and interest/ markup rate risk. The market risks associated with the Company's business activities are discussed as under:

i) Foreign currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transaction in foreign currency. Currently, the Company is not exposed to currency risk since there are no foreign currency transactions and balances at the reporting date.

ii) Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest/ mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. Presently, daily stock market fluctuation is controlled by government authorities with cap and floor of 5%. The restriction of floor prices reduces the volatility of prices of equity securities and the chances of market crash at any moment. The Company manages price risk by monitoring the exposure in quoted equity securities and implementing the strict discipline in internal risk management and investment policies, which includes disposing of its own equity investment and collateral held before it led the company to incur significant mark to market and credit losses. The Company is exposed to equity price risk since it has investments in quoted equity securities amounting to Rs.1,466 million (2014: 2,297 million) and also the company holds collaterals in the form of equity securities against their debtor balances at the reporting date.

The carrying value of investments subject to equity price risk is based on quoted market prices as of the reporting date. Market prices are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Fluctuation in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions. Furthermore, amount realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

The Company's portfolio of short term investments is broadly diversified so as to mitigate the significant risk of decline in prices of securities in particular sector of the market.

Details of the industrial sector analysis of the short term investments are as follows:

	30 June 2015		30 June 2014	
	(Rupees)	%	(Rupees)	%
Leasing Companies	-	-	4,123,710	0.18
Oil & Gas Marketing Companies	-	-	384,939,000	16.53
Engineering	2,908,410	0.19	460,540	0.02
Chemical	4,335,100	0.29	25,678,270	1.10
Inv. Banks / Inv. Cos. / Securities Cos.	9,597,528	0.64	61,402,407	2.64
Sugar & Allied Industries	26,509,500	1.77	-	-
Real Estate Investment Trust	48,163,245	3.21	-	-
Transport	53,263,000	3.55	13,180,000	0.88
Textile Composite	98,700,000	6.58	-	-
Technology & Communication	154,494,644	10.29	-	-
Commercial Bank	259,173,979	17.27	1,139,132,390	75.90
Equity Investment Instruments	383,800	0.03	259,000	0.02
Cement	843,381,397	56.19	698,909,987	46.57
	1,500,910,603	100	2,328,085,304	100

Sensitivity analysis

For the purpose of price risk sensitivity analysis it is observed that the benchmark KSE 100 Index has increased by 16% (2014: 41.16%) during the financial year.

The table below summarizes Company's equity price risk as of June 30, 2015 and 2014 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the year end reporting dates. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worse because of the nature of equity markets and the aforementioned concentrations existing in Company's equity investment portfolio.

		Fair value	Hypothetical price change	Estimated fair value after hypothetical change in prices	Hypothetical increase (decrease) in shareholders' equity	Hypothetical increase (decrease) in profit / (loss) after tax
June 30, 2015	**Rupees**	**1,500,910,603**	**10% increase**	**1,651,001,663**	**150,091,060**	**150,091,060**
			10% decrease	**1,350,819,543**	**(150,091,060)**	**(150,091,060)**
June 30, 2014	Rupees	2,328,085,305	10% increase	2,560,893,836	232,808,531	232,808,531
			10% decrease	2,095,276,775	(232,808,531)	(232,808,531)

iii) Interest rate risk

Interest / mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest / mark-up rates. Sensitivity to interest / mark up rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The short term borrowing arrangements has variable rate pricing that is dependent on the Karachi Inter Bank Offer Rate (KIBOR) as indicated in respective notes.

Financial assets and liabilities include balances of Rs. 461.716 million (2014: Rs.156.097 million) and Rs. 573.669 million (2014: Rs. 2,381.091 million) respectively, which are subject to interest / markup rate risk. Applicable interest / mark-up rates for financial assets and liabilities have been indicated in respective notes.

At the reporting date, the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

	2015	2014	2015	2014
	Effective interest rate (%)		Carrying amounts (Rs.)	
Financial assets				
Bank deposits - pls account	**6% to 7.5%**	6.5% to 7.5%	**416,585,542**	156,097,027
Financial liabilities				
Short term borrowings	**9.25% to 12.18%**	11.65% to 12.17%	**573,669,027**	2,381,091,230

Sensitivity analysis

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate will not effect fair value of any financial instrument. For cash flow sensitivity analysis of variable rate instruments it is observed that interest / mark-up rate in terms of KIBOR has decrease by 307 bps during the year.

The following information summarizes the estimated effects of hypothetical increases and decreases in interest rates on cash flows from financial assets and financial liabilities that are subject to interest rate risk. It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. The hypothetical changes in market rates do not reflect what could be deemed best or worst case scenarios. Variations in market interest rates could produce significant changes at the time of early repayments. For these reasons, actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

	Profit and loss 100 bp	
	increase	**decrease**
As at June 30, 2015		
Cash flow sensitivity-Variable rate financial liabilities	**5,736,690**	**(5,736,690)**
As at June 30, 2014		
Cash flow sensitivity-Variable rate financial liabilities	23,810,912	(23,810,912)

b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the company's performance to developments affecting a particular industry.

Exposure to credit risk

Credit risk of the Company arises from deposits with banks and financial institutions, trade debts, short term loans, deposits, receivable against sale of securities and other receivables. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk, the Company has developed its own risk management policies and guidelines whereby clients are provided trading limits according to their net worth and proper margins are collected and maintained from the clients. The management continuously monitors the credit exposure towards the clients and makes provision against those balances considered doubtful of recovery. The Company's management, as part of risk management policies and guidelines, reviews clients' financial position, considers past experience, obtain authorized approvals and arrange for necessary collaterals in the form of equity securities to reduce credit risks and other factors. These collaterals are subject to market risk as disclosed in note 31.1(a) which ultimately affect the recoverability of trade debts. Moreover any trade debts exceeding credit days followed by late payment surcharge to ensure early recovery of such debts. Further, credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings.

Credit risk of the Company arises from deposits with banks and financial institutions, trade debts, short term loans, deposits, receivable against sale of securities and other receivables. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk, the Company has developed its own risk management policies and guidelines whereby clients are provided trading limits according to their net worth and proper margins are collected and maintained from the clients. The management continuously monitors the credit exposure towards the clients and makes provision against those balances considered doubtful of recovery. The Company's management, as part of risk management policies and guidelines, reviews clients' financial position, considers past experience, obtain authorized approvals and arrange for necessary collaterals in the form of equity securities to reduce credit risks and other factors. These collaterals are subject to market risk as disclosed in note 31.1(a) which ultimately affect the recoverability of trade debts. Moreover any trade debts exceeding credit days followed by late payment surcharge to ensure early recovery of such debts. Further, credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings.

The Company's policy is to enter into financial contracts in accordance with the internal risk management policies, investment and operational guidelines approved by the Board of Directors.

The carrying amount of financial assets represent the maximum credit exposure at the reporting date, which are detailed as follows:

	Note	Carrying amount 2015	2014
		Rupees	
Long term investment		**209,342,551**	159,342,551
Long term deposits		**14,886,171**	6,845,217
Trade debts	31.1.1	**537,407,441**	309,075,533
Short term loans	31.1.2	**3,732,139**	1,157,480
Receivable against sale of securities- net		**-**	967,275,773
Short term deposits		**407,051,166**	44,114,685
Other receivables		**267,522,705**	328,003,022
Cash and bank balances		**495,624,281**	168,992,512
		1,935,566,454	1,984,806,773

31.1.1 The maximum exposure to credit risk for trade debts is due from local clients.

31.1.2 Loan to executive and employees are secured against provident fund balance of these executives and employees.

The Company holds equity securities having fair value of Rs. 51,863 million (2014: Rs 23,390.73 million) owned by its clients, as collaterals against trade debts.

	2015 Gross	2015 Impairment	2014 Gross	2014 Impairment
	Rupees			
Not past due	**200,514,362**	**-**	133,758,584	-
Past due 1 day - 30 days	**229,013,528**	**-**	74,694,436	-
Past due 31 days - 180 days	**86,743,268**	**-**	79,289,895	-
Past due 181 days - 1 year	**12,460,957**	**-**	4,960,932	-
More than one year	**883,964,194**	**875,288,868**	892,927,741	876,556,055
Rupees	**1,412,696,309**	**875,288,868**	1,185,631,588	876,556,055

No impairment has been recognized except as disclosed in respect of these debts as the security against the same is adequate or counter parties have sound financial standing.

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate exposure is significant in relation to the Company's total exposure. The Company's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

Impairment losses

The amount of impairment losses or (reversal) recognized against trade debts and other receivables is as follows :

	Note	2015	2014
		Rupees	
Trade debts - equity transactions		**(1,171,715)**	(105,235,384)

The Company is doing its utmost to recover the amount from the clients and is confident that majority of the amount would be recovered based on the past experience and the recovery efforts being carried out by the Company. None of the financial assets currently considered goods were to be impaired.

The credit quality of Company's liquid funds can be assessed with reference to external credit ratings as follows:

Short term	2015	2014
	Rupees	
A1+	**76,500,591**	3,560,740
A-1+	**419,143,346**	4,048,871
A1	**-**	297,864
A3	**-**	161,047,498
	495,583,396	168,954,973

Due to the company's long standing business relationships with these counter parties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of adequate funds through committed credit facilities and the ability to close out market positions due to dynamic nature of the business. The Company finances its operations through equity, borrowings and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management aims to maintain flexibility in funding by keeping regular committed credit lines.

On the reporting date, the Company has cash and bank balance Rs. 495.58 million (2014: Rs. 168.95 million), unutilized credit lines Rs. 2536 million (2014: Rs. 304 million) and liquid assets in the form of short term securities Rs .1,500 million (2014: 2,328 million).

The following are the contractual maturities of financial liabilities, including estimated interest payments:

	2015			
	Carrying amount	Contractual cash flows	Up to one year	More than one year
	Amount in Rupees			
Financial liabilities				
Liabilities against assets subject to finance lease	**2,160,887**	**2,420,020**	**500,013**	**1,660,874**
Trade and other payables	**524,978,669**	**524,978,669**	**524,978,669**	**-**
Short term borrowings	**573,669,027**	**573,669,027**	**573,669,027**	**-**
Accrued markup on short term borrowings	**43,753,713**	**43,753,713**	**43,753,713**	**-**
	1,144,562,296	**1,144,821,429**	**1,142,901,422**	**1,660,874**

	2014			
	Carrying amount	Contractual cash flows	Up to one year	More than one year
	Amount in Rupees			
Financial liabilities				
Liabilities against assets subject to finance lease	2,704,805	3,599,476	635,904	2,068,901
Trade and other payables	212,983,471	212,983,471	212,983,471	-
Short term borrowings	2,381,091,230	2,381,091,230	2,381,091,230	-
Accrued markup on short term borrowings	51,932,846	51,932,846	51,932,846	-
	2,648,712,352	2,649,607,023	2,646,643,451	2,068,901

Contractual cash flows include interest related cash flows up to the year end. The future interest related cash flows depends on the extent of utilization of short term borrowings facilities and the interest rates applicable at that time.

31.2 Fair value estimate

In case of equity instruments, the Company measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level1 : Quoted market price (unadjusted) in an active market.

Level2 : Valuation techniques based on observable inputs.

Level3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data.

Fair values of financial assets that are traded in active markets are based on quoted market prices. For all other financial instruments the Company determines fair values using valuation techniques unless the instruments do not have a market \ quoted price in an active market and whose fair value cannot be reliably measured.

Valuation techniques used by the Company include discounted cash flow model. Assumptions and inputs used in valuation techniques include risk-free rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the balance sheet date that would have been determined by market participants acting at arm's length.

Valuation models for valuing securities for which there is no active market requires significant unobservable inputs and a higher degree of judgment and estimation in the determination of fair value. Judgment and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued and selection of appropriate discount rates, etc.

The table below analyses equity instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

June 30, 2015	**Level 1**	**Level 2**	**Level 3**	**Total**
	Amount in Rupees			
Financial assets				
- financial assets held for trading				
Equity Securities	1,466,139,882	34,770,721	121,342,551	1,622,253,154

June 30, 2014	**Level 1**	**Level 2**	**Level 3**	**Total**
	Amount in Rupees			
Financial assets				
- financial assets held for trading				
Equity Securities	2,296,027,982	32,057,323	121,342,551	2,449,427,856

Although the Company believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, changing one or more of the assumptions used to reasonably possible alternative assumptions would have the following effects:

	KSEL Effect on Profit & Loss		LSEL Effect on Profit & Loss		ISEL Effect on Profit & Loss		Total Effect on Profit & Loss	
	Favourable	Un-favourable	Favourable	Un-favourable	Favourable	Un-favourable	Favourable	Un-favourable
	Amounts Rupees' 000s							
Inflation Differential Method								
Entity Specific Risk								
1.2	-	(1,668,174)	-	(1,683,101)	-	(834,179)	-	(4,185,454)
1.5	-	(3,999,713)	-	(4,007,383)	-	(2,003,424)	-	(10,010,520
Terminal Growth								
Increase by 10%	10,514,879	-	6,892,699	-	3,384,340	-	20,791,918	-
Decrease by 10%	-	(8,017,090)	-	(5,249,672)	-	(2,582,564)	-	(15,849,326)
Present Value of Future Cash Flows								
Increase by 10%	1,398,584	-	1,362,510	-	1,033,219	-	3,794,313	-
Decrease by 10%	-	(1,415,309)	-	(1,081,993)	-	(1,035,830)	-	(3,533,132)
CAPM-Country Risk Premium Method								
Entity Specific Risk								
1.2	-	(8,080,039)	-	(9,016,612)	-	(4,615,325)	-	(21,711,976)
1.5	-	(15,083,247)	-	(16,630,639)	-	(8,571,713)	-	(40,285,599)
Terminal Growth								
Increase by 10%	-	(3,245,086)	-	(1,923,544)	-	(964,206)	-	(6,132,836)
Decrease by 10%	3,850,976	-	2,324,282	-	1,144,612	-	7,319,870	-
Present Value of Future Cash Flows								
Increase by 10%	-	(1,295,586)	-	(1,162,141)	-	(928,373)	-	(3,386,100)
Decrease by 10%	1,267,900	-	1,202,215	-	919,930	-	3,390,045	-

31.3 Financial instruments by categories

As at June 30, 2015

Financial assets as per balance sheet	Asset at cost	Asset at fair value through profit and loss	Loans and receivables	Other financial Asset	Total
	Rupees				
Long term investment	**88,000,000**	**121,342,551**	**-**	**-**	**209,342,551**
Long term deposits	**-**	**-**	**14,886,171**	**-**	**14,886,171**
Short term investments	**-**	**1,500,910,603**	**-**	**-**	**1,500,910,603**
Trade debts	**-**	**-**	**537,407,441**	**-**	**537,407,441**
Short term loans	**-**	**-**	**3,732,139**	**-**	**3,732,139**
Short term deposits	**-**	**-**	**407,051,166**	**-**	**407,051,166**
Other receivables	**-**	**-**	**267,522,705**	**-**	**267,522,705**
Cash and bank balances	**-**	**-**	**-**	**495,624,281**	**495,624,281**
	88,000,000	**1,622,253,154**	**1,230,599,622**	**495,624,281**	**3,436,477,057**

As at June 30, 2015

Financial liabilities as per balance sheet	Financial liabilities at amortized cost
	Rupees
Liabilities against assets subject to finance lease	**1,660,874**
Short term borrowings	**573,669,027**
Current portion of lease liabilities	**500,013**
Trade and other payables	**524,978,669**
Payable against purchase of securities - net	**44,558,395**
Accrued markup	**43,753,713**
	1,187,459,817

As at June 30, 2014

Assets as per balance sheet	Asset at cost	Asset at fair value through profit and loss	Loans and receivables	Other fainancial Assets	Total
	Rupees				
Long term investment	38,000,000	121,342,551	-	-	159,342,551
Long term deposits	-	-	6,845,217	-	6,845,217
Short term investments	-	2,328,085,305	-	-	2,328,085,305
Trade debts	-	-	309,075,533	-	309,075,533
Receivable against sale of securities - net	-	-	967,275,773	-	967,275,773
Short term loans	-	-	1,157,480	-	1,157,480
Short term deposits	-	-	44,114,685	-	44,114,685
Other receivables	-	-	328,003,022	-	328,003,022
Cash and bank balances	-	-	-	168,992,512	168,992,512
	38,000,000	2,449,427,856	1,656,471,710	168,992,512	4,312,892,078

As at June 30, 2014

Financial liabilities as per balance sheet	Financial liabilities at amortized cost
	Rupees
Liabilities against assets subject to finance lease	2,235,913
Short term borrowings	2,381,091,230
Current portion of lease labilities	468,892
Trade and other payables	312,982,271
Accrued markup	51,932,846
	2,748,711,152

31.4 CAPITAL RISK MANAGEMENT

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirements and expectation of the shareholders. Debt is calculated as total borrowings ('loan from associate', 'lease liability' and 'short term borrowings' as shown in the balance sheet). Total capital comprises shareholders' equity:

	Note	2015	2014
		Rupees	
Total borrowings		**575,829,914**	2,383,796,035
Total equity		**2,665,595,052**	2,012,060,100
Total capital		**3,241,424,966**	4,395,856,135
Gearing ratio		**17.76%**	54.23%

32 NON ADJUSTING EVENTS AFTER BALANCE SHEET DATE

The Board of Directors has proposed a final cash dividend of Rs. 7.00 (2014: Rs. 5.00) per share amounting to Rs. 385 million (2014: 275 million) and bonus shares in the proportion of Nil ordinary share per 10 ordinary shares held amounting to Rs. (2014: Nil) at its meeting held on July 30, 2015 for the approval of the members at the annual general meeting to be held on September 19, 2015. The financial statements do not reflect this appropriation in the current financial statements.

33 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors in meeting held on July 30, 2015.

34 GENERAL

34.1 Figures have been rounded off to the nearest rupee.

34.2 Number of persons employed by the Company as on the year end are 74 (2014: 68) and average number of employees during the year are 72 (2014: 63).

CHAIRMAN

CHIEF EXECUTIVE OFFICER

Notice of Eleventh Annual General Meeting

Notice is hereby given that the Eleventh Annual General Meeting of Arif Habib Limited will be held on September 19, 2015 at 10:30 A.M. at Beach Luxury Hotel, M.T. Khan Road, Karachi to transact the following business:

Ordinary Business

1) To confirm minutes of the Annual General Meeting held on September 27, 2014.
2) To review, consider and adopt audited accounts of the company together with the auditors' and directors' report thereon including approval of the annexures there to, for the year ended June 30, 2015.
3) To declare final dividend in cash @ 70% i.e. Rs. 7 per share as recommended by the Board of Directors.
4) To appoint auditors of the company and fix their remuneration for the financial year 2015-16. The audit committee and the Board have recommended to reappoint M/s. Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants who being eligible offer themselves for re-appointment.

Special Business

5) To consider and if deemed fit, to amend the Memorandum of Association of Company and pass the following Special Resolutions with or without modification(s):

Resolved that:

Clause III of the Memorandum of Association be and is hereby altered and replaced as follows:

Clause III	Existing Provision OBJECTS	Proposed Provision OBJECTS	Remarks
3	To underwrite, manage and distribute the issue of stocks, shares, bonds, debentures, debenture stocks and other securities either directly or through jointly with one or more of its constituent institutions or other investment or financial institution. To provide advisory and arrangement services on matters including public offering private placement merger and acquisition and restructuring.	To underwrite, manage, **act as a book runner** and distribute the issue of stocks, shares, bonds, debentures, debenture stocks and other securities either directly or through jointly with one or more of its constituent institutions or other investment or financial institution. To provide advisory and arrangement services on matters including public offering private placement merger and acquisition and restructuring.	Amended

Further resolved that:

The Chief Executive or / and Company Secretary be and are hereby authorized to complete necessary formalities in connection with amendment of Memorandum of Association for Change in Objects of the Company.

Further resolved that:

The new Memorandum of Association of the Company be printed and replaced for the existing ones after getting the same approved by the Securities and Exchange Commission of Pakistan

6) To approve the following resolution as a special resolution for investment in associated companies & associated undertakings:

Resolved that:

""RESOLVED THAT the consent and approval be and is hereby accorded under Section 208 of the Companies Ordinance, 1984 and Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012" for the following limit of investments/additional investments in associated companies and associated undertakings subject to the terms and conditions mentioned in the annexed statement under Section 160(1)(b)."

		Amount in Million	
	Name of Companies & Undertakings	Proposed Amount of Equity	Proposed Amount of Loan / Advance
1	Safemix Concrete Products Limited	250	250
2	Power Cement Industries Limited	250	250
3	Javedan Corporation Limited	1,000	250
4	MCB-Arif Habib Savings and Investments Limited	250	-

"FURTHER RESOLVED THAT the consent and approval be and is hereby accorded under Section 208 of the Companies Ordinance, 1984 and "the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012" for renewal of equity investments limit upto unutilized portion for which approval had been sought in previous general meeting, in associated companies and associated undertakings as mentioned in the annexed statement under Section 160(1)(b)."

"FURTHER RESOLVED THAT the consent and approval be and is hereby accorded under Section 208 of the Companies Ordinance, 1984 and "Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012" for renewal of sanctioned limits of loans and advances for which approval has been sought in previous general meeting, in associated companies and associated undertakings as mentioned in the annexed statement under Section 160(1)(b) whereas the renewal of limits will be in the nature of running finance for a period of one year and shall be renewable in next general meeting(s) for further period(s) of one year."

"FURTHER RESOLVED THAT the Chief Executive and/or the Company Secretary be and are hereby authorized to take and do and/or cause to be taken or done any/all necessary actions, deeds and things which are or may be necessary for giving effect to the aforesaid resolutions and to do all acts, matters, deeds, and things which are necessary, incidental and/or consequential to the investment of the Company's funds as above as and when required at the time of investment."

7) To consider any other business with the permission of the Chair.

By order of the Board
Faisal Mehmood Shaikh
Company Secretary

Karachi
Friday, August 28, 2015

Notes:

1. Share transfer books of the Company will remain closed from September 11, 2015 to September 19, 2015 (both days inclusive). Transfers received in order at the office of our registrar: M/s. Central Depository Company of Pakistan Limited, CDC House, 99-B, Block-B, S.M.C.H.S, Main Shahrah-e-Faisal, Karachi, by the close of business on Thursday, September 10, 2015 will be treated in time for the determination of entitlement of shareholders to cash dividend and to attend and vote at the meeting.

2. A member entitled to attend and vote at the meeting may appoint another member as his/her proxy who shall have such rights as respects attending, speaking and voting at the meeting as are available to a member.

3. Procedure including the guidelines as laid down in Circular No. I- Reference No. 3(5-A) Misc/ARO/LES/96 dated 26th January 2000 issued by Securities & Exchange Commission of Pakistan:

a. Members, proxies or nominees shall authenticate their identity by showing their original national identity card or original passport and bring their folio numbers at the time of attending the meeting.

b. In the case of corporate entity, Board of Directors' resolution/power of attorney and attested copy of the CNIC or passport of the nominee shall also be produced (unless provided earlier) at the time of meeting.

c. In order to be effective, the proxy forms must be received at the office of our registrar no later than 48 hours before the meeting, duly signed and stamped and witnessed by two persons with their names, address, CNIC numbers and signatures.

d. In the case of individuals, attested copies of CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.

e. In the case of proxy by a corporate entity, Board of Directors resolution/power of attorney and attested copy of the CNIC or passport of the proxy shall be submitted along with proxy form.

4. Members are requested to submit copies of their CNICs and promptly notify any change in address by writing to the office of the registrar.

Availability of audited financial statements

The audited financial statements of the Company for the year ended June 30, 2015 have been made available on the Company's website (http://www.arifhabibltd.com) in addition to annual and quarterly financial statements for the prior years.

Important: Please note that pursuant to the provisions of Finance Act 2014 effective from July 1, 2014, new criteria for withholding of tax on dividend income has been introduced by Federal Board of Revenue (FBR). As per this criteria, 'Filer' and 'Non-Filer' shareholders will pay tax @ 10% and 15% respectively. The 'Filer' shareholders will be determined by matching their CNIC/Passport number available in Active Tax Payers list (ATL) at FBR website (http://www.fbr.gov.pk) from the CNIC/Passport number maintained by their respective Participant/CDC Investor Account Services or by the Company's Share Registrar (in case of physical shareholding). In the same manner, the 'Filer' status of Non-Individual shareholders will be determined by matching their National Tax Numbers (NTN).

Shareholders are therefore advised to ensure that they have provided their CNIC/Passport/NTN to their respective Participant/CDC Investor Account Services/Company's Share Registrar and their names are appearing in ATL available at FBR website.

STATEMENT UNDER SECTION 160(1)(B) OF THE COMPANIES ORDINANCE 1984

This statement sets out the material facts concerning the Special Business, given in agenda items No. 5 and 6 of the Notice, to be transacted at the Annual General Meeting of the Company.

Amendment to the Memorandum of Association (MoA) of the Company

The Securities & Exchange Commission of Pakistan has granted license to the Company to act as Book Runner under the Book Building Regulations, 2015 subject to the condition that the Company must amend MoA of the Company and add the Book Runner business. Accordingly, the Board of Directors of Arif Habib Limited (AHL) through circular resolution has recommended to get approval from shareholders to amend the MoA to add the business related to Book Runner subject to approvals from SECP & the stock exchange.

The proposed change will not affect any rights or obligations of the Company or the interest of any shareholder or investor in any manner except allow of additional business and add value to the Company.

The directors of the Company have no additional interest in any of the above business.

Investment under section 208

The Board of Directors of Arif Habib Limited (AHL) in their meeting held on July 30, 2015 approved the limits for investments in its following existing and planned associated companies and undertakings under Section 208 of the Companies Ordinance, 1984. The management considers that good investment opportunities might be available in near future which should be materialized.

The basic purpose of this special resolution is to have the Company ready to materialize the investment opportunities as and when they arise. It is prudent that the Company should be able to make the investment at the right time when the opportunity is available.

The directors of the Company have no additional interest in any of the above business.

S.no	Description	Information
1	**INVESTMENT IN SECURITIES**	
1	Name of the associated company or associated undertaking along with criteria based on which the associated relationship is established	**SAFE MIX CONCRETE PRODUCTS LIMITED** **An associated undertaking due to investments by holding company**
2	Purpose, benefits and period of investment	For the benefit of the Company and to earn better returns in the long run on strategic investment by capturing the opportunities on the right time.
3	Maximum amount of investment	Fresh limit of Rs. 250 million is requested for approval. This is in addition to Investment at cost of Rs. 92.2 million already made upto 30 June 2015.
4	Maximum price at which securities will be acquired	At par/premium/market/offered/negotiated price prevailing on the date of transaction/investment.
5	Maximum number of securities to be acquired	No of securities purchasable under approved limit in accordance with / based on Sr. Nos. 3 & 4 above.
6	Number of securities and percentage thereof held before and after the proposed investment	Before : 9.789 million shares held in the company as on 30 June 2015 After : Increase in securities / percentage in accordance with / based on Sr. No. 3, 4 & 5 above.
7	In case of investment in listed securities, average of the preceding twelve weekly average price of the security intended to be acquired	Rs. 9.45
8	In case of investment in unlisted securities, fair market value of such securities determined in terms of regulation 6(1)	Not Applicable
9	Break-up value of securities intended to be acquired on the basis of the latest audited financial statements	Rs. 11.23
10	Earning per share of the associated company or associated undertaking for the last three years	2014 : Rs. 0.62 2013 : Rs. 0.76 2012 : Rs. (0.34)
11	Sources of fund from which securities will be acquired	From Company's own available liquidity and credit lines
12	Where the securities are intended to be acquired using borrowed funds	
(i)	Justification for investment through borrowings	Company foresee the return on this strategic investment higher than the borrowing cost
(ii)	Detail of guarantees and assets pledged for obtaining such funds	Pledge of listed securities
13	Salient features of the agreement(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment	There is no agreement as this will be for capital appreciation Investment

S.no	Description	Information
14	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	No interest in the investee company in capacity as director / shareholder.
15	Any other important details necessary for the members to understand the transaction	Not Applicable
16	In case of investment in securities of a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information, is required, namely	
(i)	Description of the project and its history since conceptualization	Not Applicable
(ii)	Starting and expected date of completion of work	Not Applicable
(iii)	Time by which such project shall become commercially operational	Not Applicable
(iv)	Expected time by which the project shall start paying return on investment	Not Applicable
2	**INVESTMENT IN SECURITIES**	
1	Name of the associated company or associated undertaking along with criteria based on which the associated relationship is established	**POWER CEMENT LIMITED** **An associated undertaking due to investment by holding company**
2	Purpose, benefits and period of investment	For the benefit of the Company and to earn better returns in the long run on strategic investment by capturing the opportunities on the right time.
3	Maximum amount of investment	Fresh limit of Rs.250 million is requested for approval.
4	Maximum price at which securities will be acquired	At par/premium/market/offered/negotiated price prevailing on the date of transaction/investment.
5	Maximum number of securities to be acquired	No of securities purchasable under approved limit in accordance with / based on Sr. Nos. 3 & 4 above.
6	Number of securities and percentage thereof held before and after the proposed investment	Before : 2.547 million shares held in the company as on 30 June 2013. After : Increase in securities / percentage in accordance with / based on Sr. No. 3, 4 & 5 above.
7	In case of investment in listed securities, average of the preceding twelve weekly average price of the security intended to be acquired	Rs. 8.11

S.no	Description	Information
8	In case of investment in unlisted securities, fair market value of such securities determined in terms of regulation 6(1)	Not Applicable
9	Break-up value of securities intended to be acquired on the basis of the latest audited financial statements	Rs. 3.91
10	Earning per share of the associated company or associated undertaking for the last three years	2014 : PKR (0.20) 2013 : PKR 1.01 2012 : PKR 0.42
11	Sources of fund from which securities will be acquired	From Company's own available liquidity and credit lines.
12	Where the securities are intended to be acquired using borrowed funds	
(i)	Justification for investment through borrowings	Company foresee the return on this strategic investment higher than the borrowing cost.
(ii)	Detail of guarantees and assets pledged for obtaining such funds	Pledge of listed securities
13	Salient features of the agreement(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment	There is no agreement as this will be for capital appreciation Investment
14	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	No interest in the investee company in capacity as director / shareholder.
15	Any other important details necessary for the members to understand the transaction	Not Applicable
16	In case of investment in securities of a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information, is required, namely	
(i)	Description of the project and its history since conceptualization	Not Applicable
(ii)	Starting and expected dated of completion of work	Not Applicable
(iii)	Time by which such project shall become commercially operational	Not Applicable
(iv)	Expected time by which the project shall start paying return on investment	Not Applicable

S.no	Description	Information
3	**INVESTMENT IN SECURITIES**	
1	Name of the associated company or associated undertaking along with criteria based on which the associated relationship is established	**JAVEDAN CORPORATION LIMITED** **An associated undertaking due to investment by holding company**
2	Purpose, benefits and period of investment	For the benefit of the company and to earn better returns in the long run on strategic investment by capturing the opportunities on the right time.
3	Maximum amount of investment	Fresh limit of Rs.1,000 million is requested for approval. This is in addition to and Investment at cost of Rs.467.74 million that has already been made up 30 June 2015.
4	Maximum price at which securities will be acquired	At par/premium/market/offered/negotiated price prevailing on the date of transaction/investment.
5	Maximum number of securities to be acquired	No of securities purchasable under approved limit in accordance with / based on Sr. Nos. 3 & 4 above.
6	Number of securities and percentage thereof held before and after the proposed investment	Before : 46.334 million preferance shares and 82,500 ordinary shares holding in the Company as on 30 June 2015. After : Increase in securities / percentage in accordance with / based on Sr. No. 3, 4 & 5 above.
7	In case of investment in listed securities, average of the preceding twelve weekly average price of the security intended to be acquired	Rs. 26.40 (ordinary) Rs. 14.41 (preference).
8	In case of investment in unlisted securities, fair market value of such securities determined in terms of regulation 6(1)	Not Applicable
9	Break-up value of securities intended to be acquired on the basis of the latest audited financial statements	Rs. 61.30
10	Earning per share of the associated company or associated undertaking for the last three years	2014 : Rs.14.48 2013 : Rs.12.23 2012 : Rs (5.78)
11	Sources of fund from which securities will be acquired	From Company's own available liquidity and credit lines.
12	Where the securities are intended to be acquired using borrowed funds	
(i)	Justification for investment through borrowings	Company foresee the return on this strategic investment higher than the borrowing cost.
(ii)	Detail of guarantees and assets pledged for obtaining such funds	Pledge of listed securities
13	Salient features of the agreement(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment	There is no agreement as this will be for capital appreciation Investment

S.no	Description	Information
14	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	No interest in the investee company in capacity as director / shareholder.
15	Any other important details necessary for the members to understand the transaction	Not Applicable
16	In case of investment in securities of a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information, is required, namely	
(i)	Description of the project and its history since conceptualization	Not Applicable
(ii)	Starting and expected date of completion of work	Not Applicable
(iii)	Time by which such project shall become commercially operational	Not Applicable
(iv)	Expected time by which the project shall start paying return on investment	Not Applicable
4	**INVESTMENT IS SECURITIES**	
1	Name of the associated company or associated undertaking along with criteria based on which the associated relationship is established	**MCB - Arif Habib Savings and Investments Limited** **An associated undertaking due to investment by holding company**
2	Purpose, benefits and period of investment	For the benefit of the Company and to earn better returns in the long run on strategic investment by capturing the opportunities on the right time.
3	Maximum amount of investment	Fresh limit of Rs. 250 million is requested for approval.
4	Maximum price at which securities will be acquired	At par/premium/market/offered/negotiated price prevailing on the date of transaction/investment.
5	Maximum number of securities to be acquired	No of securities purchasable under approved limit in accordance with / based on Sr. Nos. 3 & 4 above.
6	Number of securities and percentage thereof held before and after the proposed investment	Before : NIL After : Increase in securities / percentage in accordance with / based on Sr. No. 3, 4 & 5 above.
7	In case of investment in listed securities, average of the preceding twelve weekly average price of the security intended to be acquired	Rs. 30.28

S.no	Description	Information
8	In case of investment in unlisted securities, fair market value of such securities determined in terms of regulation 6(1)	Not Applicable
9	Break-up value of securities intended to be acquired on the basis of the latest audited financial statements	Rs. 18.64
10	Earning per share of the associated company or associated undertaking for the last three years	2014 : Rs. 2.54 2013 : Rs. 2.19 2012 : Rs. 3.01
11	Sources of fund from which securities will be acquired	From Company's own available liquidity and credit lines
12	Where the securities are intended to be acquired using borrowed funds	
(i)	Justification for investment through borrowings	Company foresee the return on this strategic investment higher than the borrowing cost
(ii)	Detail of guarantees and assets pledged for obtaining such funds	Pledge of listed securities
13	Salient features of the agreement(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment	There is no agreement as this will be for capital appreciation Investment
14	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	No interest in the investee company in capacity as director / shareholder.
15	Any other important details necessary for the members to understand the transaction	Not Applicable
16	In case of investment in securities of a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information, is required, namely	
(i)	Description of the project and its history since conceptualization	Not Applicable
(ii)	Starting and expected dated of completion of work	Not Applicable
(iii)	Time by which such project shall become commercially operational	Not Applicable
(iv)	Expected time by which the project shall start paying return on investment	Not Applicable

S.no	Description	Information
1	**LOANS AND ADVANCES**	
1	Name of the associated company or associated undertaking along with criteria based on which the associated relationship is established	**SAFEMIX CONCRETE PRODUCTS LIMITED** **An associated undertaking due to investment by holding company**
2	Amount of loans or advances	Fresh limit of Rs.250 million is requested for approval. This is in addition to renewal requested seperately for the previously sanctioned limit of loan amounting to Rs. 50 million which was unutilised upto 30 June 2015. Above facilities will be in the nature of running finance for a period of one year and shall be renewable in next general meeting(s) for further period(s) of one year(s).
3	Purpose of loans or advances and benefits likely to accrue to the investing company and its members from such loans or advances	To support the functionality , operations and growth of the associate.
4	In case any loan has already been granted to the said associated company or associated undertaking, the complete details thereof	No loan was outstanding as at June 30,2015
5	Financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements	Total Equity, Total assets and Total liability amounting to Rs. 224 million , Rs. 413 million and Rs. 166 million respectively. Gross profit, Profit before tax and Profit after tax amounting to Rs. 40 million, Rs. 7.80 million and Rs. 12.32 million respectvely
6	Average borrowing cost of the investing company or in case of absence of borrowing the Karachi Inter Bank Offered Rate for the relevant period	Average borrowing cost of the investing company is 10.72% in 2014-15
7	Rate of interest, mark up, profit, fees or commission etc. to be charged	Higher than the companys' prevalent average borrowing cost.
8	Sources of funds from where loans or advances will be given	From company's own available liquidity and credit lines
9	Where loans or advances are being granted using borrowed funds	
(i)	Justification for granting loan or advance out of borrowed funds	To support the functionality , operations and growth of the associate.
(ii)	Jetail of guarantees / assets pledged for obtaining such funds, if any	Pledge of listed securites
(iii)	Repayment schedules of borrowing of the investing company	Obtained facilities have different maturity dates upto 30 June 2014.
10	Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any	Will be decided with mutual consent at the time of extending the loan.

S.no	Description	Information
11	If the loans or advances carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable	N/A
12	Repayment schedule and terms of loans or advances to be given to the investee company	Above facilities will be in the nature of running finance for a period of one year and shall be renewable in next general meeting(s) for further period(s) of one year(s).
13	Salient feature of all agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment	N/A
14	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	The directors of the company have no interest in the investee company except in their capacity as director / shareholder of the holding company.
15	Any other important details necessary for the members to understand the transaction	Not applicable
16	In case of investment in a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information is required, namely	
(i)	A description of the project and its history since conceptualization	Not Applicable
(ii)	Starting date and expected date of completion	Not Applicable
(iii)	Time by which such project shall become commercially operational	Not Applicable
(iv)	Expected return on total capital employed in the project	Not Applicable
(v)	Funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts	Not Applicable
2	**LOANS AND ADVANCES**	
1	Name of the associated company or associated undertaking along with criteria based on which the associated relationship is established	**POWER CEMENT LIMITED** **An associated undertaking due to investment by holding company**
2	Amount of loans or advances	Fresh limit of Rs.250 million is requested for approval. This is in addition to renewal requested seperately for the previously sanctioned limit of loan amounting to Rs. 50 million which was unutilised upto 30 June 2015. Above facilities will be in the nature of running finance for a period of one year and shall be renewable in next general meeting(s) for further period(s) of one year(s).

S.no	Description	Information
3	Purpose of loans or advances and benefits likely to accrue to the investing company and its members from such loans or advances	To support the functionality , operations and growth of the associate.
4	In case any loan has already been granted to the said associated company or associated undertaking, the complete details thereof	No loan was outstanding as at June 30,2015
5	Financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements	Total Equity, Total assets and total liability amounting to Rs.1,428 million , Rs. 5,785 million and Rs. 4,357 million respectively.
6	Average borrowing cost of the investing company or in case of absence of borrowing the Karachi Inter Bank Offered Rate for the relevant period	Gross profit, loss before tax and loss after tax amounting to Rs. 345 million, Rs. (140) million and Rs. (73.90) million respectvely
7	Rate of interest, mark up, profit, fees or commission etc. to be charged	Average borrowing cost of the investing company is 10.72% in 2014-15
8	Sources of funds from where loans or advances will be given	Higher than the companys' prevalent average borrowing cost.
9	Where loans or advances are being granted using borrowed funds	From company's own available liquidity and credit lines
(i)	Justification for granting loan or advance out of borrowed funds	To support the functionality , operations and growth of the associate.
(ii)	Detail of guarantees / assets pledged for obtaining such funds, if any	Pledge of listed securites
(iii)	Repayment schedules of borrowing of the investing company	Obtained facilities have different maturity dates upto 30 June 2015.
10	Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any	Will be decided with mutual consent at the time of extending the loan.
11	If the loans or advances carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable	N/A
12	Repayment schedule and terms of loans or advances to be given to the investee company	Above facilities will be in the nature of running finance for a period of one year and shall be renewable in next general meeting(s) for further period(s) of one year(s)..
13	Salient feature of all agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment	N/A

S.no	Description	Information
14	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Not applicable
15	Any other important details necessary for the members to understand the transaction	Not Applicable
16	In case of investment in a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information is required, namely	
(i)	A description of the project and its history since conceptualization	Not Applicable
(ii)	starting date and expected date of completion	Not Applicable
(iii)	Time by which such project shall become commercially operational	Not Applicable
(iv)	Expected return on total capital employed in the project	Not Applicable
(v)	Funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts	
3	**LOANS AND ADVANCES**	
1	Name of the associated company or associated undertaking along with criteria based on which the associated relationship is established	**JAVEDAN CORPORATION LIMITED** **An associated undertaking due to investment by holding company**
2	Amount of loans or advances	Fresh limit of Rs.250 million is requested for approval. This is in addition to renewal requested seperately for the previously sanctioned limit of loan amounting to Rs. 250 million which was unutilised upto 30 June 2015. Above facilities will be in the nature of running finance for a period of one year and shall be renewable in next general meeting(s) for further period(s) of one year(s).
3	Purpose of loans or advances and benefits likely to accrue to the investing company and its members from such loans or advances	To support the functionality , operations and growth of the associate.
4	In case any loan has already been granted to the said associated company or associated undertaking, the complete details thereof	No loan was outstanding as at June 30,2015
5	Financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements	Total Equity, Total assets and total liability amounting to Rs. 6,903 million, Rs. 12,890 million and Rs. 5,987 million respectively. Gross profit, profit before tax and profit after tax amounting to Rs. 1,310 million, Rs. 842 million and Rs. 842 million respectvely.

S.no	Description	Information
6	Average borrowing cost of the investing company or in case of absence of borrowing the Karachi Inter Bank Offered Rate for the relevant period	Average borrowing cost of the investing company is 10.72% in 2014-15
7	Rate of interest, mark up, profit, fees or commission etc. to be charged	Higher than the companys' prevalent average borrowing cost.
8	Sources of funds from where loans or advances will be given	From company's own available liquidity and credit lines
9	Where loans or advances are being granted using borrowed funds	
(i)	Justification for granting loan or advance out of borrowed funds	To support the functionality , operations and growth of the associate.
(ii)	Detail of guarantees / assets pledged for obtaining such funds, if any	Pledge of listed securites
(iii)	Repayment schedules of borrowing of the investing company	Obtained facilities have different maturity dates upto 30 June 2015.
10	Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any	Will be decided with mutual consent at the time of extending the loan.
11	If the loans or advances carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable	N/A
12	Repayment schedule and terms of loans or advances to be given to the investee company	Above facilities will be in the nature of running finance for a period of one year and shall be renewable in next general meeting(s) for further period(s) of one year(s).
13	Salient feature of all agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment	N/A
14	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	The directors of the company have no interest in the investee company except in their capacity as director / shareholder of the holding company.
15	Any other important details necessary for the members to understand the transaction	Not applicable
16	In case of investment in a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information is required, namely	

S.no	Description	Information
(i)	A description of the project and its history since conceptualization	Not Applicable
(ii)	starting date and expected date of completion	Not Applicable
(iii)	Time by which such project shall become commercially operational	Not Applicable
(iv)	expected return on total capital employed in the project	Not Applicable
(v)	funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts	Not Applicable

Statement under Section 160(1)(b) of the Companies Ordinance, 1984, in compliance with Regulation 4(2) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012, for decision to make investment under the authority of a resolution passed pursuant to provisions of section 208 of the Ordinance is not implemented either fully or partially:

Statement under Section 160(1)(b) of the Companies Ordinance, 1984, in compliance with Regulation 4(2) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012, for decision to make investment under the authority of a resolution passed pursuant to provisions of section 208 of the Ordinance is not implemented either fully or partially:

1 Name of associated company / undertaking : Javedan Corporation Limited

S. No.	Description	Investment in Securities		Loans and Advances	
a)	total investment approved;	1,000,000,000		250,000,000	
b)	amount of investment made to date;	467,741,145		-	
c)	Reasons for not having made complete investment so far where resolution required it to be implemented in specified time; and	Waiting for an appropriate time in the interest of the shareholders for complete utilisation		Facility is in the nature of running finance and availed as and when needed in the interest of the shareholders	
d)	material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company :	**2014**	**2013**	**2014**	**2013**
i	Eanings / (Loss) per share	14.48	12.23	14.48	12.23
ii	Net Profit / (Loss)	842,277,000	710,892,000	842,277,000	710,892,000
iii	Shareholders Equity	6,903,235,000	5,454,113,000	6,903,235,000	5,454,113,000
iv	Total Assets	12,890,840,000	11,239,235,000	12,890,840,000	11,239,235,000
v	Break-up value	61.30	31.91	61.30	31.91
	RENEWAL IN PREVIOUS LIMITS REQUESTED FOR PORTION I.E. :	**Unutilised**	**532,258,855**	**Sanctioned**	**250,000,000**

2 Name of associated company / undertaking : MCB - Arif Habib Savings and Investments Limited

S. No.	Description	Investment in Securities		Loans and Advances	
a)	total investment approved;	250,000,000		-	
b)	amount of investment made to date;	-		-	
c)	Reasons for not having made complete investment so far where resolution required it to be implemented in specified time; and	Waiting for an appropriate time in the interest of the shareholders		N/A	
d)	material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company :	**2014**	**2013**	**2014**	**2013**
i	Eanings / (Loss) per share	2.54	2.19	2.54	2.19
ii	Net Profit / (Loss)	182,641,052	157,649,698	182,641,052.00	157,649,698
iii	Shareholders Equity	1,353,846,006	1,273,028,929	1,353,846,006.00	1,273,028,929
iv	Total Assets	1,607,734,001	1,411,536,548	1,607,734,001.00	1,411,536,548
v	Break-up value	18.80	17.68	18.80	17.68
	RENEWAL IN PREVIOUS LIMITS REQUESTED FOR PORTION I.E. :	**Unutilised**	**250,000,000**	**Sanctioned**	**N/A**

3 Name of associated company / undertaking : Power Cement Limited

S. No.	Description	Investment in Securities		Loans and Advances	
a)	total investment approved;	250,000,000		250,000,000	
b)	amount of investment made to date;	-		-	
c)	Reasons for not having made complete investment so far where resolution required it to be implemented in specified time; and	Waiting for an appropriate time in the interest of the shareholders for complete utilisation		Facility is in the nature of running finance and availed as and when needed in the interest of the shareholders	
d)	material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company :	**2014**	**2013**	**2014**	**2013**
i	Eanings / (Loss) per share	(0.20)	1.01	(0.20)	1.01
ii	Net Profit / (Loss)	(73,909,000)	370,222,000	(73,909,000.00)	370,222,000.00
iii	Shareholders Equity	1,428,542,000	1,495,371,000	1,428,542,000.00	1,495,371,000.00
iv	Total Assets	5,785,815,000	5,619,144,000	5,785,815,000.00	5,619,144,000.00
v	Break-up value	3.91	4.09	3.91	4.09
	RENEWAL IN PREVIOUS LIMITS REQUESTED FOR PORTION I.E. :	**Unutilised**	**250,000,000**	**Sanctioned**	**250,000,000**

Categories of Shareholders

As of June 30, 2015

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children	7	5,362	0.01
Associated companies, undertakings and related parties	2	37,949,737	69.00
Executives	-	-	-
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	2	32,046	0.06
Mutual Funds	-	-	-
General Public - Local	2994	12,882,833	23.42
General Public - Foreign	2	702,750	1.28
Foreign Companies	1	94,000	0.17
Others	44	3,287,088	5.98
Total	3053	55,000,000	100.00

Categories of Shareholders
As of June 30, 2015

Number of Shareholders	Shareholdings' Slab			Total Shares Held
663	1	to	100	16,545
693	101	to	500	199,276
315	501	to	1000	254,527
1078	1001	to	5000	2,254,619
141	5001	to	10000	1,038,208
50	10001	to	15000	619,688
28	15001	to	20000	490,508
20	20001	to	25000	456,627
13	25001	to	30000	374,501
7	30001	to	35000	230,494
5	35001	to	40000	188,977
4	40001	to	45000	168,432
3	45001	to	50000	141,184
1	50001	to	55000	53,500
1	55001	to	60000	58,666
1	60001	to	65000	60,044
5	65001	to	70000	335,959
2	70001	to	75000	150,000
2	90001	to	95000	185,000
4	95001	to	100000	398,524
1	100001	to	105000	102,500
1	155001	to	160000	159,678
1	185001	to	190000	188,000
1	195001	to	200000	196,000
1	215001	to	220000	216,000
1	370001	to	375000	375,000
1	385001	to	390000	387,936
1	395001	to	400000	396,420
1	445001	to	450000	447,500
1	495001	to	500000	500,000
1	695001	to	700000	700,000
1	1030001	to	1035000	1,033,450
1	1335001	to	1340000	1,338,000
1	1595001	to	1600000	1,600,000
1	1730001	to	1735000	1,734,500
1	10445001	to	10450000	10,449,737
1	27495001	to	27500000	27,500,000
3053				55,000,000

Categories of Shareholders
As of June 30, 2015

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children			
Zafar Alam	1	500	0.00
Muhammad Shahid Ali Habib	1	732	0.00
Sharmin Shahid	1	916	0.00
Haroon Usman	1	1,298	0.00
Ali Murtaza Kazmi	1	500	0.00
Nida Ahsan	1	916	0.00
Zeshan Afzal	1	500	0.00
Associated companies, undertakings and related parties			
Arif Habib Corporation Limited	2	37,949,737	69.00
Executives	-	-	-
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	2	32,046	0.06
Mutual Funds	-	-	-
General Public			
a. Local	2994	12,882,833	23.42
b. Foreign	2	702,750	1.28
c. Foreign Companies	1	94,000	0.17
d. Others	44	3,287,088	5.98
Total	3053	55,000,000	100.00

Share holders holding 5% or more	Shares Held	Percentage
Arif Habib Corporation Limited	37,949,737	69.00

Form of Proxy

11th Annual General Meeting

The Company Secretary
Arif Habib Limited
Arif Habib Centre
23, M.T. Khan Road
Karachi.

I/ we ______________________ of ____________________ being a members(s) of Arif Habib Limited holding ______________________ ordinary shares as per CDC A/c. No. ____________ hereby appoint Mr./Mrs./Miss ______________________ ______________________ of (full address) ______________________ ______________________ or failing him/her Mr./Mrs./Miss ______________________ of (full address) ______________________

(being member of the company) as my/our proxy to attend, act vote for me/us and on my/our behalf at the Eleventh Annual General Meeting of the Company to be held on September 19, 2015 and/or any adjournment thereof.

Signed this ____________ day of ____________ 2015.

Witnesses:

1. Name : ______________________
   Address : ______________________
   CNIC No. : ______________________
   Signature : ______________________

2. Name : ______________________
   Address : ______________________
   CNIC No. : ______________________
   Signature : ______________________

Signature on
Rs. 5/-
Revenue Stamp

NOTES:

1. A member entitled to attend and vote at the meeting may appoint another member as his / her proxy who shall have such rights as respects attending, speaking and voting at the meeting as are available to a member.

2. Proxy shall authenticate his/her identity by showing his/her identity by showing his/ her original passport and bring folio number at the time of attending the meeting.

3. In order to be effective, the proxy Form must be received at the office of our Registrar M/s. Central Depositroy Company of Pakistan, Share Registrar Deparment, CDC House, 99-B, Block-B, S.M.C.H.S, Main Shahra-e-Faisal, Karachi. not later than 48 hours before the meeting duly signed and stamped and witnessed by two persons with their signature, name, address and CNIC number given on the form.

4. In the case of individuals attested copies of CNIC or passport of the benefical owners and the proxy shall be furnished with the proxy Form.

5. In the case of proxy by a corporate entity, Board of Directors resolution/power of attorney and attested copy of the CNIC or passport of the proxy shall be submitted along with proxy Form.

AFFIX
CORRECT
POSTAGE

ARIF HABIB LIMITED

Registrar:
Central Depository Company of Pakistan,
Share Registrar Department, CDC
House, 99-B, Block-B, S.M.C.H.S,
Main Shahra-e-Faisal, Karachi.

Fold : Here **Fold : Here**

ARIF HABIB
LIMITED

Arif Habib Centre,
23, M.T. Khan Road, Karachi-74000
UAN: (92-21) 111-245-111
Fax No: (92-21) 32416072; 32429653
Company Website: www.arifhabibltd.com
Group Website: www.arifhabib.com.pk

Concept, Design & Production by: **crayons** (www.crayonscorp.com)