



Arif Habib Corp

from vision to reality



QUARTERLY REPORT
31ST MARCH 2016



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Company Information

Board of Directors

Asadullah Khawaja Chairman Independent Director	Nasim Beg Non-Executive Director	Muhammad Ejaz Non-Executive Director
Arif Habib Chief Executive Officer	Samad A. Habib Non-Executive Director	
Sirajuddin Cassim Independent Director	Kashif A. Habib Non-Executive Director	

Audit Committee

Sirajuddin Cassim Chairman	Kashif A. Habib Member	Muhammad Ejaz Member
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Management

Arif Habib Chief Executive Officer	Mohsin Madni Chief Financial Officer	Manzoor Raza Company Secretary
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Bankers

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
National Bank of Pakistan
NIB Bank Limited

Bank of Khyber
Faysal Bank Limited
Habib Bank Limited
United Bank Limited
Soneri Bank Limited
The Bank of Punjab

Habib Metropolitan Bank Limited
MCB Bank Limited
Standard Chartered Bank (Pakistan) Limited
Sindh Bank Limited
BankIslami Pakistan Limited
Summit Bank Limited

Auditors

KPMG Taseer Hadi &
Co., Chartered Accountants

Legal Advisors

Bawaney & Partners
Akhund Forbes

Registered & Corporate Office

Arif Habib Centre
23, M.T. Khan Road
Karachi-74000
Phone: (021)32460717-9
Fax: (021)32429653, 32468117
Email: info@arifhabibcorp.com
Company website: www.arifhabibcorp.com
Group website: www.arifhabib.com.pk

Registrar & Share Transfer Agent

Central Depository Company of Pakistan
Limited

Share Registrar Department

CDC House, 99-B, Block-B, S.M.C.H.S, Main
Shahrah-e-Faisal, Karachi
Phone: (021)111-111-500
Toll Free: 0800-23275
Fax: (021)34326053
URL: www.cdcpakistan.com
Email: info@cdcpak.com

Directors' Review Report

Dear Shareholders

The Directors of Arif Habib Corporation Limited (AHCL) are pleased to present the Directors' report of the Company together with the interim condensed unconsolidated and consolidated financial statements for the nine months period ended 31st March 2016.

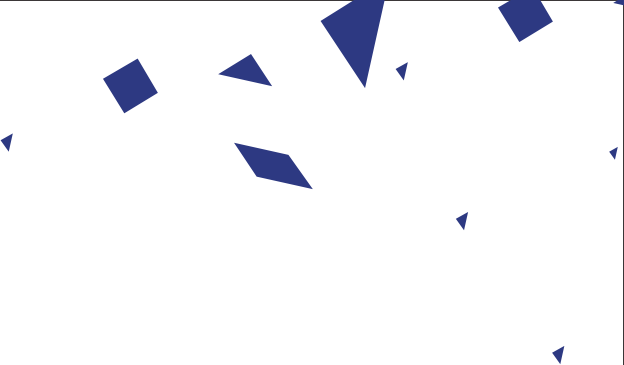
Financial Results

During the nine months under review, on unconsolidated basis, AHCL recorded an operating revenue of Rs.1,081.55 million (9mFY15- Rs.4,443.21 million) which includes dividend income of Rs.336.89 million (9mFY15- Rs.264.77 million), net gain on sale of securities amounting to Rs.1,515.23 million (9mFY15- Rs.48.31 million) and net deficit on remeasurement of investments amounting to Rs.972.47 million (net remeasurement gain for 9mFY15- Rs.3,902.28 million). After accounting for operating, administrative and financial expenses of Rs.312.01 million (9mFY15- Rs.312.19 million), the Company earned a profit before tax of Rs.998.75 million (9mFY15- Rs.4,050.64 million). The Company has reported an after-tax profit of Rs.724.93 million for the nine months under review as compared to the net profit of Rs.3,946.70 million for the corresponding period ended 31st March 2015. This translates into earnings of Rs.1.60 per share as compared with Rs.8.70 per share in the corresponding period during 2014-15.

During the third quarter of the current financial year, AHCL recorded a loss after tax of Rs.2,196.19 million (profit after tax for 3QFY15- Rs.1,044.84 million), mainly on account of unrealized diminution on remeasurement of investment in Fatima Fertilizer Company Limited, an associate.

Performance of Subsidiaries and Associates

During the period under review, the performance of our investee companies has been somewhat mixed. MCB Arif Habib Savings & Investments Limited and Arif Habib Limited have performed satisfactorily despite the flat condition of the securities market. In the fertilizer sector, both Fatima Fertilizer Company Limited and Pakarab Fertilizers Limited achieved their highest ever production in a quarter, with all plants performing better than expectation, however during the period under review, there were some expectations of subsidies on fertilizer products and the distributors had held back their offtake of fertilizer; thus the sales volumes remained low resulting in decreased profitability for Fatima. However, Pakarab Fertilizers Limited, which was unable to produce fertilizers owing to the non-availability of gas in the previous year, fared better due to the availability of RLNG during the period under review. The other associated companies, Aisha Steel Mills Limited, Power Cement Limited and Javedan Corporation Limited have performed satisfactorily, while, wholly owned subsidiary, Sachal Energy Development (Pvt.) Limited has commenced construction of the wind-power project and is expected to be complete in twelve months' time.



Economic Review

Pakistan's economy continued to show signs of improvement in its macroeconomic fundamentals. The value of Rupee remains stable with sustained foreign exchange reserves at 5 months import coverage. Inflation at 2.7% has been low. The State Bank's policy rate has remained at 6.5% and remittances from non-resident Pakistanis grew by 6.0% to USD 14,378 million in the nine months. However, exports were down 9.1% and imports were down 5.2%. Furthermore, the IMF programme is on track and the credit rating outlook is positive.

Future Outlook

Going forward, we have a positive stance on the economy, as the Government has indicated its intention to now focus on increasing growth after having achieved macroeconomic stability. The sustained low inflation along with the improvement in the current account deficit and low interest rates are expected to attract further investment. The China Pakistan Economic Corridor (CPEC) is expected to stimulate activity in the construction and power sectors resulting in a ripple effect for overall economic growth.

All our investee companies are likely to benefit from the anticipated growth programmes of the government. The fertilizer companies are expected to have better sales during the current quarter, which should result in realization of the profitability in the inventories brought forward, as apart from the start of the new season, international prices have improved from their previous lows.

In light of the above stated factors, your Company is expected to deliver satisfactory results.

Acknowledgement

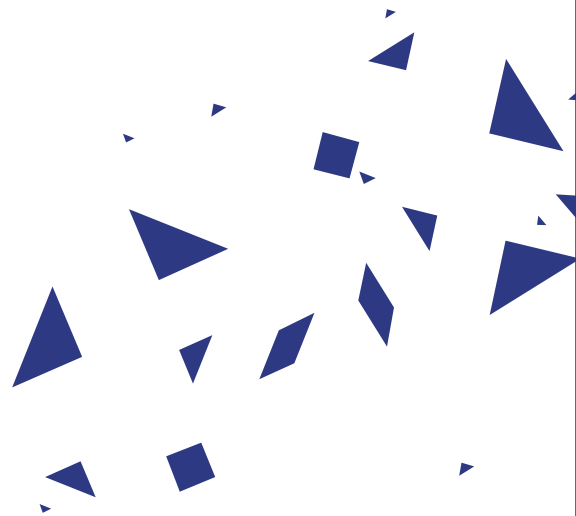
We are grateful to the Company's stakeholders for their continuing confidence and patronage. We are appreciative of our Bankers, Business Partners, the Securities & Exchange Commission of Pakistan, the State Bank of Pakistan, as well as the management of the Pakistan Stock Exchange for their support and guidance. Last but not the least, we acknowledge and appreciate the hard work put in by the employees of the Company during the period.

For and on behalf of the Board



Arif Habib
Chief Executive

Karachi
29th April 2016



Condensed Interim Unconsolidated Financial Information

For the nine months period and quarter ended 31st March 2016

Condensed Interim Unconsolidated Balance Sheet

As at 31st March 2016

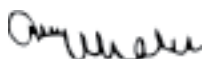
	Note	Unaudited March 2016	Audited June 2015
(Rupees)			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital 1,000,000,000 ordinary shares of Rs. 10 each		10,000,000,000	10,000,000,000
Issued, subscribed and paid up share capital		4,537,500,000	4,537,500,000
Reserves		23,934,023,999	24,907,431,695
		28,471,523,999	29,444,931,695
Non-current liabilities			
Deferred taxation		2,590,526,326	2,331,789,966
Long term loan	5	197,926,946	346,854,503
Long term payable		1,700,179,646	1,700,179,646
		4,488,632,918	4,378,824,115
Current liabilities			
Trade and other payables	6	2,019,655,209	1,815,576,478
Interest / mark-up accrued		184,535,115	42,945,861
Short term borrowings	7	2,192,263,901	3,360,000,000
Current maturity of long term loan	5	124,035,322	49,035,322
Provision for taxation		546,244,995	505,567,741
		5,066,734,542	5,773,125,402
		38,026,891,459	39,596,881,212
Contingencies and commitments	8		

Condensed Interim Unconsolidated Balance Sheet

As at 31st March 2016

	Note	Unaudited March 2016	Audited June 2015
(Rupees)			
ASSETS			
Non-current assets			
Property and equipment	9	45,241,364	50,787,754
Intangible assets		406,824	566,016
Long term investments	10	28,601,267,227	31,123,833,356
Investment property	11	2,888,379,400	2,661,504,400
Long term deposits		1,966,390	1,951,390
		31,537,261,205	33,838,642,916
Current assets			
Loans and advances	12	917,658,266	1,087,898,563
Prepayments		4,317,993	15,190,280
Advance tax		542,025,154	487,184,477
Markup receivable		28,211,246	18,855,901
Other receivables		2,528,082	1,216,811,964
Short term investments		4,940,169,404	907,015,462
Cash and bank balances		24,774,211	2,025,281,649
Asset held for sale	13	29,945,898	-
		6,489,630,254	5,758,238,296
		38,026,891,459	39,596,881,212

The annexed notes 1 to 20 form an integral part of this condensed interim unconsolidated financial information.



Chief Executive Officer



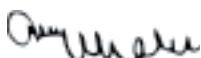
Director

Condensed Interim Unconsolidated Profit and Loss Account (Unaudited)

For the nine months period and quarter ended 31st March 2016

	Note	Nine months period ended		Quarter ended	
		March 2016	March 2015	March 2016	March 2015
		(Rupees)		(Rupees)	
Operating revenue	14	1,081,549,200	4,443,213,390	(2,202,937,964)	1,146,199,848
Operating and administrative expenses		(82,617,067)	(115,157,234)	(23,240,041)	(23,704,863)
Operating profit		998,932,133	4,328,056,156	(2,226,178,005)	1,122,494,985
Unrealized gain on remeasurement of investment property	11	226,875,000	-	226,875,000	-
Finance cost		(229,395,043)	(197,031,245)	(66,134,185)	(61,193,506)
Other charges		(3,396)	(82,649,728)	61,269,122	(21,175,551)
Other income - net		2,347,145	2,263,504	736,911	1,051,535
Profit / (loss) before tax		998,755,839	4,050,638,687	(2,003,431,157)	1,041,177,463
Taxation	15	(273,823,312)	(103,941,757)	(192,759,356)	3,660,769
Profit / (loss) after tax		724,932,527	3,946,696,930	(2,196,190,513)	1,044,838,232
Earnings / (loss) per share - basic and diluted		1.60	8.70	(4.84)	2.30

The annexed notes 1 to 20 form an integral part of this condensed interim unconsolidated financial information.



Chief Executive Officer



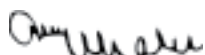
Director

Condensed Interim Unconsolidated Statement of Comprehensive Income (Unaudited)

For the nine months period and quarter ended 31st March 2016

	Nine months period ended		Quarter ended	
	March 2016	March 2015	March 2016	March 2015
	(Rupees)		(Rupees)	
Profit / (loss) for the period	724,932,527	3,946,696,930	(2,196,190,513)	1,044,838,232
Other comprehensive income				
<i>Items that are to be reclassified subsequently to profit and loss account</i>				
Unrealised appreciation / (diminution) during the period on remeasurement of investments classified as 'available for sale'	(64,749,570)	(479,118,004)	(629,363,540)	(260,600,314)
Related tax thereon	(25,590,302)	-	13,653,316	-
Reclassification adjustments relating to loss realised on disposal of investment classified as 'available for sale' - net	206,999,649	32,826,755	163,181,797	32,826,755
Other comprehensive income for the period	116,659,777	(446,291,249)	(452,528,427)	(227,773,559)
Total comprehensive income for the period	841,592,304	3,500,405,681	(2,648,718,940)	817,064,673

The annexed notes 1 to 20 form an integral part of this condensed interim unconsolidated financial information.



Chief Executive Officer



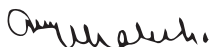
Director

Condensed Interim Unconsolidated Cash Flow Statement (Unaudited)

For the nine months period ended 31st March 2016

	Note	Nine months period ended March 2016	March 2015
(Rupees)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	16	(861,932,376)	(471,850,451)
Income tax paid		(54,840,677)	(38,760,562)
Finance cost paid		(87,805,789)	(201,270,491)
Dividend received		336,890,127	264,766,337
Interest received		126,484,506	121,300,517
Change in long term deposits		(15,000)	600,000
Net cash used in operating activities		(541,219,209)	(325,214,650)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(836,373)	(2,999,627)
Proceeds from sale of property and equipment		89,924	64,278
Acquisition of long term investments		(2,134,465,000)	(466,825,970)
Proceeds from sale of long term investments		3,732,586,876	534,357,790
Net cash generated from investing activities		1,597,375,427	64,596,471
CASH FLOWS FROM FINANCING ACTIVITIES			
(Repayment) / payment of long term loan		(73,927,557)	152,976,130
Dividend paid		(1,815,000,000)	(287,612,583)
Net cash used in financing activities		(1,888,927,557)	(134,636,453)
Net decrease in cash and cash equivalents		(832,771,339)	(395,254,632)
Cash and cash equivalents at beginning of the period		(1,334,718,351)	(1,371,529,144)
Cash and cash equivalents at end of the period	17	(2,167,489,690)	(1,766,783,776)

The annexed notes 1 to 20 form an integral part of this condensed interim unconsolidated financial information.



Chief Executive Officer



Director

For the nine months period ended 31st March 2016

	Issued, subscribed and paid up share capital	Reserves	
	Unrealized (diminution) / appreciation on remeasurement of investments classified as 'available for sale'	General reserve Unappropriated profit	Sub total
		(Rupees)	Total

Balance as at 1 July 2014	4,537,500,000	(601,609,981)	4,000,000,000	17,814,689,421	21,213,079,440	25,750,579,440
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**Total comprehensive income for the
nine months period ended
31 March 2015**

Profit for the period	-	-	-	3,946,696,930	3,946,696,930	3,946,696,930
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Other Comprehensive Income

Unrealised appreciation / (diminution) during the period on remeasurement of investments classified as 'available for sale' - net	-	(479,118,004)	-	-	(479,118,004)	(479,118,004)
Reclassification adjustments relating to loss realised on disposal of investments classified as 'available for sale' - net	-	32,826,755	-	-	32,826,755	32,826,755

Other comprehensive income for the period	-	(446,291,249)	-	-	(446,291,249)	(446,291,249)
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Transactions with owners

Distribution: Final cash dividend for the year ended 30 June 2014 at the rate of Rs. 2.5 per share

-	-	-	(1,134,375,000)	(1,134,375,000)	(1,134,375,000)
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Balance as at 31 March 2015	4,537,500,000	(1,047,901,230)	4,000,000,000	20,627,011,351	23,579,110,121	28,116,610,121
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Balance as at 1 July 2015	4,537,500,000	(211,635,998)	4,000,000,000	21,119,067,693	24,907,431,695	29,444,931,695
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Total comprehensive income for the nine months period ended 31 March 2016

Profit for the period	-	-	-	724.932.527	724.932.527	724.932.527
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Other Comprehensive Income

Unrealised appreciation / (diminution) during the period on remeasurement of investments classified as 'available for sale' - net	-	(64,749,570)	-	-	(64,749,570)	(64,749,570)
Related tax thereon	-	(25,590,302)	-	-	(25,590,302)	(25,590,302)
Reclassification adjustments relating to loss realised on disposal of investments classified as 'available for sale' - net	-	206,999,649	-	-	206,999,649	206,999,649

Other comprehensive income for the period	-	116,659,777	-	-	116,659,777	116,659,777
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Transactions with owners

Distribution: Final cash dividend for the year ended 30 June 2015 at the rate of Rs. 4 per share

-	-	-	(1,815,000,000)	(1,815,000,000)	(1,815,000,000)
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Balance as at 31 March 2016	4,537,500,000	(94,976,221)	4,000,000,000	20,029,000,220	23,934,023,999	28,471,523,999
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The annexed notes 1 to 20 form an integral part of this condensed interim unconsolidated financial information.

Omry Maayan

Chief Executive Officer

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Director

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the nine months period and quarter ended 31st March 2016

1. LEGAL STATUS AND NATURE OF BUSINESS

Arif Habib Corporation Limited ("the Company") was incorporated in Pakistan on 14 November 1994 as a public limited company under the Companies Ordinance, 1984. The Company is listed on the Pakistan Stock Exchange Limited. The principal activity of the Company is to make strategic investments in subsidiary companies and associates engaged in Chemical / Fertilizer, Financial Services, Real Estate, Construction Materials, Industrial Metal, Steel and Other Sectors including investments in securities. The registered office of the Company is situated at Arif Habib Centre, 2nd Floor, 23 M. T. Khan Road, Karachi, Pakistan. The Company is domiciled in the province of Sindh.

This condensed interim financial information is separate financial information of the Company in which investments in subsidiaries and associates are accounted for on the basis of direct equity interest rather than on the basis of reported results. Consolidated condensed interim financial information is prepared separately.

The Company has following long term investments:

<i>Name of Company</i>	Shareholding
Subsidiaries	
- Arif Habib Limited, a brokerage house	73.29%
- Pakistan Opportunities Limited	<u>85.00%</u>
- Sachal Energy Development (Private) Limited, a wind power generation company	<u>99.99%</u>
Associates	
- MCB-Arif Habib Savings and Investments Limited	30.09%
- Pakarab Fertilizers Limited	<u>30.00%</u>
- Fatima Fertilizer Company Limited	<u>15.19%</u>
Others	
- Takaful Pakistan Limited	10.00%
- Khabeer Financial Services (Private) Limited	<u>5.00%</u>
- Sunbiz (Private) Limited	<u>4.65%</u>

1.1 Changes in the composition of the Group

Changes in composition of the Group during the nine months period ended 31 March 2016 are summarised as under:

- the Company has purchased 2,358 million shares of Arif Habib Limited, a subsidiary of the Company, resulting in an increase in the Company's holding from 69.00% to 73.29%.
- the Company has sold 205.47 million shares of Power Cement Limited (PCL), a subsidiary of the Company, resulting in decrease in the Company's holding from 56.96% to 0.77%. Investment in PCL has now been re-classified to short term investment as 'available for sale' due to loss of control over the investee company.
- During the period, the Board of Directors of the Company has proposed to liquidate Company's investment in Arif Habib DMCC. Consequently the investment has been classified as 'asset held for sale'.
- the Company has sold 56,493,515 preference shares of Aisha Steel Mills Limited, an associated company, resulting in decrease in Company's holding from 18.93% to 7.97% and has re-classified it to short term investment due to loss of significant influence over the investee company.

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the nine months period and quarter ended 31st March 2016

- the Company converted 13,505,900 preference shares and has sold 45,364,900 ordinary shares of Javedan Corporation Limited, resulting in decrease in the Company's holding from 27.25% to 5.31% and has re-classified it to short term investment due to loss of significant influence over the investee company.
- the Company has sold 10,000,000 shares of Fatima Fertilizer Company Limited, an associate of the Company, resulting in decrease in Company's holding from 15.67% to 15.19%.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim unconsolidated financial information for the nine months period ended 31 March 2016 has been prepared in accordance with the requirements of International Accounting Standards 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984, have been followed.

This condensed interim unconsolidated financial information does not include all the information required for full annual financial statements and should be read in conjunction with the audited annual unconsolidated financial statements of the Company as at and for the year ended 30 June 2015.

The comparative Balance Sheet presented in this condensed interim unconsolidated financial information has been extracted from the audited annual unconsolidated financial statements of the Company for the year ended 30 June 2015, whereas the comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity are extracted from the unaudited condensed interim unconsolidated financial information for the period ended 31 March 2015.

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

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

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

2.2 Basis of measurement

This condensed interim unconsolidated financial information have been prepared under the historical cost convention, except for investment property, derivatives, investments classified as 'held for trading', 'available for sale' which are stated at fair value and assets classified as 'held for sale' which are measured at lower of fair value less cost to sell and carrying amount.

3. ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim unconsolidated financial information are the same as those applied in the preparation of audited annual unconsolidated financial statements of the Company as at and for the year ended 30 June 2015.

During the period certain new standards, amendments to existing standards and interpretations became effective which were either not relevant or not having significant impact on Company's accounting policies except for IFRS 13 'Fair Value Measurement' which resulted in additional disclosure with respect to financial instruments.

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the nine months period and quarter ended 31st March 2016

3.2 Change in accounting policy - fair value measurement

IFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRSs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7. Some of these disclosures are specifically required for financial instruments hereby affecting condensed interim financial information and have been disclosed in Note 18.

In accordance with the transitional provisions of IFRS 13, the Company has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Notwithstanding the above, the application of IFRS 13 has not materially impacted the fair value measurement carried out by the Company.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

4.1 The preparation of condensed interim unconsolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience. Actual results may differ from these estimates.

4.2 The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the audited annual unconsolidated financial statements as at and for the year ended 30 June 2015.

5. LONG TERM LOAN

		Unaudited March 2016	Audited June 2015
		(Rupees)	
From related party:			
Term finance loan	5.1	175,000,000	200,000,000
less: current portion		(75,000,000)	-
		100,000,000	200,000,000
Others:			
Term finance loan	5.2	145,812,872	194,417,158
less: current portion		(48,604,294)	(48,604,294)
		97,208,578	145,812,864
Diminishing Musharakah Financing	5.3	1,149,396	1,472,667
less: current portion		(431,028)	(431,028)
		718,368	1,041,639
		197,926,946	346,854,503

5.1 The Company obtained term finance facility of Rs. 200 million from a commercial bank under mark-up arrangement at the rate of 3 month KIBOR+2.00% to be charged on quarterly basis. The loan is repayable in eight equal quarterly installments after completion of one year grace period ending on 18 November 2017. The loan is secured against ranking charge on an associate's property situated at Naya Nazimabad, Survey # 248, 249, 250 with 30% margin.

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the nine months period and quarter ended 31st March 2016

- 5.2** The Company obtained term finance facility of Rs. 243.021 million from a commercial bank under mark-up arrangement at the rate of 6 month KIBOR+2.50% to be charged on semi-annual basis. The loan is repayable in ten equal semi-annual installments ending on 19 March 2019. The loan is secured against first pari passu charge of Rs. 333.333 million over present and future assets (excluding shares pledged against short term borrowings) of the Company inclusive of 25% margin and pledge of shares of associated undertaking with 30% margin. During the period, the Company has paid an installment of Rs. 48.6 million.

The market value of pledged shares as collateral amounts to Rs. 214.620 million (30 June 2015: Rs. 289.737 million) at balance sheet date.

- 5.3** The Company has acquired a vehicle under diminishing musharakah financing arrangement entered into with First Habib Modaraba for a period of 4 years with monthly principal repayment. The financing is secured against the respective vehicle and promissory note issued in favor of the lender. The interest on the borrowing is 6 months KIBOR+2.00 % per annum.

6. TRADE AND OTHER PAYABLES

Trade and other payables include deposit amounting to Rs. 1.499 billion received from a Profit Participant procured by the existing Sponsor of Silkbank Limited, under the Option Agreement dated 15 December 2015. As per the terms of the agreement and subject to regulatory approvals, the Company has granted one year option to existing sponsor to purchase entire investment in Silkbank Limited at an agreed price not more than Rs.1.872 per share. In the event of exercise of Purchase option, the profit will be shared by the Company with the Profit Participant in an agreed ratio and the deposit amount will be refunded to the profit participant. In case the option is not exercised, then the Company will adjust entire amount of deposit through sale and repurchase transaction between the Company and Profit Participant, thereby reducing the Company's purchase price as per agreement.

7. SHORT TERM BORROWINGS

		Unaudited March 2016	Audited June 2015
		(Rupees)	
<i>Secured- from banking companies</i>			
Term finance	7.1	360,000,000	360,000,000
Running finance	7.2	1,832,263,901	-
<i>Unsecured</i>			
Other than banking companies - related party		-	3,000,000,000
		2,192,263,901	3,360,000,000

- 7.1** The Company has availed Term Finance Loan of Rs. 360 million from Summit Bank Limited 'related party' for a period of six months. The facility carries mark-up at the rate of 3 month KIBOR +2% and is payable on quarterly basis. The facility is secured against charge over receivables of the Company with 25% margin and personal guarantee of Chief Executive Officer of the Company.

- 7.2** Short term running finance facilities are available from various commercial banks, under mark-up arrangements, amounting to Rs. 2,800 million (30 June 2015: Rs. 2,800 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 upto 31 January 2017. These arrangements are secured against pledge of marketable securities with minimum 30% margin (30 June 2015: 30% margin).

These running finance facilities carry mark-up ranging from 1 month KIBOR + 1% to 3 month KIBOR + 2.25% per annum (30 June 2015: 1 month KIBOR + 1% to 3 month KIBOR + 2.25% per annum) calculated on a daily product basis and is payable on quarterly basis. The aggregate amount of these facilities which have not been availed as at the balance sheet date amounts to Rs. 967.736 million (30 June 2015: Rs. 2,800 million).

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the nine months period and quarter ended 31st March 2016

8. CONTINGENCIES AND COMMITMENTS

- 8.1** During the period, the Company has issued Corporate Guarantees, on behalf of a subsidiary namely Sachal Energy Development (Private) Limited (SEDPL) amounting to USD 1,732,500. The guarantee has been issued in favour of National Transmission and Dispatch Company (NTDC) in pursuance of Energy Purchase Agreement entered between SEDPL and NTDC.

There are no other changes in the status of contingencies and commitments as disclosed in the preceding audited annual unconsolidated financial statements as at and for the year ended 30 June 2015.

9. PROPERTY AND EQUIPMENT

Following is the cost / written down value of property and equipment that have been added / disposed off during the period:

	Nine months period ended March 2016		Nine months period ended March 2015	
	Additions	Disposals	Additions	Disposals
	(Rupees)			
Vehicle	198,500	-	2,463,000	-
Office equipment	209,842	-	60,000	44,752
Computer and allied equipment	358,500	93,320	476,627	44,566
Furniture and fixtures	69,531	-	-	-
	836,373	93,320	2,999,627	89,318

10. LONG TERM INVESTMENTS

		Unaudited March 2016	Audited June 2015
		(Rupees)	
Subsidiaries - at cost	10.1	5,258,140,246	3,833,385,578
At fair value through profit or loss	10.2	23,343,026,981	24,573,963,057
Available for sale	10.3	100,000	2,716,484,721
		28,601,267,227	31,123,833,356

10.1 Subsidiaries - at cost

	Cost	Provision for Impairment	Carrying amount	
			Unaudited March 2016	Audited June 2015
			(Rupees)	
Arif Habib Limited (AHL)	2,511,675,186	-	2,511,675,186	2,375,720,796
Sachal Energy Development (Private) Limited (SEDPL)	2,746,465,060	-	2,746,465,060	612,000,060
Pakistan Opportunities Limited (POL)	42,500,000	(42,500,000)	-	-
Power Cement Limited (PCL)	-	-	-	815,718,824
Arif Habib DMCC (AHD)	-	-	-	29,945,898
	5,300,640,246	(42,500,000)	5,258,140,246	3,833,385,578

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the nine months period and quarter ended 31st March 2016

10.2 At fair value through profit or loss

		Cost	Unrealised appreciation on remeasurement of investments	Carrying amount			
				Unaudited March 2016	Audited June 2015		
(Rupees)							
Associates:							
MCB - Arif Habib Savings and Investments Limited	10.2.1	477,694,882	99,005,244	576,700,126	649,925,010		
Pakarab Fertilizers Limited (PFL)		1,324,332,073	10,825,667,927	12,150,000,000	11,070,000,000		
Fatima Fertilizer Company Limited (FFCL)		3,512,782,225	7,103,544,630	10,616,326,855	12,854,038,047		
		5,314,809,180	18,028,217,801	23,343,026,981	24,573,963,057		

- 10.2.1** Before loss of control, MCB-AH was stated at Rs. 81.948 million which is historical cost of investment as per IAS 27. However, due to loss of control the Company has designated remaining equity interest 'at fair value through profit or loss' and accordingly fair value on the date of loss of control is considered as deemed cost.

10.3 Available for sale

	Cost	Unrealised appreciation/ (diminution) on remeasurement of investments	Provision for Impairment	Carrying amount	
				Unaudited March 2016	Audited June 2015
	(Rupees)				
Associates:					
Aisha Steel Mills Limited (ASML)	-	-	-	-	119,743,767
Aisha Steel Mills Limited - Preference shares I (ASML- PS-I)	-	-	-	-	217,859,560
Aisha Steel Mills Limited - Preference shares II (ASML- PS-II)	-	-	-	-	593,181,908
Javedan Corporation Limited (JCL)	-	-	-	-	1,590,979,467
Javedan Corporation Limited- convertible Preference shares (JCL-PS)	-	-	-	-	194,620,019
	-	-	-	-	2,716,384,721
Other investments:					
Takaful Pakistan Limited	30,000,000	-	(30,000,000)	-	-
Al-Khabeer Financial Services (Private) Limited	1,000,000	-	(900,000)	100,000	100,000
Sun Biz (Private) Limited	1,000,000	-	(1,000,000)	-	-
	32,000,000	-	(31,900,000)	100,000	100,000
	32,000,000	-	(31,900,000)	100,000	2,716,484,721

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the nine months period and quarter ended 31st March 2016

10.4 Movement in provision for impairment

		Unaudited March 2016	Audited June 2015
		(Rupees)	
Opening balance		(502,409,244)	(74,400,000)
Reversal on sale of investment		286,359,943	-
Provision during the period		-	(428,009,244)
Reclassified to short term investment on loss of significant influence		141,649,301	-
Closing balance		(74,400,000)	(502,409,244)
11. INVESTMENT PROPERTY			
Opening balance		2,661,504,400	2,661,504,400
Increase in fair value		226,875,000	-
Fair value - closing balance		2,888,379,400	2,661,504,400
12. LOANS AND ADVANCES			
<i>Unsecured</i>			
Advances:			
- for new investment		-	425,494,937
- against salaries		971,554	764,705
Loan to related party:			
Aisha Steel Mills Limited	12.1	702,080,825	493,156,204
		703,052,379	919,415,846
<i>Secured</i>			
Receivable against reverse repurchase agreement (Reverse repo)		-	153,876,830
Loans to related parties:			
Aisha Steel Mills Limited	12.2	14,605,887	14,605,887
Javedan Corporation Limited	12.3	200,000,000	-
		917,658,266	1,087,898,563

- 12.1** The mark-up rate on the said loan is 3 month KIBOR plus 3% per annum. Mark-up is payable on quarterly basis. The effective mark-up charged during the period was 9.76% to 10.29% (30 June 2015: 10.99% to 13.43%) per annum. The loan is repayable within 30 business days on notice of demand.
- 12.2** The loan is secured against first charge on all present and future fixed assets, accounts receivables and interest in any insurance claim and equitable mortgage of land and building. The mark-up rate in the said loan is 6 month KIBOR + 3.25% per annum (30 June 2015: 6 months KIBOR + 3.25% per annum). The effective rate of markup on the loan during the period was 10.29% (30 June 2015: ranged between 11.23% to 13.42%) per annum. Mark-up is payable on semi-annually basis.
- 12.3** The mark-up rate on said loan is 3 month KIBOR plus 2.65% and is repayable on a quarterly basis. The effective rate of mark-up charged during the period ranged between 9.25% to 9.64% (30 June 2015: Nil) per annum. The loan is repayable within 30 business days of notice of demand by the Company.

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the nine months period and quarter ended 31st March 2016

- 12.4** Maximum balance due from related party during the period was Rs. 2,935.931 million (30 June 2015: Rs. 1,361.5 million).

13. ASSET HELD FOR SALE

During the period, the Board of Directors of the Company has decided to liquidate Arif Habib DMCC, subsidiary company subject to approval of the Dubai Multi Commodities Centre Authority. Accordingly the investment is classified as an asset held for sale. Management considers that realisable value of underlying investee company is higher than its carrying amount and consequently management is not expecting to incur impairment thereagainst.

14. OPERATING REVENUE

	Nine months period ended		Quarter ended	
	March 2016	March 2015	March 2016	March 2015
	(Rupees)		(Rupees)	
Dividend income	336,890,127	264,766,337	32,496,250	32,506,876
Markup on loans and advances	119,309,274	125,622,658	14,187,640	41,087,134
Profit on bank accounts	6,122,964	249,648	1,532,167	81,534
Income from reverse repurchase transactions	16,530,577	40,935,197	-	12,359,880
Put option fee	59,944,022	61,050,000	19,244,022	20,350,000
Gain on sale of securities - net	14.1 1,515,228,102	48,307,311	440,556,655	25,108,998
Unrealised (loss) / gain on remeasurement of investments-net	(972,475,866)	3,902,282,239	(2,710,954,698)	1,014,705,426
	1,081,549,200	4,443,213,390	(2,202,937,964)	1,146,199,848

- 14.1** This includes amount tendered to Javedan Corporation Limited (JCL) amounting to Rs. 1.964 million (2015: Nil) on gain that arise on trading of shares of JCL by the Company under Section 105 of the Securities Act 2015.

15. TAXATION

	Nine months period ended		Quarter ended	
	March 2016	March 2015	March 2016	March 2015
	(Rupees)		(Rupees)	
For the period				
- Current	(40,677,254)	(28,752,712)	39,466,836	(3,988,657)
- Deferred	(233,146,058)	(75,189,045)	(232,226,192)	7,649,426
	(273,823,312)	(103,941,757)	(192,759,356)	3,660,769

- 15.1** The Finance Act, 2015 introduced a new tax under Section 5A of the Income Tax Ordinance, 2001 at the rate of ten percent on 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 distributes dividends to such an extent that its reserves, after such distribution, are in excess of 100% of its paid up capital, so much of its reserves as exceed the threshold shall be treated as income of the said company. However, this tax on undistributed reserves is not applicable to a public company which distributes profit equal to either 40% 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.

Board of Directors of the Company intends to distribute sufficient cash dividend for the year ending 30 June 2016 to comply with the above stated requirement. Accordingly, no provision for tax on undistributed reserves has been recognized in these condensed interim unconsolidated financial information.

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the nine months period and quarter ended 31st March 2016

16. CASH USED IN OPERATIONS

	Nine months period ended	
	March 2016	March 2015
	(Rupees)	
Profit before tax	998,755,839	4,050,638,687
Adjustments for non cash and other items		
Depreciation and amortization	6,448,635	7,436,892
Dividend income	(336,890,127)	(264,766,337)
Mark-up on loans and advances	(119,309,274)	(125,622,658)
Gain on disposal of long term investments	(1,515,228,102)	(236,148,554)
Loss on disposal of asset	3,396	25,040
Unrealised loss / (gain) on remeasurement of investment	972,475,866	(3,902,282,239)
Unrealised gain on remeasurement of investment property	(226,875,000)	-
Income from reverse repurchase transactions	(16,530,577)	(40,935,197)
Workers' Welfare fund	-	82,624,976
Finance cost	229,395,043	197,031,245
	(1,006,510,140)	(4,282,636,832)
	(7,754,301)	(231,998,145)
Changes in working capital		
<i>Increase in current assets</i>		
Loans and advances - net of repayments	170,240,297	(643,204,678)
Prepayments	10,872,287	842,775
Other receivables	1,214,283,882	(106,522)
Short term investments	(2,308,331,788)	507,444,434
Asset held for sale	(29,945,898)	27,891,903
	(942,881,220)	(107,132,088)
<i>Increase / (decrease) in current liabilities</i>		
Trade and other payables	88,703,145	(132,720,218)
Cash used in operations	(861,932,376)	(471,850,451)

17. CASH AND CASH EQUIVALENTS

Cash and bank balances	24,774,211	25,803,124
Short term borrowings	(2,192,263,901)	(1,792,586,900)
	(2,167,489,690)	(1,766,783,776)

18. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. This condensed interim unconsolidated financial information does not include all financial risk management information and disclosures required in the audited annual unconsolidated financial statements; they should be read in conjunction with the Company's audited annual unconsolidated financial statements as at 30 June 2015 as financial risk management objectives and policies are consistent with the prior year.

Financial Instruments carried at fair value

Fair value hierarchy

The table on the next page analyses financial instruments carried at fair value, by valuation method.

The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the nine months period and quarter ended 31st March 2016

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

	Level 1	Level 2 (Rupees)	Level 3	Total
31 March 2016				
Financial assets at fair value through profit or loss				
Equity securities	16,133,196,385	-	12,150,000,000	28,283,196,385
Available-for-sale financial assets				
Equity securities	100,000	-	-	100,000
Financial Liabilities				
Put option and option arrangement	-	-	115,375,586	115,375,586

The Company has an established control framework with respect to the measurement of fair values. The Company's finance department performs the valuations of financial assets required for financial reporting purposes, including Level 3 fair values. The Company engages valuation expert to assist in performing level 3 valuations. The fair value of a security listed on the stock exchange is valued at the closing price at the measurement date. For unquoted equity securities, the fair value is determined using a valuation techniques including discounted cash flow method. Assumptions and input used in valuation techniques include risk free rate, bond and equity prices, foreign currency exchange rates etc. Valuation models for valuing securities for which there is no active market requires significant unobservable inputs and a high degree of management judgment and estimation in the determination of fair value. Management's judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on which the financial instrument is being valued and selection of appropriate discount rates, etc.

Assumptions and inputs used to determine level 3 fair value measurement is same as in the previous year and no significant / material changes occurred in valuation assumptions and inputs during the period. The Company has the policy to recognize transfers into and transfers out of fair value hierarchy levels as on the date of the event or change in circumstances that caused the transfer. There were no changes in valuation techniques and no transfer in and out of fair value hierarchy occurred during the period.

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the nine months period and quarter ended 31st March 2016

Financial instruments by category

The table below provides reconciliation of the line items in the Company's statement of financial position to the categories of financial instruments.

	At fair value 'through profit or loss' - held for trading	Designated at fair value through profit or loss	Loans and receivables	Available for sale	Cost/ amortized cost	Total carrying amount	Fair Value
(Rupees)							
31 March 2016							
Financial assets							
Cash and bank balances	-	-	-	-	24,774,211	24,774,211	-
Long term investments	-	23,343,026,981	-	100,000	5,258,140,246	28,601,267,227	28,106,188,128
Short term investments*	4,313,091,575	-	-	627,077,829	-	4,940,169,404	4,940,169,404
Long term deposits	-	-	-	-	104,590	104,590	-
Loans and advances	-	-	916,686,712	-	-	916,686,712	-
Markup receivable	-	-	28,211,246	-	-	28,211,246	-
Other receivables	-	-	808,082	-	-	808,082	-
	<u>4,313,091,575</u>	<u>23,343,026,981</u>	<u>945,706,040</u>	<u>627,177,829</u>	<u>5,283,019,047</u>	<u>34,512,021,472</u>	<u>33,046,357,532</u>
Financial liabilities							
Long term loan	-	-	-	-	197,926,946	197,926,946	-
Interest/mark-up accrued on borrowings	-	-	-	-	184,535,115	184,535,115	-
Long term payable	-	-	-	-	1,700,179,646	1,700,179,646	-
Trade and other payables**	115,375,586	-	-	-	1,904,279,623	2,019,655,209	115,375,586
Current maturity of long term loan	-	-	-	-	124,035,322	124,035,322	-
Short term borrowings	-	-	-	-	2,192,263,901	2,192,263,901	-
	<u>115,375,586</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,303,220,553</u>	<u>6,418,596,139</u>	<u>115,375,586</u>

The financial instruments not accounted for at fair value are those financial assets and liabilities whose carrying amounts approximate its fair value.

*This includes Rs. 3.999 billion invested in ordinary shares of Silkbank Limited during the period.

**This includes option arrangement entered during the period (refer note 6 for option arrangement).

19. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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 entered into at commercial terms and conditions. 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.

Transactions and balances with related parties during the period other than those disclosed elsewhere in the condensed interim unconsolidated financial information are given below:

	Nine months period ended	
	March 2016	March 2015
	(Rupees)	
Transactions with Subsidiaries		
Services availed	6,551,038	5,339,089
Loan extended	1,750,000,000	260,000,000
Loan repayment	1,750,000,000	270,000,000
Mark-up income accrued on loan and advance	41,819,635	6,956,651
Dividend income	265,648,159	189,748,665
Subscription of right shares/ fresh equity investment	1,997,965,000	40,000,000

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the nine months period and quarter ended 31st March 2016

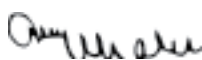
	Nine months period ended	
	March 2016	March 2015
	(Rupees)	
Transactions with Associates		
Dividend income	70,411,168	64,992,500
Dividend received	70,411,168	64,992,500
Markup on loan and advance	13,329,507	118,666,007
Markup income received	13,329,507	80,818,856
Loan extended	1,057,066,621	1,980,394,225
Loan repayment	751,811,009	1,120,538,586
Guarantee commission	1,550,898	1,350,000
Transactions with Other related parties		
Dividend income	817,209	-
Dividend received	817,209	-
Provident fund contribution	2,479,348	1,274,422
Payment of rent and maintenance charges	4,768,955	14,954,651
Markup on loan and advance	64,160,133	-
Markup income received	55,890,753	-
Markup on loan from Summit Bank	36,337,411	30,994,809
Loan extended	357,066,621	-
Loan repayment	251,811,009	-
Gurrantee comission	675,000	-
Remuneration to Key management personnel		
Remuneration	15,618,678	14,942,944
	Unaudited March 2016	Audited June 2015
	(Rupees)	

Balances as at :

Commission on guarantee receivable from Javedan Corporation Limited	100,002	50,000
Markup receivable from Aisha Steel Mills Limited	17,571,576	45,692,038
Markup receivable from Javedan Corporation Limited	10,639,670	2,901,087
Commission on guarantee receivable from Aisha Steel Mills Limited	625,000	1,250,000
Commission on guarantee receivable from Power Cement Limited	66,970	-
Markup payable to Summit Bank Limited	8,172,889	25,071,932
Payable to Arif Habib Limited against purchase of listed securities from stock exchange under T+2 settlement method	-	2,455,734
Payable to Javedan Corporation Limited	1,700,179,646	1,700,179,646

20. DATE OF AUTHORIZATION FOR ISSUE

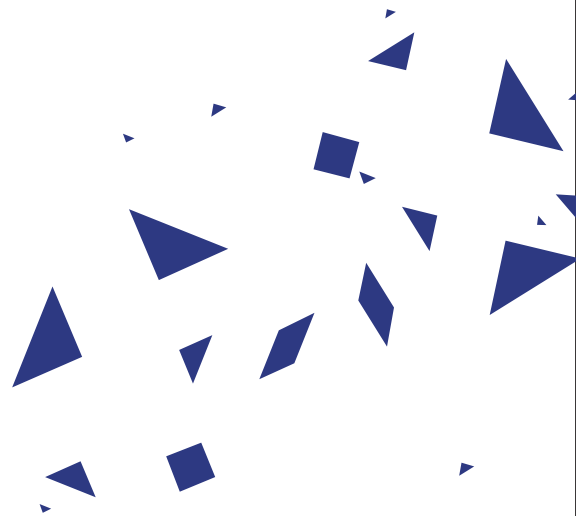
This condensed interim unconsolidated financial information has been authorized for issue on 29th April 2016 by the Board of Directors of the Company.



Chief Executive Officer



Director



Condensed Interim Consolidated Financial Information

For the nine months period and quarter ended 31st March 2016

Condensed Interim Consolidated Balance Sheet

As at 31st March 2016

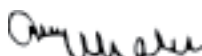
	Note	Unaudited March 2016	Audited June 2015
(Rupees)			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital 1,000,000,000 ordinary shares of Rs. 10 each		10,000,000,000	10,000,000,000
Issued, subscribed and paid-up share capital		4,537,500,000	4,537,500,000
Reserves		16,151,691,115	13,705,671,841
Equity attributable to owners of the Parent		20,689,191,115	18,243,171,841
Non-Controlling interest		665,194,530	1,550,040,084
		21,354,385,645	19,793,211,925
Surplus on revaluation of fixed assets		15,432,500	15,432,500
Non-current liabilities			
Long term loans		197,408,578	1,252,251,503
Loans from related parties - unsecured		-	1,180,989,352
Long term payable		1,700,179,646	1,700,179,646
Liabilities against assets subject to finance lease		2,729,076	1,660,874
Deferred liability - Staff gratuity		1,485,983	50,073,519
Deferred taxation - net		660,823,454	621,315,664
		2,562,626,737	4,806,470,558
Current liabilities			
Loan from previous sponsors		-	735,000
Trade and other payables		2,476,094,573	3,124,271,790
Interest / mark-up accrued on borrowings		225,967,850	102,354,574
Short term borrowings - secured		4,251,784,260	4,621,066,027
Current portion of long term loans		123,604,294	544,143,322
Current portion of liabilities against assets subject to finance lease		1,118,215	500,013
Provision for taxation		635,233,558	670,102,867
Payable against sale of securities		-	44,558,395
Liabilities held for sale	6	13,236,772	-
		7,727,039,522	9,107,731,988
		31,659,484,404	33,722,846,971
Contingencies and commitments			
	4		

Condensed Interim Consolidated Balance Sheet

As at 31st March 2016

	Note	Unaudited March 2016	Audited June 2015
(Rupees)			
ASSETS			
Non-current assets			
Property, plant and equipment	5	883,732,631	4,790,605,043
Intangible assets - others		3,621,650	15,037,353
Goodwill		910,206,117	1,163,961,863
Trading right entitlement certificate, membership cards and offices		24,600,000	24,600,000
Equity accounted investees		13,276,133,181	14,293,581,206
Other long term investments		121,442,551	121,442,551
Investment property		3,408,899,374	3,173,144,374
Long term deposits and prepayments		58,100,178	47,599,877
		18,686,735,682	23,629,972,267
Current assets			
Stock-in-trade		-	284,975,000
Stores, spares and loose tools		-	562,409,000
Trade debts		659,644,734	791,170,241
Loans and advances - considered good		2,637,003,242	1,349,239,951
Deposits and prepayments		209,944,128	433,919,303
Advance tax		564,870,109	533,133,862
Tax refund due from government		-	287,265,000
Markup receivable		28,211,492	18,856,147
Other receivables - considered good		263,992,747	1,320,649,417
Short term investments		8,104,596,765	1,682,189,185
Cash and bank balances	8	440,314,974	2,829,067,598
Assets held for sale	6	64,170,531	-
		12,972,748,722	10,092,874,704
		31,659,484,404	33,722,846,971

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



Chief Executive Officer



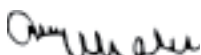
Director

Condensed Interim Consolidated Profit and Loss Account (Unaudited)

For the nine months period and quarter ended 31st March 2016

Note	Nine months period ended		Quarter ended	
	March 2016	March 2015 Restated	March 2016	March 2015 Restated
	(Rupees)		(Rupees)	
Continuing Operations				
Operating revenue	1,366,059,639	1,515,725,230	280,888,336	373,663,193
Unrealised gain on remeasurement of investment property	226,875,000	-	226,875,000	-
Operating, administrative and other expenses	(292,455,361)	(472,586,028)	(93,583,827)	(137,374,291)
Operating profit	1,300,479,278	1,043,139,202	414,179,509	236,288,902
Other income	126,759,210	177,854,303	45,389,811	158,170,057
Finance cost	(301,187,652)	(375,182,363)	(111,866,559)	(187,949,194)
Other charges	(6,952,560)	(98,064,730)	60,591,860	27,535,982
	1,119,098,276	747,746,412	408,294,621	234,045,747
Share of profit / (loss) of equity-accounted associates - net of tax	3,277,760,469	1,197,552,879	454,553,990	(42,038,816)
Profit before tax	4,396,858,745	1,945,299,291	862,848,611	192,006,931
Taxation				
For the period				
- Current	(99,433,046)	(165,467,460)	27,411,201	(36,741,322)
- Deferred	(244,206,356)	(98,986,001)	(50,333,544)	133,195,639
	(343,639,402)	(264,453,461)	(22,922,343)	96,454,317
Profit after tax from continuing operations	4,053,219,343	1,680,845,830	839,926,268	288,461,248
Discontinued operations 6				
Profit for the year from discontinued operations - net of tax	315,223,658	333,809,369	21,054,529	89,004,724
Gain on loss of control of subsidiary	644,631,326	-	-	-
	959,854,984	333,809,369	21,054,529	89,004,724
Profit for the period	5,013,074,327	2,014,655,199	860,980,797	377,465,972
Profit attributable to:				
Equity holders of the				
Parent Company	4,802,485,628	1,696,777,153	845,607,669	278,503,083
Non-controlling interests	210,588,699	317,878,046	15,373,128	98,962,889
	5,013,074,327	2,014,655,199	860,980,797	377,465,972
Earnings per share - basic & diluted				
From continuing operations	8.76	3.32	1.83	0.50
From discontinued operations	1.82	0.42	0.03	0.11
	10.58	3.74	1.86	0.61

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



Chief Executive Officer



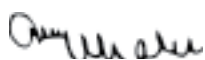
Director

Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited)

For the nine months period and quarter ended 31st March 2016

	Nine months period ended		Quarter ended	
	March 2016	March 2015 Restated	March 2016	March 2015 Restated
	(Rupees)		(Rupees)	
Profit after tax	5,013,074,327	2,014,655,199	839,926,268	377,465,972
Other comprehensive income				
<i>Items that are to be reclassified subsequently to profit and loss account</i>				
Unrealised appreciation / (diminution) during the period on remeasurement of investments classified as 'available for sale'	(486,757,386)	-	-	-
Effect of translation of net assets of foreign subsidiary to presentation currency - net	718,235	789,060	-	115,072
Share of other comprehensive income of equity-accounted associates -net of tax	(538,132)	-	(51,861,268)	-
Reclassification of share of other comprehensive income of equity - accounted investee on loss of significant influence	(1,976,494)	-	-	-
Other comprehensive income for the period	(488,553,777)	789,060	(51,861,268)	115,072
Total comprehensive income for the period	4,524,520,550	2,015,444,259	788,065,000	377,581,044
Total comprehensive income attributable to:				
Equity holders of Arif Habib Corporation Limited	4,313,931,851	1,697,566,213	772,691,872	133,390,221
Non-controlling interests	210,588,699	317,878,046	15,373,128	244,190,823
	4,524,520,550	2,015,444,259	788,065,000	377,581,044

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



Chief Executive Officer



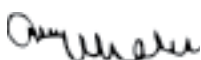
Director

Condensed Interim Consolidated Cash Flow Statement (Unaudited)

For the nine months period and quarter ended 31st March 2016

		Nine months period ended	
	Note	March 2016	March 2015
		(Rupees)	
CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES	7	(4,549,831,215)	207,972,625
Taxes paid		(208,977,168)	(82,360,606)
Finance cost paid		(161,919,376)	(656,398,116)
Interest received		54,815,969	17,236,807
Net cash used in operating activities		(4,865,911,790)	(513,549,290)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		(553,378,334)	(158,118,514)
Proceeds from sale of assets		808,080	1,375,403
Acquisition of intangible assets		847,372	(417,461)
Acquisition of Trading right entitlement certificate		-	(9,500,000)
Acquisition of Investment Property		(235,755,000)	(18,360,000)
Dividend received		70,408,543	115,257,649
Long term loan and advances		-	975,000
Long term investments - net		4,224,799,951	(34,563,465)
Disposal of discontinued operation / acquisition of - net of cash disposed of / acquired		1,551,606,720	-
Long term deposits		(30,577,679)	(5,457,771)
Net cash generated from / (used in) investing activities		5,028,759,653	(108,809,159)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing		(75,611,953)	(57,755,128)
Dividend paid		(2,099,364,635)	(372,863,898)
Deferred liability		(9,028,536)	5,905,276
Lease liability		1,686,404	1,157,318
Net cash used in financing activities		(2,182,318,720)	(423,556,432)
Net decrease in cash and cash equivalents		(2,019,470,857)	(1,045,914,881)
Cash and cash equivalents at beginning of the period		(1,791,998,429)	(4,082,919,304)
Cash and cash equivalents at end of the period	8	(3,811,469,286)	(5,128,834,185)

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



Chief Executive Officer



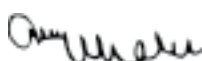
Director

Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)

For the nine months period and quarter ended 31st March 2016

	Equity attributable to owners of the Parent						Non-controlling interests	Total equity
	Issued, subscribed and paid up share capital	Unrealized (diminution) / appreciation on remeasurement of investments classified as 'available for sale'	Exchange difference on translation to presentation currency	General reserve	Unappropriated profit	Total		
	(Rupees)							
Balance as at 1 July 2014	4,537,500,000	68,004,298	48,111,521	4,019,567,665	7,216,972,718	15,890,156,202	1,055,597,355	16,945,753,557
Total comprehensive income for the six months period								
Profit for the nine months period ended 31 March 2015	-	-	-	-	1,696,777,153	1,696,777,153	317,878,046	2,014,655,199
Other comprehensive income								
Effect of translation of net assets of foreign subsidiary to presentation currency - net	-	-	789,060	-	-	789,060	-	789,060
Share of other comprehensive income of equity-accounted associates -net of tax	-	-	-	-	-	-	-	-
Reclassification adjustments relating to gain realized on disposal of investments classified as 'available for sale' -net of tax	-	-	-	-	-	-	-	-
	-	-	789,060	-	1,696,777,153	1,697,566,213	317,878,046	2,015,444,259
Transactions with owners								
Distribution: Final cash dividend for the year ended 30 June 2014	-	-	-	-	(1,134,375,000)	(1,134,375,000)	(85,251,315)	(1,219,626,315)
Increase in non-controlling interest on further disposal	-	-	-	-	57,458,857	57,458,857	85,962,898	143,421,755
	-	-	-	-	(1,076,916,143)	(1,076,916,143)	711,583	(1,076,204,560)
Balance as at 31 March 2015	4,537,500,000	68,004,298	48,900,581	4,019,567,665	7,836,833,728	16,510,806,272	1,374,186,984	17,884,993,256
Balance as at 1 July 2015	4,537,500,000	115,262,601	46,886,652	4,019,567,665	9,523,954,923	18,243,171,841	1,550,040,084	19,793,211,925
Total comprehensive income for the six months period								
Profit for the nine months period ended 31 March 2016	-	-	-	-	4,802,485,628	4,802,485,628	210,588,699	5,013,074,327
Other comprehensive income								
Unrealised appreciation / (diminution) during the period on remeasurement of investments classified as 'available for sale'	-	(486,757,386)	-	-	-	(486,757,386)	-	(486,757,386)
Effect of translation of net assets of foreign subsidiary to presentation currency - net	-	-	718,235	-	-	718,235	-	718,235
Share of other comprehensive income of equity-accounted associates -net of tax	-	(538,132)	-	-	-	(538,132)	-	(538,132)
Reclassification of share of other comprehensive income of equity - accounted investee on loss of significant influence	-	(1,976,494)	-	-	-	(1,976,494)	-	(1,976,494)
	-	(489,272,012)	718,235	-	4,802,485,628	4,313,931,851	210,588,699	4,524,520,550
Transactions with owners								
Distribution: Final cash dividend for the year ended 30 June 2015	-	-	-	-	(1,815,000,000)	(1,815,000,000)	(119,351,841)	(1,934,351,841)
Disposal of equity interest in subsidiary with loss of control	-	-	-	-	-	-	(893,040,599)	(893,040,599)
Acquisition of non-controlling interest without change in control	-	-	-	-	(52,912,577)	(52,912,577)	(83,041,813)	(135,954,390)
	-	-	-	-	(1,867,912,577)	(1,867,912,577)	(1,095,434,253)	(2,963,346,830)
Balance as at 31 March 2016	4,537,500,000	(374,009,411)	47,604,887	4,019,567,665	12,458,527,974	20,689,191,115	665,194,530	21,354,385,645

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



Chief Executive Officer



Director

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the nine months period and quarter ended 31st March 2016

1. LEGAL STATUS AND NATURE OF BUSINESS

Arif Habib Corporation Limited, ("the Parent Company") was incorporated in Pakistan on 14 November 1994 as a public limited company under the Companies Ordinance, 1984. The Parent Company is listed on the Pakistan Stock Exchange Limited. The principal activity of the Parent Company is to manage strategic investments in subsidiary companies and associates engaged in Chemical, Fertilizer, Financial services, Real estate, Construction materials, Industrial metal, Steel and other sectors including investments in securities. The registered office of the Parent Company is situated at Arif Habib Centre, 2nd Floor, 23 M. T. Khan Road, Karachi, Pakistan. The Parent Company is domiciled in the province of Sindh.

This condensed interim consolidated financial information of Arif Habib Corporation Limited for the nine months period ended 31 March 2016 comprise of the Parent and following subsidiary companies (hereinafter referred to as "the Group").

<i>Name of Company</i>		Shareholding (including indirect holding)
Subsidiaries	Note	
- Arif Habib Limited, a brokerage house	1.1	<u>73.29%</u>
- Arif Habib Commodities (Private) Limited, investment management of commodities, wholly owned subsidiary of Arif Habib Limited	1.2	<u>73.29%</u>
- Arif Habib 1857 (Private) Limited, investments and share brokerage company, wholly owned subsidiary of Arif Habib Limited	1.3	<u>73.29%</u>
- Pakistan Opportunities Limited (POL)	1.4	<u>85.00%</u>
- Sachal Energy Development (Private) Limited, a wind power generation company	1.5	<u>99.99%</u>

Additionally, AHCL has long term investments in following associates and these are being carried under equity accounting

Associates

- Pakarab Fertilizers Limited	<u>30.00%</u>
- MCB-Arif Habib Savings and Investments Limited	<u>30.09%</u>
- Fatima Fertilizer Company Limited	<u>15.19%</u>

1.1 Arif Habib Limited (AHL) was incorporated in Pakistan on 07 September 2004 under the Companies Ordinance, 1984, as a public limited company. The registered office of AHL is situated at Arif Habib Centre, 23 M.T. Khan Road, Karachi, Pakistan. It is domiciled in the province of Sindh. AHL holds Trading Right Entitlement Certificate of Pakistan Stock Exchanges. The principal activities of AHL are investments, share brokerage, interbank brokerage, initial public offering (IPO) underwriting, advisory and consultancy services.

1.2 Arif Habib Commodities (Private) Limited (AHCPL) was incorporated on 2 April 2012 as a private limited company under the Companies Ordinance, 1984. The registered office of the AHCPL is located at Arif Habib Centre Karachi. The principal activity of AHCPL is to effectively manage investment portfolios in commodities. The AHCPL is a wholly owned Company of Arif Habib Limited. AHCPL holds license of Pakistan Mercantile Exchange (PMEX).

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the nine months period and quarter ended 31st March 2016

- 1.3** Arif Habib 1857 (Private) Limited (AH1857) was incorporated on 17 July 2014 AS A PRIVATE LIMITED COMPANY in Pakistan under Companies Ordinance, 1984. The registered office of the Company is located at Arif Habib Centre, 23 M.T. Khan road, Karachi. The principal activities of the Company are investment and shares brokerage. The AH1857 is a wholly owned Subsidiary of Arif Habib Limited. AH1857 holds Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange Limited.
- 1.4** Pakistan Opportunities Limited (POL) was incorporated in Pakistan on 6 September 2006 under the Companies Ordinance, 1984 as a public limited company (Un-Quoted). The registered office of the POL is situated at 23 M.T. Khan Road, Karachi, Pakistan.
- 1.5** Sachal Energy Development (Private) Limited (SEDPL) is a company incorporated in Pakistan under the Companies Ordinance, 1984 on 20 November 2006. SEDPL's registered office is located in Islamabad, Pakistan with the objectives to carry out the business of purchasing, generating, importing, distributing, supplying and dealing in electricity and all other form of energy and the related services. SEDPL has achieved financial close on 17 December 2015. It is in process of establishing 49.5MW wind power project in Jhampir, Sindh, Pakistan.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim consolidated financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

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

This condensed interim consolidated financial information does not include all the information required for full financial statements and should be read in conjunction with the annual financial statements as at and for the year ended 30 June 2015.

The comparative balance sheet presented in this condensed interim consolidated financial information has been extracted from the annual audited consolidated financial statements of the Group for the year ended 30 June 2015, whereas the comparative condensed interim consolidated Profit and Loss Account, condensed interim consolidated Statement of Comprehensive Income, condensed interim consolidated

Cash Flow statement and condensed interim consolidated Statement of Changes in Equity are extracted from the unaudited condensed interim consolidated financial information for the period ended 31 March 2015.

This condensed interim consolidated financial information is presented in Pakistan Rupees which is the Group's functional currency and presentation currency. The financial information of one foreign incorporated subsidiary have been translated into Pakistan Rupees for the purpose of these consolidated financial information.

2.2 Significant accounting policies

The accounting policies and methods of computation adopted by the Group in the preparation of this condensed interim consolidated financial information are the same as those applied in preparation of the preceding annual audited consolidated financial statements of the Group as at and for the year ended 30 June 2015.

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

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the nine months period and quarter ended 31st March 2016

2.3 Use of estimates and judgments

The preparation of this condensed interim consolidated financial information in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience. Actual results may differ from these estimates.

In preparing this condensed interim consolidated financial information, significant judgments made by management and the key sources of estimating uncertainty were the same as those that were applied to the annual audited consolidated financial statements of the Company as at and for the year ended 30 June 2015.

3. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the annual audited consolidated financial statements of the Group as at and for the year ended 30 June 2015.

4. CONTINGENCIES AND COMMITMENT

Parent Company

During the period, the Company has issued Corporate Guarantees, on behalf of a subsidiary namely Sachal Energy Development (Private) Limited (SEDPL) amounting to USD 1,732,500. The guarantee has been issued in favour of National Transmission and Dispatch Company (NTDC) in pursuance of Energy Purchase Agreement entered between SEDPL and NTDC.

There are no other changes in the status of contingencies and commitments as disclosed in the preceding annual audited consolidated financial statements as at and in the year ended 30 June 2015.

AHL, Subsidiary Company

There are no other changes in the status of contingencies as disclosed in the preceding annual audited consolidated financial statements as at and in the year ended 30 June 2015.

Further following commitments are outstanding as at the period end

	Unaudited March 2016	Audited 30 June 2015
	(Rupees)	
- Outstanding Settlements against Marginal Trading contracts	1,718,684,725	1,286,119,630
- Outstanding Settlements against (purchase)/sale of securities in regular market.	199,629,325	87,182,861
- Guarantee given by a commercial bank on behalf of the company	100,000,000	100,000,000
	<u>2,018,314,050</u>	<u>1,473,302,491</u>

5. PROPERTY AND EQUIPMENT

Capital expenditure incurred during the period amounted to Rs 553.38 million. Further, assets having WDV of Rs. 0.86 million were sold for Rs. 0.81 million.

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the nine months period and quarter ended 31st March 2016

6. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

During the period, the Board of Directors of the Parent Company has decided to liquidate Arif Habib DMCC, subsidiary company, subject to approval of the Dubai Multi Commodities Centre Authority. Accordingly the assets and liabilities of the subsidiary are presented as disposal group classified as held for sale and its results presented as discontinued operations. Management considers that realisable value of underlying investee company is higher than its carrying amount and consequently management is not expecting to incur impairment thereagainst.

Further during the period, Parent Company has lost control of Power Cement Limited, a subsidiary, by reducing its stake to 0.77%. Accordingly, results of the Subsidiary are presented as discontinued operations.

The above Subsidiaries were not discontinued operations or classified as held for sale as at 30 June 2015 and comparative profit and loss account has been represented to show the discontinued operation separately from continuing operations

7. CASH GENERATED FROM OPERATIONS

	Nine months period ended	
	March 2016	March 2015
	(Rupees)	
Profit before tax from continuing operations	4,396,858,745	1,945,299,291
Profit before tax from discontinued operations	666,519,809	413,445,369
	5,063,378,554	2,358,744,660
Adjustments for:		
Depreciation	13,572,408	109,878,697
Loss / (gain) on sale of property and equipment	54,855	(332,146)
Gain on loss of control of a subsidiary disposal of investment	(644,631,326)	-
Unrealised gain on remeasurement of investment property	(226,875,000)	(106,383,374)
Unrealised loss on short term investments	1,345,798,480	150,550,369
Share of profit of equity-accounted associates - net of tax	(3,277,760,469)	(1,197,552,879)
Amortization	847,372	980,722
Mark-up on loans and advances	(64,171,314)	(91,232,493)
Dividend income	-	(50,265,149)
Finance cost	301,187,652	658,034,363
	(2,551,977,342)	(526,321,890)
Operating profit before working capital changes	2,511,401,212	1,832,422,770
Changes in working capital:		
<i>Increase in current assets</i>		
Stock in trade	-	(46,789,000)
Store and spares	-	123,468,000
Trade debts	(128,196,493)	(2,122,497,654)
Loans and advances	(1,340,615,291)	(373,971,335)
Deposits and prepayments	216,246,743	(216,613,536)
Tax refund due from government	-	(41,535,000)
Receivable against sale of securities - net	-	797,382,506
Other receivables	1,056,358,895	(143,535,606)
Short term investments	(6,907,421,910)	121,153,956
Assets and liabilities held for sale	(50,933,759)	41,900,809
<i>Increase in current liabilities</i>		
Trade and other payables	137,887,783	236,586,715
Payable against sale of securities	(44,558,395)	-
	(7,061,232,427)	(1,624,450,145)
Cash (used in) / generated from operations	(4,549,831,215)	207,972,625

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the nine months period and quarter ended 31st March 2016

8. CASH AND CASH EQUIVALENTS

	Nine months period ended	
	March 2016	March 2015
	(Rupees)	
Cash and bank balances	440,314,974	329,665,537
Short term borrowings	(4,251,784,260)	(5,458,499,722)
	(3,811,469,286)	(5,128,834,185)

9. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of the Group companies, directors and their close family members, major shareholders of the Group, key management personnel and staff provident fund. Transactions with related parties are on arm's length. Remuneration and benefits to executives of the Group are in accordance with the terms of the employment while contribution to the provident fund is in accordance with staff service rules.

Transactions with related parties during the period other than those disclosed elsewhere in these consolidated financial information are given below:

	Nine months period ended	
	March 2016	March 2015
	(Rupees)	
Transaction with associates		
Dividend income	70,411,168	64,992,500
Dividend received	70,411,168	64,992,500
Mark-up on loan and advance	13,329,507	118,666,007
Mark-up income received	13,329,507	80,818,856
Loan extended	1,057,066,621	1,980,394,225
Loan repayment	751,811,009	1,120,538,586
Sale of goods	-	13,810,000
Commission on guarantees	1,550,898	1,350,000
Transaction with Other related party		
Dividend income	817,209	-
Dividend received	817,209	-
Provident fund contribution	4,426,146	3,432,923
Payment of rent and maintenance charges	20,442,815	30,628,511
Mark-up on loan and advance	64,823,358	-
Mark-up income received	55,890,753	-
Mark-up on borrowing	36,337,411	30,994,809
Loan extended	357,066,621	-
Loan repayment	251,811,009	190,000,000
Guarantee commission	675,000	-
Sale of goods and services	6,171,145	22,470,000
Payment to key management personnel	77,471,647	69,344,753
Brokerage commission and other services	9,029,532	-

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the nine months period and quarter ended 31st March 2016

	Unaudited 31 March 2016	Audited 30 June 2015
	(Rupees)	
Balances as at		
Commission on guarantee receivable from Javedan Corporation Limited	100,002	-
Mark-up receivable from Aisha Steel Mills Limited	17,571,576	15,723,167
Mark-up receivable from Javedan Corporation Limited	10,639,670	2,901,087
Commission on guarantee receivable from Aisha Steel Mills Limited	625,000	-
Mark-up payable to Summit Bank Limited	8,172,889	25,071,932
Payable to Javedan Corporation Limited	1,700,179,646	1,700,179,646
Loan to Aisha Steel Mills Limited	716,686,712	507,762,091
Loan to Javedan Corporation Limited	200,000,000	-
Trade receivable from Safe Mix Concrete Products Limited	-	8,036,000
Trade receivable from Javedan Corporation Limited	-	6,523,000
Trade receivable from Aisha Steel Mills Limited	-	165,000
Loan payable to Mr. Arif Habib	-	1,325,500,000

10. REPORTABLE SEGMENTS

10.1 The group has three reportable segments: Capital Market Operations, Brokerage and others. The capital market operations' segment is principally engaged in trading of equity securities and maintaining strategic and trading portfolios. The brokerage segment is principally engaged in brokerage, underwriting, corporate consultancy, research and corporate finance services. Others includes assets of energy development entity.

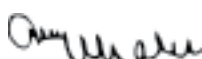
10.2 The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies in the last published annual audited consolidated financial statements for the year ended 30 June 2015. The group evaluates performance on the basis of profit or loss from operations before tax expense not including non-recurring gains and losses and foreign exchange gains and losses. The group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at current market price unless disclosed otherwise.

10.3 The group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology, professional skills and marketing strategies. Most of the businesses were acquired as individual units, and the management at the time of the acquisition was retained.

10.4 The group does not allocate tax expense / tax income or non-recurring gains and losses to reportable segments. In addition, not all reportable segments have material non-cash items other than depreciation, amortization and remeasurement of equity and debt instruments in profit or loss.

11. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim consolidated financial information has been authorized for issue on 29th April 2016 by the Board of Directors of the Company.



Chief Executive Officer



Director



Arif Habib Corp

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