

JULY - SEPTEMBER

2009

QUARTERLY REPORT



Promoting Investment



ARIF HABIB
SECURITIES LTD.



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Company Information

Board of Directors

Arif Habib
Asadullah Khawaja
Kashif A. Habib
Muhammad Akmal Jameel
Muhammad Khubaib
Nasim Beg
Sirajuddin Cassim
Syed Ajaz Ahmed Zaidi

Chairman & Chief Executive
Director
Director
Director
Director
Director
Director
Director

Company Secretary

Tahir Iqbal

Audit Committee

Sirajuddin Cassim
Kashif A. Habib
Muhammad Akmal Jameel
Syed Ajaz Ahmed Zaidi

Chairman
Member
Member
Member

Management

Arif Habib
Tahir Iqbal

Chief Executive Officer
Chief Financial Officer



Bankers

Allied Bank Limited
Arif Habib Bank Limited
Atlas Bank Limited
Bank Al Falah Limited
Bank Al-Habib Limited
Faysal Bank Limited
First Women Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
KASB Bank Limited
MCB Bank Limited
My Bank Limited
National Bank of Pakistan
NIB Bank Limited
Standard Chartered Bank
(Pakistan) Limited
Soneri Bank Limited
The Bank of Punjab
United Bank Limited

Auditors

KPMG Taseer Hadi & Co.,
Chartered Accountants

Legal Advisors

Bawaney & Partners

Registered & Corporate Office

Arif Habib Centre
23, M. T. Khan Road, Karachi-74000
Phone: (0213)2460717-19
Fax No: (0213)2429653, 2470496
E-mail: ahsl@arifhabib.com.pk
Website: www.arifhabib.com.pk

Registrar & Share Transfer Agent

Technology Trade (Pvt.) Ltd.
Dagia House, 241-C, Block-2,
PECHS
Off: Shahrah-e-Quaideen, Karachi.
Ph: (021) 4391316-7
Fax: (021)4391318



Directors' Review Report

Dear Shareholders

On behalf of the Board of Directors of Arif Habib Securities Limited, I am pleased to present the Directors' review report of the Company together with interim condensed unconsolidated and consolidated financial statements for the first quarter ended 30th September 2009.

Economic and Market Review

During the period under review, the economy started to stabilize with improvement in macroeconomic indicators namely inflation, trade and budget deficits and foreign currency reserves, which resulted in better corporate performance of companies.

As a result of the improved economic environment, the stock market has done well registering an appreciation of 30.5% in KSE 100 Index reaching at 9,349.67 points. The KSE market capitalization increased to Rs.2,737 billion from Rs.2,124 billion during the first quarter under review. Net inflow of foreign portfolio investment has also contributed to the positive performance of the Market.

The improved economic and market conditions have benefited our listed as well as unlisted investments.

Financial Results

By the grace of Allah, our company has been able to record robust profitability during the quarter under review. It has earned an after tax profit of Rs. 2,012 billion as compared to a loss of Rs.269.904 million in corresponding period last year. This translates to an earning of Rs. 5.37 per share.

This impressive performance is attributable to good dividend payouts and growth posted by our strategic investee companies as well as unrealized gains on investments both portfolio and strategic.



Performance of Subsidiaries and Associates

Subsidiaries and associates, in which your Company has large stakes, have recorded good performance during the period under review. These are brokerage, asset management and fertilizers, whereas the bank for which an agreement to sell has already been entered and other small investments have suffered marginal losses due to the developing stage of their businesses.

Arif Habib Limited (AHL)-the Brokerage House.

It has earned an after tax profit of Rs. 122.343 million translating to an earning of Rs.3.26 per share.

Arif Habib Investments Limited (AHIL)-an AM-2 rated Asset Management Company.

It has earned an after tax profit of Rs. 69.254 million translating to an earning of Rs.2.31 per share.

Arif Habib Bank Limited (AHBL)-an 'A' rated Scheduled Commercial Bank.

The bank has recorded a nominal loss per share of Rs. 0.59 in their third quarter of the current financial year 2009.

During the previous financial year, the Company had entered into an agreement with M/s. Suroor Investments Limited to sell its entire holding of 59.40% in the bank at a price of Rs.9 per share. The transaction is expected to be completed during the month of October 2009.

Pakarab Fertilizers Limited (PFL)-a 30 percent associate of Arif Habib Securities Limited.

PFL has earned a profit after tax of Rs. 388.705 million. During the period under review PFL has declared a specie dividend in shape of shares of Fatima Fertilizer Company Limited at the rate of 50 percent.



Fatima Fertilizer Company Limited (FFCL)-a subsidiary of PFL and associate of the Company.

The project consisting of production facilities of Urea, CAN, NP and NPK with a capacity of 1.58 M tons is nearing completion. It is expected to be commissioned in November 2009. Total cost of project is estimated to be Rs.59 billion. The company has decided to get listed by end of the current calendar year.

Aisha Steel Mills Limited (ASML)-a joint venture of Metal One (subsidiary of Mitsubishi Japan), Universal Metal Corporation-Japan and Arif Habib Securities Limited.

The construction activities have recommenced as issues concerning cost overruns have been sorted out. It is hoped that the project will be commissioned by June 2010.

Al-Abbas Cement Industries Limited (AACIL).

The Company has increased its shareholding in AACIL from 25 to 36 percent as of 30th September 2009, taking the group (AHSL and other partners) shareholding to 77%. AACIL has recorded loss of Rs. 0.49 per share during quarter under review. AACIL is facing pressure due to reduced margin on sale of cement during the period under review.

Sweetwater Dairies Pakistan (Pvt.) Limited (SDPL)-a joint venture of Sweetwater U.S.A, Habib Bank Limited, Unicorn Investment Bank - Bahrain, Gatron group and Arif Habib Securities Limited.

The Company has increased its shareholding in SDPL from 24.9 to 28 percent as of 30th September 2009. Having had a successful proof of concept at its pilot dairy situated 25 kilometers away from Lahore, SDPL is developing 5 more dairies in Punjab with planned capacity of 1000 cows at each dairy. It is expected that full scale commercial production from first dairy shall commence by fourth quarter 2009.



Other Investments - The Company's small investments in Arif Habib DMCC, Pakistan Private Equity Management Limited and S.K.M. Lanka (Pvt.) Limited are in the development phase, whereas its investment in Rozgar Microfinance Bank Limited is performing poorly for which necessary provisions has already made last year in the accounts out of prudence.

Future Outlook

The economy continues to reflect positive signs and despite the challenging law and order situation, the market is continuing on a growth path. The Company's Subsidiaries and Associates in sectors like brokerage, asset management, fertilizers, cement, steel and commodities are progressing as per plans.

Special Note on Financial Statements

Valuation loss on "available for sale" investments

International Accounting Standard 39 - Financial Instruments: Recognition and Measurement (IAS 39) states that available for sale equity investments are impaired when there has been a significant or prolonged decline in the fair value below their cost. Such impairment loss is required to be transferred from equity to profit and loss account. However, due to unprecedented decline in equity security prices and financial crisis prevailing last year, the SECP vide SRO 150(1)/2009 dated 13 February 2009 had allowed that the impairment loss, if any, recognized as on 31 December 2008 by applying quoted market prices to listed equity investments held as "Available for Sale" may be shown under equity. The amount taken to equity adjusted for the affect of any price movements was required to be amortized in the profit and loss account on a quarterly basis during the calendar year ending on 31 December 2009. Further, the unamortized portion of impairment recorded in equity, was to be treated as a charge to profit and loss account for the purposes of distribution as dividend.



Consequently, valuation loss on equity securities classified as available for sale aggregating to Rs.33.257 million has not been recognized as impairment in the profit and loss account in accordance with the option provided in above referred SRO. Had the loss been recognized as impairment in the profit and loss account, the after tax profit for the quarter ended September 30, 2009 would have been lower by the same amount, the profit per share would be lower by Rs.0.09 and the unappropriated profit would have been lower by Rs.33.257 million.

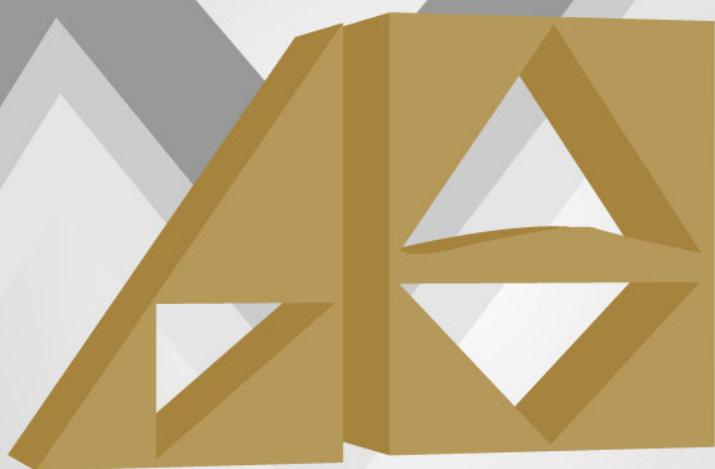
Acknowledgement

We are grateful to the Company's stakeholders for their continuing confidence and patronage. We record our appreciation and thanks to the Ministry of Finance, the Securities & Exchange Commission of Pakistan, the State Bank of Pakistan, Central Depository Company of Pakistan and the managements of Karachi, Lahore, and Islamabad Stock Exchanges for their support and guidance. We acknowledge and appreciate the hard work put in by the employees of the Company during the quarter.

For and on behalf of the Board

Karachi
16 October 2009

Arif Habib
Chairman & Chief Executive



Unconsolidated Financial Statements



Condensed Interim Unconsolidated Balance Sheet

As at 30 September 2009

	Note	Unaudited September 2009	Audited June 2009
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital		<u>10,000,000,000</u>	<u>10,000,000,000</u>
Issued, subscribed and paid up share capital		<u>3,750,000,000</u>	<u>3,750,000,000</u>
Reserves		<u>14,444,536,511</u>	<u>12,385,322,933</u>
		18,194,536,511	16,135,322,933
Non-current liabilities			
Deferred taxation		3,064,222,569	2,950,231,966
Current liabilities			
Trade and other payables		1,337,302,532	110,154,289
Interest/Mark-up accrued on short term borrowings		107,985,778	90,790,200
Short term borrowings		2,624,197,847	2,632,515,667
Provision for taxation		67,500,000	-
		4,136,986,157	2,833,460,156
	Rupees	<u>25,395,745,237</u>	<u>21,919,015,055</u>
Contingencies and commitments	3		



Condensed Interim Unconsolidated Balance Sheet

As at 30 September 2009

	Note	Unaudited September 2009	Audited June 2009
ASSETS			
Non-current assets			
Property and equipment	4	68,984,662	72,156,282
Long term investments	5	17,876,957,373	16,544,539,328
Long term deposits		44,590	44,590
Current assets			
Loans and advances		15,000,000	15,000,000
Prepayments		84,680	112,906
Advance tax		52,844,377	48,865,944
Other receivables		92,259,942	1,946,012
Short term investments		4,609,502,913	2,544,376,775
Cash and bank balances		6,753,014	18,659,532
Asset classified as held for sale	6	2,673,313,686	2,673,313,686
		7,449,758,612	5,302,274,855
Rupees		<u>25,395,745,237</u>	<u>21,919,015,055</u>

The annexed notes form an integral part of these financial statements. The information about impairment loss on available for sale equity securities and its impact on profit and loss account in accordance with SRO 150(1)/2009 issued by Securities and Exchange Commission of Pakistan is disclosed in note 5.4.

CHAIRMAN & C.E.O

DIRECTOR



Condensed Interim Unconsolidated Profit and Loss Account (Unaudited)

For the first quarter ended 30 September 2009

	Note	September 2009	September 2008
Operating revenue		713,344,870	107,289,036
(Loss) / gain on sale of securities-net		(342,610,206)	71,214,192
Gain on remeasurement of investments-net		1,874,855,309	308,829,188
		<u>2,245,589,973</u>	<u>487,332,416</u>
Operating and administrative expenses		(51,101,769)	(41,035,497)
Operating profit		<u>2,194,488,204</u>	<u>446,296,919</u>
Other income		107,105,597	2,113,326
		<u>2,301,593,801</u>	<u>448,410,245</u>
Finance cost		(107,701,880)	(76,821,701)
Profit before tax		<u>2,193,891,921</u>	<u>371,588,544</u>
Taxation			
For the period			
- Current		(67,500,000)	(10,468,402)
- Deferred		(113,990,625)	(631,023,750)
		<u>(181,490,625)</u>	<u>(641,492,152)</u>
Profit / (loss) after tax	Rupees	<u>2,012,401,296</u>	<u>(269,903,608)</u>
Earnings / (loss) per share			
- basic and diluted	Rupees	<u>5.37</u>	<u>(0.72)</u>

The annexed notes form an integral part of these financial statements. The information about impairment loss on available for sale equity securities and its impact on profit and loss account in accordance with SRO 150(1)/2009 issued by Securities and Exchange Commission of Pakistan is disclosed in note 5.4.

CHAIRMAN & C.E.O

DIRECTOR



Condensed Interim Unconsolidated Cash Flow Statement (Unaudited)

For the first quarter ended 30 September 2009

	Note	September 2009	September 2008
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	7	258,793,574	(666,621,111)
Income tax paid		(3,978,258)	(10,796,269)
Finance cost paid		(90,506,307)	(37,863,218)
Net cash generated from / (used in) operating activities		164,309,009	(715,280,598)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		(104,241)	(2,511,750)
Dividend received		38,343,295	67,993,904
Interest received		3,475,670	1,675,338
Acquisition of long term investments		(209,612,433)	(140,662,218)
Long term deposits		-	-
Net cash (used in) investing activities		(167,897,709)	(73,504,726)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash flows from financing activities		-	-
Net decrease in cash and cash equivalents		(3,588,700)	(788,785,324)
Cash and cash equivalents at beginning of the period		(2,613,856,135)	(1,516,428,013)
Cash and cash equivalents at end of the period	8 Rupees	(2,617,444,834)	(2,305,213,337)

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

CHAIRMAN & C.E.O

DIRECTOR



Condensed Interim Unconsolidated Statement of Changes in Equity (Unaudited)

For the first quarter ended 30 September 2009

	Share capital issued, subscribed and paid up	Capital reserve Surplus / (deficit) on remeasurement of investments	General reserve	Reserves Revenue reserves Reserve for Issue of Bonus & Dividend	Unappropriated profit	Sub total	Total
Balance as at 30 June 2008 - restated	3,000,000,000	(51,968,000)	4,000,000,000	-	12,101,891,525	16,049,923,525	19,049,923,525
Loss for the period ended 30 September 2008	-	-	-	-	(269,903,606)	(269,903,606)	(269,903,606)
Deficit on remeasurement of investments classified as available for sale	-	(94,272,000)	-	-	-	(94,272,000)	(94,272,000)
Appropriation for reserve for issuance of Bonus and Dividend	-	-	-	860,214,903	(860,214,903)	-	-
Balance as at 30 September 2008	3,000,000,000	(146,240,000)	4,000,000,000	860,214,903	10,971,773,014	15,685,747,917	18,685,747,917
Loss for the period ended from 1st October 2008 to 30 June 2009	-	-	-	-	(2,499,024,129)	(2,499,024,129)	(2,499,024,129)
Deficit on remeasurement of investments classified as available for sale	-	(9,679,429)	-	-	-	(9,679,429)	(9,679,429)
Provision for impairment in the value of available for sale investment transferred to profit and loss account	-	68,493,477	-	-	-	68,493,477	68,493,477
Issue of bonus shares for the year ended 30 June 2008 @ 25%	750,000,000	-	-	(750,000,000)	-	(750,000,000)	-
Cash dividend for the year ended 30 June 2008 - Rs. 1.5 per share	-	-	-	(110,214,903)	-	(110,214,903)	(110,214,903)
Balance as at 30 June 2009 Rupees	3,750,000,000	(87,425,952)	4,000,000,000	-	8,472,748,885	12,385,322,933	16,135,322,933
Profit for the period ended 30 September 2009	-	-	-	-	2,012,401,296	2,012,401,296	2,012,401,296
Surplus on remeasurement of investments classified as available for sale	-	13,555,613	-	-	-	13,555,613	13,555,613
Provision for impairment in the value of available for sale investment transferred to profit and loss account	-	33,256,669	-	-	-	33,256,669	33,256,669
Balance as at 30 September 2009 Rupees	3,750,000,000	(40,613,670)	4,000,000,000	-	10,485,150,181	14,444,536,511	18,194,536,511

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

CHAIRMAN & C.E.O

DIRECTOR



Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the first quarter ended 30 September 2009

1. STATUS AND NATURE OF BUSINESS

Arif Habib Securities 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 Karachi, Lahore and Islamabad Stock Exchanges of Pakistan and is engaged in the business of investments in listed and unlisted securities. The registered office of the Company is situated at 60-63, KSE Building, Karachi, Pakistan. The Company is domiciled in the province of Sindh.

These condensed interim financial statements are separate financial statements 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 statements are prepared separately.

The Company has investments in the following:

Name of Company Subsidiaries	Shareholding
- Arif Habib Limited, a brokerage house	75.00%
- Arif Habib Investments Limited (formerly Arif Habib Investment Management Limited), an asset management company	60.18%
- Arif Habib DMCC, a UAE incorporated member company of Dubai Gold and Commodities Exchange	100.00%
- SKM Lanka Holdings (Private) Limited, a Sri Lankan incorporated brokerage house at Colombo Stock Exchange	75.00%
- Pakistan Private Equity Management Limited, a venture capital company	85.00%
- Real Estate Modaraba Management Company Limited, a real estate projects management company	99.99%
- Arif Habib Bank Limited, a commercial bank	59.40%



Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the first quarter ended 30 September 2009

Additionally, the Company has long term investments in:

Name of Company Associates	Shareholding
- Pakarab Fertilizers Limited	30.00%
- Aisha Steel Mills Limited	25.00%
- Al-Abbas Cement Industries Limited	36.00%
- Thatta Cement Company Limited	9.71%
- Rozgar Microfinance Bank Limited	19.01%
- Sweetwater Dairies Pakistan (Private) Limited	28.00%
- Fatima Fertilizer Company Limited	10.00%
Others	
- Takaful Pakistan Limited	10.00%
- Sunbiz (Private) Limited	4.65%

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

This condensed interim unconsolidated financial information does not include all the information required for full financial statements and should be read in conjunction with the published financial statements as at and for the year ended 30 June 2009.



Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the first quarter ended 30 September 2009

2.2 Significant accounting policies

The accounting policies adopted by the Company in the preparation of these condensed interim financial statements are the same as those applied in preparation of the preceding published financial statements of the Company for the year ended 30 June 2009.

2.3 Use of estimates and judgments

The preparation of this condensed interim unconsolidated 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 and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about 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 an accounting estimate 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.

Judgments made by management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the future periods are as follows:

- Useful lives and residual values of property and equipment
- Provision for taxation
- Classification of investments
- Fair value of investments
- Impairment of investments

3. CONTINGENCIES AND COMMITMENT

There is no change in contingency as disclosed in the preceding published financial statements of the Company as at 30 June 2009.



Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the first quarter ended 30 September 2009

4. PROPERTY AND EQUIPMENT

Capital expenditure incurred during the period amounted to Rs. 0.104 million (30 June 2009: Rs.113.351 million). Disposal of fixed assets during the period amounted to Rs. 0.546 million (30 June 2009: Rs. Nil).

	Note	30 September 2009	30 June 2009
5. LONG TERM INVESTMENTS			
At cost	5.1	3,373,517,404	3,356,517,404
At fair value through profit or loss	5.2	13,876,511,449	12,710,020,469
Available for sale	5.3	626,928,520	478,001,455
	Rupees	17,876,957,373	16,544,539,328

5.1 At cost

Subsidiaries:

Arif Habib Limited (AHL)	2,671,676,243	2,671,676,243
Arif Habib Investments Limited, formerly Arif Habib Investment Management Limited (AHIL)	81,947,527	81,947,527
Arif Habib DMCC (AHD)	29,945,898	29,945,898
Pakistan Private Equity Management Limited (PPEML)	34,000,000	17,000,000
SKM Lanka Holdings (Private) Limited (SKML)	43,197,216	43,197,216
Real Estate Modaraba Management Company Limited (REMCO)	2,499,950	2,499,950
	2,863,266,834	2,846,266,834
Provision for impairment in PPEML	(17,000,000)	(17,000,000)
	2,846,266,834	2,829,266,834

Associates:

Aisha Steel Mills Limited (ASML)	497,250,570	497,250,570
Rozgar Microfinance Bank Limited (RMFBL)	19,010,000	19,010,000
	516,260,570	516,260,570
Provision for impairment in RMFBL	(19,010,000)	(19,010,000)
	497,250,570	497,250,570

Other investments:

Takaful Pakistan Limited (TPL)	30,000,000	30,000,000
Sun Biz (Private) Limited (SBL)	1,000,000	1,000,000
	31,000,000	31,000,000
Provision for impairment in SBL	(1,000,000)	(1,000,000)
	30,000,000	30,000,000

Rupees **3,373,517,404** **3,356,517,404**



Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the first quarter ended 30 September 2009

	30 September 2009	30 June 2009
5.2 At fair value through profit or loss		
Associates:		
Pakarab Fertilizers Limited (PFL	11,117,700,000	11,117,700,000
Fatima Fertilizer Company Limited (FFCL)	2,358,000,000	1,248,750,000
Sweetwater Dairies Pakistan (Private) Limited (SDPL)	400,811,449	343,570,469
Rupees	<u>13,876,511,449</u>	<u>12,710,020,469</u>
5.3 Available for sale		
Associate:		
Al-Abbas Cement Industries Limited (AACIL)	596,486,582	461,115,129
Thatta Cement Company Limited (THCCL)	172,805,755	153,873,280
	769,292,337	614,988,409
Provision for impairment in AACIL	(142,363,817)	(136,986,954)
Rupees	<u>626,928,520</u>	<u>478,001,455</u>

- 5.4** International Accounting Standard 39 – Financial Instruments: Recognition and Measurement (IAS 39) requires that available for sale equity investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. Such impairment loss should be transferred from equity to profit and loss account.

Furthermore, SECP vide SRO 150(1)/2009 dated 13 February 2009 has allowed that the impairment loss, if any, recognised as on 31 December 2008 due to valuation of listed equity investments held as "Available for Sale" to quoted market prices may be shown under the equity. As per that circular the amount taken to equity on 31 December 2008, after any adjustment/effect for price movements shall be taken to profit and loss account on quarterly basis during the calendar year ending on 31 December 2009.

The Company in accordance with the above mentioned SECP circular has further transferred to profit and loss account Rs.33.257 million after price adjustment as at 30 September 2009 on account of impairment in AACIL shares on 31 December 2008.



Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the first quarter ended 30 September 2009

The recognition of impairment loss in accordance with the requirements of IAS 39 would have had the following effect on these condensed interim unconsolidated financial statements:

		30 September 2009
Increase in 'Impairment Loss' in profit and loss account	Rupees	33,256,669
Decrease in profit for the period	Rupees	33,256,669
Decrease in profit per share - basic and diluted	Rupees	0.09
Decrease in deficit on remeasurement of investments	Rupees	33,256,669
Decrease in unappropriated profit	Rupees	33,256,669

6. ASSET CLASSIFIED AS HELD FOR SALE

Company's investment in Arif Habib Bank Limited (AHBL - subsidiary) is presented as an asset classified as held for sale following the signing of share purchase agreement (SPA) with Suroor Investments Limited for sale of its entire stake of 297,034,854 ordinary shares at Rs.9 per share. During the period Company has received 10% part/advance payment against the total consideration of Rs.2,673,313,686/-. Subsequent to the balance sheet date Company has received further 18% advance payment against agreement to sell. The regulatory formalities are under way for completion of transaction.



Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the first quarter ended 30 September 2009

	30 September 2009	30 September 2008
7. CASH GENERATED FROM OPERATIONS		
Profit before tax	2,193,891,921	371,588,544
Adjustments for:		
Depreciation	2,732,020	240,688
Dividend income	(713,344,870)	(104,660,714)
Mark-up on bank balances, loans and advances	(90,788,847)	(1,660,338)
Exchange gain on foreign currency bank balances	(82,222)	(437,988)
Impairment loss on investments	33,256,669	20,010,000
Reversal of doubtful debts	-	(15,000)
Gain on remeasurement of investment in associates	(434,250,000)	(2,403,900,000)
Finance cost	107,701,880	76,821,701
	(1,094,775,370)	(2,413,601,651)
Operating profit / (loss) before working capital changes	Rupees 1,099,116,551	(2,042,013,107)
Changes in working capital (Increase) / decrease in current assets		
Trade debts	-	3,500,001
Loans and advances	-	(3,000,000)
Other receivables	(61,178)	(34,899,047)
Short term investments	(2,065,126,138)	1,419,496,849
Increase / (decrease) in current liabilities Trade and other payables	1,224,864,339	(9,705,807)
	(840,322,977)	1,375,391,996
Cash generated from/(used in) operations	Rupees 258,793,574	(666,621,111)
8. CASH AND CASH EQUIVALENTS		
Cash and bank balances	6,753,014	111,564,360
Short term borrowings	(2,624,197,847)	(2,416,777,697)
	Rupees (2,617,444,833)	(2,305,213,337)



Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the first quarter ended 30 September 2009

9. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of group companies (subsidiaries and associates), directors and their close family members, major shareholders of the Company, key management personnel and staff provident fund. Transactions with related parties are on arm's length. 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 with related parties during the year other than those disclosed elsewhere in the financial statements are given below:

		30 September 2009	30 September 2008
Transaction with subsidiaries			
- Services availed	Rupees	<u>7,942,262</u>	<u>3,852,522</u>
- Mark up on short term running finance facility	Rupees	<u>89,350</u>	<u>1,416,644</u>
- Mark up on bank deposit	Rupees	<u>137,018</u>	<u>1,660,338</u>
- Mark up on loan/advance	Rupees	<u>332,268</u>	<u>332,268</u>
- Dividend income	Rupees	<u>33,750,000</u>	<u>45,000,000</u>
- Initial/fresh equity investments	Rupees	<u>17,000,000</u>	<u>45,697,165</u>
- Loan/advance repayment by subsidiary	Rupees	<u>12,521,053</u>	<u>-</u>
Transaction with associates			
- Equity investment	Rupees	<u>209,612,433</u>	<u>-</u>
- Subscription of right shares	Rupees	<u>-</u>	<u>126,519,488</u>
- Payment for capital work in progress	Rupees	<u>-</u>	<u>2,500,000</u>
- Mark-up on loans and advances	Rupees	<u>4,045,744</u>	<u>-</u>
Transaction with other related parties			
- Payment to employees' provident fund	Rupees	<u>252,993</u>	<u>40,430</u>

10. DATE OF AUTHORIZATION FOR ISSUE

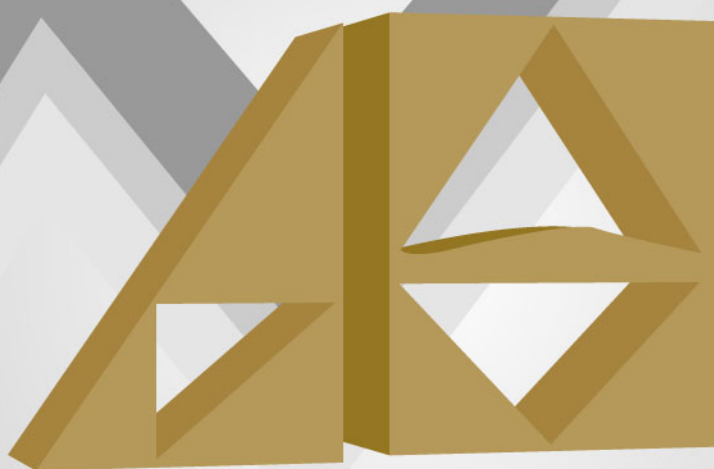
These financial statements have been authorized for issue on 16 October 2009 by the Board of Directors of the Company.

11. GENERAL

Figures have been rounded off to the nearest rupee unless otherwise stated.


CHAIRMAN & C.E.O


DIRECTOR



Consolidated Financial Statements



Condensed Interim Consolidated Balance Sheet

As at 30 September 2009

	Note	Unaudited September 2009	Audited June 2009
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital		<u>10,000,000,000</u>	<u>10,000,000,000</u>
Issued, subscribed and paid up share capital		<u>3,750,000,000</u>	<u>3,750,000,000</u>
Reserves		<u>10,788,170,637</u>	<u>9,480,434,178</u>
		14,538,170,637	13,230,434,178
Minority interest		<u>2,499,102,180</u>	<u>2,548,947,229</u>
		17,037,272,817	15,779,381,407
Non-current liabilities			
Long term loans		732,607,990	682,607,990
Deferred taxation		4,639,263	5,091,888
Current liabilities			
Trade and other payables		2,235,157,008	696,680,952
Interest/Mark-up accrued		228,449,214	194,568,479
Short term borrowings		3,242,900,879	3,908,551,248
Current portion of long term loans		153,250,000	53,250,000
Provision for taxation		72,321,476	1,987,139
Liabilities classified as held for sale	3	30,329,654,000	26,956,786,000
		36,261,732,577	31,811,823,818
	Rupees	<u>54,036,252,647</u>	<u>48,278,905,103</u>
Contingencies and commitments			
	4		



Condensed Interim Consolidated Balance Sheet

As at 30 September 2009

	Note	Unaudited September 2009	Audited June 2009
ASSETS			
Non-current assets			
Property and equipment	5	340,782,485	348,830,502
Intangible assets		35,809,501	35,754,591
Goodwill		2,160,310,718	2,160,310,718
Membership cards and licenses		46,650,000	46,650,000
Long term investments		7,997,322,680	7,658,758,006
Investment property		60,795,000	60,795,000
Long term loans and advances - considered good		16,355,397	41,706,714
Long term deposits and prepayments		35,782,347	30,233,372
Current assets			
Trade debts		1,781,291,816	1,546,203,584
Receivable against securities - considered good		184,566,178	-
Loans and advances - considered good		127,078,512	127,251,572
Deposits and prepayments		63,029,108	60,316,245
Advance tax		63,790,946	56,954,336
Other receivables - considered good		294,947,033	176,862,091
Short term investments		5,418,630,621	3,697,465,086
Other assets		357,082,445	357,082,445
Cash and bank balances		100,870,063	66,638,043
Assets classified as held for sale	3	34,951,157,798	31,807,092,798
		43,342,444,520	37,895,866,200
	Rupees	<u>54,036,252,647</u>	<u>48,278,905,103</u>

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

CHAIRMAN & C.E.O

DIRECTOR



Condensed Interim Consolidated Profit and Loss Account (Unaudited)

For the first quarter ended 30 September 2009

Note	September 2009	September 2008
Operating revenue	139,678,269	341,826,180
(Loss) / gain on sale of securities-net	(249,823,279)	121,199,294
Gain / (loss) on remeasurement of investments - net	1,514,052,192	(2,097,378,905)
	<u>1,403,907,182</u>	<u>(1,634,353,431)</u>
Operating, administrative and other expenses	(109,313,505)	(333,643,938)
Operating profit / (loss)	<u>1,294,593,677</u>	<u>(1,967,997,369)</u>
Other income	177,145,007	15,324,529
	<u>1,471,738,684</u>	<u>(1,952,672,840)</u>
Finance cost	(160,893,208)	(123,417,434)
	<u>1,310,845,476</u>	<u>(2,076,090,274)</u>
Share of profit from associates - net of tax	128,952,241	780,685,260
Profit / (loss) before tax	<u>1,439,797,717</u>	<u>(1,295,405,014)</u>
Taxation		
For the period		
- Current	(71,641,308)	(19,669,378)
- Deferred	452,627	107,237
	<u>(71,188,681)</u>	<u>(19,562,141)</u>
Profit / (loss) after tax		
from continuing operations	<u>1,368,609,036</u>	<u>(1,314,967,155)</u>
	Rupees	
Discontinued operations		
(Loss) / profit for the period from discontinued operations	(297,334,000)	100,218,000
Profit / (loss) for the period	<u>1,071,275,036</u>	<u>(1,214,749,155)</u>
	Rupees	
Profit / (loss) attributable to:		
Equity holders of Arif Habib Securities Limited		
From continuing operations	1,187,299,983	(1,022,231,817)
From discontinued operations	(176,616,396)	59,529,492
	<u>1,010,683,587</u>	<u>(962,702,325)</u>
	Rupees	
Minority interest		
From continuing operations	57,390,997	(292,735,338)
From discontinued operations	(120,717,604)	40,688,508
	<u>(63,326,607)</u>	<u>(252,046,830)</u>
	Rupees	
Earnings / (loss) per share - basic and diluted		
From continuing operations	3.17	(2.73)
From discontinued operations	(0.47)	0.16
Total	<u>2.70</u>	<u>(2.57)</u>
	Rupees	

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

CHAIRMAN & C.E.O

DIRECTOR



Condensed Interim Consolidated Cash Flow Statement (Unaudited)

For the first quarter ended 30 September 2009

	Note	September 2009	September 2008
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from /			
(used in) operations	6	1,226,457,961	(1,797,993,105)
Income tax paid		(9,669,916)	(32,617,476)
Finance cost paid		(133,062,011)	(124,241,116)
Net cash from / (used in) operating activities		1,083,726,034	(1,954,851,697)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		(2,029,000)	(398,536,872)
Membership cards and licenses		-	(16,380,796)
Dividend received		41,906,480	771,719,879
Interest received		(90,935,209)	40,149,203
Acquisition of long term investments		(259,240,371)	(2,127,570,530)
Proceeds from sale of long term investments		41,218,291	2,514,718,500
Long term loans and advances		25,351,317	(6,161,335)
Long term deposits		(5,548,975)	(2,155,960)
Net cash (used in) / generated from investing activities		(249,277,467)	775,782,089
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing		50,000,000	73,418,500
Liability against assets subject to finance lease		-	(1,192,583)
Net cash generated from / (used in) financing activities		50,000,000	72,225,917
Net increase / (decrease) in cash and cash equivalents		884,448,567	(1,106,843,691)
Cash and cash equivalents at beginning of the period		(3,841,913,205)	(1,584,980,243)
Cash and cash equivalents at end of the period	7 Rupees	(2,957,464,638)	(2,691,823,934)

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

CHAIRMAN & C.E.O

DIRECTOR



Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)

For the first quarter ended 30 September 2009

		Share capital issued, subscribed and paid up	Surplus/(deficit) on remeasurement of investments/ fixed assets	Exchange difference on translation to presentation currency	General reserves	Reserve for issue of Bonus & Dividend	Unappropriated profit	Sub total	Total
Balance as at 30 June 2008		3,000,000,000	603,232,838	8,168,490	4,019,567,665	-	9,984,074,622	14,615,043,615	17,615,043,615
Changes in equity for 2009									
Loss for the period ended 30 September 2008		-	-	-	-	-	(962,702,325)	(962,702,325)	(962,702,325)
Deficit on remeasurement of investments classified as available for sale		-	(868,554,635)	-	-	-	-	(868,554,635)	(868,554,635)
Net effect of translation of net assets of foreign subsidiary to presentation currency		-	-	400,988	-	-	-	400,988	400,988
Appropriation for reserve for issuance of Bonus and Dividend		-	-	-	-	860,214,903	(860,214,903)	-	-
Balance as at 30 September 2008	Rupees	3,000,000,000	(255,321,797)	8,569,478	4,019,567,665	860,214,903	8,161,157,394	12,794,187,643	15,794,187,643
Loss for the period ended from 1 October 2008 to 30 June 2009		-	-	-	-	-	(2,187,450,010)	(2,187,450,010)	(2,187,450,010)
Deficit on remeasurement of investments classified as available for sale		-	(284,567,004)	-	-	-	-	(284,567,004)	(284,567,004)
Net effect of translation of net assets of foreign subsidiary to presentation currency		-	-	18,478,452	-	-	-	18,478,452	18,478,452
Issue of bonus shares for the year ended 30 June 2008 @ 25%		750,000,000	-	-	-	(750,000,000)	-	(750,000,000)	-
Cash dividend for the year ended 30 June 2008 - Rs. 15 per share		-	-	-	-	(110,214,903)	-	(110,214,903)	(110,214,903)
Balance as at 30 June 2009	Rupees	3,750,000,000	(539,888,801)	27,047,930	4,019,567,665	-	5,973,707,384	9,480,434,176	13,230,434,176
Profit for the period ended 30 September 2009		-	-	-	-	-	1,010,683,587	1,010,683,587	1,010,683,587
Surplus on remeasurement of investments classified as available for sale		-	296,607,994	-	-	-	-	296,607,994	296,607,994
Net effect of translation of net assets of foreign subsidiary to presentation currency		-	-	444,878	-	-	-	444,878	444,878
Balance as at 30 September 2009	Rupees	3,750,000,000	(243,280,807)	27,492,808	4,019,567,665	-	6,984,390,971	10,788,170,637	14,538,170,637

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

CHAIRMAN & C.E.O

DIRECTOR



Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the first quarter ended 30 September 2009

1. STATUS AND NATURE OF BUSINESS

Arif Habib Securities Limited (AHSL), the Parent 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 Karachi, Lahore and Islamabad Stock Exchanges of Pakistan and is engaged in the business of investments in listed and unlisted securities. The registered office of the Company is situated at 60-63, KSE Building, Karachi, Pakistan. The Company is domiciled in the province of Sindh.

The Group comprises of the Parent Company and following subsidiary companies that have been consolidated in these financial statements on line by line basis. All material inter company balances, and transactions have been eliminated.

Subsidiaries		Shareholding (including indirect holding)
Name of Company	Note	
- Arif Habib Limited (AHL)	1.1	75.00%
- Arif Habib Investments Limited (formerly Arif Habib Investment Management Limited) (AHIL)	1.2	60.18%
- Arif Habib DMCC (AHD)	1.3	100.00%
- SKM Lanka Holdings (Private) Limited (SKML)	1.4	75.00%
- Pakistan Private Equity Management Limited (PPEML)	1.5	85.00%
- Real Estate Modaraba Management Company Limited (REMMCO)	1.6	99.99%
- Arif Habib Bank Limited (AHBL)	3	59.40%



Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the first quarter ended 30 September 2009

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

Associates

Name of Company	Shareholding (including indirect holding)
- Pakarab Fertilizers Limited (PFL)	30.00%
- Aisha Steel Mills Limited (ASML)	25.00%
- Al-Abbas Cement Industries Limited (AACIL)	49.94%
- Thatta Cement Company Limited (THCCL)	25.42%
- Rozgar Microfinance Bank Limited (RMFBL)	19.01%
- Sweetwater Dairies Pakistan (Private) Limited (SDPL)	28.00%
- Fatima Fertilizer Company Limited (FFCL)	17.50%

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 64, KSE Building, Karachi, Pakistan. It is domiciled in the province of Sindh. AHL is member of Karachi, Lahore, Islamabad Stock Exchanges and National Commodities Exchange. It is registered with SECP as securities brokerage house. AHL is a subsidiary of AHSL with shareholding of 75% (June 2009:75%) and principally engaged in the business of securities brokerage, commodities brokerage, IPO underwriting, corporate finance advisory and securities research. The shares of AHL are listed at the Karachi Stock Exchange with effect from 31 January 2007.

1.2 Arif Habib Investments Limited (AHIL) (formerly Arif Habib Investment Management Limited) was incorporated in Pakistan on 30 August 2000 as a public limited company under the Companies Ordinance, 1984. The registered office of AHIL is situated at 2/1, R.Y 16, Old Queens Road, Karachi, Pakistan. It is domiciled in the province of Sindh. AHIL is a subsidiary of AHSL with shareholding of 60.18% (June 2009:60.18%). AHIL is registered as an Asset Management Company, Investment Advisor under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC) and Pension Scheme Manager under Voluntary Pension System Rules 2005. AHIL is currently acting as Asset Management Company / Investment Advisor / Pension Scheme Manager for the various funds / schemes.



Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the first quarter ended 30 September 2009

- 1.3** Arif Habib DMCC (AHD) was incorporated in Dubai, UAE on 24 October 2005 as a limited liability company. Its registered office situated at Dubai Metals and Commodities Center, Dubai, UAE. AHD is a wholly owned subsidiary of AHSL and was granted registration and trading license by the Registrar of Companies of the Dubai Multi Commodities Center (DMCC) Authority on 26 October 2005. AHD is expected to start its commercial operations at the Dubai Gold and Commodities Exchange within next twelve months besides consultancy which have already been started.
- 1.4** S.K.M Lanka Holdings (Pvt.) Limited (SKML) was incorporated in Colombo, Sri Lanka on 15 February 2007 as a limited liability company. Its registered office situated at 86/1, Dawson Street, Colombo 02, Sri Lanka. It is domiciled in the province of Colombo. It is registered with Securities and Exchange Commission of Sri Lanka as securities brokerage house. SKML is a subsidiary of AHSL with 75% (June 2009: 75%) shareholding.
- 1.5** Pakistan Private Equity Management Limited (PPEML) was incorporated in Pakistan on 6 September 2006 as a public limited company under the Companies Ordinance, 1984. The registered office of PPEML is situated at 2/1, R.Y 16, Old Queens Road, Karachi, Pakistan. It is domiciled in the province of Sindh. PPEML is a subsidiary of AHSL with shareholding of 85% (June 2009:85%). PPEML is a venture capital company registered, under the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 as amended through SRO 113(1)2007, with the Securities and Exchange Commission of Pakistan.
- 1.6** Real Estate Modaraba Management Company Limited (REMCO) was incorporated in Pakistan on 13 October 2005 as a public limited company under the Companies Ordinance, 1984. The registered office of REMCO is situated at 2/1, R.Y 16, Old Queens Road, Karachi, Pakistan. It is domiciled in the province of Sindh. REMCO is a subsidiary of AHSL with shareholding of 99.99% (June 2009: 99.99%). REMCO is a Modaraba management company. Currently, it has not floated any Modaraba.



Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the first quarter ended 30 September 2009

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 published financial statements as at and for the year ended 30 June 2009.

2.2 Significant accounting policies

The accounting policies adopted by the Company in the preparation of these condensed interim consolidated financial statements are the same as those applied in preparation of the preceding published financial statements of the Company for the year ended 30 June 2009.

2.3 Functional and presentation currency

These consolidated financial statements are presented in Pakistan Rupees, which is the Group's functional and presentation currency. The financial statements of two foreign incorporated subsidiaries have been translated into Pakistan Rupees for the purpose of these consolidated financial statements. All financial information has been rounded to the nearest rupee.

2.4 Use of estimates and judgments

The preparation of these condensed interim consolidated financial statements 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.



Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the first quarter ended 30 September 2009

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about 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 an accounting estimate 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.

Judgments made by management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the future periods are as follows:

- Useful lives and residual values of property and equipment
- Provision for taxation
- Classification of investments
- Fair value of investments
- Impairment of investments

3. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

The assets and liabilities of a subsidiary, Arif Habib Bank Limited (AHBL), are presented as disposal group classified as held for sale and its result presented as discontinued operations, following the signing of share purchase agreement (SPA) with Suroor Investments Limited (a Company incorporated in Mauritius) for sale of its entire stake of 297,034,854 ordinary shares at Rs.9 per share. The subsidiary was not a discontinued operation or classified as held for sale as at 30 September 2008 and the comparative profit and loss account has been re-presented to show the discontinued operation separately from continuing operations. During the period Company has received 10% part/advance payment against the total consideration of Rs.2,673,313,686/-. Subsequent to the balance sheet date Company has received further 18% advance payment against agreement to sell. The regulatory formalities are under way for completion of transaction. The disposal group is presented as net of impairment loss of Rs.511.745 million which was booked in last year.



Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the first quarter ended 30 September 2009

4. CONTINGENCIES AND COMMITMENT

There is no significant change in contingency as disclosed in the preceeding published financial statements of the Company as at 30 June 2009.

5. PROPERTY AND EQUIPMENT

Capital expenditure incurred during the period amounted to Rs.2.029 million (30 June 2009: Rs.393.317 million). Disposal of fixed assets during the period amounted to Rs. 1.255 million (30 June 2009: Rs. 208.519).

6. CASH GENERATED FROM OPERATIONS

	30 September 2009	30 September 2008
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Profit / (loss) before tax	1,310,845,476	(2,076,090,274)
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Adjustments for:

Depreciation	8,824,260	3,655,230
Dividend income	(41,906,480)	(152,279,168)
Mark-up on bank balances, loans and advances and term finance certificates	(90,935,209)	(4,711,229)
Exchange gain on foreign currency bank balances	(82,222)	(437,988)
Reversal of doubtful debts	(181,050)	(24,000)
(Loss) / gain on sale of property and equipment	285,545	(250)
Amortization charges	355,090	6,474,750
Finance cost	160,893,208	123,417,434
	37,253,142	(23,905,221)

Operating profit / (loss) before working capital changes	1,348,098,618	(2,099,995,495)
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Changes in working capital:

(Increase) / decrease in current assets		
Trade debts	(235,088,232)	(351,120,629)
Loans and advances	173,060	40,384,635
Prepayments	(2,712,863)	31,579,412
Other receivables	(118,084,942)	(35,870,893)
Short term investments	(1,721,165,535)	658,293,042
Other assets	-	-
Increase / (decrease) in current liabilities	1,955,237,855	(41,263,176)
Trade and other payables	(121,640,657)	302,002,390

Cash generated from / (used in) operations	1,226,457,961	(1,797,993,105)
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Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the first quarter ended 30 September 2009

	30 September 2009	30 September 2008
7. CASH AND CASH EQUIVALENTS		
Cash and bank balances	100,870,063	206,658,134
Receivable against securities - considered good	184,566,178	19,776,721
Short term borrowings	(3,242,900,879)	(2,918,258,789)
	<u>(2,957,464,638)</u>	<u>(2,691,823,934)</u>

8. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of group companies (subsidiaries and associates), directors and their close family members, major shareholders of the Company, key management personnel and staff provident fund. Transactions with related parties are on arm's length. 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 with related parties during the year other than those disclosed elsewhere in the financial statements are given below:

	30 September 2009	30 September 2008
Transactions with associates		
- Initial/fresh equity investments	209,612,433	326,915,934
- Payment for capital work in progress	-	2,500,000
- Loan advanced and repaid	-	41,819,994
- Key management personnel	2,098,178	1,990,713
- Technical assistance fee	-	87,638
Transaction with other related parties		
- Payment to employees' provident fund	448,751	6,299,430
- Sale of shares from related party	-	1,800,413
- Brokerage charged to others	6,372,691	3,388,719
- Mark up on employee & others loan	4,045,744	181,600



Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the first quarter ended 30 September 2009

9. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim consolidated financial statements have been authorized for issue on 16 October 2009 by the Board of Directors of the Company.

10. GENERAL

Figures have been rounded off to the nearest rupee unless otherwise stated.

CHAIRMAN & C.E.O

DIRECTOR



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