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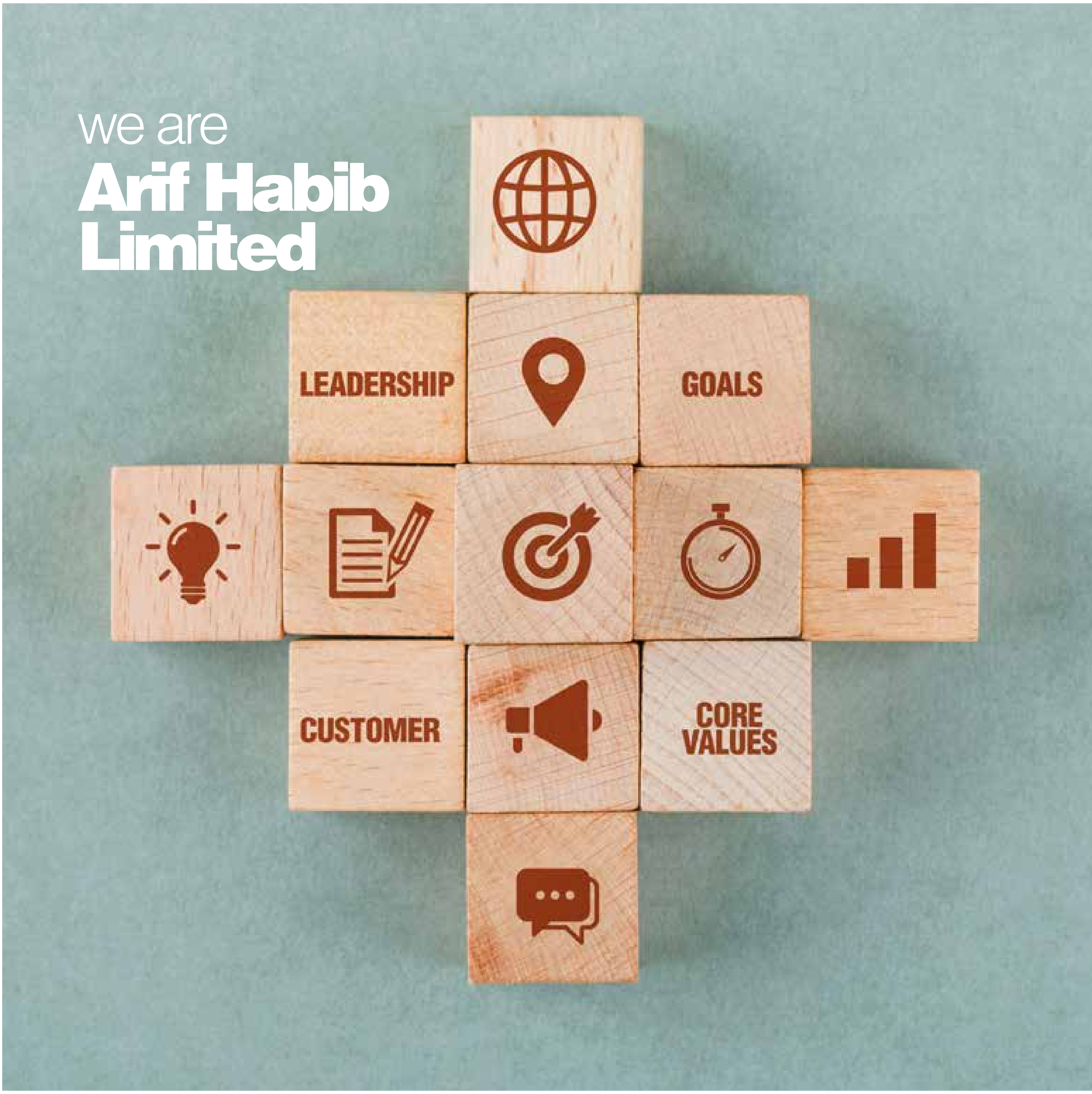
Passion for **Performance**

Annual Report **2021**

ANNUAL REPORT 2021

ARIF HABIB LIMITED

we are Arif Habib Limited



Arif Habib Group has been serving the investors for over four decades. Over the years the firm has constantly evolved and adapted to changing times. As a premium brokerage and financial services firm, AHL strives to build an environment that promotes teamwork, leadership and resilience, in order to better serve the ever-growing capital market.

During testing economic conditions, AHL has always endeavored to deliver consistent results to its trusting family of investors. It is only through consistency that we are able to maintain high levels of client satisfaction and have achieved industry wide recognition for our work. Being steadfast, determined and persistent are characteristics that strongly resonate with AHL's code of conduct.

Best Broker in Pakistan
FinanceAsia Country
Awards 2020

Roshan Digital Account
Largest market share in
Equities (38%)

Leader
in Gender diversity among
Stock Broking Firms

50% growth
in new clientele

100%
market share in
Debt listing

Best Corporate & Ins. Adviser
The Asset Triple A
Country/Regional Awards '20

Highest ever
Brokerage, Inv Banking
Revenue & profitability

Best Corporate
Finance House
CFA Society Pakistan

Best Equity Adviser
The Asset Triple A
Country/Regional Awards '20

PKR 17 billion
Equity (IPOs) raising
85% market share

Best Brokerage House
Runners up
CFA Society Pakistan

Best Bond Adviser
The Asset Triple A
Country/Regional Awards '20

Best
Equity Analyst
CFA Society Pakistan

Best Transaction
Interloop Ltd.
CFA Society Pakistan

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Contents


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Company

Board of Directors

Mr. Zafar Alam	Chairman & Independent Director
Mr. Muhammad Shahid Ali Habib	Chief Executive Officer & Executive Director
Mr. Haroon Usman	Non-executive Director
Ms. Sharmin Shahid	Non-executive Director
Ms. Nida Ahsan	Non-executive Director
Dr. Muhammad Sohail Salat	Independent Director
Mr. Mohsin Madni	Non-executive Director

Audit Committee

Dr. Muhammad Sohail Salat	Chairman
Mr. Haroon Usman	Member
Mr. Mohsin Madni	Member

Human Resource & Remuneration Committee

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

Company Secretary & Chief Financial Officer
Mr. Muhammad Taha Siddiqui

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

Credit Rating
JCR-VIS Credit Rating Company Limited

Management Rating
The Pakistan Credit Rating Agency

Legal Advisors
Muhammad Zubair
Advocate High Court

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

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

Registered Office
Arif Habib Centre
23, M.T. Khan Road Karachi-74000
UAN: (92-21) 111-245-111
Fax No: (92-21) 32416072; 32429653
E-mail: info@arifhabibltd.com
Company website: www.arifhabibltd.com
Online Trade: www.ahletrade.com
Branch Reg. No: BOA-050/01

Lahore Branch
Office Nos. G-05 & G-06, Ground Floor, LSE Plaza
19, Khayaban-e-Aiwan-e-Iqbal, Lahore
Tel: +92 (42) 3631 3710, +92 (42) 3631 3700-1,
+92 (42) 3631 3702,+92 (42) 3631 3703

Islamabad Branch
Office No. 506, 5th Floor, ISE Towers, Jinnah Avenue, Islamabad
Tel: +92 (51) 2894505 – 06

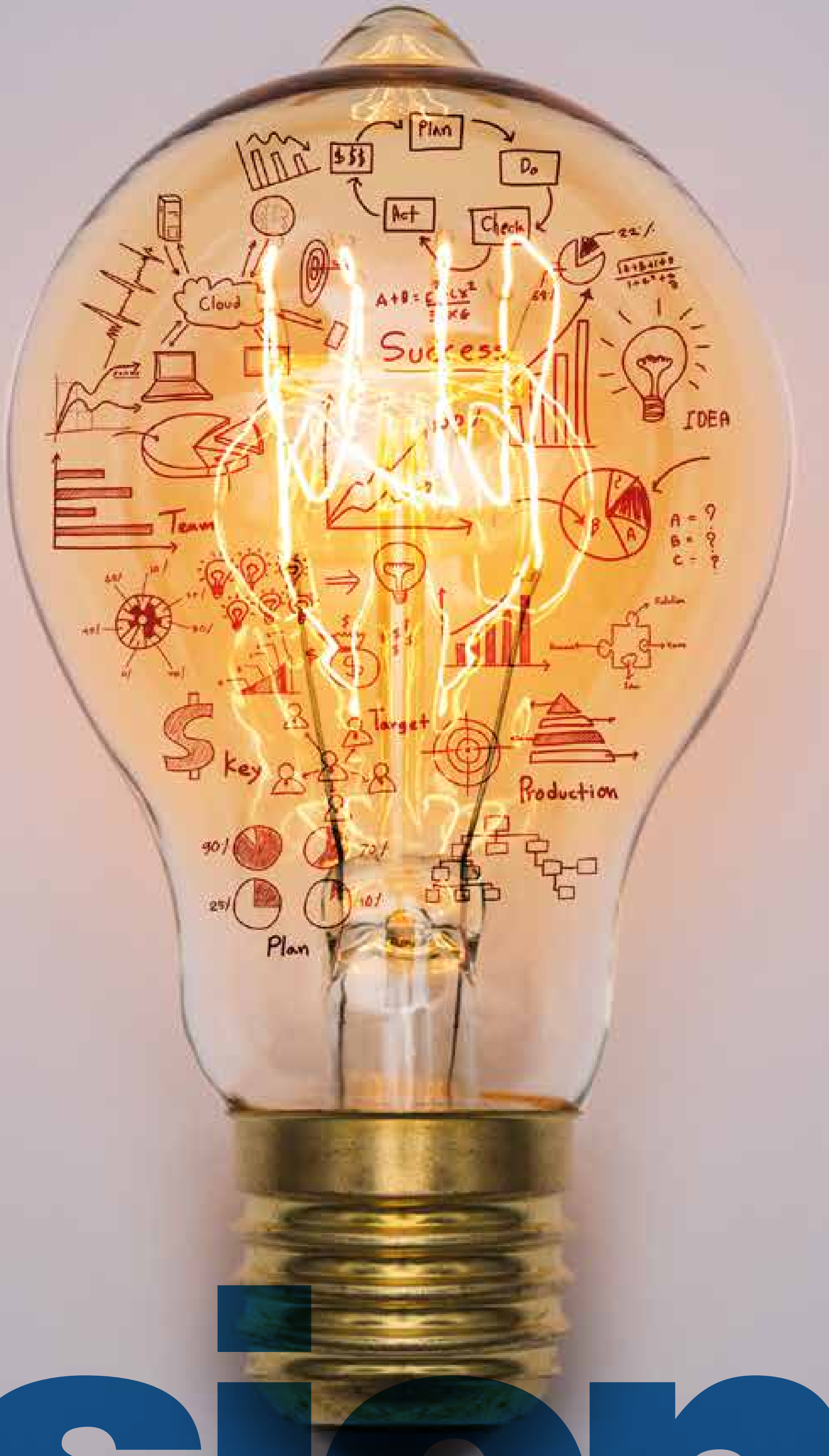
Peshawar Branch
Shops No. F13, F14, F15, F16, F17, 1st Floor, The Mall Tower, Peshawar Cantt.
Tel: +92 91 5253910-13

Rawalpindi Branch
Office No. F-15, 1st Floor, Rizwan Arcade, Adamjee Road, Saddar, Rawalpindi
Tel: +92 (51) 5120428-29, +92 (51) 5563476-78

Faisalabad Branch
Office No. 04, 3rd Floor Legacy Tower, Kohinoor City, Faisalabad.
Tel: +92 41 8531010-3

Multan Branch
Office No.16-18,1st Floor, Khan Center, Abdali Road, Near SP Chowk, Multan
Tel: +92 61 4514413
+ 92 61 4514412

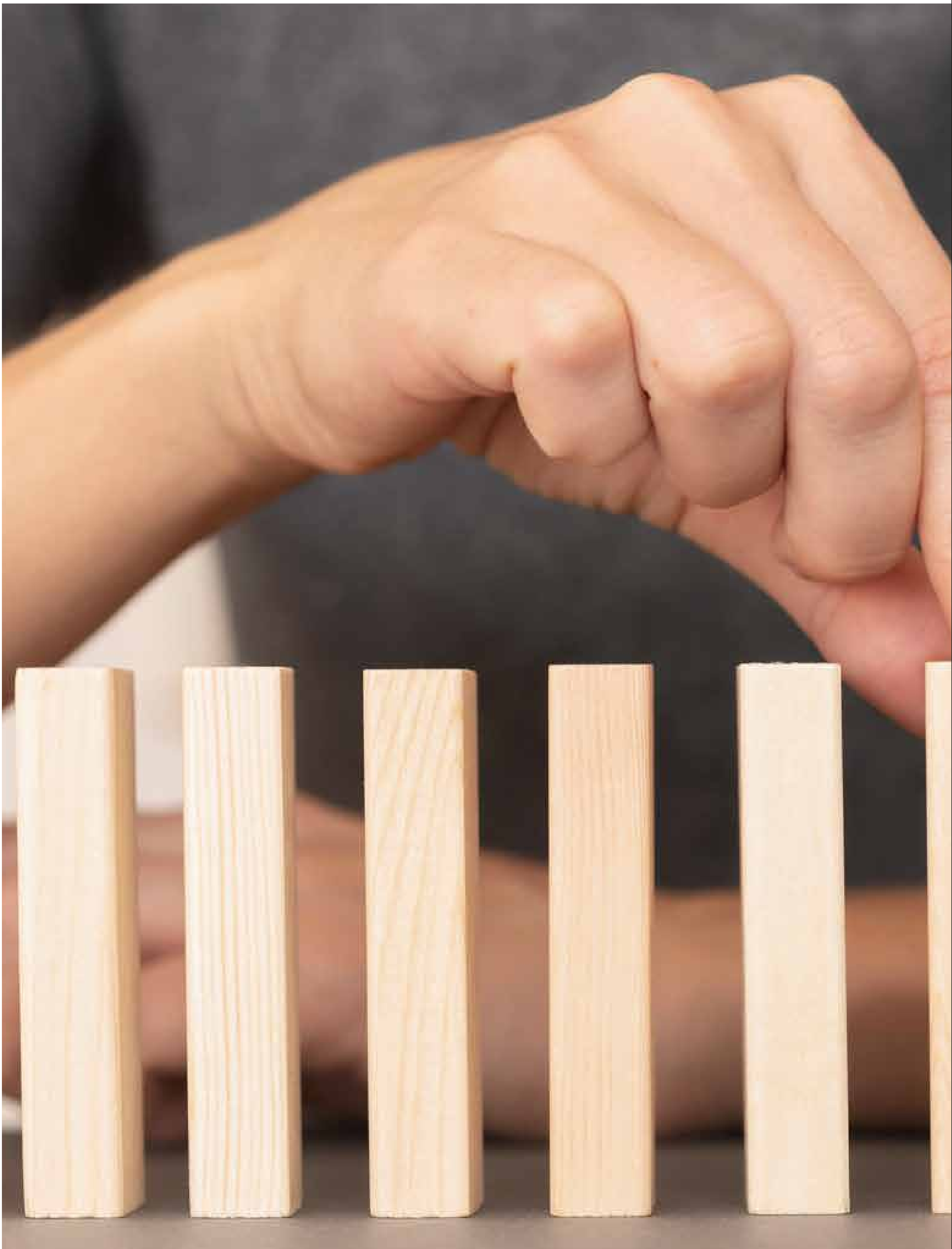
Our vision is to be the most Preferred and Respected Financial Institution, renowned for our expertise in Securities Brokerage and Investment Banking services.



Vision

Mission

Our mission is to create value for our stakeholders by providing outstanding securities brokerage services and investment banking solutions to our customers. We strive to build an environment that encourages teamwork at the workplace to deliver superior products and services and to serve the development of our capital market.



CODE OF **CONDUCT**

Arif Habib Limited strongly believes in running its business progressively without compromising on the best ethical standards as guided by the

"Code of Ethics and Business Practices".

OUR **VALUES**

INTERGRITY

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

Efficiency

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

Social Responsibility

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

Credibility

We strive to earn enduring credibility which we believe is essential to long-term business relationships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CORPORATE **STRATEGY**

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

Corporate Social **Responsibility**

Arif Habib Limited (AHL) is a firm believer in sustainable development. At AHL, we pride ourselves in contributing to the betterment of the lives of our communities and the people of Pakistan. Corporate philanthropy and development are means to this, which allows us to give back to the people around us.

As a responsible member of the business society, we are actively working with local bodies and authorities to find ways in which we can help with various social programs and development projects.

Social **Development**

PKR 5,000,000: Habib University Foundation (HUF): Is a not-for-profit organization which supports educational initiatives, research and innovation. The Foundation believes that appropriate nurturing of human potential is essential for the creation of a socially and morally responsible society hence, the Foundation develops and supports a diverse portfolio of programs which aim at establishing dynamic learning spaces. Contribution to Habib University allows them to provide access to world class education to a large portion of students who are ready for higher education, but due to comprised socio-economic backgrounds are unable to do so.

Corporate **Development**

PKR 150,000: 17th Annual Excellence Awards Ceremony: Organized by CFA Association of Pakistan, the event recognized the excellence achieved by financial institutions and professionals in different categories.

THE COMPANY HAS ALSO CONTRIBUTED TO THE EXCHEQUER BY PAYING AN AMOUNT OF PKR 227,530,616 IN TERMS OF DIRECT AND INDIRECT TAXES DURING THE YEAR.

AWARDS & **RECOGNITION**





CFA Society Pakistan
17th Annual Excellence Awards
Arif Habib Limited
Best Transaction of the Year 2019
WINNER
This award is presented by CFA Society Pakistan at the 17th Annual Excellence Awards Ceremony
Friday, 2nd October 2020
Karachi
CFA Society Pakistan
17th Annual Excellence Awards
Arif Habib Limited
Best Equity Brokerage House of the Year 2019
RUNNER-UP
This award is presented by CFA Society Pakistan at the 17th Annual Excellence Awards Ceremony
Friday, 2nd October 2020
Karachi
CFA Society Pakistan
17th Annual Excellence Awards
Tahir Abbas
Arif Habib Limited
Best Equity Analyst of the Year FY2020
WINNER
This award is presented by CFA Society Pakistan at the 17th Annual Excellence Awards Ceremony
Friday, 2nd October 2020
Karachi
CFA Society Pakistan
17th Annual Excellence Awards
Arif Habib Limited
Best Corporate Finance House of the Year 2019 (Equity - NBFC)
WINNER
This award is presented by CFA Society Pakistan at the 17th Annual Excellence Awards Ceremony
Friday, 2nd October 2020
Karachi

DIRECTORS' PROFILES

Zafar **Alam**

Chairman & Independent Director

With decades of experience in financial markets, Zafar Alam brings a unique blend of global leadership, innovative vision and in-depth financial knowledge. As a business leader in investment banking encompassing Origination, Trading, Sales and Asset Management he has lead teams of over 400 people and delivered revenues of over a billion dollars. He has been a key member of the Top Executive Group - TEG at ABN AMRO and RBS Bank.

Holding a master's degree in Nuclear Physics, Zafar joined ABN AMRO as Investment Manager in Dubai. In 1988 he moved to Hong Kong as Head of ABN AMRO Securities & Finance Co., focusing on fixed income trading and sales. In 1990 he started the brokerage and origination business for Asian equities. In 1995, he was asked by the bank's senior leadership to move to Singapore, to lead and build the local markets business, as Head of Local Markets and Credit Trading.

As a passionate innovator, Zafar Alam had the vision to enter into Fixed Income and Derivatives markets. The bank was only active in FX sphere however his input gave the direction to add Fixed Income and Derivatives as the market was set to take off in the aftermath of the Asian crisis. The activities included origination, trading and sales in thirteen Asian countries.

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

As Global Head of Equity Derivatives Sales in the enlarged RBS Global Banking & Markets Group. In this role Zafar was responsible for combining the successful Private Investor Products (PIP) and Institutional/Corporate business of ABN AMRO and RBS. He was responsible for developing, manufacturing and distributing structured products consisting of multi-assets. In one year, he turned a USD 150 million business into a USD 1 billion business.

In 2010, he become Head of Equities and Structured Retail Sales for Middle East and Africa, based in Dubai focused on building an Equities platform. He also managed the Structured Equities Solution team which provided equity financing with an overlay of derivative solutions.

Zafar Alam has always had a strong belief in technology and been a visionary for a digital future. Zafar Alam is a chairman and founder of ELIGIBLE.ai, an award winning Fin-Tech company in the UK loan servicing market. Eligible is a digital servicing solution using behavioral segmentation to personalise every consumer's journey. Allowing financial institutions to instantly educate, empower and retain their customer base. The Fin-Tech services over GBP 15 billion in mortgages making it the 5th largest consumer database in the UK.

With the combination of his extensive experience across sectors and markets, Zafar Alam has also been entrusted as a Partner at Silver Tree HK LTD., an asset management fund based in Hong Kong with over USD 250 million assets under management (AUM).

Muhammad Shahid Ali **Habib**

Chief Executive Officer & Executive Director

Mr. Shahid Ali Habib carries a proven track record of establishing successful business organizations and turning around ventures into vibrant units. He has over 23 years of experience in the fields of Securities Brokerage, Banking, Asset Management, Corporate Finance and Investment Banking. He has served in leading positions at top local and international institutions.

Shahid has also served as Executive Director and Chairman of a few local equity brokerage and financial services institutions. He has also worked at leading banks in Saudi Arabia and Canada. Shahid also served the Karachi Stock Exchange as member of various committees including Development and Trading Affairs Committee, New Product Committee, Arbitration Committee and Companies Affairs and Corporate Governance Committee.

As AHL's Chief Executive, Shahid oversees all operation all operation of the firm including Equity Brokerage and Investment Banking. He has been involved in numerous transitions in Pakistan's equity market over the years. He was the Domestic Team Leader of Pakistan 'Largest equity market transaction of HBL Secondary offering worth $ 1.02 bn and others significant transactions including UBL secondary offering of @ 388 mn and Engro Fertilizers offering of @ 190 mn.

He holds MBA in Finance from the Institute of Business & Administration (IBA) and has a Certification in Finance from London School of Economics (LSE) as well as a Bachelor's degree in Computer Science from FAST ICS. He has also attended various international professional development course in the fields of finance, technology and energy.

Haroon **Usman**

Non - executive Director

Mr. Haroon Usman is a Commerce Graduate and a Fellow Member of the Institute of Cost and Management Accountants of Pakistan. He has over 50 years' experience in the fields of commerce, finance and industry. He has served a number of local and foreign organizations of repute in different executive positions related to accounts, finance, general management and consultancy, both in Pakistan and abroad.

Haroon serves as member of the Human Resource & Remuneration Committee and as a member of the Audit Committee of the Company.

Muhammad Sohail **Salat**

Independent Director

Dr. Muhammad Sohail Salat is a qualified and highly reputed Pediatrician and Neonatologist who has a Bachelor of Medicine and Bachelor of Surgery from Dow Medical College Karachi. He has a certification in General Pediatrics from United States of America and Fellowship in Neonatology, holding a Foreign Medical Graduate Examination in Medicine from the US and is licensed from Pakistan Medical and Dental College. He completed his Residency in Pediatrics from Maimonides Medical Center and Interfaith Medical Center in New York and Fellowship in Neonatal Perinatal Medicine from Westchester Medical Center, New York Medical College, USA.

Sohail is associated with the Pakistan's top medical health care services provider, The Aga Khan University Hospital (AKUH) Karachi (Department of Pediatrics and Child Health) and is currently working as an Associate Professor. He holds director post in education, clinical areas and also chaired various administration posts in AKUH. He was previously associated with Ziauddin Medical University, Karachi.

Sohail is regarded as an expert in the fields of Pediatrics, Child Health and Neonatal Perinatal Medicine and has had numerous publications on those subjects and presented his work at various leading local and international conferences. He is actively involved in Pakistan Pediatric Association (PPA) a non-political organization for the better care of Pediatric patients in Pakistan. He is currently associated with PPA including Advisor to Neonatology group of PPA and currently holds the post of Treasurer of Pakistan Pediatrics Association (Center) and general secretary Pakistan Society of Inherited Metabolic disorders (PSIMD).

Mohsin **Madni**

Non - executive Director

Mr. Mohsin Madni is the Chief Financial Officer of Arif Habib Corporation Limited. His role encompasses a wide range of matters ranging from finance and taxation. Mr. Madni is an Associate Member of the Institute of Chartered Accountants of Pakistan (ICAP) and holds a Master's Degree in Economics & Finance. He is a member of Pakistan Institute of Public Finance Accountants (PIPFA) and Institute for Internal Controls, USA. Mr. Madni completed his Articleship from KPMG Taseer Hadi & Co., Chartered Accountants, where he gained experience of diverse sectors serving clients spanning the Financial, Manufacturing, Trading and Services industries.

Sharmin **Shahid**

Non - executive Director

Ms. Sharmin Shahid has over 20 years of experience in the field of Securities Brokerage and Portfolio Management. She was awarded the top position in her Bachelor's Degree in Commerce and has also participated in the Directors' Training Program. She has been awarded the Top 25 Companies Award on behalf of AHL for several years.

Sharmin actively participates in welfare activities and remains one of the trustees of Memon Health and Education Foundation (MHEF). Under her patronage & direction AHL has continued to excel and become a leading name in the industry.

Nida **Ahsan**

Non - Executive Director

Ms. Nida Ahsan is a Commerce Graduate. She represents the Arif Habib family who are the majority owners of the Arif Habib Group and have made significant contributions in the development of Securities Market in Pakistan.

She has over 17 years' experience of investing in listed securities including a number of first and second tier stocks.


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CHAIRMAN'S **REVIEW**

Review Report by the Chairman on the overall performance of Board and effectiveness of the role played by the Board in achieving the Company's objectives:

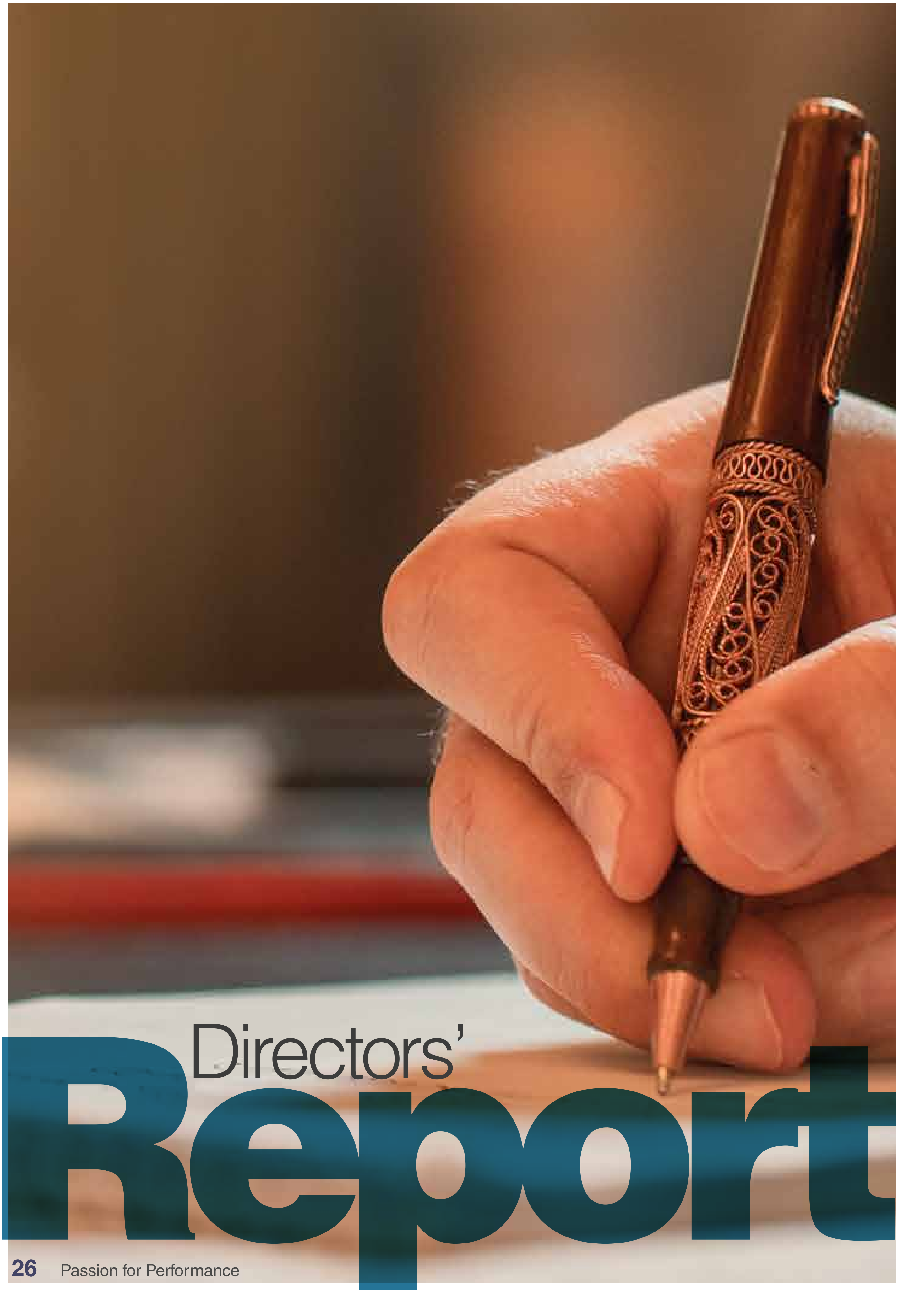
The Board of Directors ("the Board") of Arif Habib Limited ("AHL") has performed their duties diligently in upholding the best interest of shareholders' of the Company and has managed the affairs of the Company in an effective and efficient manner. The Board has exercised its powers and has performed its duties as stated in the repealed Companies Act 2017 and the Code of Corporate Governance ("the Code") contained in the Rule Book of the Pakistan Stock Exchange (the Rule Book) where the Company is listed.

The Board during the year ended 30 June 2021 played an effective role in managing the affairs of the Company and achieving its objectives in the following manner;

- The Board has ensured that there is adequate representation of non-executive and independent directors on the Board and its committees as required under the Code and that members of the Board and its respective committees has adequate skill experience and knowledge to manage the affairs of the Company;
- The Board has formed an Audit and Human Resource and Remuneration Committee and has approved their respective terms of references and has assigned adequate resources so that the committees perform their responsibilities diligently;
- The Board has developed and put in place the rigorous mechanism for an annual evaluation of its own performance and that of its committees and individual directors. The findings of the annual evaluation are assessed and re-evaluated by the Board periodically;
- The Board has ensured that the directors are provided with orientation courses to enable them to perform their duties in an effective manner and that the five directors on the Board have already taken certification under the Directors Training Program (DTP), one director will complete his DTP program during FY22 and the remaining directors meet the qualification and experience criteria of the Code;
- The Board has ensured that the meetings of the Board and that of its committee were held with the requisite quorum, all the decision making were taken through Board resolution and that the minutes of all the meetings (including committees) are appropriately recorded and maintained;
- The Board has developed a code of conduct setting forth the professional standards and corporate values adhered through the Company and has developed significant policies for smooth functioning;
- The Board has actively participated in strategic planning process enterprise risk management system, policy development, and financial structure, monitoring and approval;
- All the significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decision making process and particularly all the related party transactions executed by the Company were approved by the Board on the recommendation of the Audit Committee;
- The Board has ensured that the adequate system of internal control is in place and its regular assessment through self-assessment mechanism and /or internal audit activities;
- The Board has prepared and approved the director's report and has ensured that the directors report is published with the quarterly and annual financial statement of the Company and the content of the director's report are in accordance with the requirement of applicable laws and regulation;
- The Board has ensured the hiring, evaluation and compensation of the Chief Executive and other key executives including Chief Financial Officer, Company Secretary, and Head of Internal Audit;
- The Board has ensured that adequate information is shared among its members in a timely manner and the Board members are kept abreast of developments between meetings; and
- The Board has exercised its powers in light of the power assigned to the Board in accordance with the relevant laws and regulation applicable on the Company and the Board has always prioritized the Compliance with all the applicable laws and regulation in terms of their conduct as directors and exercising their powers and decision making.
- The board continues to explore opportunities to deploy innovative technologies into the financial markets. Emerging Fintechs will allow us to reduce the cost/income ratios of our products and services – particularly in retail markets. Mirroring the innovation seen around the world; Pakistan can provide greater accessibility for retail investors - while the self-serve nature of these journeys provides attractive unit economics for the product and service providers.

The evaluation of the Board's performance is assessed based on those key areas where the Board requires clarity in order to provide high level oversight, including the strategic process; key business drivers and performing milestones, the global economic environment and competitive context in which the Company operates; the risk faced by the Company's business; Board dynamics; capability and information flows. Based on the aforementioned, it can reasonably be stated that the Board of AHL has played a key role in ensuring that the Company objectives' are not only achieved, but exceeded expectations through a joint effort with the management team and guidance and oversight by the Board and its members.

Zafar Alam
Chairman
July 30, 2021

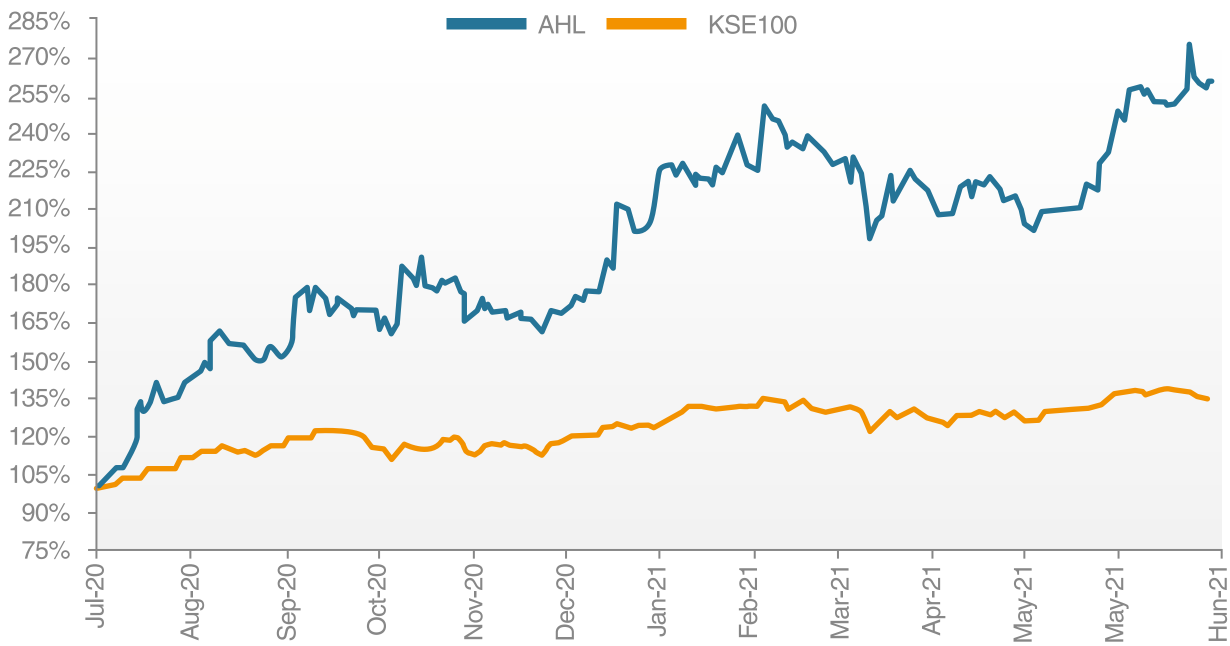


Directors' Report

Dear All,

Year under review has been an extraordinary year in so many ways. While we are grateful for much in the Financial year 2021, We would like to first acknowledge the pain and tragedy that the Covid pandemic has inflicted on some of our clients, colleagues, and partners. By the grace of Allah, Pakistan has so far been amongst those few countries which have fared better but we must remain cautious of the risks and cognizant of the devastation seen in many countries, caused by the pandemic.

We thank all our clients for entrusting us with the highest ever brokerage revenue, highest ever Investment banking revenue, and highest core profitability. We thank all our colleagues for their hard work and commitment while balancing the health and safety of their families. We thank all our board members for helping and guiding us to make the right decisions for the company. We also thank the Securities and Exchange Commission of Pakistan and Pakistan Stock Exchange for actively working on market reforms and helped improving market volumes and IPO activity. Finally, We congratulate all our shareholders for getting a return of 169% compared to a market return of 38% in FY21 (July 2020 - June 2021).



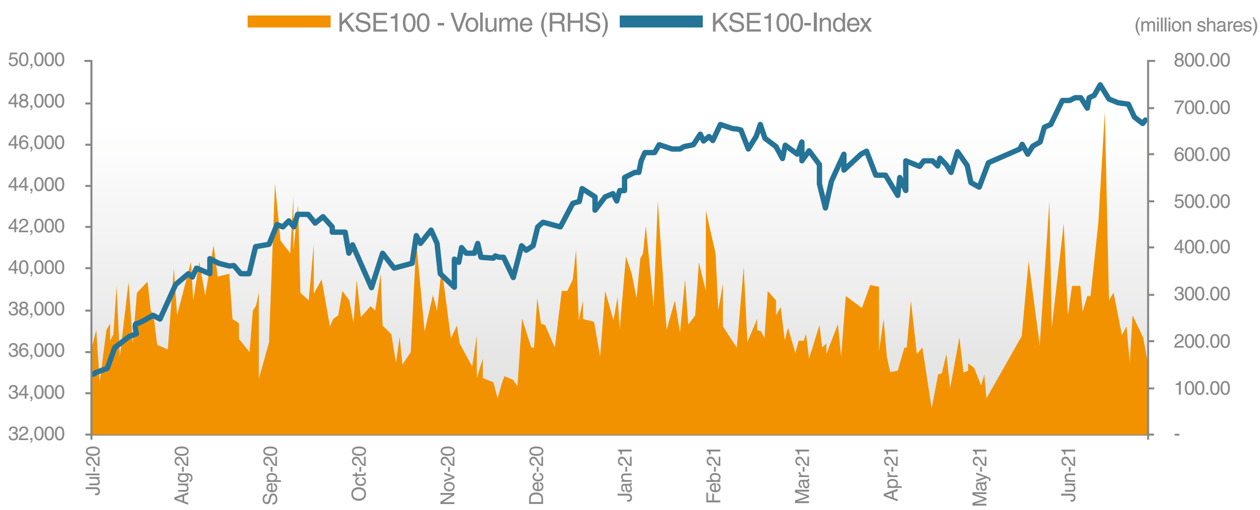
On the economic side, Pakistan has seen a strong rebound in FY2021. The National Command Operation Centre's (NCOC) efforts in imposing smart lockdowns in major population centers across Pakistan helped stage the recovery as acknowledged by the World Bank. Due to the collective efforts of the government and the State Bank of Pakistan (SBP), the economic recovery has been very robust in FY21 and achieved a GDP growth rate of 3.9%. Factories, especially those related to the textile sector, are running near full capacities and creating employment, businesses are thriving as we adapt to the new normal. A special mention has to go to the ingenuity of the SBP in taking charge of the monetary policy at the right time and restoring confidence among the business community along with the introduction of the Temporary Economic Relief Facility (TERF) which mobilized human and financial capital to push forward expansion plans.

Credit too must go to the government for the several initiatives taken in reviving an ailing economy. Public Sector Development Programme (PSDP) played a pivotal role with a historic 106% utilization level, which is further aided by the introduction of the Pakistan Housing Scheme which will be a tailwind for GDP growth. The introduction of Roshan Digital Accounts (RDA) enabled the Pakistani diaspora to stay connected with the nation and generate FX support. The SBP is playing a central role here in terms of facilitating both the RDA and Housing Scheme initiatives, where the latter is expected to set the foundations for a housing mortgage market that is currently non-existent in Pakistan (0.5% of GDP as compared to ~4% for South Asia).

Having successfully navigated through a challenging period Pakistan is setting new records in terms of historic high FX reserves (USD 24.4 billion), record remittances (USD 29.4 billion), record exports (USD 25.6 billion), lowest CAD in 10yrs (USD 1.9 billion), record LSMI output growth (+14.6% YoY), record auto loans (PKR 308 billion), record cement sales (57.4 million tons) as well as the highest ever electricity generation (130,223 GWh). This all solidifies a turnaround story of Pakistan and are the underpinnings for the KSE100 to be trading at multi-year highs in terms of performance, average daily traded value, and volumes.

Stock Market Performance: A year of hope and optimism

Unlike the performance witnessed in FY19 and FY20, the outgoing FY21 has been stellar with gains of +38%. The course of recovery was initially set by entering into an IMF program and a conscious decision by the SBP to slash interest rates. Besides monetary policy easing and declining inflation, stable PKR parity vis-à-vis USD played a crucial role in Pakistan's economic recovery and stock market performance.



KSE100 index added a total of 12,952pts during FY21. Due to improving business conditions, investor confidence was restored which resulted in average traded volumes at the bourse more than doubling from 196 mn shares in FY20 to 528 mn shares in FY21 (2.6x YoY). Similarly, average traded value both in PKR and USD tripled from PKR 10.3 trillion in FY20 to PKR 27.8 trillion in FY21, and USD 65.5 million to USD 173.3 million in FY21.

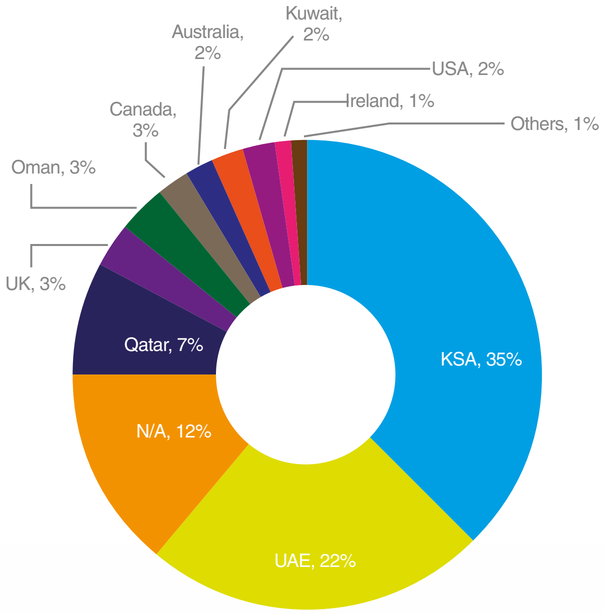
Post attainment of MSCI Emerging Market status, foreigners have remained net sellers. FY21 was no different, with foreigners net selling USD 387 million worth of equities. The selling was largely observed in E&P (USD 90 million), Banks (USD 114 million), and Other Sectors (USD 135 million). Besides the foreign selling, amongst local investors, Banks, Brokers, and Insurance Companies sold USD 95 million, USD 32 million, and 10 million respectively aggregating a sum of USD 137 million. The selling of USD 524 million was mainly absorbed by Individuals, Corporates, and Other Organizations (particularly government pension funds), who invested USD 332 million, USD 138 million, and USD 45 million respectively, aggregating to USD 515 million. 4QFY21 saw the Insurance Sector as the major seller amongst locals with an outflow of USD 63 million aided by foreigners who net sold USD 93 million worth of stocks. The emergence of individuals as the largest net buyers of Pakistan equities reflects the ample domestic liquidity and confidence in Pakistan's turnaround.

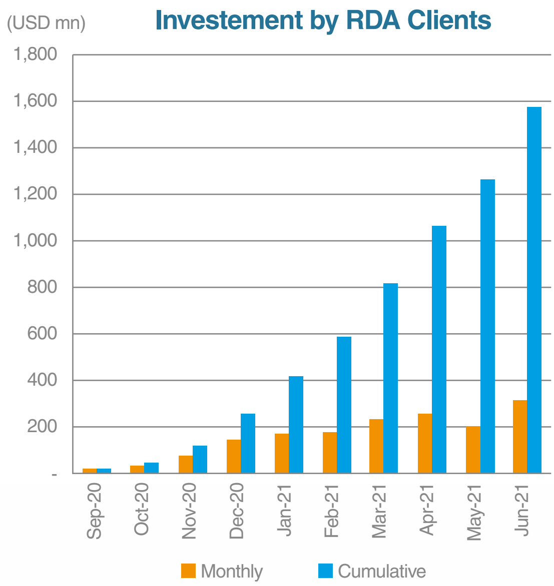
In terms of performance, in line with global markets Tech led with gains of +312%, followed by Refinery +214%, Synthetic +163%, Engineering +109%, and Glass & Ceramics +99%. This was markedly different from the top 5 sectors contributing to Index performance in FY20, which were Leather +110%, Textile +79%, Technology +66%, Pharmaceuticals +57%, and Cement +45%. Conventional plays such as E&P (+9%) and Banks (+32%) remained muted in FY21. During FY21, the ascent of 12,952pts in the benchmark Index was largely contributed by 5 sectors. These include Technology (+2489pts), Cement (+2064pts), Banks (+2059pts), Fertilizer (+822pts) and Textile (+745pts). New sectors assuming leadership reflect the broadening and deepening of the PSX board and Pakistani economy keeping us in line with trends seen in the post-pandemic world.

Highest participation in Roshan Digital Account

Roshan Digital Account has proven to be a successful solution for Pakistan's worker remittances. More than just attracting remittances for FX building, this initiative enables Pakistani expatriates to participate in Pakistan's recovery through investments in various asset classes. Previously such funds would not come through formal channels and be mainly invested in real estate, however, the government has now offered new avenues such as Naya Pakistan Certificate and investment in the stock market besides traditional real estate investment vehicles. As this channel matures, the SBP is exerting efforts through commercial banks to offer financial products such as auto purchases through RDA.

AHL is proud to be at the forefront of this initiative by PM Imran Khan, spearheaded by Dr. Reza Baqir of the SBP. So far 182,000 RDAs were set up (till June end) contributed USD 1.6 billion in investment flows to Pakistan. The bulk of RDAs are focused on Naya Pakistan Certificates and 5,249 for equity investments. AHL has set up a dedicated help desk to provide customer support to RDA clients and is increasing its headcount to enhance the RDA clientele. AHL, by the grace of Almighty, has achieved an average market share of around 38% of the Roshan Digital Accounts during the year.





Gender Diversity

Women's inclusion in the workforce is not only important from a social, ethical, and cultural standpoint but maintaining an equal opportunity workspace helps set the strategic direction of the organization as well. AHL has made gender diversity and inclusion of women in the workforce an important tenet of its strategy and is taking important steps in this regard to identify, nurture and develop talent. FY21 has seen AHL take a giant leap with the inclusion of 30 women in the workforce which is 50% of total new hires.

Financial Performance

We are pleased to share with you that the financial performance of AHL for FY21 has been phenomenal across the board. Your company has achieved the highest ever brokerage revenue, highest investment banking revenue, and highest core profitability and net profitability. The combined operating revenue from brokerage and advisory (excluding Dividend Income) has grown by +188% YoY while posting Rs. 898.8 million in FY21 as against Rs. 478.7 million in FY20.

FY21 saw the highest number of capital raising transactions since 2010 and the highest equity raising for 14 years. The total capital raised during FY21 is Rs. 56 billion out of which equity raising is Rs. 20 billion. In addition, 25 listed companies went for right issuance which raised another Rs. 45 billion.

The total revenue (Operating and Non-operating Income) has tripled over the year from Rs. 706.7 million in FY20 to Rs. 3,048 million in FY21. This is mainly due to capital gain on equity securities at FVTPL (Fair Value Through Profit / Loss), which has recorded at Rs. 1,311.4 million against realizing a loss of Rs. 273.3 million in FY20.

Eyeing this very growth, when the economy was facing the challenge of COVID, AHL used this threat as an opportunity to grow its footprint in the north of the country and invest further in technology and our workforce. This saw an increase in administrative and operating expenses from Rs. 344 million to Rs. 638 million (+85% YoY).

Brokerage Operations

Broking operations have posted a total revenue of Rs. 706 million in FY21, which is +118% when compared with FY20. Healthy growth in our brokerage revenues is not only because of staggering growth in traded volumes but also due to our higher penetration in the growing retail and online market. Though we had to put in place a WFH (Work From Home) policy, we worked harder to realize this historic growth in revenues. We have added more traders in our team to service institutional and HNWI clients resulting in increasing our market share.

Our institutional business grew by +83% YoY, individuals and online segments posted +200% growth in the outgoing year. Our IT department has played a key role in making a robust and uninterrupted working environment to achieving a mammoth growth in brokerage revenue.

This year we have opened branches in Rawalpindi, Faisalabad and Multan taking the total number of branches to 6. We have recorded outstanding growth in brokerage revenue from Lahore (164%), Islamabad (235%) and Peshawar (161%) branches. We will continue to open more branches in other cities as well to achieve our objective of increasing awareness of Pakistan capital market opportunities amongst the masses. The Retail and Online teams have performed exceptionally well in this drive. We will also give credit to our compliance team who are diligently working on KYC/AML of our increasing number of account openings. We also acknowledge the untiring efforts of our settlement department for swiftly handling the settlements of the highest ever trades in the history of AHL without any delay whatsoever.

Our money market desk also added to the growth in broking revenues by posting Rs. 87 million (+54% YoY) which is also the highest since we started this operation in 2013. We have added more traders in our money market and FX department resulting in substantially increasing our market share.

By the grace of Almighty, AHL won 'Best Broker in Pakistan' in FinanceAsia's Country Awards for 2021.

Growing Footprint – the digital way forward

National Clearing Company Pakistan Limited (NCCPL) declares 256,954 Unique Identification Numbers (UINs) as of June 30, 2021. This number is a drop in the ocean when compared with Pakistan's total population. AHL believes the number of UINs can be increased in multiples for which technology will play an important role. AHL is constantly working to expand its outreach to customers in the north and we have set up 3 new branches in FY21. We have opened 3,932 new accounts which are 330% higher than last year with nearly 70% of this being online. In addition, we have developed a new mobile application for clients which is a major upgrade from the previous one and scores high on customer satisfaction, user-friendliness, and access to information.

Investment Banking Operations

Our investment banking operations posted a total revenue of Rs. 672 million, which is +333% against FY20. The investment banking revenues include advisory on record number of equity IPOs, listed and privately placed TFCs and Sukuks, Mergers & Acquisitions, Private Equity Placements, advisory and underwriting of equity raising through Right shares. FY21 saw 8 equity listings on the exchange raising a total of Rs. 20 billion. We are pleased to share with you that your company remained the market leader with enlisting 6 companies and raising a total of Rs. 17 billion (85% market share). AHL also advised the raising/listing of two debt issues to the tune of Rs. 36 billion. While the wave of optimism continues, we foresee scores of new listings at the bourse and are confident that AHL will maintain its market leader position and bring more IPOs to market.

TPL Trakker Limited	Agha Steel Limited	Panther Tyres Limited	Service Global Footwear
IPO	IPO	IPO	IPO
66.8 Million Shares – PKR 802 Million	**120 Million Shares - PKR 3.84 Billion**	**40 Million Shares - PKR 2.63 Billion**	**40.9 Million Shares – PKR 2.18 Billion**
TPLT is engaged in providing technology solutions, focused on connected car, data and location services, and industrial IoT technologies	AGHA is the first and only electric arc furnace facility in the country producing high quality steel bars, wire rods and billets	Panther is the leading player in tyres and tubes industry. PTL has also ventured into the trading business of automobile spare parts and lubricants	SGF is involved in the manufacturing, sale, marketing, import and export of footwear, leather and allied products

Pakistan Aluminum Beverage Cans Limited	Engro Polymer and Chemicals Limited	Bank Alfalah Limited	K- Electric
Offer for Sale	Convertible Pref. Shares	Term Finance Certificate	Sukuk
93.9 Million Shares - PKR 4.6 Billion	**300 mn Shares - PKR 3 Billion**	**PKR 11 Billion**	**PKR 25 Billion**
PABC is the only aluminum beverage cans manufacturer in Pakistan. It supplies to all major carbonated drinks bottlers including PepsiCo and Coca Cola bottlers	EPCL, subsidiary of ENGRO, manufactures, markets and sells Poly Vinyl Chloride (PVC), Vinyl Chloride Monomer (VCM), Caustic soda and other related chemicals	BAFL issued a TFC in denominations of PKR 5,000, offering a coupon rate of 9.03% p.a. to hedge the issuer's fixed rate assets with fixed rate liabilities	K-Electric raised PKR 25 billion by way of rated,secured Diminishing Musharaka Sukuk certificate to fund routine capex, opex requirements.

Our consistent performance in the area of investment banking division was recognized by The Asset Triple A Sustainable Capital Markets Country & Regional Awards 2020 and we won awards in 3 categories, namely Best Corporate and Institutional Adviser – Domestic, Best Equity Adviser, and Best Bond Adviser. Your company has created history by winning "Best Corporate Finance House (Equities & Advisory)" for the 7th consecutive year (2014-2020) from CFA Society Pakistan, a feat that no one has achieved yet. Further AHL has also won the Best transaction of the Year award for IPO of Interloop from CFA Society Pakistan.

The Management foresees the increased activity on account of new equity/debt listings and also on the areas of Mergers and Acquisitions and private equity investments. We are confident to achieve the larger share by providing excellent services to our clients.

Awards and Recognition

We immense pride in announcing that the company's performance has been recognized by internationally renowned organizations such as The Asset Triple A as well as from FinanceAsia in FY21. This year AHL won following awards:

1. Best Broker in Pakistan - FinanceAsia Country Awards 2020
2. Best Corporate & Institutional Adviser - The Asset Triple A Country & Regional Awards 2020
3. Best Equity Adviser - The Asset Triple A Country & Regional Awards 2020
4. Best Bond Adviser - The Asset Triple A Country & Regional Awards 2020
5. Best Corporate Finance House of the Year 2019 - CFA Society Pakistan
6. Best Equity Brokerage House of the Year 2019 - CFA Society Pakistan
7. Best Equity Analyst of the Year 2020 – CFA Society Pakistan
8. Best Transaction of the Year 2019 - CFA Society Pakistan

Credit Rating

The Company has been re-assigned entity ratings of 'AA-/A-1' (Double A Minus/A-One) by JCR-VIS Credit Rating Company Ltd. (JCR-VIS). The outlook on the assigned ratings is 'Stable'. This certification has further underscored the management's vision for continuous growth and is expected to provide further confidence to the company's clientele with regards to the credibility and stability of the brand "Arif Habib".

Management Rating

The Company has been assigned a management rating of BMR1 by the Pakistan Credit Rating Agency Limited (PACRA). The outlook on the assigned ratings is 'Stable'. This certification has endorsed the Company's capability in upholding strong control and governance framework, continuing update of client servicing tools, and careful monitoring of risks mainly liquidity and conflict of interest emanating from investment activities.

Risk Management

Risks are unavoidable in our business and include liquidity, market, credit, operational, legal, regulatory, and reputational risks. AHL's risk management governance starts with our Board, which plays an integral role in reviewing and approving risk management policies and practices.

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

Corporate Social Responsibility

Your Company continued its contribution to society and the business community as a socially responsible organization through numerous philanthropic activities. AHL is committed to the fulfillment of its Corporate Social Responsibility and continues its involvement in projects focusing on healthcare, education, environment, and community welfare. We aim to continue our involvement and contribution to such noble causes in the future as well.

The details of the contribution made by the Company are presented on Page No. 16.

Code of Corporate Governance

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

The Directors are pleased to report that:

a. The financial statements prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity;

b. Proper books of account of the Company have been maintained;

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

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

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

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

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

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

i. There are no transactions entered into by the broker during the year which are fraudulent, illegal or in violation of any securities market laws;

j. The Company has paid amount of Rs. 7,788,000 in the Provident Fund of the employees of the Company and the Company has no outstanding liability as at the year-end as the Provident Fund is managed by a separate trust.

Changes in the Board

During the year under review, there was no change in structure of the Board.

Board and Audit Committee Meetings and Attendance

During the year under review, five meetings of the Board of Directors and four meetings of the Audit Committee were held from July 01, 2020 to June 30, 2021. The attendance of the Board and Audit Committee members was as follows:

Name of Director	Board Meeting	Audit Committee Meeting
Mr. Zafar Alam	4	N/ A
Ms. Sharmin Shahid	4	N/A
Ms. Nida Ahsan	3	N/A
Mr. Muhammad Haroon	3	3
Mr. Mohsin Madni	4	4
Mr. Muhammad Shahid Ali	4	N/A
Mr. Muhammad Sohail Salat	4	4

Leave of absence was granted to members who did not attend the Board and Committee meetings.

Trading in Shares of the Company by Directors and Executives

During the year following trades in the shares of the Company were carried out by the Directors, CEO, CFO, Company Secretary and their spouses and minor children:

Name of Director	Designation	Shares Bought	Shares Sold	Remarks
				-
Mr. Zafar Alam	Chairman	24,500	-	-
Mr. Muhammad Sohail Salat	Director	-	-	-
Ms. Sharmin Shahid	Director	-	-	-
Mr. Mohsin Madni	Director	-	-	-
Mr. Muhammad Haroon	Director	-	-	-
Ms. Nida Ahsan	Director	-	-	-
Mr. Muhammad Shahid Ali	Chief Executive Officer	-	-	-
Mr. Muhammad Taha Siddiqui	Chief Financial Officer & Company	-	-	-
Spouses	Secretary	-	-	-
Minor Children		-	-	

Audit Committee

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

Corporate and Secretarial Compliance

The Company Secretary has furnished a Secretarial Compliance Certificate as part of the annual return filed with the registrar of Companies to certify that the secretarial and corporate requirements of the Companies Act, 2017, Memorandum and Articles of Association of the Company and the listing regulations have been duly complied with.

Ethics and Business Practices

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

Pattern of Shareholding

The detailed pattern of the shareholding and categories of shareholders of the Company as at June 30, 2021, as required under the listing regulations, have been appended to this Annual Report.

Information to Stakeholders

Key operating and financial data of previous years has been summarized and is presented on page No. 187.

Post Balance Sheet Date Event / Dividend

The Board of Directors has proposed a final cash dividend of Rs. 10/- per share amounting to Rs. 594 million and bonus shares in the proportion of 10 shares for every 100 shares held (i.e 10%) at its meeting held on July 30, 2021 for the approval of the members at the annual general meeting to be held on September 25, 2021. These unconsolidated financial statements do not reflect the said appropriation.

Related party transaction

In order to comply with the requirements of listing regulations, the Company has presented all related party transactions before the Audit Committee and Board for their review and approval. These transactions have been approved by the Audit Committee and Board in their respective meetings. The details of all related party transactions have been provided in note 34 & 35 of the annexed audited financial statements.

Auditors

The retiring auditors M/s. Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, have offered themselves for reappointment. The Board recommends their reappointment and a resolution proposing the appointment of M/s. Rehman Sarfaraz Rahim Iqbal Rafiq as auditors of the Company for the financial year 2021-22 will be submitted at the forthcoming Annual General Meeting for approval.

Future Prospects

The Future prospects of your Company are promising on account of the Management's efforts towards increasing the Company's market share and through wider participation in all its business segments particularly the online and retail division through digital onboarding. The Company is striving to yield better volumes from its existing clientele as well as prospective domestic and foreign clients, by expanding and growing relationships with them through the Company's premium suite of services. This includes offering novel products and services through augmenting the Company's high-quality Research.

The Management also foresees increased activity on account of new equity and debt listings for which the Investment Banking Division is well equipped.

The Management is confident that the Company's equity and property investment portfolio will likely demonstrate good results, as the economy and the market continue to offer rewarding investment opportunities.

Acknowledgement

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

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

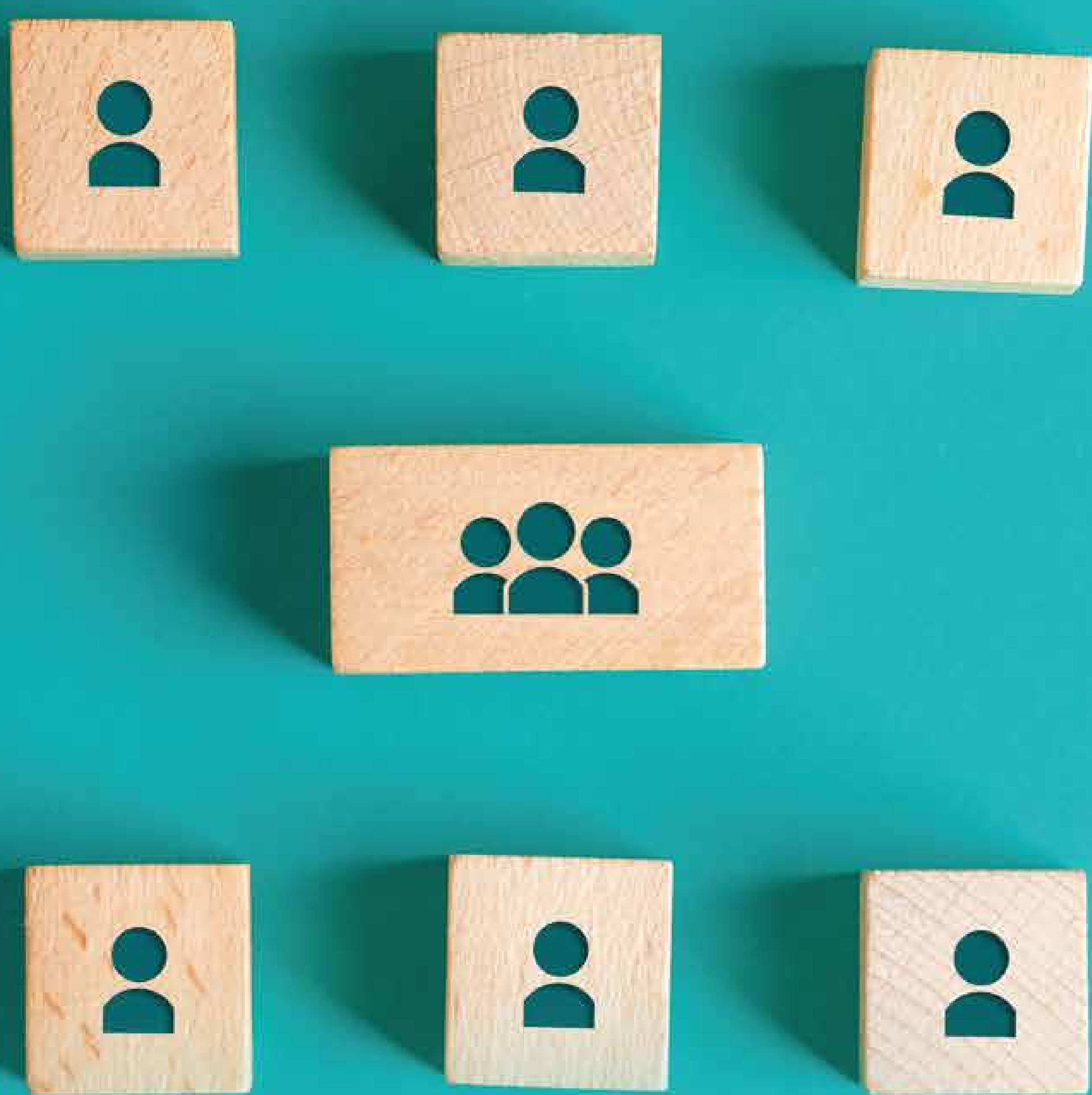
For and on behalf of the Board of Directors,

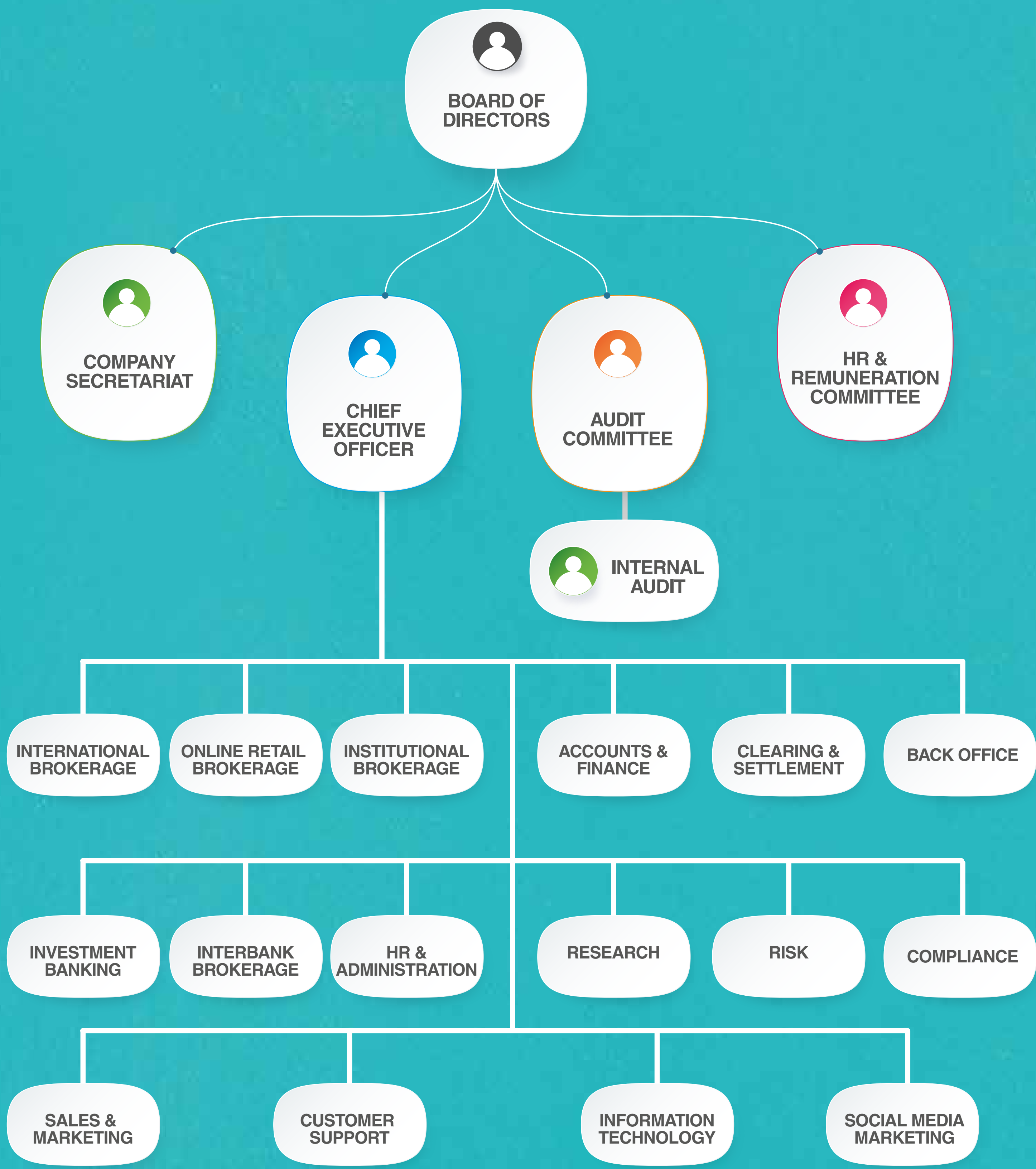
Muhammad Shahid Ali Habib
Chief Executive Officer and Executive Director

Zafar Alam
Chairman

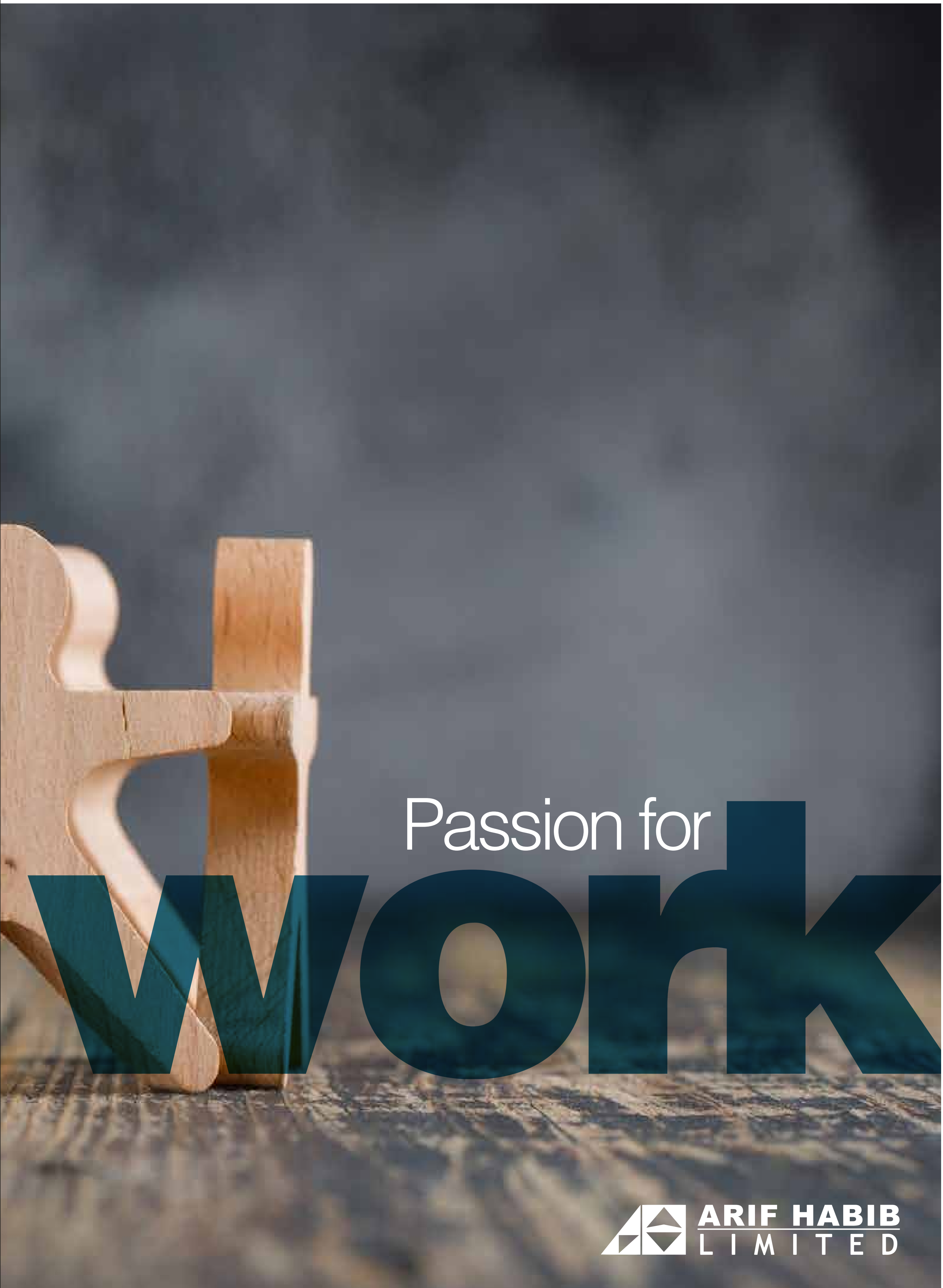
Karachi.
Dated: July 30, 2021

ORGANIZATIONAL **STRUCTURE**




BOARD OF DIRECTORS
COMPANY SECRETARIAT
CHIEF EXECUTIVE OFFICER
AUDIT COMMITTEE
HR & REMUNERATION COMMITTEE
INTERNAL AUDIT
INTERNATIONAL BROKERAGE
ONLINE RETAIL BROKERAGE
INSTITUTIONAL BROKERAGE
ACCOUNTS & FINANCE
CLEARING & SETTLEMENT
BACK OFFICE
INVESTMENT BANKING
INTERBANK BROKERAGE
HR & ADMINISTRATION
RESEARCH
RISK
COMPLIANCE
SALES & MARKETING
CUSTOMER SUPPORT
INFORMATION TECHNOLOGY
SOCIAL MEDIA MARKETING


team


Passion for
work
ARIF HABIB
LIMITED

FINANCIAL & BUSINESS **HIGHLIGHTS**

Year ended 30 June

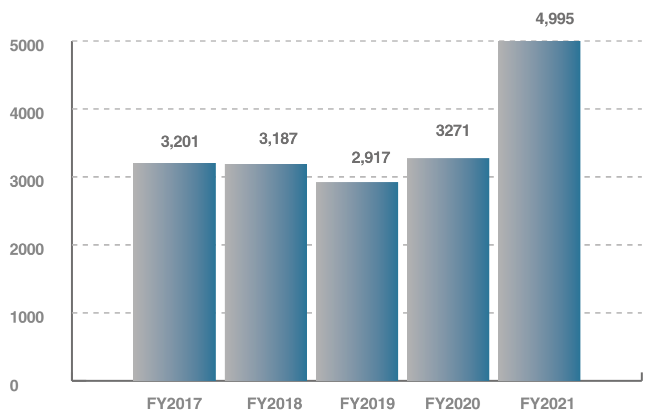
Rupees in million

	2021	2020	2019	2018	2017
Profit and Loss Account					
Operating Revenue	**1,512**	645	767	656	858
Investment gains - net	**1,276**	(70)	(657)	10	520
Other	**103**	140	154	167	262
Total turnover	**3,181**	847	634	1,219	1,672
Operating & administrative expenses	**(637)**	(344)	(396)	(324)	(386)
Finance Cost	**(132)**	(362)	(218)	(185)	(138)
Profit / (loss) before taxation	**2,393**	129	12	653	1,140
Profit / (loss) after taxation	**2,084**	60	(62)	536	880
EBITDA	**2,560**	519	239	846	1,287
Balance Sheet					
Share Capital	**594**	594	660	550	550
Reserves	**4,386**	2,662	2,242	2,622	2,636
Share holders equity	**4,995**	3,271	2,917	3,187	3,201
Long term investment	**136**	127	154	160	172
Investment property	**1,726**	1,726	1,726	1,373	369
Current assets	**6,250**	4,944	3,711	3,878	5,081
Current liabilities	**3,473**	3,239	2,725	2,286	2,491
Total assets	**8,472**	6,869	5,642	5,473	5,693
Total liability	**3,477**	3,598	2,725	2,286	2,492

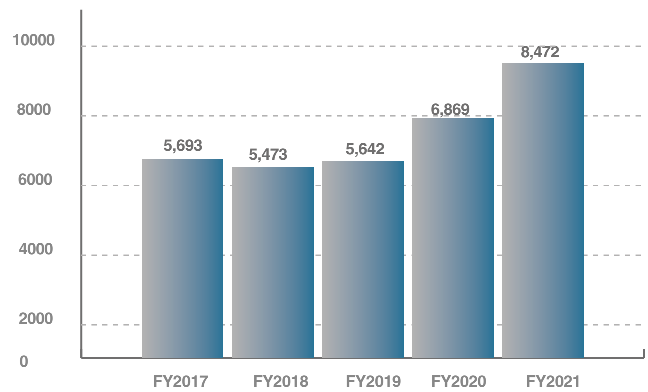
	2021	2020	2019	2018	2017
RATIOS					
Performance					
Profit before tax (%)	**75.2**	15.2	2.0	53.6	68.2
Expense / income (%)	**20.0**	40.6	62.5	26.6	23.1
Return on Equity (%)	**50.4**	1.9	(2.0)	16.8	29.8
Return on Capital Employed (%)	**55.5**	3.9	0.4	20.4	38.6
Leverage					
Debt to Asset (%)	**16.2**	26.7	33.8	26.9	24.7
Debt to Equity (%)	27.4	56.1	65.4	46.2	44.0
Interest Cover x	**18.2**	0.4	0.1	3.5	8.3
Liquidity					
Current Ratio (x)	**1.80**	1.53	1.36	1.70	2.04
Quick /Acid Test (x)	**1.63**	1.45	1.13	1.48	1.67
Valuation					
Earnings per Share (PKR)	**35.08**	1.00	(0.94)	9.75	16.01
Price to Earnings Ratio (x)	**2.31**	32.60	(64.63)	6.26	5.02
Price to Book Ratio (x)	**0.96**	0.59	1.38	1.05	1.38
Dividend Yield Ratio (%)	**12.3**	7.7	-	4.9	12.4
Dividend Payout Ratio (%)	**28.5**	250.5	-	30.8	62.5
Cash Dividend per Share (PKR)	**10.00**	2.50	-	3.00	10.00
Stock Dividend per Share (%)	**10.0**	-	-	20.0	-
Market Value at end of each year (PKR)	**81.12**	32.5	61.0	61.0	80.41
High Price (during the year) (PKR)	**88.75**	66.5	70.1	88.0	113.51
Low Price (during the year) (PKR)	**32.27**	22.6	26.4	36.4	45.79

GRAPHICAL REPRESENTATION

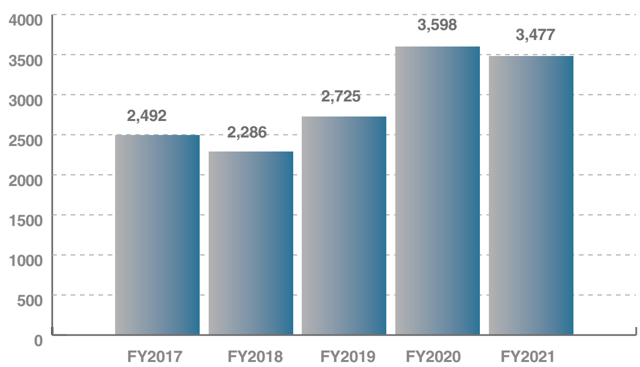
SHARE HOLDERS EQUITY
RUPEES IN MILLION



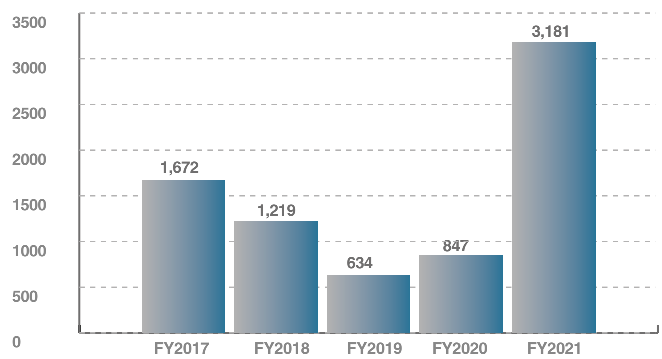
TOTAL ASSETS
RUPEES IN MILLION



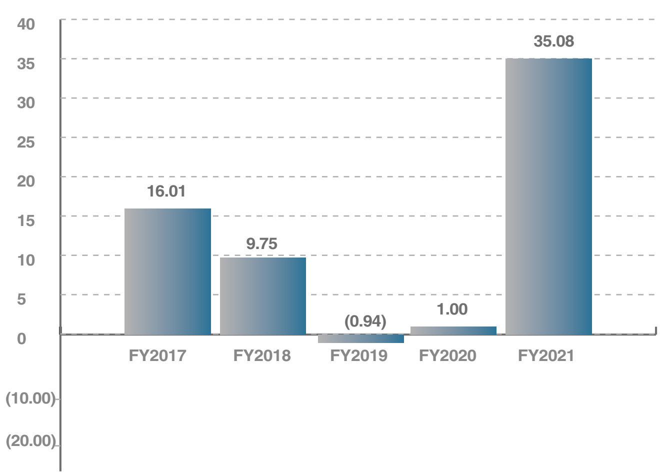
TOTAL LIABILITIES
RUPEES IN MILLION



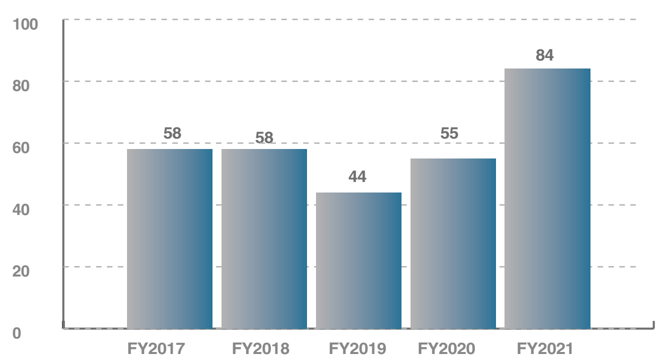
TOTAL REVENUE
RUPEES IN MILLION



EARNINGS PER SHARE
IN RUPEES

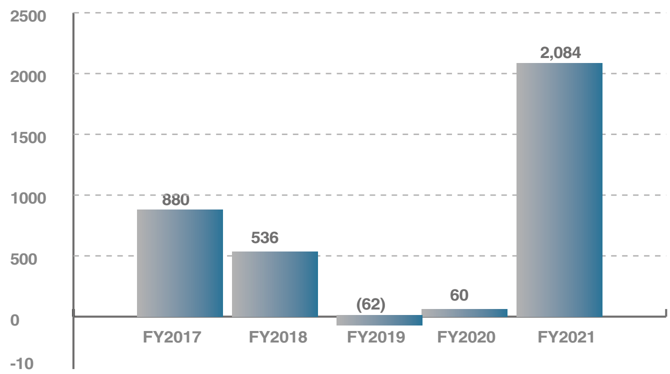


BREAK-UP VALUE PER SHARE
IN RUPEES

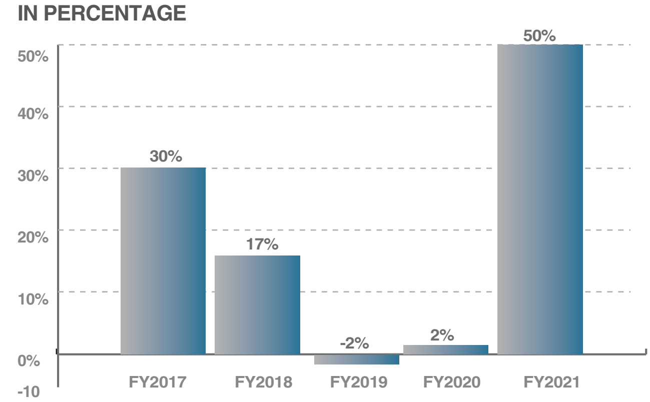


GRAPHICAL
REPRESENTATION

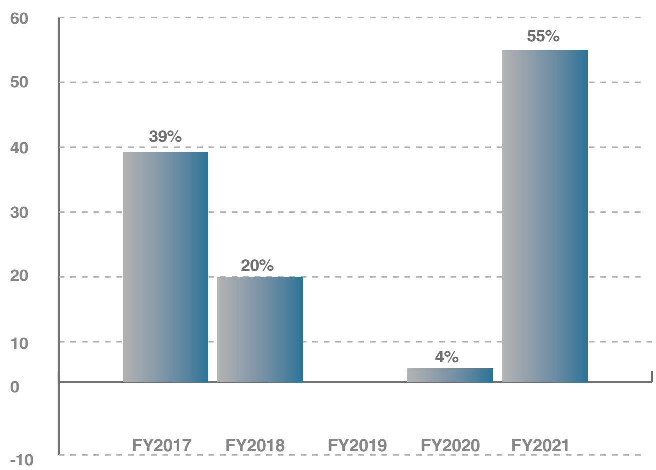
PROFIT AFTER TAX
RUPEES IN MILLION



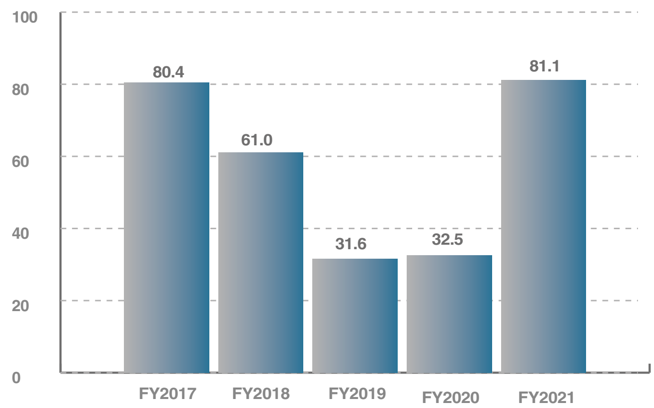
RETURN ON EQUITY
IN PERCENTAGE



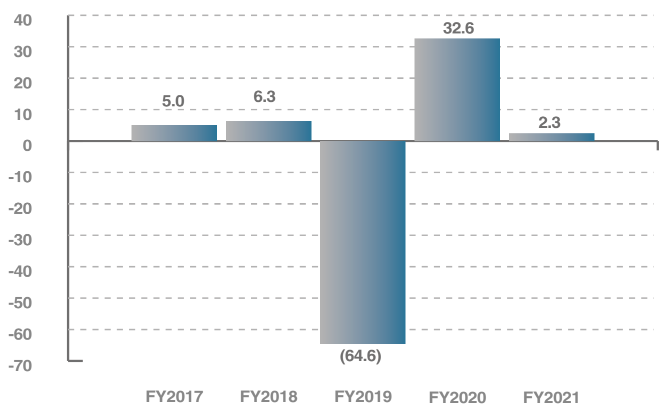
RETURN ON CAPITAL EMPLOYED
IN PERCENTAGE



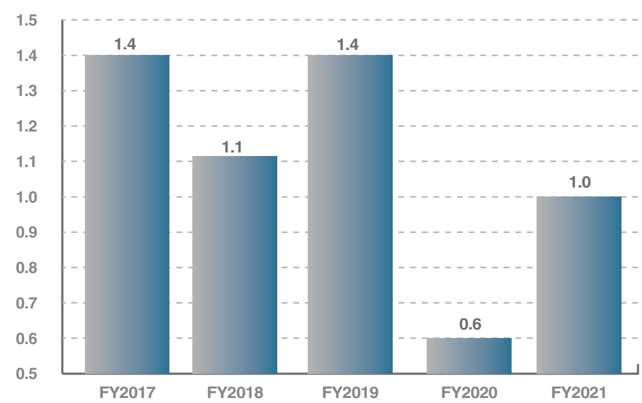
MARKET VALUE
IN RUPEES



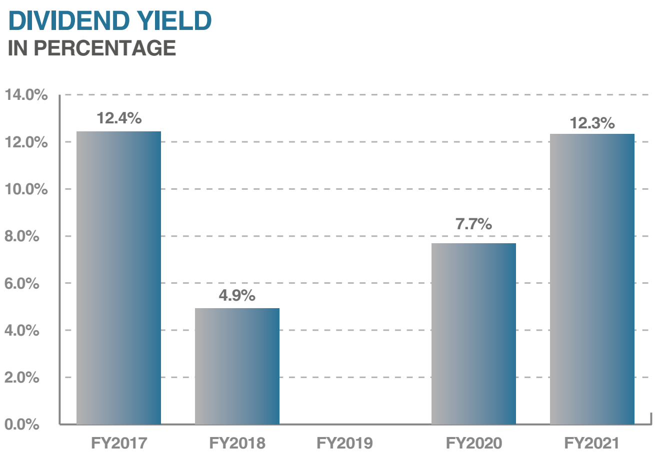
PRICE TO EARNING
TIMES

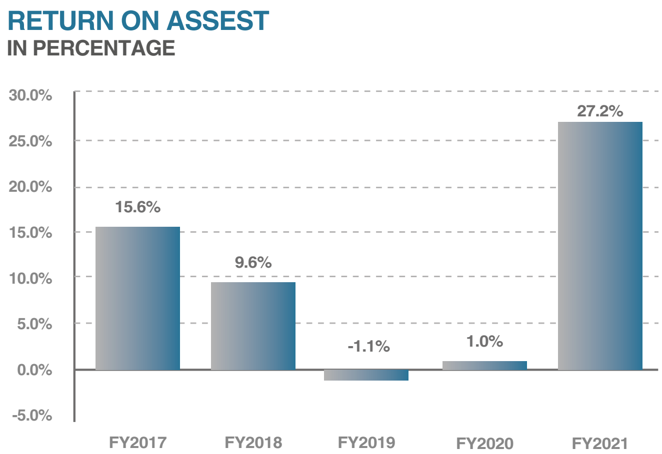


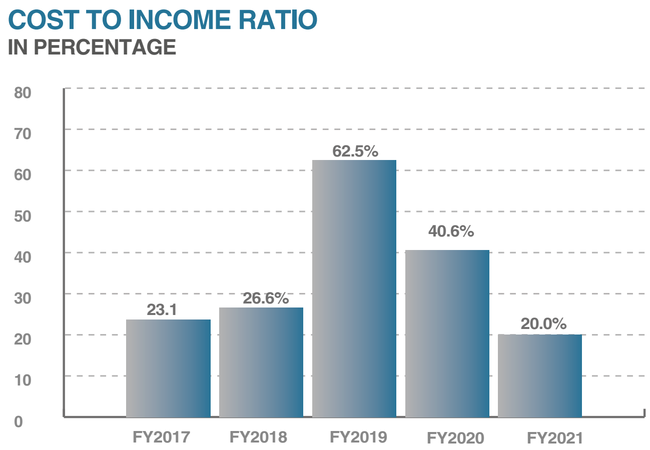
PRICE TO BOOK
TIMES



GRAPHICAL **REPRESENTATION**







HORIZONTAL ANALYSIS OF FINANCIAL **STATEMENTS**

	2021		2020		2019	
	Rupees in million	%	Rupees in million	%	Rupees in million	%
Balance Sheet						
Total equity and minority interest	4,995	53	3,271	12	2,917	(8)
Total non-current liabilities	4	(99)	358	100	-	-
Total current liabilits	3,473	7	3,239	19	2,725	19
Total equity and liabilities	8,472	23	6,869	22	5,642	3
Total non-current assets	2,222	17	1,901	1	1,891	19
Total current assets	6,250	26	4,968	32	3,751	(3)
Total assets	8,472	23	6,869	22	5,642	3
Profit and Loss Accounts						
Net operating revenue	3,181	276	847	34	634	(48)
Operating and administrative expenses	(637)	85	(344)	(13)	(396)	22
Operating profit / (loss)	2,544	406	503	111	238	(73)
Other income / (charges) - net	(19)	55	(12)	82	(7)	(88)
	2,525	414	491	112	231	(72)
Finance cost	(132)	(64)	(362)	66	(218)	18
Profit / (loss) before tax	2,393	1,755	129	863	13	(55)
Taxation	(309)	348	(69)	(8)	(75)	(36)
Profit / (loss) after tax	2,084	3,374	60	(198)	(61)	(111)

	2018		2017		2016	
	Rupees in million	%	Rupees in million	%	Rupees in million	%
Balance Sheet						
Total equity and minority interest	3,187	-	3,201	18	2,705	1
Total non-current liabilities	-	-	-	(74)	2	(10)
Total current liabilits	2,286	(8)	2,491	(13)	2,856	111
Total equity and liabilities	5,473	(4)	5,692	2	5,563	38
Total non-current assets	1,595	161	611	(27)	840	2
Total current assets	3,878	(24)	5,081	8	4,723	47
Total assets	5,473	(4)	5,692	2	5,563	38
Profit and Loss Accounts						
Net operating revenue	1,219	(27)	1,672	86	899	(48)
Operating and administrative expenses	(324)	(16)	(386)	44	(268)	(11)
Operating profit / (loss)	895	(30)	1,286	104	631	(55)
Other income / (charges) - net	(57)	613	(8)	(11)	(9)	(76)
	838	(34)	1,278	105	622	(55)
Finance cost	(185)	34	(138)	(17)	(166)	(29)
Profit / (loss) before tax	653	-	1,140	89	456	(84)
Taxation	(117)	(55)	(260)	459	(47)	(78)
Profit / (loss) after tax	536	(39)	880	115	410	(56)

VERTICAL ANALYSIS OF FINANCIAL **STATEMENTS**

	2021		2020		2019	
	Rupees in million	%	Rupees in million	%	Rupees in million	%
Balance Sheet						
Total equity and minority interest	4,995	59	3,271	48	2,917	52
Total non-current liabilities	4	-	358	5	-	-
Total current liabilits	3,473	41	3,239	47	2,725	48
Total equity and liabilities	8,472	100	6,869	100	5,642	100
Total non-current assets	2,222	26	1,901	28	1,891	34
Total current assets	6,250	74	4,968	72	3,751	66
Total assets	8,472	100	6,869	100	5,642	100
Profit and Loss Accounts						
Net operating revenue	3,181	100	847	100	634	100
Operating and administrative expenses	(637)	(20)	(344)	(41)	(396)	(62)
Operating profit / (loss)	2,544	80	503	59	238	38
Other income / (charges) - net	(19)	(1)	(12)	(1)	(7)	(1)
	2,525	79	491	58	231	36
Finance cost	(132)	(4)	(362)	(43)	(218)	(34)
Profit / (loss) before tax	2,393	75	129	15	13	2
Taxation	(309)	(10)	(69)	(8)	(75)	(12)
(Loss) / profit after tax	2,084	66	60	7	(61)	(10)

	2018		2017		2016	
	Rupees in million	%	Rupees in million	%	Rupees in million	%
Balance Sheet						
Total equity and minority interest	3,187	58	3,201	56	2,705	49
Total non-current liabilities	-	-	-	-	2	-
Total current liabilits	2,286	42	2,491	44	2,856	51
Total equity and liabilities	5,473	100	5,692	100	5,563	100
Total non-current assets	1,595	29	611	11	840	15
Total current assets	3,878	71	5,081	89	4,723	85
Total assets	5,473	100	5,692	100	5,563	100
Profit and Loss Accounts						
Net operating revenue	1,219	100	1,672	100	899	100
Operating and administrative expenses	(324)	(27)	(386)	(23)	(268)	(30)
Operating profit / (loss)	895	73	1,286	77	631	70
Other income / (charges) - net	(57)	(5)	(8)	-	(9)	(1)
	838	69	1,278	76	622	69
Finance cost	(185)	(15)	(138)	(8)	(166)	(18)
Profit / (loss) before tax	653	54	1,140	68	456	51
Taxation	(117)	(10)	(260)	(16)	(47)	(5)
(Loss) / profit after tax	536	44	880	53	410	46

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES **(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019**

M/s. Arif Habib Limited ("the company") has complied with the requirements of listed Companies (Code of Corporate Governance) Regulations, 2019 ('the Regulations') in the following manner:

1. The total number of directors are 7 as per the following:

   a. Male: 5 members
   b. Female: 2 members

2. The composition of the Board of Directors ('the Board') board is as follows

Category	Names
Independent Directors:	Mr. Zafar Alam Dr. Muhammad Sohail Salat
Non-Executive Directors:	Mr. Muhammad Haroon Mr. Mohsin Madni Ms. Sharmin Shahid Ms. Nida Ahsan
Executive Director:	Mr. Muhammad Shahid Ali Habib
Female Directors:	Ms. Sharmin Shahid Ms. Nida Ahsan

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

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

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that a complete record of particulars of significant policies along with the dates of approval or updation / amendment is maintained by the Company.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 ('the Act') and the Regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board.

8. The Board have a formal policy and transparent procedure for remuneration of directors in accordance with the Act and the Regulations.

9. Company stands complied with the requirement of having 75% of the directors of the board Director's Training Program (DTP) certified as prescribed under the sub clause 1(ii) of regulation no. 19 of the Regulations as out of total seven (7) directors, the total number of certified directors of the Company stands five (5) and one (1) of the director meets the exemption requirement of the DTP. The remaining one (1) director shall obtain certification under the DTP in due course of time as soon as the COVID19 restrictions gets relaxed.

10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the board.

12. The board has formed committees comprising of members given below:

a) Audit Committee

Dr. Muhammad Sohail Salat	Chairman
Mr. Muhammad Haroon	Member
Mr. Mohsin Madni	Member

b) HR and Remuneration Committee

Dr. Muhammad Sohail Salat	Chairman
Mr. Muhammad Shahid Ali Habib	Member
Mr. Muhammad Haroon	Member
Ms. Nida Ahsan	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings of the committee were as per following:

a) Audit Committee	Four quarterly meetings were held during the financial year ended June 30, 2021.
b) HR and Remuneration Committee	Four meetings were held during the financial year ended June 30, 2021.

15. The board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non- dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; Explanation as required under the regulations is mentioned below;

    Company, currently has two elected independent directors out of total seven directors on the Board. Both the independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently as per laws and regulations under which hereby fulfill the necessary requirements; therefore, not warrant the appointment of a third independent director.

19. We confirm that all other requirements of the Regulations have been complied with except for the requirement that the position of Chief Financial Officer and Company Secretary has been held by the same person, as the Listed Companies (Code of Corporate Governance) Regulations, 2019 ('Regulations") allowed the Companies to either comply or explain the reason otherwise. Therefore, the Company has adopted explanation approach as the management is of the view, that the current CFO & Company Secretary is suitably qualified and professionally capable to act and fulfill the duties and responsibilities of both the roles. In addition, it is also a cost effective measure that is in the better interest of the shareholders of the Company, therefore hiring a separate person for both position is not feasible

On behalf of the Board of Directors

Karachi
July 30, 2021

Zafar Alam
Chairman

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES **(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019**

To the members of M/s. Arif Habib Limited

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Arif Habib Limited (the Company) for the year ended June 30, 2021 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2021.

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

Karachi.
Date: July 30, 2021

INDEPENDENT
AUDITORS' REPORT TO THE MEMBERS

REPORT ON THE AUDIT OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the annexed unconsolidated financial statements of Arif Habib Limited (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2021, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2021 and of the profit, total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matter(s):

NO.	Key Audit Matter(s)	How the matter was addressed in our audit
01.	**Valuation of unquoted investments in equity securities** As stated in note 7.2.2 to the unconsolidated financial statements, the Company revalued its investment in unquoted ordinary shares of M/s. ISE Towers REIT Management Company Limited and M/s. LSE Financial Services Limited based on the valuation carried out independent external valuer engaged by management through the use of Discounted Free Cash Flow to Equity model for business valuation. Since the use of such valuation model requires management to make significant estimates and assumptions, the degree of subjectivity and complexity involved in the valuation increases to a considerable extent. This, in turn, affected our assessment of the risk that the unconsolidated financial statements may be materially misstated due to error and, hence, necessitated us to devote our significant time and resources to address the risk successfully.	Our audit procedures included the following: • Obtained an understanding of the valuation exercise carried out by the independent external valuer engaged by management who was responsible for performing the valuation. • Made inquiries of such persons in order to assess their competence, capability and objectivity of the external valuer which are recognized as the important factors affecting the reliability of the valuation. • Evaluated the appropriateness of the work of the Company's personnel by assessing the reasonableness of significant assumptions used by management in estimating the following factors: - Components of cost of equity of investee companies (used as discount rate) such as the risk-free rate of return, equity risk premium and equity beta; - Significant amounts of revenues, operating expenses, capital expenditures, tax payments, dividend receipts etc. used in the cash flow projections; and - Long term growth rates assumed by management in estimating the terminal value of the investee companies at the end of the 5-year projection period.
02.	**Valuation of investment properties** As stated in note 8.1 to the unconsolidated financial statements, the Company recorded its investment properties (i.e. residential and commercial plots of land located in the Naya Nazimabad project as well as of offices located in Pakistan Stock Exchange, and LSE Financial Services Limited) at fair value based on the valuation carried out by an independent external valuer engaged by management. The valuation of such properties was identified as an area subject to significant risk due to involvement of estimates made by the valuer in determining the fair value of investment properties. Due to the significance of the estimate and the involvement of significant management assumptions and judgements, we considered valuation of investment properties as a key audit matter.	To address this significant risk, we, amongst others, carried out the following key audit procedures: • We obtained an understanding of the scope of the valuer's work; • As stated in the valuation report, development work in the area in which the Company holds properties at Naya Nazimabad is ongoing and is rapidly progressing and that the value of the properties was determined on the basis of investigation with other realtors. Accordingly, we reviewed the investments made by the Company in other blocks of the Naya Nazimabad project over the past few years with respect to the cost of acquisition, valuation and disposals. Further, we corroborated the values assigned to the properties by the valuer with that realized on the most recent property disposal transactions executed by the Company; and • Performed appropriate background searches to ascertain whether the values assigned to the properties by the valuer are closely aligned to those determined through independent sources.

Information Other than the Unconsolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the unconsolidated and consolidated financial statements and our auditor's reports thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. However, we have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business;

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance; and

e) the Company was in compliance with the requirement of section 78 of the Securities Act 2015, and the relevant requirements of Securities Brokers (Licencing and Operations) Regulations, 2016 as at the date on which the unconsolidated financial statements were prepared.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Muhammad Waseem.

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi
Date: July 30, 2021

UNCONSOLIDATED FINANCIAL **STATEMENTS**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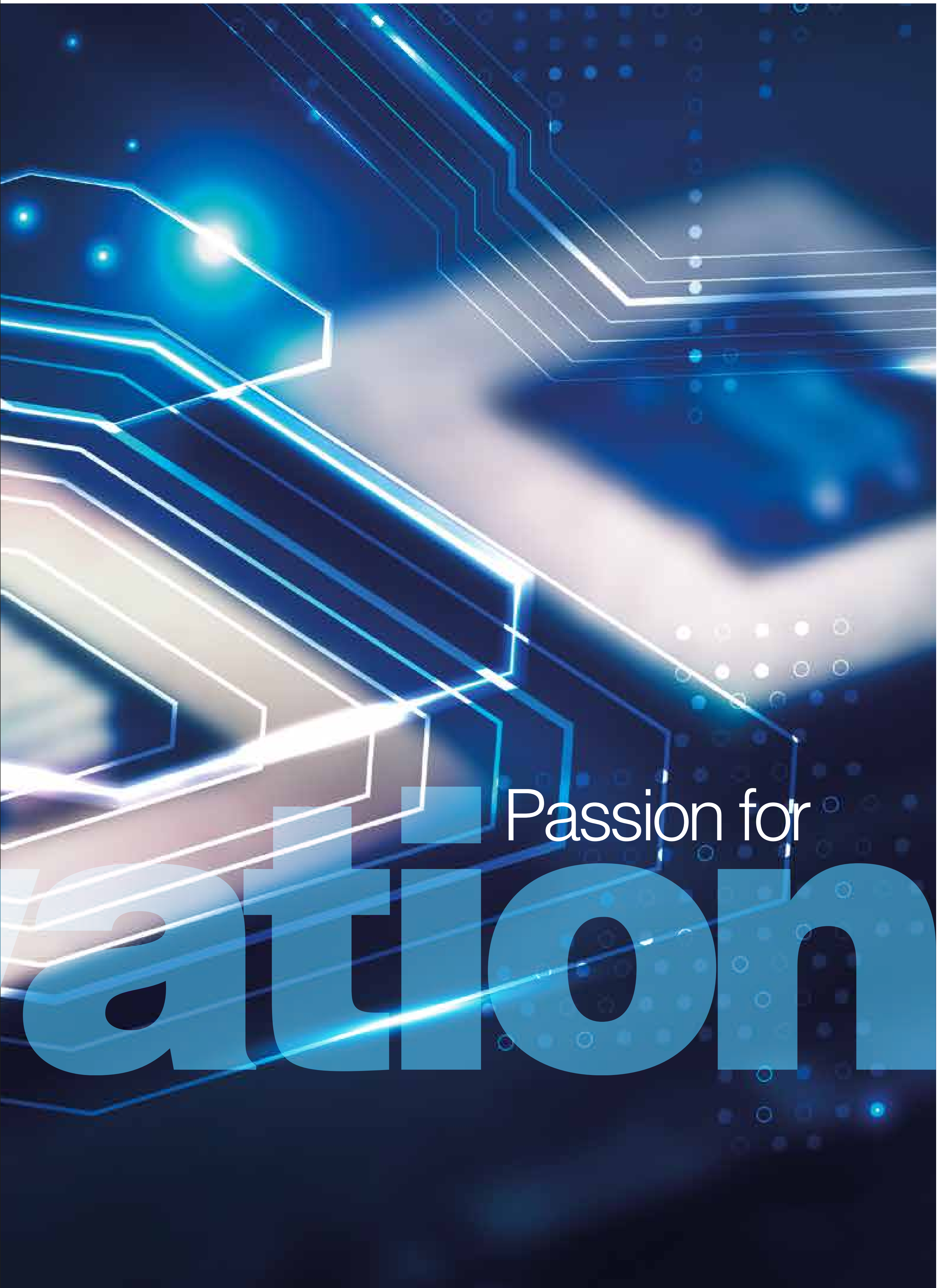
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ARIF HABIB LIMITED
UNCONSOLIDATED STATEMENT OF FINANCIAL **POSITION** AS AT JUNE 30, 2021

	Notes	2021	(Restated) 2020
		(Rupees)	
ASSETS			
Non-current assets			
Property and equipment	4	76,101,492	65,052,322
Right-of-use assets	5	27,657,325	42,319,024
Intangible assets	6	6,583,336	6,975,504
Long term investment	7	136,312,876	126,614,761
Investment property	8	1,968,800,000	1,678,415,232
Long-term advances and deposits	9	6,103,800	5,584,545
Deferred tax - net	10	-	-
		2,221,558,829	1,924,961,388
Current assets			
Short term investments	11	2,746,710,495	3,724,277,297
Trade debts	12	240,318,884	156,938,894
Receivable against sales / purchase of securities - net		-	79,559,207
Receivable against margin financing	13	245,655,746	37,754,624
Advances, deposits and prepayments	14	60,858,054	12,392,213
Loan to related party	15	-	15,000,000
Accrued markup on margin financing		7,650,726	2,712,600
Other receivables	16	274,650,955	109,276,320
Cash and bank balances	17	2,674,098,470	806,181,448
		6,249,943,330	4,944,092,603
Total assets		8,471,502,159	6,869,053,991
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital	18	750,000,000	750,000,000
Issued, subscribed and paid-up capital	18	594,000,000	594,000,000
Capital reserves			
Surplus on revaluation of property	19	15,432,500	15,432,500
Surplus on re-measurement of equity securities at FVOCI		27,944,785	423,338,700
		43,377,285	438,771,200
Revenue reserves			
Unappropriated profits		4,358,006,085	2,238,562,577
Total equity		4,995,383,370	3,271,333,777
LIABILITIES			
Non-current liabilities			
Lease liability		3,525,415	25,108,587
Long term loan	20	-	333,320,594
		3,525,415	358,429,181
Current liabilities			
Short term borrowings- secured	21	1,369,369,349	1,836,074,716
Current portion of lease liability		26,696,871	13,275,399
Current portion of long term loan		-	166,666,667
Current portion of long term subordinated loan	22	-	300,000,000
Trade and other payables	23	1,789,995,004	794,780,142
Unclaimed dividend		14,920,013	13,827,308
Payable against purchase of securities- net		53,758,623	-
Accrued markup on short term borrowings		18,639,958	61,636,631
Taxation - net		199,213,556	53,030,170
		3,472,593,374	3,239,291,033
Contingency and commitments	24	-	-
Total equity and liabilities		8,471,502,159	6,869,053,991

The annexed notes from 1 to 45 form an integral part of these unconsolidated financial statements.

Chief Executive Officer	Director	Chief Financial Officer

ARIF HABIB LIMITED
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS **ACCOUNT**
FOR THE YEAR ENDED JUNE 30, 2021

	Notes	2021	2020
		(Rupees)	
Operating revenue	25 & 43	**1,511,596,548**	691,392,107
Capital gain / (loss) on sale of investments at FVTPL - net		**1,052,956,982**	(273,344,157)
Gain on re-measurement of investments at FVTPL - net	26	**222,941,165**	202,588,474
Unrealised gain on re-measurement of investment property	8	**290,384,768**	132,000,000
		3,077,879,463	752,636,424
Administrative and operating expenses	27	**(637,738,149)**	(344,117,107)
Finance cost	28	**(131,705,297)**	(362,150,513)
Other charges	29	**(18,563,554)**	(11,819,351)
Other income	30 & 43	**103,229,911**	94,735,712
Profit before taxation		**2,393,102,374**	129,285,165
Taxation	31	**(309,097,181)**	(69,428,732)
Profit after taxation		**2,084,005,193**	59,856,433
Earnings per share - basic and diluted	32	**35.08**	1.00

The annexed notes from 1 to 45 form an integral part of these unconsolidated financial statements.

Chief Executive Officer	Director	Chief Financial Officer

ARIF HABIB LIMITED
UNCONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME** FOR THE YEAR ENDED JUNE 30, 2021

	2021	(Restated) 2020
	(Rupees)	
Profit after taxation	**2,084,005,193**	59,856,433
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
(Deficit) / surplus on re-measurement of investments at FVOCI	**(211,455,600)**	524,910,190
Total comprehensive income for the year	**1,872,549,593**	584,766,623

The annexed notes from 1 to 45 form an integral part of these unconsolidated financial statements.

Chief Executive Officer	Director	Chief Financial Officer

ARIF HABIB LIMITED
UNCONSOLIDATED STATEMENT OF **CHANGES IN EQUITY** FOR THE YEAR ENDED JUNE 30, 2021

	Issued, subscribed and paid up capital	Revenue Reserves	Capital Reserves		Sub-total	Total
		Unappropri-ated profits	Surplus on revaluation of property	Surplus on re-measure-ment of equity securities at FVOCI		
			Rupees			
Balance as at June 30, 2019	660,000,000	2,242,134,654	15,432,500	-	2,257,567,154	2,917,567,154
- Profit for the year	-	59,856,433	-	-	59,856,433	59,856,433
- Other comprehensive income for the year (restated)*	-	-	-	524,910,190	524,910,190	524,910,190
Total comprehensive loss for the year ended June 30, 2020	-	59,856,433	-	524,910,190	584,766,623	584,766,623
Gain realized on disposal of investment in equity instruments at FVOCI (restated)*	-	101,571,490	-	(101,571,490)	-	-
Transactions with owners						
- Buy-back of 10% shares under tender offer	(66,000,000)	(165,000,000)	-	-	(165,000,000)	(231,000,000)
Balance as at June 30, 2020 (restated)*	**594,000,000**	**2,238,562,577**	**15,432,500**	**423,338,700**	**2,677,333,777**	**3,271,333,777**
- Profit for the year	-	2,084,005,193	-	-	2,084,005,193	2,084,005,193
- Other comprehensive income for the year	-	-	-	(211,455,600)	(211,455,600)	(211,455,600)
Total comprehensive income for the year ended June 30, 2021	-	2,084,005,193	-	(211,455,600)	1,872,549,593	1,872,549,593
Gain realized on disposal of investment in equity instruments at FVOCI	-	183,938,315	-	(183,938,315)	-	-
Transactions with owners						
Cash dividend paid @ 25% for the year ended June 30, 2020	-	(148,500,000)	-	-	(148,500,000)	(148,500,000)
Balance as at June 30, 2021	594,000,000	4,358,006,085	15,432,500	27,944,785	4,401,383,370	4,995,383,370

*Refer note 40 to these unconsolidated financial statements (Correction of a prior period errors)

The annexed notes from 1 to 45 form an integral part of these unconsolidated financial statements.

Chief Executive Officer

Director

Chief Financial Officer

ARIF HABIB LIMITED
UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

	Notes	2021	(Restated) 2020
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		2,393,102,374	129,285,165
Adjustments for:			
- Depreciation on property and equipment	4	13,417,988	7,654,464
- Depreciation on right-of-use-assets	5	21,202,568	20,143,375
- Amortization of intangible asset	6	392,169	493,759
- Gain on remeasurement of investments at FVTPL	26	(222,941,165)	(202,588,474)
- Gain on disposal of investment property	30	(500,000)	(775,000)
- Unrealized gain on re-measurement of investment property	8	(290,384,768)	(132,000,000)
- Dividend income	25	(114,454,876)	(166,766,673)
- Reversal of provision against other receiveables	30	(24,783,996)	-
- Provision for expected credit losses on trade debts	12	15,951,296	3,822,301
- Finance costs	28	131,705,287	362,150,513
- Impairment loss on investment in subsidiary	7.1.3	-	6,441,895
		(470,395,497)	(101,423,840)
Cash generated from operating activities before working capital changes		1,922,706,877	27,861,325
Effect on cash flow due to working capital changes			
(Increase)/decrease in current assets			
- Short-term investments		979,354,252	(564,687,884)
- Trade debts		(74,547,290)	14,545,674
- Receivable against sales / purchase of securities - net		79,559,207	(110,529,526)
- Receivable against margin financing		(207,901,122)	76,491,208
- Short term loans		-	50,002
- Advances, deposits and prepayments		(48,465,841)	286,325,422
- Accrued markup on margin financing		(4,938,117)	24,186,864
- Other receivables		(256,601,635)	28,369,701
Increase/(decrease) in current liabilities			
- Trade and other payables		995,214,862	156,804,592
- Payable against purchase of securities- net		53,758,623	-
		1,515,432,939	(88,443,947)
Cash used in operations		3,438,139,816	(60,582,622)
Taxes paid		(162,913,795)	(63,835,923)
Finance costs paid		(174,701,970)	(385,326,329)
Net cash generated from / (used in) operating activities		3,100,524,051	(509,744,874)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		(24,467,158)	(1,500,400)
Loan recovered during the year against related party		15,000,000	-
Proceeds from disposal of property and equipment		-	28,437
Acquisition of intangible asset	6	-	(515,174)
Development charges for / additions to investment property	8	(152,500,000)	(11,943,765)
Proceeds from disposal of investment property		153,000,000	154,840,000
Dividends received		205,681,876	75,539,673
Long-term advances and deposits		(519,255)	904,440
Net cash generated from investing activities		196,195,463	217,353,211
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liability (principal)		(14,702,569)	(24,078,413)
Long term loan (repaid) / received		(499,987,261)	499,987,261
Receipt of subordinated loan	22	-	1,100,000,000
Repayment of subordinated loan	22	(300,000,000)	(800,000,000)
Buy-back of 10% shares under tender offer		-	(231,000,000)
Dividend paid		(147,407,295)	(633,085)
Net cash (used in) / generated from financing activities		(962,097,125)	544,275,763
Net increase in cash and cash equivalents		2,334,622,389	251,884,100
Cash and cash equivalents at the beginning of the year		(1,029,893,268)	(1,281,777,368)
Cash and cash equivalents at the end of the year	33	1,304,729,121	(1,029,893,268)

The annexed notes from 1 to 45 form an integral part of these unconsolidated financial statements.

Chief Executive Officer	Director	Chief Financial Officer

1 STATUS AND NATURE OF BUSINESS

1.1 Arif Habib Limited ("the Company") is a public listed company incorporated in Pakistan under the repealed Companies Ordinance, 1984 ('the Ordinance') which has now been replaced by Companies Act, 2017 ('the Act'). The shares of the Company are listed on Pakistan Stock Exchange Limited ("the Exchange"). The Company was initially incorporated as an unquoted public limited company wholly owned by Arif Habib Corporation Limited ("the Parent Company"). Subsequently, the Parent Company offered its 25% share holding in the Company to general public and the Company obtained listing on the Exchange on January 31, 2007. As of June 30, 2021, the Parent Company held 69.44% shares of the Company (2020: 69.44% shares)

1.2 The Company is a holder of Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange Limited. The principal activities of the Company are share brokerage, money market and forex brokerage, advisory, underwriting, consultancy and book running services. Other activities include investment in listed equity & debt securities.

1.3 The geographical location of Company's offices are as follows:

-	Karachi	Head office (Registered office)	Arif Habib Centre, 23 M.T. Khan Road, Karachi
-	Lahore	Regional office	Office Nos. G-05 & G-06, Ground Floor, LSE Plaza, 19, Khayaban-e-Aiwan-e-Iqbal, Lahore
-	Islamabad	Regional office	Office No. 506, 5th Floor, ISE Towers, Jinnah Avenue, Islamabad.
-	Peshawar	Regional office	Shops No. F13, F14, F15, F16, and F17, 1st Floor, The Mall Tower, Peshawar Cantt.
-	Multan	Regional office	Shop Number 16, 17 & 18, Upper Floor, Khan Centre, Multan.
-	Faisalabad	Regional office	Office No. 04, 3rd Floor at Legacy Tower, Koh-e-noor city, Faisalabad.
-	Rawalpindi	Regional office	Shop No. F-15, 1st floor at Rizwan arcade, Adam Jee road, Saddar.

1.4 The Company has following subsidiaries:

		Holding %
-	Arif Habib Commodities (Private) Limited	100%
-	Arif Habib 1857 (Private) Limited	100%

2 BASIS OF PREPARATION

2.1 Statement of compliance

These unconsolidated financial statements are the separate financial statements of the Company and have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprises of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of, and directives issued under, the Companies Act, 2017.

Where the provisions of, and directives issued, under the Companies Act, 2017 differ from the IFRS Standards, the former have been followed.

2.2 Basis of measurement of items in the unconsolidated financial statements

Items in these unconsolidated financial statements have been measured at their historical cost, except for:

- Lease liability and the related right-of-use asset which are initially measured at the present value of the lease payments that are not paid at the commencement date;
- Investment property which is carried at fair value;
- Long term investments in ISE Tower Reit Management Limited and LSE Financial Services Limited which are carried at fair value; and
- Short term investments in quoted equity securities and corporate debt securities which are carried at fair value.

2.3 Functional and presentation currency

Items included in these unconsolidated financial statements are measured using the currency of the primary economic environment in which the Company operates. These unconsolidated financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

2.4 Use of estimates and judgments

The preparation of unconsolidated financial statements in conformity with accounting and reporting standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policy are as follows:

	Note
- Useful lives, depreciation methods and residual values of property and equipment;	*3.1*
- Useful lives, amortisation methods and residual values of intangible assets;	*3.3*
- Valuation of investment property;	*3.5*
- Valuation of investment in ordinary shares of ISE Towers Reit Management Limited and LSE Financial Services Limited;	*7.2.2*
- Right-of-use assets and lease liability, and	*3.2, 3.10 & 5*
- Provision for taxation.	*31*

2.5 New accounting pronouncements

2.5.1 *Amendments to approved accounting standards and interpretations which became effective during the year ended June 30, 2021.*

During the year certain new accounting and reporting standards / amendments / interpretations became effective and applicable to the Company. However, since such updates were not considered to be relevant to these unconsolidated financial statements, the same have not been reported.

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

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after the dates specified below:

- Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 is applicable for annual financial periods beginning on or after January 01,2021 , with earlier application permitted. The amendments introduce a practical expedient to account for modifications of financial assets or financial liabilities if a change results directly from IBOR reform and occurs on an 'economically equivalent' basis. In these cases, changes will be accounted for by updating the effective interest rate. A similar practical expedient will apply under IFRS 16 for lessees when accounting for lease modifications required by IBOR reform. The amendments also allow a series of exemptions from the regular, strict rules around hedge accounting for hedging relationships directly affected by the interest rate benchmark reforms. The amendments apply retrospectively with earlier application permitted. Hedging relationships previously discontinued solely because of changes resulting from the reform will be reinstated if certain conditions are met. The application of the amendment is not likely to have an impact on the Company's financial statements.

- COVID-19-Related Rent Concessions (Amendment to IFRS 16) – the International Accounting Standards Board (the Board) has issued amendments to IFRS 16 (the amendments) to provide practical relief for lessees in accounting for rent concessions. The amendments are effective for periods beginning on or after June 01, 2020, with earlier application permitted. Under the standard's previous requirements, lessees assess whether rent concessions are lease modifications and, if so, apply the specific guidance on accounting for lease modifications. This generally involves remeasuring the lease liability using the revised lease payments and a revised discount rate. In light of the effects of the COVID-19 pandemic, and the fact that many lessees are applying the standard for the first time in their financial statements, the Board has provided an optional practical expedient for lessees. Under the practical expedient, lessees are not required to assess whether eligible rent concessions are lease modifications, and instead are permitted to account for them as if they were not lease modifications.

  The practical expedient introduced in the 2020 amendments only applied to rent concessions for which any reduction in lease payments affected payments originally due on or before June 30, 2021. In light of persistence of economic challenges posed by the COVID-19 pandemic, the Board has extended the practical expedient for COVID-19 related rent concessions by one year i.e. permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before June 30, 2022.

  Rent concessions are eligible for the practical expedient if they occur as a direct consequence of the COVID-19 pandemic and if all the following criteria are met:

  a. the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

  b. any reduction in lease payments affects only payments originally due on or before June 30, 2020 ; and

  c. there is no substantive change to the other terms and conditions of the lease.

  The above amendments are not likely to affect the financial statements of the Company.

- Onerous contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after 1 January 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprises the cost of fulfilling a contract. Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. The amendments are not likely to affect the financial statements of the Company.

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after January 01, 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented. The amendments are not likely to affect the financial statements of the Company.

- Amendments to IFRS 3 'Business Combinations' - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3. An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 01, 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018. The amendments are not likely to affect the financial statements of the Company.

- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current amendments apply retrospectively for the annual periods beginning on or after January 01, 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8. The management of the Company is currently in the process of assessing the impacts of these amendments to these unconsolidated financial statements.

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

  a. requiring companies to disclose their material accounting policies rather than their significant accounting policies;

  b. clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not to be disclosed; and

  c. clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

  The management of the Company is currently in the process of assessing the impacts of above amendments to these unconsolidated financial statements.

  The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after January 01, 2023 with earlier application permitted.

- Definition of Accounting Estimates (Amendments to IAS 8) – The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

  The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after January 01, 2023, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments. The amendments are not likely to affect the financial statements of the Company.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) – The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after January 01, 2023 with earlier application permitted. The amendments are not likely to affect the financial statements of the Company.

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

- The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after January 01, 2022.

  IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

  IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

  IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique

  The above amendments are not likely to affect the financial statements of the Company.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these unconsolidated financial statements are set out below. These policies have been consistently applied to all the years presented.

3.1 Property and equipment

Owned

These are stated at cost less accumulated depreciation and impairment losses, if any. Cost include expenditures that are directly attributable to the acquisition of the asset.

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

Depreciation is charged to statement of profit or loss applying the reducing balance method at the rates specified in note 4. Depreciation is charged when the asset is available for use till the asset is disposed off. Further, when the written down value of the item of assets falls below Rs.10,000, the same is charged directly to the statement of profit or loss.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year in which the asset is derecognized.

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each financial year end. The Company's estimate of residual value of property and equipment as at June 30, 2021 did not require any adjustment.

3.2 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

A - Leases other than short-term leases and leases of low-value assets

(a) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

(b) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

B - Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to those leases where the nature of the underlying asset is such that, when new, the asset is typically not of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.3 Intangible assets

Computer software

These are stated at cost less accumulated amortization and impairment losses, if any. Amortization is computed using the reducing balance method over assets estimated useful life at the rates stated in note 6.1, after taking into accounts residual value, if any. The residual values, useful life and amortization methods are reviewed and adjusted, if appropriate, at each reporting date.
Amortization is charged from the date the assets are put to use while no amortization is charged after the date when the assets are disposed off.

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

Membership cards and offices

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

3.4 Investment in subsidiaries

Investments in subsidiary companies are accounted for using the cost method. Under this method the investments are stated at cost less any impairment in the value of individual investments.

3.5 Investment properties

Investment properties are held for capital appreciation and is measured initially at its cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value at each reporting date. The changes in fair value is recognised in the statement of profit or loss.

3.6 Financial instruments

3.6.1 *Initial recognition, classification and measurement*

The Company recognizes a financial asset when and only when it becomes a party to the contractual provisions of the instrument evidencing investment.

Regular way purchase of investments are recognized using settlement date accounting i.e. on the date on which settlement of the purchase transaction takes place. However, the Company follows trade date accounting for its own (the house) investments. Trade date is the date on which the Company commits to purchase or sell its asset.

Transactions of purchase under resale (reverse-repo) of marketable securities including the securities purchased under margin trading system are entered into at contracted rates for specified periods of time. Amounts paid under these agreements in respect of reverse repurchase transactions are recognized as a receivable. The difference between purchase and resale price is treated as income from reverse repurchase transactions in marketable transactions / margin trading system and accrued on a time proportion basis over the life of the reverse repo agreement.

The Company classifies its financial assets into either of following three categories:

(a) financial assets measured at amortized cost;
(b) fair value through other comprehensive income (FVOCI); and
(c) fair value through profit or loss (FVTPL);

(a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it is held within business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(b) Financial assets at FVOCI

A financial asset is classified as at fair value through other comprehensive income when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(c) Financial assets at FVTPL

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income, as aforesaid. However, for an investment in equity instrument which is not held for trading, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment.

Such financial assets are initially measured at fair value.

3.6.2 *Subsequent measurement*

(a) Financial assets measured at amortized cost

These assets are subsequently measured at amortized cost (determined using the effective interest method) less accumulated impairment losses.

Interest / markup income, foreign exchange gains and losses and impairment losses arising from such financial assets are recognized in the statement of profit or loss.

(b) Financial assets at FVOCI

These are subsequently measured at fair value less accumulated impairment losses.

A gain or loss on a financial asset measured at fair value through other comprehensive income in accordance is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognised or reclassified. When the financial asset is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Interest is calculated using the effective interest method and is recognised in profit or loss.

(c) *Financial assets at FVTPL*

These assets are subsequently measured at fair value.

Net gains or losses arising from remeasurement of such financial assets as well as any interest income accruing thereon are recognized in the statement of profit or loss. However, for an investment in equity instrument which is not held for trading and for which the Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment, such gains or losses are recognized in other comprehensive income. Further, when such investment is disposed off, the cumulative gain or loss previously recognised in other comprehensive income is not reclassified from equity to profit or loss.

3.6.3 *Impairment*

The Company recognises a loss allowance for expected credit losses in respect of financial assets measured at amortised cost.

For trade debts and receiveables from margin financing, the Company applies the IFRS 9 'Simplified Approach' to measuring expected credit losses which uses a lifetime expected loss allowance.

For other financial assets, the Company applies the IFRS 9 'General Approach' to measuring expected credit losses whereby the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. However, if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Company measures expected credit losses on financial assets in a way that reflects an unbiased and probability-weighted amount, time value of money and reasonable and supportable information at the reporting date about the past events, current conditions and forecast of future economic conditions. The Company recognises in profit or loss, as an impairment loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

3.6.4 *De-recognition*

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

3.7 Financial liabilities

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.

3.8 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle liability simultaneously.

3.9 Trade debts and receiveables against margin financing

These are carried at their transaction price less any allowance for lifetime expected credit losses. A receivable is recognized on the settlement date as this is the point in time that the payment of the consideration by the customer becomes due.

3.10 Cash and cash equivalents

Cash and cash equivalent are carried in the statement of financial position at amortized cost. For the purpose of cash flow statement cash and cash equivalents comprise cash and bank balances and short term running finance.

3.11 Staff retirement benefits - Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. As a consequence, actuarial risk (that benefits will be less than expected) and investment risk (that assets will be insufficient to meet expected benefits) fall, in substance, on the employee.

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

When an employee has rendered service to the Company during a period, the Company recognises the contribution payable to a defined contribution plan in exchange for that service as an expense in profit or loss and as a liability in the statement of financial position (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, the Company recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

When contributions to a defined contribution plan are not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service, they are discounted using the discount rate determined by reference to market yields at the end of the reporting period on high quality corporate bonds (or when there is no deep market in such bonds, the government bonds) having term consistent with the estimated term of the post-employment benefit obligations.

3.12 Taxation

Income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income taxes are not accounted for if they arise from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is measured using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

A deferred tax asset is recognised only to the extent that the entity has sufficient taxable temporary differences or their is convincing other evidence that the sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilized by the entity. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Judgment and estimates

Significant judgment is required in determining the income tax expenses and corresponding provision for tax. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

Further, the carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. If required, carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits to allow the benefit of part or all of that recognised deferred tax asset to be utilised. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Offsetting

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.13 Provisions and contingent liabilities

Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3.14 Operating revenue

Revenue from trading activities - brokerage commission

Commission revenue arising from sales / purchase of securities on client's behalf is recognized on the date of settlement of transaction by the Company.

The Company does not expect to have contracts where the period between the services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

Revenue from advisory and consultancy services

Revenue is recognized when the performance obligation is satisfied i.e. when services are provided.

Dividend income

Dividends received from investments measured at fair value through profit or loss and at fair value through other comprehensive income are recognized in the statement of profit or loss when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of a part of the cost of an investment. In this case, dividend is recognized in other comprehensive income if it relates to an investment measured at fair value through other comprehensive income.

Mark up / interest income

Mark-up / interest income is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable.

3.15 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

To the extent that the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings.

To the extent that the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Company determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to all borrowings of the Company that are outstanding during the period. However, the Company excludes from this calculation borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset until substantially all the activities necessary to prepare that asset for its intended use or sale are complete. The amount of borrowing costs that the Company capitalises during a period does not exceed the amount of borrowing costs it incurs during that period.

The Company begins capitalising borrowing costs as part of the cost of a qualifying asset on the 'commencement date' which is the date when the Company first meets all of the following conditions: (a) it incurs expenditures for the asset; (b) it incurs borrowing costs; and (c) it undertakes activities that are necessary to prepare the asset for its intended use or sale.

The Company suspends capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

The Company ceases capitalising borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

4 PROPERTY AND EQUIPMENT - owned assets

	Leasehold offices	Leasehold improvements	Office equipment	Furniture & Fixture	Compter & Allied Items	Total
	Rupees					
As at June 30, 2019						
Cost	-	102,485,179	4,283,458	4,544,765	29,319,029	140,632,431
Accumulated depreciation	-	(80,481,606)	(930,961)	(715,509)	(19,742,865)	(101,870,941)
Net book value	-	22,003,573	3,352,497	3,829,256	9,576,164	38,761,490
Movement during the year ended June 30, 2020						
Opening net book value	-	22,003,573	3,352,497	3,829,256	9,576,164	38,761,490
Additions / transfers during the year	32,473,333	-	38,175	310,605	1,151,620	33,973,733
Disposals / transfers/writeoff						
Cost	-	-	-	-	(67,500)	(67,500)
Accumulated depreciation	-	-	-	-	39,063	39,063
Net book value	-	-	-	-	(28,437)	(28,437)
Depreciation for the year	-	(3,300,536)	(502,953)	(575,340)	(3,275,635)	(7,654,464)
Closing net book value	32,473,333	18,703,037	2,887,719	3,564,521	7,423,712	65,052,322
As at June 30, 2020						
Cost	32,473,333	102,485,179	4,321,633	4,855,370	30,403,149	174,538,664
Accumulated depreciation	-	(83,782,142)	(1,433,914)	(1,290,849)	(22,979,437)	(109,486,342)
Net book value	32,473,333	18,703,037	2,887,719	3,564,521	7,423,712	65,052,322
Movement during the year ended June 30, 2021						
Opening net book value	**32,473,333**	**18,703,037**	**2,887,719**	**3,564,521**	**7,423,712**	**65,052,322**
Additions during the year	**-**	**-**	**672,000**	**8,320,281**	**15,474,877**	**24,467,158**
Depreciation for the year	**(4,549,687)**	**(2,609,698)**	**(438,638)**	**(1,163,243)**	**(4,656,722)**	**(13,417,988)**
Closing net book value	**27,923,646**	**16,093,339**	**3,121,081**	**10,721,559**	**18,241,867**	**76,101,492**
As at June 30, 2021						
Cost	**32,473,333**	**102,485,179**	**4,993,633**	**13,175,651**	**45,878,026**	**199,005,822**
Accumulated depreciation	**(4,549,687)**	**(86,391,840)**	**(1,872,552)**	**(2,454,092)**	**(27,636,159)**	**(122,904,330)**
Net book value	**27,923,646**	**16,093,339**	**3,121,081**	**10,721,559**	**18,241,867**	**76,101,492**
Annual rates of depreciation	**15%**	**15%**	**15%**	**15%**	**33%**	

5 RIGHT-OF-USE ASSETS

	2021	2020
	Rupees	
Opening net book value	**42,319,024**	62,462,399
Add: Additions during the year	**6,540,869**	-
	48,859,893	62,462,399
Less: Depreciation charged during the year	**(21,202,568)**	(20,143,375)
Closing net book value	**27,657,325**	42,319,024
Depreciation rate (per annum)	**20% to 33%**	20% to 33%

5.1 This represents Company's right to use certain real estate properties held by it under lease arrangements. The principal terms and conditions of the said arrangements are as follows:

	Principal Office (Karachi)	Regional Office (Peshawar)	Regional Office (Faisalabad)	Regional Office (Rawalpindi)	Regional Office (Multan)
Lessor name	Rotocast Engineering Co. (Pvt.) Ltd.	Mr. Azmat Hassan Khan	Mr. Ahsan Mahmood	Mr. Tahir Rizwan	Mr. Khalid Nazir, Mr. Nizakat Ali & Mr. Muhamamd Ilyas
Address of the leased property	Block-B, 2nd Floor, Arif Habib Centre, Plot No. 23, Off. M.T. Khan Road	35 Mall Tower, Peshawar Cantt	Office No.04, 3rd Floor, Legacy Tower, Koh-e-Noor City	Shop No. F-15, 1st Floor, Rizwan Arcade, Adamjee Road, Saddar	Shop No. 16, 17 & 18, Upper Floor, Khan Center, Multan
Lease agreement date	July 01, 2019	March 01, 2019	October 10, 2020	July 1, 2020	March 1, 2021
Lease commencement date	July 01, 2019	February 01, 2019	October 15, 2020	July 1, 2020	March 1, 2021
Initial contractual term of the lease	3 years	5 years	5 years	3 years	3 years
Availability of extension option?	Yes	Yes	Yes	Yes	Yes
No. of years for which the lease extension option is available	Indefinite	5 years	Indefinite	Indefinite	Indefinite
Estimated lease term (as on the date of commencement of the lease) - Refer note 5.2 below)	3 years	5 years	5 years	3 years	3 years

5.2 For each lease arrangement referred to above, the lease term used in the measurment of the right-of-use asset and the related lease liability has been restricted to the aforementioned initial contractual term of the lease since the Company, after giving due consideration to the factors that might create an economic incentive for the Company to extend the leases, has concluded that, at the lease commencement date, it was not reasonably certain to exercise the said extension option.

6 INTANGIBLES ASSETS

	Note	2021 Rupees	2020 Rupees
Computer software	6.1	**1,983,336**	2,375,504
Trading Right Entitlement Certificate and offices	6.2	**4,600,000**	4,600,000
		6,583,336	6,975,504

6.1 Computer software

	2021	2020
Net carrying amount		
Opening net book value	**2,375,504**	2,354,089
Additions during the year	**-**	515,174
Amortisation charge	**(392,168)**	(493,759)
Closing net book value	**1,983,336**	2,375,504
Gross carrying amount		
Cost	**7,949,132**	7,949,132
Accumulated amortisation	**(5,965,796)**	(5,573,628)
Net book value	**1,983,336**	2,375,504
Amortisation rate	**25%**	25%

6.2 Trading Right Entitlement Certificate (TREC) and offices

	Note	2021	2020
Trading Right Entitlement Certificate			
Cost	6.2.1	**26,000,000**	26,000,000
Accumulated impairment		**(23,500,000)**	(23,500,000)
	6.2.2	**2,500,000**	2,500,000
Offices-booths			
Pakistan Stock Exchange Limited		**2,100,000**	2,100,000
		4,600,000	4,600,000

6.2.1 This represents TREC received by the Company in accordance with the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 as amended by the Stock Exchanges (Corporatization, Demutualization and Integration) (Amendment) Act, 2015. These have been carried at cost less accumulated impairment losses.

6.2.2 PSX vide notice no. PSX/N - 225 dated February 16, 2021 have notified the notional fees of Trading Right Entitlement Certificates which amounts to Rs. 2.5 million.

7 LONG TERM INVESTMENTS

	Note	2021	2020
		Rupees	
Unqouted:			
Investment in subsidiaries	7.1	**81,558,105**	81,558,105
Investment in other entities	7.2	**54,754,771**	45,056,656
		136,312,876	126,614,761

7.1 Investment in subsidiaries - *at cost less accumulated impairment*

2021	2020		Note	2021	2020
Number of shares				Rupees	
3,800,000	3,800,000	Arif Habib Commodities (Private) Limited	7.1.1	**38,000,000**	38,000,000
5,000,000	5,000,000	Arif Habib 1857 (Private) Limited	7.1.2	**50,000,000**	50,000,000
		Less: Accumulated impairment	7.1.3	**(6,441,895)**	(6,441,895)
				43,558,105	43,558,105
8,800,000	8,800,000			**81,558,105**	81,558,105

7.1.1 This represents paid up share capital comprising of 100% ownership in Arif Habib Commodities (Private) Limited (AHCPL) which was incorporated on April 02, 2012 as wholly owned subsidiary for the purpose of expanding non-core revenue system of the commodity brokerage. The total amount of investment approved by the shareholders of the Company in the extra-ordinary general meeting held on June 16, 2012 is Rs. 100 million. As of reporting date, the Company had invested a total sum of Rs. 38 million.

7.1.2 This represents paid up share capital comprising of 100% ownership in Arif Habib 1857 (Private) Limited which was incorporated on July 07, 2014 as a wholly owned subsidiary for the purpose of share brokerage. The total amount of investment approved by the shareholders of the Company in the extra-ordinary general meeting held on September 27, 2014 is Rs. 60 million. As of reporting date, the Company had invested a total sum of Rs. 50 million.

7.1.3 During the year ended June 30, 2020, the Company carried out an impairment review of its investment in subsidiaries. An impairment loss on the Company's investment in M/s. Arif Habib 1857 (Private) Limited (AHPL) was identified and recognized as such in the financial statements.

7.2 Investment in other entities - *at fair value through profit or loss*

	Note	2021	2020
		Rupees	
ISE Towers REIT Management Company Limited	7.2.1	**37,841,512**	31,620,574
LSE Financial Services Limited	7.2.1	**16,913,259**	13,436,082
	7.2.2	**54,754,771**	45,056,656

7.2.1 This represents the investment in 3,304,604 (2020: 3,034,604) unquoted ordinary shares of M/s. ISE Towers Reit Management Company Limited and 843,975 (2020: 843,975) unquoted ordinary shares of M/s. LSE Financial Services Limited.

7.2.2 The Company as per its policy, carried out the valuation of the aforementioned investments. In this connection, the valuation technique used by the Company was Discounted Free Cash Flow to Equity model for business valuation. Assumptions and inputs used in the valuation technique mainly include risk-free rate, equity risk premium, long term growth rate and projected rates of increase in revenues, other income and expenses.

Principal assumptions used in the valuation of the above unquoted investments are as under:

	June 30, 2021				
	Principal Valuation Assumptions				
Name of investee company	**Long term growth rate**	**Cost of equity**	**Projection period**	**Value per share (Rs.)**	**Valuation technique used**
LSE Financial Services Limited	6.0%	17.37%	5	20.04	Discounted Free Cash Flow to Equity
ISE Towers REIT Management Company Limited	6.0%	12.49%	5	12.47	Discounted Free Cash Flow to Equity

	June 30, 2020				
	Principal Valuation Assumptions				
Name of investee company	Long term growth rate	Cost of equity	Projection period	Value per share (Rs.)	Valuation technique used
LSE Financial Services Limited	6.0%	10.11%	5	15.92	Discounted Free Cash Flow to Equity
ISE Towers REIT Management Company Limited	6.0%	10.11%	5	10.42	Discounted Free Cash Flow to Equity

	Note	2021	2020
		Rupees	
7.2.2.1 Reconciliation of gain / (loss) on re-measurement of long term investments as of the reporting date			
Cost of investment		**58,586,933**	58,586,933
Unrealised gain / (loss):			
Balance as at July 01		**(13,530,277)**	(20,642,185)
Unrealized loss on PSX shares reclassified to short term investments	7.2	**-**	15,077,782
Unrealised gain / (loss) for the year		**9,698,115**	(7,965,874)
		(3,832,162)	(13,530,277)
Balance as at June 30		**54,754,771**	45,056,656

8 INVESTMENT PROPERTY

	Note	2021	2020
Opening carrying amount		**1,678,415,232**	1,726,419,800
Sale during the year		**(152,500,000)**	(159,475,000)
Transfer to property and equipment		**-**	(32,473,333)
Development charges incurred during the year (subsequent expenditure)		**-**	11,943,765
Additions during the year		**152,500,000**	-
		1,678,415,232	1,546,415,232
Increase in fair value during the year		**290,384,768**	132,000,000
Closing carrying amount	8.1	**1,968,800,000**	1,678,415,232

8.1 This represents investment in plots of land and residential bungalows situated at Naya Nazimabad, Deh Manghopir, Gadap Town, Karachi as well as the investment in offices located in the building complex of Pakistan Stock Exchange Limited and LSE Financial Services Limited. The Naya Nazimabad Project is owned and managed by Javedan Corporation Limited (a related party of the Company). As of the reporting date, the fair value of such investment properties was determined by an independent external property valuer having appropriate recognised qualification and relevant experience according to which there was an increase of Rs. 290.384 million in fair value of the properties and forced sales value of these investment properties are Rs. 1,673.48 million (2020: Rs. 1,456.4 million).

		Note	2021	2020
			Rupees	
9	**LONG TERM ADVANCES AND DEPOSITS**			
	Advance against equity			
	- Arif Habib Commodities (Private) Limited	9.1	2,000,000	2,000,000
	Trading deposits placed with			
	- Pakistan Stock Exchange Limited		700,461	700,461
	- National Clearing Company of Pakistan Limited		2,279,393	2,173,138
	Other security deposits			
	- Others		1,123,946	710,946
			6,103,800	5,584,545

9.1 This represents advance against future issue of ordinary shares given to M/s. Arif Habib Commodities (Private) Limited.

		2021	2020
		Rupees	
10	**DEFERRED TAX - net**		
	Deferred tax liabilities - Taxable temporary differences		
	Accelerated depreciation	11,093,498	13,041,743
	Right-of-use assets	8,020,624	12,272,517
	Long term investment	2,072,141	-
	Short term investments	9,192,951	45,578,682
	Capital gain on sale of investments at FVTPL	91,271,482	-
		121,650,696	70,892,942
	Deferred tax assets - Deductible temporary differences		
	Intangible assets	(6,815,000)	(6,815,000)
	Long term investment	-	(49,598)
	Provision for doubtful debts and other receiveables	(268,015,283)	(274,905,787)
	Lease liability	(8,764,463)	(11,131,356)
	Capital loss on sale of investments at FVTPL - net	-	(66,672,065)
		(283,594,746)	(359,573,806)
	Deferred tax asset - net	(161,944,050)	(288,680,864)
	Deferred tax asset recognized to the extent of deferred tax liability	121,650,696	70,892,942
	Unrecognised deferred tax asset in the books	40,293,354	217,787,922
		161,944,050	288,680,864
	Deferred tax asset - net	-	-

10.1 The Company, based on the future projections, has recognized deferred tax assets only to the extent of deferred tax liabilities amounting, in aggregate to Rs. 121.650 million. (2020: Rs. 70.892 million).

		Note	2021	(Restated) 2020
			Rupees	
11	**SHORT TERM INVESTMENTS**			
	At fair value through profit or loss			
	Quoted equity securities	11.1	2,394,124,599	2,771,339,641
	Quoted debt securities	11.2	145,677,916	228,526,556
		11.3	2,539,802,515	2,999,866,197
	At fair value through other comprehensive income			
	Quoted equity securities	11.4	206,907,980	724,411,100
			2,746,710,495	3,724,277,297

11.1 As of June 30, 2021, the Company held 5,699,328 ordinary shares (June 30, 2020: 7,699,328 ordinary shares) of M/s. Safemix Concrete Limited (SCL), an associated company in terms of section 2(4) of the Companies Act, 2017, classified at FVTPL. This gives the Company 22.80% (June 30, 2020: 30.80%) voting power in SCL. However, since Mr. Arif Habib and his sons, Mr. Samad Habib and Mr. Kashif Habib, by virtue of their direct investment as well as their indirect investment held through the Company are in a position to exert control over SCL and because of the fact that the Company has not appointed any person on the Board of Directors of SCL, the management is of the view that the Company is not able to exercise significant influence over SCL. Hence, SCL cannot be regarded as an 'associate' of the Company within the meaning of the term 'associate' defined in the International Accounting Standard (IAS) 28 "*Investments in Associates and Joint Ventures.*"

11.2 This represents Term Finance (TFC) & Sukuk Certificates under Market Making agreements. Company has entered into Market Making agreements in accordance with Chapter 12 of PSX Rule Book with various Financial and Corporate Institution. Under market making arrangements, the Company has to maintain minimum inventory of TFC's & Sukuk's to place bid & offer on daily basis. These TFC's & Sukuks carry Coupon rate ranging from 3 month KIBOR + 0.9% to 1.9%, 6 month KIBOR + 0.50% to 2.25% (2020: 3 month KIBOR + 0.9% to 1.9%, 6 month KIBOR + 0.5% to 2.25%) calculated on face value of the respective TFC/Sukuk that is payable quarterly / semi annually.

	2021	2020
	Rupees	
11.3 Reconciliation of gain / (loss) on remeasurement of investments at FVTPL		
Cost of investment	**2,506,460,957**	3,179,767,689
Unrealised gain / (loss):		
Balance as at July 01	**(179,901,492)**	(375,378,058)
Unrealized Loss transferred from long term investment	**-**	(15,077,782)
Unrealised gain for the year	**213,243,050**	210,554,348
	33,341,558	(179,901,492)
Balance as at June 30	**2,539,802,515**	2,999,866,197

11.4 Investment in qouted equity securities - at fair value through other comprehensive income

2021	(Restated) 2020		Note	2021	(Restated) 2020
(Number of shares)				Rupees	
57,722,000	-	Opening investment (at cost)		**301,072,400**	-
10,908,000	69,736,000	Add: Investment made during the year		**100,785,445**	363,545,200
(42,831,000)	(12,014,000)	Less: Investment disposed of during the year	11.4.4	**(222,894,650)**	(62,472,800)
25,799,000	57,722,000	**Closing investment (at cost)**		**178,963,195**	301,072,400
		Unrealized gain on remeasurement of investment:			
		Opening balance		**423,338,700**	-
		Add: (Deficit) /surplus on re-measurement of investments at FVOCI		**(211,455,600)**	524,910,190
		Less: Gain realized on disposal of investments in equity instruments at FVOCI		**(183,938,315)**	(101,571,490)
		Closing balance		**27,944,785**	423,338,700
		Closing investment (at fair value)		**206,907,980**	724,411,100

11.4.1 The Company has designated its investments in ordinary shares of Hum Network Limited (HUMNL) at fair value through other comprehensive income in accordance with the irrevocable election available to the Company under the International Financial Reporting Standards (IFRS) 9 *Financial Instruments.*

11.4.2 As at June 30,2021 , the Company revalued the investment in HUMNL at the fair value of Rs. 8.02 per share. (2020: Rs. 12.55 per share).

11.4.3 During the year the Company has not received any dividend from HUMNL.

11.4.4 During the year, the Company also disposed of 42,831,000 shares (2020: 12,014,000 shares) of HUMNL as it had to liquidate some investments for financing purpose as well as it had an opportunity to earn a substantial capital gain amounting to Rs. 183.938 million. The fair value per share of the investments at the date of disposal was Rs. 6.52/- to 13.74/-. Upon disposal of the investments, a capital gain amounting to Rs. 183,938,315 (2020: 101,571,490) was directly transferred to unappropriated profits.

12 TRADE DEBTS

	Note	2021	2020
		Rupees	
Considered good			
Brokerage and operating		120,088,055	83,576,900
Advisory and consultancy fee		120,230,829	73,361,994
		240,318,884	156,938,894
Considered doubtful			
Brokerage and operating		870,668,691	869,146,841
Advisory and consultancy fee		51,604,192	37,174,746
		922,272,883	906,321,587
		1,162,591,767	1,063,260,481
Less: Provision for expected credit losses	12.1	(922,272,883)	(906,321,587)
	12.2 & 12.3	240,318,884	156,938,894

12.1 Movement in provision for expected credit losses

	2021	2020
Balance at the beginning of the year	906,321,587	902,969,044
Charge for the year	15,951,296	3,822,301
Reversed during the year	-	(469,758)
Balance at the end of the year	922,272,883	906,321,587

12.2 This includes Rs. 4.3 million (2020: Rs. 1.7 million) due from related parties.

12.3 The Company holds capital securities having fair value of Rs. 59,277 million (2020: Rs. 38,874 million) owned by its clients, as collaterals against trade debts. The maximum aggregate amount outstanding at any time during the year amounts to Rs. 331.80 million (2020: Rs. 34.4 million)

13 RECEIVABLE AGAINST MARGIN FINANCING

	Note	2021	2020
		Rupees	
Considered good		245,655,746	37,754,624
Considered doubtful		1,917,749	1,917,749
	13.1	247,573,495	39,672,373
Less: provision for doubtful receivables		(1,917,749)	(1,917,749)
		245,655,746	37,754,624

13.1 Margining financing facility is provided to clients on markup basis ranging from 12.00% to 15.00% (2020: 12.00% to 18.00%) per annum.

14 ADVANCES, DEPOSITS AND PREPAYMENTS

	Note	2021	2020
Advances			
Advance to consultant	14.1	9,293,760	9,393,760
Advance against expenses		1,068,956	721,457
Advance against salary		833,119	334,988
Advance to Arif Habib Commodities (Private) Limited		-	358,992
		11,195,835	10,809,221
Trade deposits			
Exposure deposit with National Clearing Company of Pakistan Limited (NCCPL)	14.2	49,110,315	1,142,542
Prepayments			
Insurance		551,904	440,450
		60,858,054	12,392,213

14.1 This represents advance payment made to consultant in respect of consultancy services on Corporate Finance Projects.

14.2 This represents deposits held at the year end against exposure arising out of the trading in securities in accordance with the regulations of National Clearing Company Pakistan Limited.

15 LOAN TO RELATED PARTY

This represented a loan provided to M/s. Arif Habib Commodities (Private) Limited, during the financial year 2017. The loan was repaid in the month of November 2020, upon a demand raised by the Company.

16 OTHER RECEIVABLES

	Note	2021	2020
		Rupees	
Receivable against Reverse Repo transactions		**268,568,516**	52,152,387
Dividend receivable		**-**	91,227,000
Others		**6,082,439**	5,608,589
		274,650,955	148,987,976
Less: provision for expected credit losses	*16.1*	**-**	(39,711,656)
		274,650,955	109,276,320

16.1 Movement in provision for expected credit losses

	Note	2021	2020
Balance at the beginning of the year		**39,711,656**	39,711,656
Charged during the year		**-**	-
Reversal of provision against expected credit losses previously recognized	*30.1*	**(39,711,656)**	-
Balance at the end of the year		**-**	39,711,656

17 CASH AND BANK BALANCES

	Note	2021	2020
Cash in hand		**650,596**	271,588
Cash at bank			
- current accounts		**157,186,618**	47,166,085
- savings accounts	*17.1*	**2,516,261,256**	758,743,775
	17.2	**2,673,447,874**	805,909,860
		2,674,098,470	806,181,448

17.1 The return on these balances is 4% to 6% (2020: 6% to 13%) per annum on daily product basis.

17.2 Bank balances include customers' bank balances held in designated bank accounts amounting to Rs. 1,563 million(2020: Rs.777.251 million).

18 AUTHORIZED, ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2021	2020		2021	2020
----(Number of shares)----			Rupees	
		Authorized capital		
75,000,000	75,000,000	Ordinary shares of Rs. 10/- each	**750,000,000**	750,000,000
		Issued, subscribed and paid up capital		
		Ordinary shares of Rs.10/- each		
10,800,000	10,800,000	Issued for cash	**108,000,000**	108,000,000
48,600,000	48,600,000	Issued as bonus shares	**486,000,000**	486,000,000
59,400,000	59,400,000		**594,000,000**	594,000,000

18.1 As of June 30, 2021 the Parent Company held 41,245,884 (2020: 41,245,884) ordinary shares of Rs. 10 each.

18.2 There is only one class of ordinary shares.

18.3 There are no agreements among shareholders in respect of voting rights, board selection, rights of first refusal, and block voting.

19 SURPLUS ON REVALUATION OF PROPERTY

In the year 2015, the Company reclassified leasehold offices to Investment Property. Accordingly surplus on revaluation of properties was recognized in accordance with IAS 40 *"Investment Property".*

20 LONG TERM LOAN

20.1 On June 30, 2020 the Company had signed a facility letter with Allied Bank limited (ABL) whereby the outstanding running finance facility amounting to Rs. 499.99 million had been converted into a long term loan under markup arrangement at the rate of 3 months KIBOR + 1% to be charged on quarterly basis. The loan was repayable in twelve quarterly installments ending on June 30, 2023. However during the year, the Company settled the term loan in full due to availability of sufficient liquidity.

20.2 Fair value of shares pledged with Allied Bank Limited against term loan facility as at June 30, 2021 amounted to Rs. Nil (2020: 918.44 million). The details of which are as under:

	June 30, 2021		June 30, 2020	
	Number of securities	Amount (Rupees)	Number of securities	Amount (Rupees)
Client	-	-	34,350,000	918,175,500
House	-	-	10,000	267,300
Total	-	-	34,360,000	918,442,800

21 SHORT TERM BORROWINGS - secured

21.1 Short term running finance facilities are available from various commercial banks, under mark-up arrangements, amounting to Rs. 5,500 million (2020: Rs. 5,000 million). These facilities have various maturity dates up to September 30, 2024 (2020: May 06, 2021). These arrangements are secured against pledge of marketable securities. These running finance facilities carry mark-up ranging from 1 month KIBOR + 0.5% to 1.0% , 3 month KIBOR + 0.50% to 1.5% (2020: 1 month KIBOR + 0.75% to 1.0%, 3 month KIBOR + 0.55% to 1.50%) calculated on a daily product basis that is payable quarterly.

21.2 Fair value of shares pledged with banking companies against various short term running finance facilities and bank guarantees as at June 30, 2021 amounted to Rs. 5,642.98 million (2020: Rs. 4,376.90 million). Total value of pledged securities with financial institutions indicating separately securities belonging to customers is as under:

	June 30, 2021		June 30, 2020	
	Number of securities	Amount (Rupees)	Number of securities	Amount (Rupees)
Client	140,335,000	4,086,425,400	83,400,000	2,186,712,000
House	66,582,755	1,554,857,660	119,315,760	2,190,184,650
Total	206,917,755	5,641,283,060	202,715,760	4,376,896,650

22 SUBORDINATED LOAN

During the year ended June 30, 2020, the Company had obtained a long term, unsecured loan, from Mr. Arif Habib, the controlling shareholder of the Parent Company. The loan was repayable on demand after 13 months of disbursement of loan and carried interest at the rate of 6 month KIBOR + 2% (payable semi-annually). During the year in August 2020, the Company has repaid the loan as substantial cash flows were available with the Company.

23 TRADE AND OTHER PAYABLES

	Note	2021	2020
		Rupees	
Creditors	23.1	1,554,805,840	747,901,751
Commission payable	23.2	102,628,722	19,605,841
Accrued expenses		19,968,931	6,820,150
Withholding tax payable	43	71,302,613	4,504,508
Sindh sales tax and federal excise duty payable	43	22,809,898	8,796,575
Advance from related party	23.3	6,743,695	2,500,000
Other liabilities		11,735,305	4,651,317
		1,789,995,004	794,780,142

23.1 This includes Rs. 126.10 million (2020: Rs. 6 million) payable to related parties of the Company.

23.2 This includes Rs. 49.15 million (2020: Rs. 8.50 million) payable to related parties of the Company.

23.3 This represents advance received from Arif Habib Commodities (Private) Limited against sale of investment property.

24 CONTINGENCIES AND COMMITMENTS

24.1 Contingency

The Company has been contesting a demand of Rs. 45.42 million raised against its non-taxable services vide order issued on September 12, 2014 by the Assistant Commissioner, Sindh Revenue Board. The Company filed an appeal against the impugned order in the appropriate forums and, accordingly, a stay was granted to the Company against the impugned order. During the year 2018, the Appellate Tribunal Sindh Revenue Board remanded the case to the learned Commissioner (Appeals) for decision denovo on merits in terms of note / opinion recorded by the Member Technical. The Company's legal counsel is of the view that the Company has a favorable case based on merit. Accordingly, the Company has not made any provision of the said amount in these unconsolidated financial statements.

24.2 Commitments

Following commitments are outstanding as at the reporting date:

	Note	2021	2020
		Rupees	
- Outstanding settlements against Marginal Trading contracts		**788,579,531**	112,323,212
- Outstanding settlements against sale / purchase of securities in regular market.		**34,264,836**	53,073,167
-Financial guarantees given by commercial banks on behalf of the Company		**750,000,000**	250,000,000

25 OPERATING REVENUE

	Note	2021	2020
Brokerage and operating revenue		**705,849,359**	323,434,287
Advisory and consultancy fee		**671,628,116**	155,244,981
Dividend income		**114,454,876**	166,766,673
Markup on corporated debt securities	*43*	**19,664,197**	45,946,166
		1,511,596,548	691,392,107

26 GAIN / (LOSS) ON RE-MEASUREMENT OF INVESTMENTS AT FVTPL

	Note	2021	2020
Unrealized gain / (loss) in the value of long term investments	*7.2.2.1*	**9,698,115**	(7,965,874)
Unrealized gain on re-measurement of short term investments at FVTPL	*11.3*	**213,243,050**	210,554,348
		222,941,165	202,588,474

27 ADMINISTRATIVE AND OPERATING EXPENSES

	Note	2021	2020
Salaries and other benefits	*27.1*	**398,176,221**	166,060,604
CDC and clearing house charges		**28,757,868**	24,286,335
Fees and subscription		**12,706,920**	8,458,189
Legal and professional charges		**8,753,909**	8,862,889
Communication		**21,320,412**	14,852,191
Rent, rates and taxes		**1,404,968**	3,506,705
Depreciation on property and equipment	*4*	**13,417,988**	7,654,464
Depreciation on right-of-use assets	*5*	**21,202,568**	20,143,375
Amortization on intangible assets	*6.1*	**392,168**	493,759
Building maintenance		**21,862,749**	18,871,264
Repairs and maintenance		**10,775,593**	6,698,613
Insurance		**8,355,471**	5,326,135
Advertisement and business promotion		**4,901,554**	724,125
Business representation		**15,634,493**	1,676,409
Motor vehicle and travelling expense		**31,660,070**	26,362,373
Printing and stationery		**4,833,978**	1,461,955
Conveyance and meals		**367,850**	454,348
Meeting expenses		**450,000**	509,829
Auditors' remuneration	*27.2*	**1,775,000**	1,775,000
Donation	*27.3*	**5,000,000**	-
Man power services	*27.4*	**22,800,000**	21,847,600
Others		**3,188,369**	4,090,945
		637,738,149	344,117,107

27.1 Salaries and other benefits

	Note	2021	2020
		Rupees	
Salaries and other benefits	27.1.1	192,892,509	118,874,237
Commission		205,283,712	47,186,367
		398,176,221	166,060,604

27.1.1 Salaries and benefits include Rs. 7.794 million (2020: Rs. 6.30 million) in respect of provident fund contribution.

27.2 Auditors' remuneration

	2021	2020
	Rupees	
Annual audit fee	1,000,000	1,000,000
Half yearly review	310,000	310,000
Certification on compliance with Code of Corporate Governance	200,000	200,000
Other certifications	265,000	265,000
	1,775,000	1,775,000

27.3 Donation

None of the directors or their spouse had any interest in the donees. Further, the particulars of the parties to whom donation paid exceeds Rs. 1 million or 10% of the total donation, whichever is higher, are as follows:

	2021	2020
	Rupees	
Habib University Foundation	5,000,000	-

27.4 These represent charges paid to Group Company - Arif Habib Consultancy (Private) Limited in respect of recruitment services obtained for providing senior and highly qualified consultants to lead the Company's investment banking department.

28 FINANCE COSTS

	Note	2021	2020
		Rupees	
Finance cost on lease liability		5,701,898	6,135,267
Markup on short term borrowings from banking companies		83,013,003	335,111,527
Markup on sponsor loan		18,278,580	12,283,397
Markup on MTS securities		3,539,662	775,277
Bank charges		19,295,537	5,754,950
Guarantee charges to Parent Company		1,876,617	2,090,095
		131,705,297	362,150,513

29 OTHER CHARGES

	Note	2021	2020
Provision for expected credit losses	12.1	18,563,554	5,377,456
Impairment loss on investment in subsidiary		-	6,441,895
		18,563,554	11,819,351

30 OTHER INCOME

	Note	2021	2020
Markup on reverse repo transaction		13,931,717	39,214,013
Markup on margin financing		31,921,667	22,987,833
Markup on loan to related party	15	493,078	2,186,750
Profit on savings accounts		26,336,874	24,751,504
Profit on exposure deposit		5,262,579	4,099,129
Gain on settlement of a reverse repo arrangement	30.1	24,783,996	-
Gain on disposal of investment property		500,000	775,000
Others		-	721,483
		103,229,911	94,735,712

30.1 Gain on settlement of a reverse repo arrangement

	Note	2021	2020
		Rupees	
Reversal of provision of expected credit losses on other receiveables previously recognized	16.1	39,711,656	-
Less: Loss on disposal of shares held as collateral		(14,927,660)	-
		24,783,996	-

31 TAXATION

	2021	2020
	Rupees	
Current tax - for the year	316,774,469	69,428,732
- for prior years	(7,677,288)	-
	309,097,181	69,428,732
Deferred	-	-
	309,097,181	69,428,732

31.1 Relationship between tax expense and accounting profit

	2021	2020
Profit before taxation	2,393,102,374	129,285,165
Tax at the applicable rate of 29% (2020: 29%)	693,999,688	37,492,698
Tax effect of income under Presumptive Tax Regime	(16,023,683)	(24,349,458)
Tax effect of income under Minimum Tax Regime	976,750	53,795,881
Tax effect of income taxed at lower rate	(214,086,043)	79,269,806
Tax effect of non-deductible expenses	904,778	(1,786,333)
Tax effect of exempt income / permanent differences	(148,864,521)	(74,715,407)
Tax effect of prior year charge	(7,677,288)	-
Others	(132,500)	(278,455)
	309,097,181	69,428,732

31.2 Income tax assessments of the Company are deemed to be finalized as per tax returns file up to tax year 2020. Tax returns are subject to further assessment under provisions of the Income Tax Ordinance, 2001 ("the Ordinance") unless selected for an audit by the taxation authorities. The Commissioner of Income Tax may, at any time during a period of five years from date of filing of return, select a deemed assessment order for audit.

31.3 The Company had been contesting Civil Suit No. 284/2016 against levy of “Super Tax” u/s 4B of the Income Tax Ordinance, 2001 introduced through Finance Act, 2015 in the High Court of Sindh and had not paid the Super Tax accordingly. During the year, all the petitions pertaining to "Super Tax" u/s 4B which were filed at branch registries were now to be heard by the Honourable Supreme Court Of Pakistan as per it's direction. During the year the Honourable Supreme Court Of Pakistan directed petitioner taxpayers to deposit 50% of their respective impugned outstanding tax amounts pertaining to super tax u/s 4B with the respondent authorities, no coercive action for recovery shall be taken against such tax payers in the meanwhile.

Therefore, as per the directive of Honorable Supreme Court Of Pakistan the Company deposited 50% of their outstanding tax amounts, amounting to Rs. 31.162 million. On a prudent basis, the company continues to recognize a provision for the remaining 50% of the amount of tax in these unconsolidated financial statements.

32 EARNINGS PER SHARE - BASIC AND DILUTED

32.1 Basic earnings per share

	2021	2020
	Rupees	
Profit after taxation	2,084,005,193	59,856,433
	Number of shares	
Weighted average number of ordinary shares outstanding	59,400,000	60,121,312
	Rupees	
Earnings per share - basic	35.08	1.00

32.2 Diluted earnings per share

There is no dilutive effect on the basic earnings per share of the Company, since there were no potential ordinary shares in issue as at June 30, 2021 and June 30, 2020.

33 CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the end of the reporting year as shown in the statement of cash flows are reconciled to the related items in the statement of financial position as follows:

	Note	2021	2020
		Rupees	
Cash and bank balances	17	2,674,098,470	806,181,448
Short term borrowings - running finance	21	(1,369,369,349)	(1,836,074,716)
		1,304,729,121	(1,029,893,268)

34 RELATED PARTY TRANSACTIONS AND BALANCES

34.1 Related parties comprise of group companies (the Parent Company, fellow subsidiaries and the subsidiaries), key management personnel and directors of the Company and their close family members, and the staff provident fund. Remuneration of the Chief executive, directors and executives as disclosed in note 35 to these unconsolidated financial statements. Transactions with related parties are as follows:

	2021	2020
	Rupees	
PARENT COMPANY		
Arif Habib Corporation Limited		
Transaction during the year		
Brokerage commission earned on sale and purchase of securities	5,932,872	2,560,553
Loan obtained	917,000,000	-
Loan repaid	917,000,000	-
Markup on loan charged during the year	4,447,132	-
Guarantee charges	1,876,617	2,090,095
Balances at the year end		
Trade receivable at year end	33,093	80,477
Guarantee charges payable	464,883	454,370
Mark-up Payable	4,447,132	
SUBSIDIARY		
Arif Habib Commodities (Private) Limited		
Transaction during the year		
Brokerage commission earned on sale and purchase of securities	255,468	15,335
Markup income on loan	493,078	2,186,750
Loan repaid	15,000,000	-
Balances at the year end		
Advance received against sale of investment property	6,743,695	2,500,000
Advance paid for subscription of shares	2,000,000	2,000,000
Trade payable at year end	1,801,990	-
Loan receivable	-	15,000,000
Advances	256,305	256,305
Markup receivable on loan	-	102,687

	2021	2020
	Rupees	
KEY MANAGEMENT PERSONNEL		
Zafar Alam (Chairman)		
Transaction during the year		
Brokerage commission earned on sale and purchase of securities	**1,644,264**	10,590
Balances at the year end		
Trade payable at year end	**1,104,484**	2,148,473
Muhammad Shahid Ali (CEO)		
Transaction during the year		
Brokerage commission earned on sale and purchase of securities	**16,731,270**	7,886,015
Balances at the year end		
Trade payable at year end	**112,754,445**	3,150,901
Muhammad Haroon (Director)		
Transaction during the year		
Brokerage commission earned on sale and purchase of securities	**400,987**	139,235
Balances at the year end		
Trade payable at year end	**29,147**	700,697
Sharmin Shahid (Director)		
Transaction during the year		
Brokerage commission earned on sale and purchase of securities	**2,690,583**	728,673
Balances at the year end		
Trade receivable at year end	**8,340**	50,302
Nida Ahsan (Director)		
Transaction during the year		
Brokerage commission earned on sale and purchase of securities	**520,335**	1,730,920
Balances at the year end		
Trade payable at year end	**9,346,762**	-
Trade receivable at year end	**-**	65,419
Mohsin Madni (Director)		
Transaction during the year		
Brokerage commission earned on sale and purchase of	**22,519**	2,936
Balances at the year end		
Trade payable at year end	**191,512**	175

	2021	2020
	Rupees	
CLOSE FAMILY MEMBERS OF KEY MANAGEMENT PERSONNEL		
Arif Habib		
Transaction during the year		
Brokerage commission earned on sale and purchase of securities	**7,292,830**	6,563,516
Loan obtained	**1,510,000,000**	1,100,000,000
Loan repaid	**1,810,000,000**	800,000,000
Markup on loan charged during the year	**13,718,736**	12,283,397
Mark up payable on loan	**-**	12,737,772
Balances at the year end		
Loan payable at year end	**-**	300,000,000
Trade receivable at year end	**49,556**	42,574
Abdus Samad A. Habib		
Transaction during the year		
Brokerage commission earned on sale and purchase of securities	**1,786,631**	409,718
Balances at the year end		
Trade payable at year end	**872,251**	-
Trade receivable at year end	**-**	1,451,078
Muhammad Kashif A. Habib		
Transaction during the year		
Brokerage commission earned on sale and purchase of securities	**4,000**	6,363
Balances at the year end		
Trade receivable at year end	**4,075,266**	19,630
OTHER RELATED PARTIES		
Javedan Corporation Limited		
Transaction during the year		
Purchase of plots	**151,426,800**	-
Brokerage commission earned on sale and purchase of securities	**322,500**	
Development charges paid	**-**	11,943,765
Balances at the year end		
Receiveable against sale of plots	**5,126,734**	5,126,734
Arif Habib Dolmen REIT Management Limited.		
Transaction during the year		
Brokerage commission earned on sale and purchase of securities	**232,200**	250,600
Rotocast Engineering Co. (Private) Limited		
Transaction during the year		
Rent paid	**17,241,048**	28,735,080
Brokerage commission earned on sale and purchase of securities	**2,078,345**	-
Balances at the year end		
Prepaid rent	**-**	5,928,359
Trade receivable at year end	**31,083**	-

	2021	2020
	Rupees	
Arif Habib Equity (Private) Limited		
Transaction during the year		
Sale of plots	**153,000,000**	-
Brokerage commission earned on sale and purchase of securities	**21,425**	-
Loan obtained	**55,000,000**	-
Loan repaid	**55,000,000**	-
Markup charged during the year	**112,712**	-
Balances at the year end		
Trade receivable at year end	**156,484**	-
ARIF HABIB PROVIDENT FUND TRUST		
Contribution paid during the year	**7,794,550**	6,298,569

35 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Directors		Other Executives	
	2021	2020	2021	2020	2021	2020
	Rupees					
Managerial remuneration	**6,720,306**	6,330,600	**-**		**57,291,020**	94,722,045
Contribution to provident fund	**494,498**	459,330	**-**		**2,787,482**	4,251,523
Medical allowance	**395,598**	367,464	**-**		**2,229,974**	2,606,291
Commission	**69,148,348**	8,500,000	**450,000**	425,000	**30,752,806**	22,567,317
	76,758,750	15,657,394	**450,000**	425,000	**93,061,282**	124,147,176
Number of persons	**1**	1	5	5	**16**	18

36 FINANCIAL INSTRUMENTS

36.1 Financial risk analysis

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

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

36.1.1 *Market risk*

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

i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As of the reporting date, the Company was not exposed to currency risk since were no foreign currency transactions and balances at the reporting date.

ii) Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest/ mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. Presently, daily stock market fluctuation is controlled by government authorities with cap and floor of 7.5%. The restriction of floor prices reduces the volatility of prices of equity securities and the chances of market crash at any moment. The Company manages price risk by monitoring the exposure in quoted securities and implementing the strict discipline in internal risk management and investment policies, which includes disposing of its own equity investment and collateral held before it led the Company to incur significant mark-to-market and credit losses. As of the reporting date the Company was exposed to price risk since it had investments in quoted securities amounting to Rs. 2,746 million (2020: 3,724 million) and also because the Company held collaterals in the form of equity securities against their debtor balances.

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

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

Analysis of short term investment in quoted equity securities by business sector is as follows:

	June 30, 2021		June 30, 2020	
	(Rupees)	%	(Rupees)	%
Engineering	-	0.00%	135,389,240	3.87%
Chemical	-	0.00%	2,498,000	0.07%
Food & Personal Care Products	56,481,515	2.17%	-	0.00%
Oil & Gas	636,701,000	24.48%	102,799,000	2.94%
Inv. Banks / Inv. Cos. / Securities Cos.	-	0.00%	22,663,243	0.65%
Sugar & Allied Industries	5,766,425	0.22%	5,766,425	0.16%
Automobile	-	0.00%	3,834,886	0.11%
Transport & technology	-	0.00%	-	0.00%
Textile Composite	-	0.00%	19,088,000	0.55%
Fertilizer	865,807,027	33.29%	1,221,240,240	34.93%
Commercial Bank	316,491,720	12.17%	1,095,697,328	31.34%
Construction & Material (Cement)	118,619,957	4.56%	112,279,462	3.21%
Leasing Companies	-	0.00%	7,358,625	0.21%
Power Generation & Distribution	190,756,200	7.33%	36,278,202	1.04%
Technology & Communication	275,251,890	10.58%	730,858,090	20.91%
Miscellenous	135,156,845	5.20%	-	-
	2,601,032,579	100.00	3,495,750,741	100.00

Sensitivty Analysis:

The table below summarizes Company's equity price risk as of June 30, 2021 and 2020 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the year end reporting dates. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worse because of the nature of markets and the aforementioned concentrations existing in Company's equity investment portfolio.

		Fair value	Hypothetical price change	Estimated fair value after hypothetical change in prices	Hypothetical increase / (decrease) in shareholders' equity	Hypothetical increase / (decrease) in profit / (loss) after tax	Hypothetical increase / (decrease) in Other comprehensive income
June 30, 2021	Rupees	2,746,710,495	10% increase	3,021,381,545	233,470,393	215,883,214	17,587,178
			10% decrease	2,472,039,446	(233,470,393)	(215,883,214)	(17,587,178)
June 30, 2020	Rupees	3,724,277,297	10% increase	4,096,705,027	316,563,571	254,988,627	61,574,944
(Restated)			10% decrease	3,351,849,567	(316,563,571)	(254,988,627)	(61,574,944)

iii) Interest rate risk

Interest / mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest / mark-up rates. Sensitivity to interest / mark up rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The short term borrowing arrangements have variable rate pricing that is dependent on the Karachi Inter Bank Offer Rate (KIBOR) as indicated in note 21 to these unconsolidated financial statements.

Financial assets and liabilities include balances of Rs. 3,176.163 million (2020: Rs. 1,092.177 million) and Rs. 1,363.369 million (2020: Rs. 2,636.062 million) respectively, which are subject to interest / markup rate risk. Applicable interest / mark-up rates for financial assets and liabilities have been indicated in respective notes.

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

	2021	2020	2021	2020
	Effective interest rate (%)		Carrying amounts (Rs.)	
Financial assets				
Bank deposits - pls account	4% to 6%	6% to 13%	2,516,261,256	758,743,775
Receivable against Reverse Repo transactions	12% to 15%	13% to 18%	268,568,516	52,152,387
Receivable against margin financing	12% to 15%	12% to 18%	245,655,746	37,754,624
Loan to related party	9.31% to 9.44%	10.33% to 15.81%	-	15,000,000
Corporate debt securities - at FVTPL	7.93% to 9.94%	9.66% to 15.54%	145,677,916	228,526,556
Financial liabilities				
Long term loan	8.17% to 8.3%	11.49% to 14.35%	-	499,987,261
Short term borrowings- secured	7.82% to 9.09%	7.36% to 15.35%	1,369,369,349	1,836,074,716
Current portion of long term subordinated loan	14.37%	14.55%	-	300,000,000

Sensitivity analysis

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate would not affect the carrying amount of any financial instrument. For cash flow sensitivity analysis of variable rate instruments it is observed that interest / mark-up rate in terms of KIBOR has decreased by 12 bps during the year.

The following information summarizes the estimated effects of 1% hypothetical increases and decreases in interest rates on cash flows from financial assets and financial liabilities that are subject to interest rate risk. It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. The hypothetical changes in market rates do not reflect what could be deemed best or worst case scenarios. Variations in market interest rates could produce significant changes at the time of early repayments. For these reasons, actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

	Effect on profit after tax	
	increase	decrease
As at June 30, 2021		
Cash flow sensitivity-Variable rate financial instruments	12,828,238	(12,828,238)
As at June 30, 2020		
Cash flow sensitivity-Variable rate financial instruments	10,961,581	(10,961,581)

36.1.2 *Credit risk*

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

Exposure to credit risk

Credit risk of the Company mainly arises from deposits with banks and financial institutions, trade debts, receivable against margin financing, short term loans, loan to related party, deposits and other receivables. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk, the Company has developed its own risk management policies and guidelines whereby clients are provided trading limits according to their net worth and proper margins are collected and maintained from the clients. The management continuously monitors the credit exposure towards the clients and makes provision against those balances considered doubtful of recovery.

The Company's management, as part of risk management policies and guidelines, reviews clients' financial position, considers past experience, obtain authorized approvals and arrange for necessary collaterals in the form of equity securities to reduce credit risks and other factors. These collaterals are subject to market risk which ultimately affects the recoverability of debts. Further, credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings.

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

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

	Note	2021	2020
		Rupees	
Long-term advances and deposits		4,103,800	3,584,545
Trade debts	(a) & (b)	240,318,884	156,938,894
Receivable against margin financing		245,655,746	37,754,624
Short term deposits		49,110,315	1,142,542
Loan to related party		-	15,000,000
Other receivables		274,650,955	109,276,320
Bank balances		2,673,447,874	805,909,860
		3,487,287,574	1,129,606,785

(a) Trade debts were due from local clients.

(b) The Company held equity securities having fair value of Rs. 59,277 million (2020: Rs 38,874 million) owned by its clients, as collaterals against trade debts - brokerage and operating.

	2021		2020	
	Gross	Impairment	Gross	Impairment
	Rupees			
Not past due	-		39,672,373	-
Past due 1 day - 30 days	82,103,620	-	45,281,955	(26,920,114)
Past due 31 days - 180 days	18,263,637	(5,904,661)	15,357,392	(15,357,392)
Past due 181 days - 1 year	2,465,878	(2,465,878)	10,249,257	(10,249,257)
More than one year	862,387,160	(862,387,160)	853,794,824	(853,794,824)
	965,220,295	(870,757,699)	964,355,801	(906,321,587)

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

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

Banks	Short term rating	Credit rating agency	2021	2020
			Rupees	
Allied Bank Limited	A-1+	PACRA	10,657,594	13,328,429
Askari Bank Limited	A-1+	PACRA	17,400	2,400
Bank Al-Falah Limited	A-1+	PACRA	748,826	37,803
Bank Al-Habib Limited	A-1+	PACRA	1,334,019,808	74,813,778
Bank Islami Pakistan Limited	A-1	PACRA	983,734	964,368
Bank of Khyber	A-1	PACRA	2,165,722	1,250,197
Bank of Punjab	A-1+	PACRA	6,602	6,602
Dubai Islamic Bank Limited	A-1+	JCR-VIS	102,518,808	54,147,769

Banks	Short term rating	Credit rating agency	2021	2020
			Rupees	
Faysal Bank Limited	A-1+	PACRA	**1,175,740**	9,107
Habib Bank Limited	A-1+	PACRA	**45,623,686**	8,034,191
Habib Metropolitan Bank Limited	A-1+	PACRA	**225,587,164**	108,315,013
J.S Bank Limited	A-1+	PACRA	**1,761,590**	2,717,602
MCB Bank Limited	A-1+	PACRA	**54,856,793**	24,816,246
Meezan Bank Limited	A-1+	JCR-VIS	**141,850,590**	153,310,685
National Bank of Pakistan	A-1+	PACRA	**599,223,184**	300,965,072
Silk Bank Limited	A-2	JCR-VIS	**5,479**	1,127,895
Sindh Bank Limited	A-1	JCR-VIS	**51,330,605**	1,025,919
Soneri Bank Limited	A-1+	PACRA	**6,986,836**	3,913,038
Summit Bank Limited	-	-	**76,845,816**	49,652,297
United Bank Limited	A-1+	JCR-VIS	**17,081,897**	7,471,449
			2,673,447,874	805,909,860

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

The Company writes off a defaulted financial asset when there remains no reasonable probability of recovering the carrying amount of the asset through available means.

36.1.3 *Liquidity risk*

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

On the reporting date, the Company had cash and bank balance amounting to Rs. 2,674.099 million (2020: Rs. 806.18 million) unutilized credit lines Rs. 3,664 million (2020: Rs. 3,164 million) and liquid assets in the form of short term securities amounting to Rs. 2,746 million (2020: Rs. 3,724 million).

The following are the contractual maturities of financial liabilities, including estimated interest payments (except short term borrowings, long term loans and sub-ordinated loans):

	2021					
	Carrying amount	Contractual cashflows	Six months or less	Six to twelve months	One to five years	More than five years
	(Rupees)					
Financial liabilities						
Lease liability	30,222,286	34,501,150	13,299,474	13,397,397	7,804,279	
Trade and other payables	1,689,138,798	1,689,138,798	1,689,138,798	-	-	-
Short term borrowings (including accrued markup)	1,388,009,307	1,388,009,307	1,388,009,307	-	-	-
Payable against purchase of securities - net	53,758,623	53,758,623	53,758,623	-	-	-
	3,161,129,014	3,165,407,878	3,144,206,202	13,397,397	7,804,279	-

	2020					
	Carrying amount	Contractual cashflows	Six months or less	Six to twelve months	One to five years	More than five years
	(Rupees)					
Financial liabilities						
Loan Term Loan	499,987,261	499,987,261	83,333,334	83,333,334	333,320,593	-
Current portion of long term subordinated loan	300,000,000	300,000,000	-	300,000,000	-	-
Lease liability	38,383,986	52,809,069	12,285,384	12,338,141	28,185,544	
Trade and other payables	778,979,059	778,979,059	778,979,059	-	-	-
Short term borrowings (including accrued markup)	1,897,711,347	1,897,711,347	1,897,711,347	-	-	-
	3,515,061,653	3,529,486,736	2,772,309,124	395,671,475	361,506,137	-

36.2 Financial instruments by categories

As at June 30, 2021 Financial assets	At fair value through profit or loss	At fair value through other comprehensive income	Amortized cost	Total
	June 30, 2021			
	Rupees			
Long term investments	54,754,771	-	-	54,754,771
Long term advances and deposits	-	-	4,103,800	4,103,800
Short term investments	2,539,802,515	206,907,980	-	2,746,710,495
Trade debts	-	-	240,318,884	240,318,884
Receivable against margin financing	-	-	245,655,746	245,655,746
Accrued markup on margin financing	-	-	7,650,726	7,650,726
Short term deposits	-	-	49,110,315	49,110,315
Other receivables	-	-	274,650,955	274,650,955
Cash and bank balances	-	-	2,674,098,470	2,674,098,470
	2,594,557,286	206,907,980	3,495,588,896	6,297,054,162

As at June 30, 2021 Financial liabilities	Financial liabilities at amortized cost Rupees
Lease liability	30,222,286
Short term borrowings (including accrued markup)	1,388,009,307
Trade and other payables	1,689,138,798
Payable against purchase of securities - net	53,758,623
	3,161,129,014

As at June 30, 2020 Financial assets	At fair value through profit or loss	At fair value through other comprehensive income	Amortized cost	Total
	June 30, 2020 (Restated)			
	Rupees			
Long term investments	45,056,656	-	-	45,056,656
Long term advances and deposits	-	-	3,584,545	3,584,545
Short term investments	2,999,866,197	724,411,100	-	3,724,277,297
Trade debts	-	-	156,938,894	156,938,894
Receiveable against sales / purchase of securities - net	-	-	79,559,207	79,559,207
Receivable against margin financing	-	-	37,754,624	37,754,624
Accrued markup on margin financing	-	-	2,712,600	2,712,600
Short term deposits	-	-	1,142,542	1,142,542
Other receivables	-	-	109,276,320	109,276,320
Cash and bank balances	-	-	805,909,860	805,909,860
	3,044,922,853	724,411,100	1,196,878,592	4,966,212,545

As at June 30, 2020 Financial liabilities	Financial liabilities at amortized cost Rupees
Lease liability	38,383,986
Long term loan	499,987,261
Short term borrowings (including accrued markup)	1,897,711,347
Current portion of long term subordinated loan	300,000,000
Trade and other payables	778,979,059
	3,515,061,653

37 FAIR VALUE OF ASSETS AND LIABILITIES

The Company measures fair value of its assets and liabilities using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 : Quoted market price (unadjusted) in an active market.

Level 2 : Valuation techniques based on observable inputs.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data.

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

Valuation techniques used by the Company include discounted cash flow model. Assumptions and inputs used in the valuation technique mainly include risk-free rate, equity risk premium, long term growth rate and projected rates of increase in revenues, other income and expenses. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.

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

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

June 30, 2021	Level 1	Level 2	Level 3	Total
	------------ Amount in Rupees -----------			
Financial assets mesured at fair value				
Short term investments	**2,746,710,495**	-	-	**2,746,710,495**
Long term investment	-	-	**54,754,771**	**54,754,771**
Non-financial assets measured at fair value				
Investment properties	-	**1,968,800,000**	-	**1,968,800,000**

June 30, 2020	Level 1	Level 2	Level 3	Total
	------------ Amount in Rupees -----------			
Financial assets mesured at fair value				
Short term investments (Restated)	3,724,277,297	-	-	3,827,444,572
Long term investment	-	-	45,056,656	45,056,656
Non-financial assets measured at fair value				
Investment properties	-	1,678,415,232	-	1,678,415,232

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy:

	Note	2021	2020
		Rupees	
Balance as at July 01		**45,056,656**	53,022,530
Unrealised gain / (loss) for the year	7.2.2.1	**9,698,115**	(7,965,874)
Balance as at June 30		**54,754,771**	45,056,656

Although the Company believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. A change of 1% in value arrived at reporting date would have the following effect:

	Effect on profit and loss account	
	Favourable	(Unfavourable)
	Rupees	
June 30, 2021		
Unquoted equity securities	**547,548**	**(547,548)**
June 30, 2020		
Unquoted equity securities	450,567	(450,567)

38 CAPITAL MANAGEMENT

38.1 Management of Capital

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

38.2 The **Capital Adequacy Level** as defined by Central Depository Company (CDC) is calculated

	Note	2021	(Restated) 2020
		Rupees	
Total assets	38.2.1	**8,471,502,159**	6,869,053,991
Less: Total liabilities		**(3,476,118,789)**	(3,597,720,214)
Less: revaluation reserves (created upon revaluation of fixed assets)		**(15,432,500)**	(15,432,500)
Capital Adequacy Level		**4,979,950,870**	3,255,901,277

38.2.1 While determining the value of the total assets of the TREC Holder, notional value of the TRE Certificate as at year end as determined by Pakistan Stock Exchange has been considered.

38.3 Net Capital Balance [as per the requirments of the Securities Brokers (Licencing and Operations) Regulations, 2016]

DESCRIPTION	VALUATION	Note	RUPEES
CURRENT ASSETS			
Cash in hand or in bank	As per Book Value	*38.3.1(i)*	2,718,486,466
Trade Receivables	Book Value less overdue for more than 14 days	*38.3.1(ii)*	156,191,039
Investment in listed securities in the name of broker.	Securities on the exposure list marked to market less 15% discount	*38.3.1(iii)*	2,210,877,692
Securities purchased for customers	Securities purchased for the customer and held by the broker where the payment has not been received within 14 days.	*38.3.1(iv)*	181,417,592
Listed TFCs/Corporate Bonds of not less than BBB grade assigned by a credit rating company in Pakistan	Marked to market less 10% discount.	*38.3.1(v)*	131,110,124
FIBs	Marked to market les 5% discount.		-
Treasury Bill	At market value		-
Any other current asset specified by the customer	As per the valuation basis determined by the comission		-
			5,398,082,913
CURRENT LIABILITIES			
Trade Payables	Book value less overdue for more than 30 days	*38.3.1(vi)*	1,485,408,156
Other Liabilities	As classified under the generally accepted accounting principles	*38.3.1(vii)*	1,987,185,217
			3,472,593,373
Net capital balance as at June 30, 2021			**1,925,489,540**

38.3.1 Notes to the net capital balance

		Rupees
(i)	**Cash and bank balances**	
	Cash in hand	650,596
	Exposure margin deposited to NCCPL	44,387,996
	Bank balance pertaining to clients	2,603,660,561
	Bank balance pertaining to brokerage house	69,787,313
		2,718,486,466
(ii)	**Trade receivables**	
	Gross value- Trade debts	965,131,291
	Gross value- Margin financing	247,573,495
		1,212,704,786
	Gross Overdue for more than 14 days -Trade debts	(891,047,114)
	Gross Overdue for more than 14 days -Margin Financing	(170,188,952)
		(1,061,236,066)
		151,468,720
	Balance against unsettled trade	4,722,319
		156,191,039
(iii)	**Investment in Listed Securities in the name of broker**	
	Securities marked to market	2,601,032,579
	Less 15% discount	(390,154,887)
		2,210,877,692
(iv)	**Securities purchased for client**	
	Overdue balance for more than 14 days -gross value	1,061,236,066
	Lower of overdue balance and securities held against such balance	181,417,592
(v)	**Listed TFCs/Corporate Bonds/Others of not less than BBB grade assigned by a credit rating company in Pakistan**	
	Securities marked to market	145,677,916
	less: 10% discount	(14,567,792)
		131,110,124
(vi)	**Trade payables**	
	Book value	1,554,805,839
	Less: overdue for more than 30 days	(69,397,683)
		1,485,408,156
(vii)	**Other liabilities**	
	Creditors overdue for more than 30 days	69,397,683
	Commission payable	102,628,722
	Accrued expenses	19,968,931
	Withholding tax payable	71,302,613
	Sindh sales tax and federal excise duty payable	22,809,898
	Advance from related party	6,743,695
	Other liabilities	11,735,305
	Short term borrowings- secured	1,369,369,349
	Current portion of lease liability	26,696,871
	Unclaimed dividend	14,920,013
	Payable against purchase of securities- net	53,758,623
	Accrued markup on short term borrowings	18,639,958
	Taxation - net	199,213,556
		1,987,185,217

38.4 Liquid Capital [as per the requirments of the Securities Brokers (Licencing and Operations) Regulations, 2016]

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	2,072,558,817	100.00%	-
1.2	Intangible Assets	6,583,336	100.00%	-
1.3	Investment in Govt. Securities (Difference between BV and SV on the date on the basis of PKRV published by NIFT)	-	-	-
1.4	**Investment in Debt. Securities**			
	If listed than:			
	i. 5% of the balance sheet value in the case of tenure upto 1 year.	145,677,916	5.00%	138,394,020
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	7.50%	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	10.00%	-
	If unlisted than:			
	i. 10% of the balance sheet value in the case of tenure upto 1 year.	-	10.00%	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	12.50%	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	15.00%	-
1.5	**Investment in Equity Securities**			
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher.	2,542,614,467	389,562,733	2,153,051,734
	ii. If unlisted, 100% of carrying value.	54,754,771	100.00%	-
	In case any securities are pledged, except those pledged on favour of securities exchange or clearing house against margin requirements or pledged in favour of banks against short-term financing arrangements, 100% haircut shall be applied for the purposes of computation of adjusted value of assets.	-		
1.6	Investment in subsidiaries	81,558,105	100.00%	-
1.7	**Investment in associated companies/undertaking**			
	i. If listed 20% or VaR of each securities as computed by the Securites Exchange for respective securities whichever is higher.	58,418,112	14,590,280	43,827,832
	ii. If unlisted, 100% of net value.	-	100.00%	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.	2,979,854	100.00%	-
1.9	Margin deposits with exchange and clearing house.	44,387,996	-	44,387,996
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	14,871,685	100.00%	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.	-	-	-
1.13	Dividends receivables.	-	-	-
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. (***Securities purchased under repo arrangement shall not be included in the investments.)***	268,568,516	-	268,568,516
1.15	Advances and receivables other than trade receivables 1) No haircut may be applied on short term loan to employees provided these loans are secured and due for repayment within 12 months. 2) No haircut may be applied to the advance tax to the extent it is netted with provision of taxation. 3) In all other cases, 100% of net value	13,733,165	100.00%	-
1.16	**Receivables from clearing house or securities exchange(s)**			
	i. 100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	4,722,319	-	

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.17	**Receivables from customers**			
	i. In case receivables are against margin financing, the aggregate if (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut. ***i. Lower of net balance sheet value or value determined through adjustments.***	245,655,746	8,099,720	237,556,026
	ii. Incase receivables are against margin trading, 5% of the net balance sheet value. ***ii. Net amount after deducting haircut***	-	5.00%	-
	iii. Incase receivalbes are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, ***iii. Net amount after deducting haricut***	-	-	-
	iv. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. ***iv. Balance sheet value***	187,536,573	-	187,536,573
	v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts. ***v. Lower of net balance sheet value or value determined through adjustments***	48,427,889	31,888,522	16,539,367
	vi. 100% haircut in the case of amount receivable form related parties.	4,354,422	100.00%	-
1.18	**Cash and Bank balances**			
	I. Bank Balance-proprietory accounts	69,787,313	-	69,787,313
	ii. Bank balance-customer accounts	2,603,660,561	-	2,603,660,561
	iii. Cash in hand	650,596	-	650,596
1.19	Subscription money against investment in IPO / offer for sale (asset). (No haircut may be applied in respect of amount paid as subscription money provided that shares have not bell allotted or are not included in the investments of securities broker).			
1.20	**Total Assets**	**8,471,502,159**		5,768,682,853
2. Liabilities				
2.1	**Trade Payables**			
	i. Payable to exchanges and clearing house	53,758,623	-	53,758,623
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	1,554,805,840	-	1,554,805,840
2.2	**Current Liabilities**			
	i. Statutory and regulatory dues	94,112,511	-	94,112,511
	ii. Accruals and other payables	174,636,624	-	174,636,624
	iii. Short-term borrowings	1,369,369,349	-	1,369,369,349
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	26,696,871	-	26,696,871
	vi. Deferred Liabilities	-	-	-
	vii. Provision for taxation	199,213,556	-	199,213,556
	Viii. Other liabilities as per accounting principles and included in the financial statements		-	-
2.3	**Non-Current Liabilities**			
	i. Long-Term financing	-	-	-
	ii. Staff retirement benefits			
	iii. Other liabilities as per accounting principles and included in the financial statements	3,525,415	-	3,525,415
	1. 100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance leases. 2. Nil in all other cases.			

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
2. Liabilities				
2.4	**Subordinated Loans**	-	-	-
	100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted:			
2.5	Advance against shares for increase in capital of securities broker.	-	-	-
	100% haircut may be allowed in respect of adavance against shares if: a) The existing authorized share capital allows the proposed enhanced share capital b) BOD has approved the increase in capital c) Relevant Regulatory approvals have been obtained d) There is no unreasonable delay in issue of shares against advance and all regulatory requrements relating to the increase in paid up capital have been completed e) Auditor is satisfied that such advance is against the increase of capital.			
2.6	**Total Liabilites**	**3,476,118,789**		**3,476,118,789**
3. Ranking Liabilities Relating to :				
3.1	**Concentration in Margin Financing**			
	The amount calculated client-to- client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees.	-	138,875,247	138,875,247
3.2	**Concentration in securites lending and borrowing**			
	The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (Ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed	-	-	-
3.3	**Net underwriting Commitments**			
	(a) in the case of right issuse : if the market value of securites is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issuse where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting	-	-	-
	(b) in any other case : 12.5% of the net underwriting commitments	-	-	-
3.4	**Negative equity of subsidiary**			
	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-	-	-
3.5	**Foreign exchange agreements and foreign currency positions**			
	5% of the net position in foreign currency.Net position in foreign currency means the difference of total assets denominated in foreign cuurency less total liabilities denominated in foreign currency	-	-	-
3.6	Amount Payable under REPO	-	-	-
3.7	**Repo adjustment**			
	In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securites. **In the case of financee/seller** the market value of underlying securities after applying haircut less the total amount received ,less value of any securites deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.	-	84,285,277	84,285,277
3.8	**Concentrated proprietary positions**			
	If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security .If the market of a security exceeds 51% of the proprietary position,then 10% of the value of such security	-	43,239,281	43,239,281

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
3. Ranking Liabilities Relating to :				
	Opening Positions in futures and options			
3.9	i. In case of customer positions, the total margin requiremnets in respect of open postions less the amount of cash deposited by the customer and the value of securites held as collateral/ pledged with securities exchange after applyiong VaR haircuts		-	-
	ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met		-	-
	Short selll positions			
3.10	i. Incase of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts	-	-	-
	ii. Incase of proprietory positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.	-	-	-
3.11	**Total Ranking Liabilites**	-	266,399,805	266,399,805
		4,995,383,370	Liquid Capital	2,026,164,259

39 OPERATING SEGMENT

These unconsolidated financial statements have been prepared on the basis of a single reportable segment as the Company's asset allocation decisions are based on a single and integrated business strategy.

All non current assets of the Company as at June 30, 2021 are located in Pakistan.

40 CORRECTION OF A PRIOR PERIOD ERROR

As disclosed in note 3.6.1 to these unconsolidated financial statements, the Company follows trade date accounting in relation to its own proprietary investments. However, the sale of 8,220,500 ordinary shares of Hum Network Limited (being carried at fair value through other comprehensive income) transacted on June 29, 2020 and June 30, 2020 was, inadvertently, not accounted for as a disposal of the investment in the financial statements for the year ended June 30, 2020.

In these unconsolidated financial statements, the above error has been duly rectified retrospectively in accordance with the requirements of the International Accounting Standard (IAS) 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and the corresponding figures impacted by the error have been restated. However, since these restatements had no effect on the statement of financial position as at the beginning of the earliest period presented (i.e. July 01, 2019), the same has not been presented in these unconsolidated financial statements.

The retrospective correction of the error has its effects on the corresponding figures presented in these unconsolidated financial statements as follows:

	Short term investments	Receiveable / (Payable) against sale / purchase of securities-net	Unappropriated profits	Surplus on re-measurement of equity securities at FVOCI
Effects on statement of financial position	----------Rupees----------			
Balance as at July 01, 2020 (as previously reported)	3,827,444,572	(28,513,698)	2,173,236,272	483,759,375
Effect of disposal of shares:				
Decrease in short term investments	(103,167,275)	-	-	-
Increase in Receiveable / (payable) against sales of securities - net	-	108,072,905	-	-
	(103,167,275)	108,072,905		
Increase in other comprehensive income for the year ended June 30, 2020	-	-	-	4,905,630
Increase in gain realized on disposal of equity securities at FVOCI	-	-	65,326,305	(65,326,305)
			65,326,305	(60,420,675)
Balance as at July 01, 2020 (as restated)	3,724,277,297	79,559,207	2,238,562,577	423,338,700

Effects on comprehensive income for the year ended June 30, 2020.	Rupees
Total comprehensive income for the year ended June 30, 2020 (as previously reported)	579,860,993
Increase in other comprehensive income for the year	4,905,630
Total comprehensive income for the year ended June 30, 2020 (as restated)	584,766,623

41 EVENTS AFTER THE REPORTING DATE

The Board of Directors has proposed a final cash dividend of Rs. 10/- (2020: Rs.2.5) per share amounting to Rs. 594 million (2020: Rs. 148.5 million) and bonus shares in the proportion of 10 shares for every 100 shares held (i.e 10%) at its meeting held on July 30, 2021 for the approval of the members at the annual general meeting to be held on September 25, 2021. These unconsolidated financial statements do not reflect the said appropriation.

42 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated financial statements were authorized for issue by the Board of Directors in meeting held on July 30, 2021.

43 NUMBER OF EMPLOYEES

The total number of employees and average number of employees at year end and during the year respectively are

	2021	2020
	Number	
Total number of employees as at	182	126
Average number of employees during the year	154	123

44 CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary, to comply with the requirements of the Companies Act, 2017 and for the purpose of comparison and better presentation. Following reclassifications have been made.

Markup on corporate debt securities (Other income)	Markup on corporate debt securities (Operating revenue)	45,946,166
Withholding taxes payable (Trade and other payables)	Sales tax payable (Trade and other payables)	8,796,575

45 GENERAL

Figures have been rounded off to the nearest rupee.

Chief Executive Officer | Director | Chief Financial Officer

CONSOLIDATED FINANCIAL **STATEMENTS**

AUDITORS' REPORT TO THE MEMBER

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the annexed consolidated financial statements of Arif Habib Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at June 30, 2021, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Group's affairs as at June 30, 2021 and of the profit, total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matter(s):

NO.	Key Audit Matter(s)	How the matter was addressed in our audit
01.	**Valuation of unquoted investments in equity securities** As stated in note 7.2 to the consolidated financial statements, the Group revalued its investment in unquoted ordinary shares of M/s. ISE Towers REIT Management Company Limited and M/s. LSE Financial Services Limited based on the valuation carried out independent external valuer engaged by management through the use of Discounted Free Cash Flow to Equity model for business valuation. Since the use of such valuation model requires management to make significant estimates and assumptions, the degree of subjectivity and complexity involved in the valuation increases to a considerable extent. This, in turn, affected our assessment of the risk that the consolidated financial statements may be materially misstated due to error and, hence, necessitated us to devote our significant time and resources to address the risk successfully.	Our audit procedures included the following: • Obtained an understanding of the valuation exercise carried out by the independent external valuer engaged by management who was responsible for performing the valuation. • Made inquiries of such persons in order to assess their competence, capability and objectivity of the external valuer which are recognized as the important factors affecting the reliability of the valuation. • Evaluated the appropriateness of the work of the Holding Company's personnel by assessing the reasonableness of significant assumptions used by management in estimating the following factors: - Components of cost of equity of investee companies (used as discount rate) such as the risk-free rate of return, equity risk premium and equity beta; - Significant amounts of revenues, operating expenses, capital expenditures, tax payments, dividend receipts etc. used in the cash flow projections; and - Long term growth rates assumed by management in estimating the terminal value of the investee companies at the end of the 5-year projection period.
02.	**Valuation of investment properties** As stated in note 8.1 to the consolidated financial statements, the Group recorded its investment properties (i.e. residential and commercial plots of land located in the Naya Nazimabad project as well as of offices located in Pakistan Stock Exchange and LSE Financial Services Limited) at fair value based on the valuation carried out by an independent external valuer engaged by management. The valuation of such properties was identified as an area subject to significant risk due to involvement of estimates made by the valuer in determining the fair value of investment properties. Due to the significance of the estimate and the involvement of significant management assumptions and judgements, we considered valuation of investment properties as a key audit matter.	To address this significant risk, we, amongst others, carried out the following key audit procedures: • We obtained an understanding of the scope of the valuer's work; • As stated in the valuation report, development work in the area in which the Group holds properties at Naya Nazimabad is ongoing and is rapidly progressing and that the value of the properties was determined on the basis of investigation with other realtors. Accordingly, we reviewed the investments made by the Group in other blocks of the Naya Nazimabad project over the past few years with respect to the cost of acquisition, valuation and disposals. Further, we corroborated the values assigned to the properties by the valuer with that realized on the most recent property disposal transactions executed by the Group; and • Performed appropriate background searches to ascertain whether the values assigned to the properties by the valuer are closely aligned to those determined through independent sources.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and unconsolidated financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. However, we have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Group as required by the Companies Act, 2017 (XIX of 2017);

b) the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Group's business;

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Group and deposited in the Central Zakat Fund established under section 7 of that Ordinance; and

e) the Group was in compliance with the requirement of section 78 of the Securities Act 2015, and the relevant requirements of Securities Brokers (Licencing and Operations) Regulations, 2016 as at the date on which the consolidated financial statements were prepared.

The engagement partner on the audit resulting in this independent auditor's report is **Mr. Muhammad Waseem.**

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

Karachi
Date: July 30, 2021


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ARIF HABIB
LIMITED

ARIF HABIB LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL **POSITION** AS AT JUNE 30, 2021

	Notes	2021	(Restated) 2020
		(Rupees)	
ASSETS			
Non-current assets			
Property and equipment	4	76,921,622	65,769,260
Right-of-use assets	5	27,657,325	42,319,024
Intangible assets	6	10,083,336	10,475,504
Long term investment	7	54,754,771	45,056,656
Investment property	8	1,968,800,000	1,678,415,232
Long-term advances and deposits	9	32,118,136	31,599,250
Deferred tax - net	10	-	-
		2,170,335,190	1,873,634,926
Current assets			
Short term investments	11	2,799,662,594	3,747,917,297
Trade debts	12	240,318,884	156,938,894
Receivable against margin financing	13	245,655,746	37,754,624
Receiveable against sales / purchase of shares - net		-	79,559,207
Advances, deposits and prepayments	14	116,097,069	87,109,871
Accrued markup on margin financing		7,650,726	2,712,600
Other receivables	15	278,650,955	109,276,320
Cash and bank balances	16	2,679,062,673	814,097,234
		6,367,098,647	5,035,366,047
Total assets		8,537,433,837	6,909,000,973
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital	17	750,000,000	750,000,000
Issued, subscribed and paid-up capital	17	594,000,000	594,000,000
Capital reserves			
Surplus on revaluation of property	18	15,432,500	15,432,500
Surplus on re-measurement of equity securities at FVOCI		27,944,785	423,338,700
		43,377,285	438,771,200
Revenue reserves			
Unappropriated profits		4,413,860,019	2,274,098,230
Total equity		5,051,237,304	3,306,869,430
LIABILITIES			
Non-current liabilities			
Lease liability		3,525,415	25,108,587
Long term loan	19	-	333,320,594
		3,525,415	358,429,181
Current liabilities			
Short term borrowings- secured	20	1,369,369,349	1,836,074,716
Current portion of lease liability		26,696,871	13,275,399
Current portion of long term loan	19	-	166,666,667
Current portion of long term subordinated loan	21	-	300,000,000
Trade and other payables	22	1,794,251,304	794,656,576
Unclaimed dividend		14,920,013	13,827,308
Loan from related party	23	3,862,500	3,862,500
Payable against purchase of securities- net		53,758,623	-
Accrued markup on short term borrowings		18,639,958	61,636,631
Taxation - net		201,172,500	53,702,565
		3,482,671,118	3,243,702,362
Contingency and commitments	24	-	-
TOTAL EQUITY AND LIABILITIES		8,537,433,837	6,909,000,973

The annexed notes from 1 to 45 form an integral part of these consolidated financial statements.

Chief Executive Officer

Director

Chief Financial Officer

ARIF HABIB LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS **ACCOUNT**
FOR THE YEAR ENDED JUNE 30, 2021

	Notes	2021	2020
		(Rupees)	
Operating revenue	25 &44	1,547,699,802	719,041,097
Capital loss on sale of equity securities at FVTPL - net		1,067,050,728	(273,344,157)
Gain on re-measurement of equity securities at FVTPL-net	26	222,888,717	201,599,582
Unrealised gain on re-measurement of investment property	8	290,384,768	132,000,000
		3,128,024,015	779,296,522
Administrative and operating expenses	27	(669,099,562)	(363,955,565)
Finance cost	28	(131,728,628)	(362,150,513)
Other charges	29	(18,563,554)	(5,377,456)
Other income	30 & 44	107,510,723	95,914,564
Profit before taxation		2,416,142,994	143,727,552
Taxation	31	(311,819,520)	(70,533,136)
Profit after taxation		2,104,323,474	73,194,416
Profit attributable to:			
Equity holders of holding company		2,104,323,474	73,194,416
Non-controlling interest		-	-
		2,104,323,474	73,194,416
Earnings per share - basic and diluted	32	35.43	1.22

The annexed notes from 1 to 45 form an integral part of these consolidated financial statements.

Chief Executive Officer	Director	Chief Financial Officer

ARIF HABIB LIMITED CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME** FOR THE YEAR ENDED JUNE 30, 2021

	2021	(Restated) 2020
	(Rupees)	
Profit after taxation	2,104,323,474	73,194,416
Other comprehensive income		
Items that will not be reclassified subsequently to statement of profit or loss		
(Deficit) / surplus on remeasurement of investments classified at FVOCI	(211,455,600)	524,910,190
Total comprehensive income for the year	1,892,867,874	598,104,606

The annexed notes from 1 to 45 form an integral part of these consolidated financial statements.

Chief Executive Officer	Director	Chief Financial Officer

ARIF HABIB LIMITED
CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2021

	Issued, subscribed and paid up capital	Revenue Reserves	Captial Reserves		Sub-total	Total
		Unappropri-ated profits	Surplus on revaluation of property	Surplus on re-measure-ment of equity securities at FVOCI		
	Rupees					
Balance as at June 30, 2019	660,000,000	2,264,332,324	15,432,500	-	2,279,764,824	2,939,764,824
- Profit for the year	-	73,194,416	-	-	73,194,416	73,194,416
- Other Comprehensive income for the year (restated)*	-	-	-	524,910,190	524,910,190	524,910,190
Total comprehensive income for the year ended June 30, 2020	-	73,194,416	-	524,910,190	598,104,606	598,104,606
Gain realized on disposal of equity securities at FVOCI (restated)*	-	101,571,490	-	(101,571,490)	-	-
Transaction with owners:						
- Buy-back of 10% shares under tender offer	(66,000,000)	(165,000,000)	-	-	(165,000,000)	(231,000,000)
Balance as at June 30, 2020 (restated)*	594,000,000	2,274,098,230	15,432,500	423,338,700	2,712,869,430	3,306,869,430
- Profit for the year	-	2,104,323,474	-	-	2,104,323,474	2,104,323,474
- Other comprehensive income for the year	-	-	-	(211,455,600)	(211,455,600)	(211,455,600)
Total comprehensive income for the year ended June 30, 2021	-	2,104,323,474	-	(211,455,600)	1,892,867,874	1,892,867,874
Gain realized on disposal of investments in equity instruments at FVOCI	-	183,938,315	-	(183,938,315)	-	-
Transactions with owners						
Cash dividend paid @ 25% for the year ended June 30, 2020	-	(148,500,000)	-	-	(148,500,000)	(148,500,000)
Balance as at June 30, 2021	594,000,000	4,413,860,019	15,432,500	27,944,785	4,457,237,304	5,051,237,304

* Refer note 39 o these unconsolidated financial statements (Correction of a prior period error)

The annexed notes from 1 to 45 form an integral part of these consolidated financial statements.

Chief Executive Officer	Director	Chief Financial Officer

ARIF HABIB LIMITED
CONSOLIDATED STATEMENT OF **CASH FLOWS** FOR THE YEAR ENDED JUNE 30, 2021

	Notes	2021	(Restated) 2020
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		2,416,142,994	143,727,552
Adjustments for:			
- Depreciation on property and equipment	4	13,675,294	7,895,260
- Depreciation on right-of-use-asset	5	21,202,568	20,143,375
- Amortization of intangible asset	6.1	392,168	493,759
- Gain on remeasurement of investments carried at fair value	26	(222,888,717)	(201,599,582)
- Gain on disposal of Investment property	30	(500,000)	(775,000)
- Unrealized gain on re-measurement of investment property	8	(290,384,768)	(132,000,000)
- Dividend income	25	(114,454,876)	(166,766,673)
- Recovery of bad debts written off	30	(24,783,996)	-
- Provision for doubtful debts	12.1	15,951,296	3,822,301
- Finance costs	28	131,728,628	362,150,513
		(470,062,403)	(106,636,047)
Cash generated from operating activities before working capital changes		1,946,080,591	37,091,505
Effect on cash flow due to working capital changes			
(Increase)/decrease in current assets			
- Short-term investments		949,989,705	(583,371,520)
- Trade debts		(74,547,290)	14,545,674
- Receivable against margin financing		(207,901,122)	76,491,208
- Receiveable against sales / purchase of shares - net		79,559,207	(110,529,526)
- Short term loans		-	4,100,002
- Advances, deposits and prepayments		(28,987,198)	271,806,061
- Accrued markup on margin financing		(4,938,126)	24,186,864
- Other receivables		(260,601,635)	32,770,448
Increase/(decrease) in current liabilities			
- Trade and other payables		999,594,728	155,319,468
- Payable against purchase of securities- net		53,758,623	-
		1,505,926,892	(114,681,321)
Cash used in operations		3,452,007,483	(77,589,816)
Taxes paid		(164,349,585)	(64,636,538)
Finance costs paid		(174,725,301)	(385,326,329)
Net cash generated from / (used in) operating activities		3,112,932,597	(527,552,683)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		(24,827,656)	(1,555,400)
Proceeds from disposal of property and equipment		-	28,437
Acquisition of Intangible asset	6.1	-	(515,174)
Loan obtained from related party		-	62,500
Development charges for / additions to investment property	8	(152,500,000)	(11,943,765)
Proceeds from disposal of investment property		153,000,000	150,440,000
Dividends received		205,681,876	75,539,673
Long-term advances and deposits		(518,886)	904,440
Net cash generated from investing activities		180,835,334	212,960,711
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liability		(14,702,569)	(24,078,413)
Long term loan (repaid) / received		(499,987,261)	499,987,261
Receipt of related party loan	21	-	1,100,000,000
Repayment of related party loan	21	(300,000,000)	(800,000,000)
Buy-back of 10% shares under tender offer		-	(231,000,000)
Dividend paid		(147,407,295)	(633,085)
Net cash (used in) / generated from financing activities		(962,097,125)	544,275,763
Net increase in cash and cash equivalents		2,331,670,806	229,683,791
Cash and cash equivalents at the beginning of the year		(1,021,977,482)	(1,251,661,273)
Cash and cash equivalents at the end of the year	33	1,309,693,324	(1,021,977,482)

The annexed notes from 1 to 45 form an integral part of these consolidated financial statements.

Chief Executive Officer	Director	Chief Financial Officer

1 STATUS AND NATURE OF BUSINESS

1.1 Arif Habib Limited ("the Holding Company") is a public listed company incorporated in Pakistan under the repealed Companies Ordinance, 1984 ('the Ordinance') which has now been replaced with Companies Act, 2017 ('the Act'). The shares of the Holding Company are listed on Pakistan Stock Exchange Limited ("the Exchange"). The Holding Company was initially incorporated as an unquoted public limited company wholly owned by Arif Habib Corporation Limited ("the Parent Company"). Subsequently, the Parent Company offered its 25% share holding in the Company to general public and the Holding Company obtained listing on the Exchange on January 31, 2007. As of the reporting date, the Parent Company held 69.44% shares of the Holding Company.

The Holding Company is a holder of Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange Limited. The principal activities of the Company are share brokerage, money market and forex brokerage, advisory, underwriting, consultancy and book running services. Other activities include investment in listed equity & debt securities.

The geographical location of Holding Company's offices are as follows:

-	Karachi	Head office (Registered office)	Arif Habib Centre, 23 M.T. Khan Road, Karachi
-	Lahore	Registered office	Office Nos. G-05 & G-06, Ground Floor, LSE Plaza, 19, Khayaban-e-Aiwan-e-Iqbal, Lahore
-	Islamabad	Registered office	Office No. 506, 5th Floor, ISE Towers, Jinnah Avenue, Islamabad
-	Peshawar	Registered office	Shops No. F13, F14, F15, F16 and F17, 1st Floor, The Mall Tower, Peshawar Cantt, Peshawar
-	Multan	Registered office	Shop Number 16, 17 & 18, Upper Floor, Khan Centre, Multan
-	Faisalabad	Registered office	Office No. 04, 3rd Floor at Legacy Tower, Koh-e-noor city, Faisalabad
-	Rawalpindi	Registered office	Shop No. F-15, 1st floor at Rizwan arcade, Adam Jee road, Saddar.

1.2 These consolidated financial statements of Arif Habib Limited for the year ended June 30, 2021 comprise of the Holding Company and following subsidiary companies (here-in-after referred to as "the Group"):

Name of Subsidiary Companies	*Effective holding*
- Arif Habib Commodities (Private) Limited [wholly owned subsidiary of Arif Habib Limited]	100.00%
- Arif Habib 1857 (Private) Limited [wholly owned subsidiary of Arif Habib Limited]	100.00%

1.2.1 Arif Habib Commodities (Private) Limited (AHCPL) was incorporated on April 02, 2012 as a private limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The registered office of AHCPL is located at Arif Habib Centre, 23, M.T. Khan Road, Karachi. AHCPL holds license of Pakistan Mercantile Exchange (PMEX). The principal activity of AHCPL is to effectively manage investment portfolios in commodities.

1.2.2 Arif Habib 1857 (Private) Limited (AH1857) was incorporated on July 17, 2014 as a private limited company in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The registered office of the AH1857 is located at Arif Habib Centre, 23, M.T. Khan Road, Karachi. AH1857 holds Trading Right Entitlement Certificate (TREC). The principal activities of AH1857 are investments and shares brokerage.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Accounting convention

These consolidated financial statements have been prepared under the historical cost convention, except;

- Lease liability and the related right-of-use asset which are initially measured at the present value of the lease payments that are not paid at the commencement date.

- Investment property which is carried at fair value;

- Long term investments in ISE Tower Reit Management Limited and LSE Financial Services Limited which is carried at fair value; and

- Short term investments in quoted equity securities, term finance certificates carried at fair value.

2.3 Functional and presentation currency

Items included in these consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates. These consolidated financial statements are presented in Pak Rupees which is the Group's functional and presentation currency.

2.4 Use of estimates and judgments

The preparation of consolidated financial statements in conformity with accounting and reporting standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Areas where various assumptions and estimates are significant to the Group's financial statements or where judgments were exercised in application of accounting policy are as follows:

	Note
- Useful lives, depreciation methods and residual values of property and equipment.	*3.2*
- Useful lives, amortisation methods and residual values of intangible assets.	*3.4 & 6*
- Valuation of investment property.	*3.5 & 8*
- Valuation of investment in ordinary shares of ISE Towers Reit Management Limited and LSE Financial Services Limited.	*7.1*
- Lease liability and right-of-use assets; and	*3.3 & 5*
- Provision for taxation.	*31*

2.5 New Accounting Pronouncements

2.5.1 *Amendments to approved accounting standards and interpretations which became effective during the year ended June 30, 2021.*

During the year certain new accounting and reporting standards / amendments / interpretations became effective and applicable to the Company. However, since such updates were not considered to be relevant to these unconsolidated financial statements, the same have not been reported.

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

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after the dates specified below:

- Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 is applicable for annual financial periods beginning on or after January 01,2021 , with earlier application permitted. The amendments introduce a practical expedient to account for modifications of financial assets or financial liabilities if a change results directly from IBOR reform and occurs on an 'economically equivalent' basis. In these cases, changes will be accounted for by updating the effective interest rate. A similar practical expedient will apply under IFRS 16 for lessees when accounting for lease modifications required by IBOR reform. The amendments also allow a series of exemptions from the regular, strict rules around hedge accounting for hedging relationships directly affected by the interest rate benchmark reforms. The amendments apply retrospectively with earlier application permitted. Hedging relationships previously discontinued solely because of changes resulting from the reform will be reinstated if certain conditions are met. The application of the amendment is not likely to have an impact on the Group's financial statements.

- COVID-19-Related Rent Concessions (Amendment to IFRS 16) – the International Accounting Standards Board (the Board) has issued amendments to IFRS 16 (the amendments) to provide practical relief for lessees in accounting for rent concessions. The amendments are effective for periods beginning on or after June 01, 2020, with earlier application permitted. Under the standard's previous requirements, lessees assess whether rent concessions are lease modifications and, if so, apply the specific guidance on accounting for lease modifications. This generally involves remeasuring the lease liability using the revised lease payments and a revised discount rate. In light of the effects of the COVID-19 pandemic, and the fact that many lessees are applying the standard for the first time in their financial statements, the Board has provided an optional practical expedient for lessees. Under the practical expedient, lessees are not required to assess whether eligible rent concessions are lease modifications,

  The practical expedient introduced in the 2020 amendments only applied to rent concessions for which any reduction in lease payments affected payments originally due on or before June 30, 2021. In light of persistence of economic challenges posed by the COVID-19 pandemic, the Board has extended the practical expedient for COVID-19 related rent concessions by one year i.e. permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before June 30, 2022.

  Rent concessions are eligible for the practical expedient if they occur as a direct consequence of the COVID-19 pandemic and if all the following criteria are met:

  a. the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

  b. any reduction in lease payments affects only payments originally due on or before June 30, 2020 ; and

  c. there is no substantive change to the other terms and conditions of the lease.

  The above amendments are not likely to affect the financial statements of the Group.

- Onerous contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after 1 January 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprises the cost of fulfilling a contract. Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. The amendments are not likely to affect the financial statements of the Group.

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after January 01, 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented. The amendments are not likely to affect the financial statements of the Group.

- Amendments to IFRS 3 'Business Combinations' - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3. An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 01, 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018. The amendments are not likely to affect the financial statements of the Group.

- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current amendments apply retrospectively for the annual periods beginning on or after January 01, 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8. The management is currently in the process of assessing the impacts of these amendments to these consolidated financial statements.

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

  a. requiring companies to disclose their material accounting policies rather than their significant accounting policies;

  b. clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and

  c. clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

  The management is currently in the process of assessing the impacts of above amendments to these consolidated financial statements.

  The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after January 01, 2023 with earlier application permitted.

- Definition of Accounting Estimates (Amendments to IAS 8) – The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

  The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after January 01, 2023, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments. The amendments are not likely to affect the financial statements of the Group.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) – The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after January 01, 2023 with earlier application permitted. The amendments are not likely to affect the financial statements of the Group.

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

- The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after January 01, 2022.

  IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

  IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

  IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique

  The above amendments are not likely to affect the financial statements of the Group.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the year presented.

3.1 Basis of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. The Group ceases consolidation from the date when control is lost.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

3.2 Property and equipment

Owned

These are stated at cost less accumulated depreciation and impairment losses, if any. Cost include expenditures that are directly attributable to the acquisition of the asset.

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

Depreciation is charged to statement of profit or loss account applying the reducing balance method at the rates specified in note 4. Depreciation is charged when the asset is available for use till the asset is disposed off. Further, when the written down value of the item of assets falls below Rs.10,000 the same is charged directly to the statement of profit or loss.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year in which the asset is derecognized.

The assets' residual values, useful lives and depriciation method are reviewed, and adjusted if appropriate, at each financial year end. The Group's estimate of residual value of property and equipment as at June 30, 2021 did not require any adjustment.

3.3 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

A - Leases other than short-term leases and leases of low-value assets

(a) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

(b) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

B - Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to those leases where the nature of the underlying asset is such that, when new, the asset is typically not of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.4 Intangible assets

Computer software

These are stated at cost less accumulated amortization and impairment losses, if any. Amortization is computed using the reducing balance method over assets estimated useful life at the rates stated in note 6.1, after taking into accounts residual value, if any. The residual values, useful life and amortization methods are reviewed and adjusted, if appropriate, at each reporting date.

Amortization is charged from the date the assets are put to use while no amortization is charged after the date when the assets are disposed off.

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

Membership cards and offices

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

3.5 Investment properties

Investment properties are held for capital appreciation and is measured initially at its cost, including transaction

Subsequent to initial recognition, investment properties are measured at fair value at each reporting date. The changes in fair value is recognised in the statement of profit or loss.

3.6 Financial instruments

3.6.1 *Initial recognition, classification and measurement*

The Group recognizes a financial asset when and only when it becomes a party to the contractual provisions of the instrument evidencing investment.

Regular way purchase of investments are recognized using settlement date accounting i.e. on the date on which settlement of the purchase transaction takes place. However, the Group follows trade date accounting for its own (the house) investments. Trade date is the date on which the Group commits to purchase or sell its asset.

Transactions of purchase under resale (reverse-repo) of marketable securities including the securities purchased under margin trading system are entered into at contracted rates for specified periods of time. Amounts paid under these agreements in respect of reverse repurchase transactions are recognized as a receivable. The difference between purchase and resale price is treated as income from reverse repurchase transactions in marketable transactions / margin trading system and accrued on a time proportion basis over the life of the reverse repo agreement.

The Group classifies its financial assets into either of following three categories:

(a) financial assets measured at amortized cost;
(b) fair value through other comprehensive income (FVOCI); and
(c) fair value through profit or loss (FVTPL).

(a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it is held within business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(b) Financial assets at FVOCI

A financial asset is classified as at fair value through other comprehensive income when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(c) Financial assets at FVTPL

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income, as aforesaid. However, for an investment in equity instrument which is not held for trading, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment.

Such financial assets are initially measured at fair value.

3.6.2 *Subsequent measurement*

(a) Financial assets measured at amortized cost

These assets are subsequently measured at amortized cost (determined using the effective interest method) less accumulated impairment losses.

Interest / markup income, foreign exchange gains and losses and impairment losses arising from such financial assets are recognized in the statement of profit or loss.

(b) Financial assets at FVOCI

These are subsequently measured at fair value less accumulated impairment losses.

A gain or loss on a financial asset measured at fair value through other comprehensive income in accordance is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognised or reclassified. When the financial asset is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Interest is calculated using the effective interest method and is recognised in profit or loss.

(c) *Financial assets at FVTPL*

These assets are subsequently measured at fair value.

Net gains or losses arising from remeasurement of such financial assets as well as any interest income accruing thereon are recognized in the statement of profit or loss. However, for an investment in equity instrument which is not held for trading and for which the Group has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment, such gains or losses are recognized in other comprehensive income. Further, when such investment is disposed off, the cumulative gain or loss previously recognised in other comprehensive income is not reclassified from equity to profit or loss.

3.6.3 *Impairment*

The Group recognises a loss allowance for expected credit losses in respect of financial assets measured at amortised cost.

For trade debts and receiveables from margin financing, the Group applies the IFRS 9 'Simplified Approach' to measuring expected credit losses which uses a lifetime expected loss allowance.

For other financial assets, the Group applies the IFRS 9 'General Approach' to measuring expected credit losses whereby the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. However, if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group measures expected credit losses on financial assets in a way that reflects an unbiased and probability-weighted amount, time value of money and reasonable and supportable information at the reporting date about the past events, current conditions and forecast of future economic conditions. The Company recognises in profit or loss, as an impairment loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

3.6.4 *De-recognition*

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

The Group directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

3.7 Financial liabilities

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.

3.8 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle liability simultaneously.

3.9 Trade debts and receiveables against margin financing

These are carried at their transaction price less any allowance for lifetime expected credit losses. A receivable is recognized on the settlement date as this is the point in time that the payment of the consideration by the customer becomes due.

3.10 Cash and cash equivalents

Cash and cash equivalent are carried in the statement of financial position at amortized cost. For the purpose of cash flow statement cash and cash equivalents comprise cash and bank balances and short term running finance.

3.11 Staff retirement benefits - Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. As a consequence, actuarial risk (that benefits will be less than expected) and investment risk (that assets will be insufficient to meet expected benefits) fall, in substance, on the employee.

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

When an employee has rendered service to the Group during a period, the Group recognises the contribution payable to a defined contribution plan in exchange for that service as an expense in profit or loss and as a liability in the statement of financial position (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, the Group recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

When contributions to a defined contribution plan are not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service, they are discounted using the discount rate determined by reference to market yields at the end of the reporting period on high quality corporate bonds (or when there is no deep market in such bonds, the government bonds) having term consistent with the estimated term of the post-employment benefit obligations.

3.12 Taxation

Income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income taxes are not accounted for if they arise from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is measured using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

A deferred tax asset is recognised only to the extent that the entity has sufficient taxable temporary differences or their is convincing other evidence that the sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilized by the entity. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Judgment and estimates

Significant judgment is required in determining the income tax expenses and corresponding provision for tax. The Group recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

Further, the carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. If required, carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits to allow the benefit of part or all of that recognised deferred tax asset to be utilised. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Offsetting

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.13 Provisions and contingent liabilities

Provisions

A provision is recognised in the statement of financial position when the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

Contingent liabilities

A contingent liability is disclosed when the Group has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Group; or the Group has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3.14 Operating revenue

Revenue from trading activities - brokerage commission

Commission revenue arising from sales / purchase of securities on client's behalf is recognized on the date of settlement of transaction by the clearing house.

The Group does not expect to have contracts where the period between the services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Revenue from advisory and consultancy services

Revenue is recognized when the performance obligation is satisfied i.e. when services are provided.

Dividend income

Dividends received from investments measured at fair value through profit or loss and at fair value through other comprehensive income are recognized in the statement of profit or loss when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of a part of the cost of an investment. In this case, dividend is recognized in other comprehensive income if it relates to an investment measured at fair value through other comprehensive income.

Mark up / interest income

Mark-up / interest income is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable.

3.15 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

To the extent that the Group borrows funds specifically for the purpose of obtaining a qualifying asset, the Group determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings.

To the extent that the Group borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Group determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to all borrowings of the Group that are outstanding during the period. However, the Group excludes from this calculation borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset until substantially all the activities necessary to prepare that asset for its intended use or sale are complete. The amount of borrowing costs that the Group capitalises during a period does not exceed the amount of borrowing costs it incurs during that period.

The Group begins capitalising borrowing costs as part of the cost of a qualifying asset on the 'commencement date' which is the date when the Group first meets all of the following conditions: (a) it incurs expenditures for the asset; (b) it incurs borrowing costs; and (c) it undertakes activities that are necessary to prepare the asset for its intended use or sale.

The Group suspends capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

The Group ceases capitalising borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

4 PROPERTY AND EQUIPMENT - owned assets

	Leasehold Offices	Leasehold improvements	Office equipments	Furniture & Fixture	Computer & Allied	Total
	Rupees					
As at June 30, 2019						
Cost	-	102,485,179	4,764,070	4,544,765	31,364,881	143,158,895
Accumulated depreciation	-	(80,481,606)	(1,032,159)	(715,509)	(21,265,397)	(103,494,671)
Net book value	-	22,003,573	3,731,911	3,829,256	10,099,484	39,664,224
Movement during the year ended June 30, 2020						
Opening net book value	-	22,003,573	3,731,911	3,829,256	10,099,484	39,664,224
Additions / transfers during the year	32,473,333	-	38,175	310,605	1,206,620	34,028,733
Disposals						
- Cost	-	-	-	-	(67,500)	(67,500)
- Accumulated depreciation	-	-	-	-	39,063	39,063
Net book value	-	-	-	-	(28,437)	(28,437)
Depreciation for the year	-	(3,300,536)	(559,865)	(575,340)	(3,459,519)	(7,895,260)
Closing net book value	32,473,333	18,703,037	3,210,221	3,564,521	7,818,148	65,769,260
As at June 30, 2020						
Cost	32,473,333	102,485,179	4,802,245	4,855,370	32,504,001	177,120,128
Accumulated depreciation	-	(83,782,142)	(1,592,024)	(1,290,849)	(24,685,853)	(111,350,868)
Net book value	32,473,333	18,703,037	3,210,221	3,564,521	7,818,148	65,769,260
Movement during the year ended June 30, 2021						
Opening net book value	**32,473,333**	**18,703,037**	**3,210,221**	**3,564,521**	**7,818,148**	**65,769,260**
Additions during the year	**-**	**-**	**672,000**	**8,320,281**	**15,835,375**	**24,827,656**
Depreciation for the year	**(4,549,687)**	**(2,609,698)**	**(487,013)**	**(1,163,243)**	**(4,865,653)**	**(13,675,294)**
Closing net book value	**27,923,646**	**16,093,339**	**3,395,208**	**10,721,559**	**18,787,870**	**76,921,622**
As at June 30, 2021						
Cost	**32,473,333**	**102,485,179**	**5,474,245**	**13,175,651**	**48,339,376**	**201,947,784**
Accumulated depreciation	**(4,549,687)**	**(86,391,840)**	**(2,079,037)**	**(2,454,092)**	**(29,551,506)**	**(125,026,162)**
Net book value	**27,923,646**	**16,093,339**	**3,395,208**	**10,721,559**	**18,787,870**	**76,921,622**
Annual rates of depreciation	**15%**	**15%**	**15%**	**15%**	**33%**	

	2021	2020
	Rupees	
5 RIGHT-OF-USE ASSETS		
Opening net book value	42,319,024	62,462,399
Add: Additions during the year	6,540,869	-
	48,859,893	62,462,399
Less: Depreciation charged during the year	(21,202,568)	(20,143,375)
Closing net book value	27,657,325	42,319,024
Depreciation rates	20% to 33%	20% to 33%

5.1 This represents Group's right to use certain real estate properties held by it under lease arrangements. The principal terms and conditions of the said arrangements are as follows:

	Principal Office (Karachi)	Regional Office (Peshawar)	Regional Office (Faisalabad)	Regional Office (Rawalpindi)	Regional Office (Multan)
Lessor name	Rotocast Engineering Co. (Pvt.) Ltd.	Mr. Azmat Hassan Khan	Mr. Ahsan Mahmood	Mr. Tahir Rizwan	Mr. Khalid Nazir, Mr. Nizakat Ali & Mr. Muhamamd Ilyas
Address of the leased property	Block-B, 2nd Floor, Arif Habib Centre, Plot No. 23, Off. M.T. Khan Road	35 Mall Tower, Peshawar Cantt	Office No.04, 3rd Floor, Legacy Tower, Koh-e-Noor City	Shop No. F-15, 1st Floor, Rizwan Arcade, Adamjee Road, Saddar	Shop No. 16, 17 & 18, Upper Floor, Khan Center, Multan
Lease agreement date	July 01, 2019	March 01, 2019	October 10, 2020	July 1, 2020	March 1, 2021
Lease commencement date	July 01, 2019	February 01, 2019	October 15, 2020	July 1, 2020	March 1, 2021
Initial contractual term of the lease	3 years	5 years	5 years	3 years	3 years
Availability of extension option?	Yes	Yes	Yes	Yes	Yes
No. of years for which the lease extension option is available	Indefinite	5 years	Indefinite	Indefinite	Indefinite
Estimated lease term (as on the date of commencement of the lease) - Refer note 5.2 below)	3 years	5 years	5 years	3 years	3 years

5.2 The lease term used in the measurement of the right-of-use asset and the related lease liability has been restricted to the aforementioned initial lease term since the Group, after giving due consideration to the factors that might create an economic incentive for the Group to extend the leases, has concluded that, at the lease commencement date, it was not reasonably certain to exercise the said extension options.

	Note	2021	2020
		Rupees	
6 INTANGIBLES ASSETS			
Computer software	6.1	1,983,336	2,375,504
Trading right entitlement certificates and offices	6.2	7,100,000	7,100,000
Membership Card - Pakistan Mercantile Exchange Limited		1,000,000	1,000,000
		10,083,336	10,475,504
6.1 Computer Software			
Net carrying amount			
Opening net book value		2,375,504	2,354,089
Additions during the year		-	515,174
Amortisation charge		(392,168)	(493,759)
Closing net book value		1,983,336	2,375,504
Gross carrying amount			
Cost		7,949,132	7,949,132
Accumulated amortisation		(5,965,796)	(5,573,628)
Net book value		1,983,336	2,375,504
Amortisation rate		25%	25%

		Note	2021	2020
6.2	**Trading Right Entitlement Certificates (TREC) and offices**		Rupees	
	Trading Right Entitlement Certificates			
	Cost	6.2.1	**35,500,000**	35,500,000
	Impairment		**(30,500,000)**	(30,500,000)
		6.2.2	**5,000,000**	5,000,000
	Offices-booths			
	Pakistan Stock Exchange Limited		**2,100,000**	2,100,000
			7,100,000	7,100,000

6.2.1 This represents TREC received by the Holding Company and its subsidiary M/s. Arif Habib 1857 (Private) Limited, in accordance with the Stock Exchanges (Corporatization, Demutualization and Integration) Act 2012 as ammended by the Stock Exchanges (Corporatization, Demuntulization and Intgeration) (Ammendment) Act, 2015. These have been carried at cost less accumulated impairment losses.

6.2.2 PSX vide notice no. PSX/N - 225 dated February 16, 2021 have notified the notional fees of Trading Right Entitlement Certificates which amounts to Rs. 2.5 million.

		Note	2021	2020
7	**LONG TERM INVESTMENTS**		Rupees	
	At fair value through profit or loss			
	Unquoted:			
	- ISE Towers REIT Management Company Limited	7.1	**37,841,512**	31,620,574
	- LSE Financial Services Limited	7.1	**16,913,259**	13,436,082
		7.2	**54,754,771**	45,056,656

7.1 This represents the Group's investment in 3,304,604 (2020: 3,304,604) unquoted ordinary shares of M/s. ISE Towers Reit Management Company Limited and 843,975 (2020: 843,975) unquoted ordinary shares of the M/s. LSE Financial Services Limited.

7.2 The Group, as per its policy, carried out the valuation of the aforementioned investments. In this connection, the valuation technique used by the Group was Discounted Free Cash Flow to Equity model for business valuation. Assumptions and inputs used in the valuation technique mainly include risk-free rate, equity risk premium, long term growth rate and projected rates of increase in revenues, other income and expenses. Principal assumptions used in the valuation of above unquoted investments are as under:

June 30, 2021

Name of investee company	**Long term growth rate**	**Cost of equity**	**Projectio n period**	**Value per share (Rs.)**	**Valuation technique used**
LSE Financial Services Limited	**6.0%**	**17.37%**	**5**	**20.04**	**Discounted Free Cash Flow to Equity**
ISE Towers REIT Management Company Limited	**6.0%**	**12.49%**	**5**	**12.47**	**Discounted Free Cash Flow to Equity**

June 30, 2020

Name of investee company	Long term growth rate	Cost of equity	Projection period	Value per share (Rs.)	Valuation technique used
LSE Financial Services Limited	6.0%	10.11%	5	15.92	Discounted Free Cash Flow to Equity
ISE Towers REIT Management Company Limited	6.0%	10.11%	5	10.42	Discounted Free Cash Flow to Equity

7.3 Reconciliation of gain / (loss) on remeasurement of long-term investments as of the reporting date

	Note	2021	2020
		Rupees	
Cost of investment		58,586,933	58,586,933
Unrealised (loss) gain:			
Balance as at July 01		(13,530,277)	(20,642,185)
Net unrealized loss of PSX shares classified to short term		-	15,077,782
Net unrealized loss in the value of investments for the year		9,698,115	(7,965,874)
		(3,832,162)	(13,530,277)
Balance as at June 30		54,754,771	45,056,656

8 INVESTMENT PROPERTY

	Note	2021	2020
Opening carrying amount		1,678,415,232	1,726,419,800
Sale during the year		(152,500,000)	(159,475,000)
Transfer to property and equipment		-	(32,473,333)
Development charges incurred during the year (subsequent expenditure)		-	11,943,765
Additions during the year		152,500,000	-
		1,678,415,232	1,546,415,232
Increase in fair value during the year		290,384,768	132,000,000
Closing carrying amount	8.1	1,968,800,000	1,678,415,232

8.1 This represents investment in plots of land and residential bungalows situated at Naya Nazimabad, Deh Manghopir, Gadap Town, Karachi as well as the investment in offices located in the building complex of Pakistan Stock Exchange Limited and LSE Financial Services Limited. The Naya Nazimabad Project is owned and managed by Javedan Corporation Limited (a related party of the Group). As of the reporting date, the fair value of such investment properties was determined by an independent external property valuer having appropriate recognised qualification and relevant experience according to which there was an increase of Rs. 290.384 million in fair value of the properties and forced sales value of these investment properties are Rs. 1,673.48 million (2020: Rs. 1,456.4 million).

9 LONG TERM ADVANCES AND DEPOSITS

	2021	2020
	Rupees	
Trading deposits placed with		
- Pakistan Stock Exchange Limited	17,207,961	17,207,961
- National Clearing Company of Pakistan Limited	2,279,393	2,173,138
- Pakistan Mercantile Exchange	11,506,836	11,507,205
Other security deposits		
- Others	1,123,946	710,946
	32,118,136	31,599,250

10 DEFERRED TAX - net

	2021	2020
Deferred tax liabilities - Taxable temporary differences		
Accelerated depreciation	11,441,014	12,564,679
Right-of-use assets	8,020,624	12,272,517
Long term investments	3,473,253	1,818,551
Short term investments	9,044,618	45,430,349
Capital gain on sale of investments at FVTPL	93,385,544	-
	125,365,053	72,086,096

	2021	2020
	Rupees	
Deferred tax assets - Deductible temporary differences		
Intangible assets	(8,845,000)	(8,555,000)
Provision for doubtful debts and other receiveables	(268,015,283)	(274,905,787)
Lease liability	(8,764,463)	(11,131,356)
Capital loss on sale of investments at FVTPL - net	-	(65,977,663)
	(285,624,746)	(360,569,806)
Deferred tax asset - net	(160,259,693)	(288,483,710)
Deferred tax asset recognized to the extent of deferred tax liability	125,365,053	72,086,096
Unrecognised deferred tax asset in the books	34,894,640	216,397,614
	160,259,693	288,483,710
Deferred tax asset - net	-	-

10.1 The Group, based on the future projections, has recognized deferred tax assets only to the extent of deferred tax liabilities amounting, in aggregate to Rs. 126.811 million (2020: Rs. 72.086 million)

11 SHORT TERM INVESTMENTS

	Note	2021	2020
		Rupees	
At fair value through profit or loss			
Quoted equity securities	11.1	2,423,489,146	2,771,339,641
Quoted debt securities	11.2	169,265,468	252,166,556
	11.3	2,592,754,614	3,023,506,197
At fair value through other comprehensive income			
Quoted equity securities	11.4	206,907,980	724,411,100
		2,799,662,594	3,747,917,297

11.1 As of June 30, 2021, the Group held 5,699,328 ordinary shares (June 30, 2020: 7,699,328 ordinary shares) of M/s. Safemix Concrete Limited (SCL), its associated company in terms of section 2(4) of the Companies Act, 2017, classified at FVTPL. This gives the Group 22.80% (June 30, 2020: 30.80%) voting power in SCL. However, since Mr. Arif Habib and his sons, Mr. Samad Habib and Mr. Kashif Habib, by virtue of their direct investment as well as the indirect investment held through the Group are in a position to exert control over SCL and because of the fact that the Group has not appointed any person on the Board of Directors of SCL, the management is of the view that the Group is not able to exercise significant influence over SCL. Hence, SCL cannot be regarded as an 'associate' of the Group within the meaning of the term 'associate' defined in the International Accounting Standard (IAS) 28 '*Investments in Associates and Joint Ventures*'

11.2 This represents Term Finance (TFC) & Sukuk Certificates under Market Making agreements. The Group has entered into Market Making agreements in accordance with Chapter 12 of PSX Rule Book with various Financial and Corporate Institution. Under market making arrangements, the Group has to maintain minimum inventory of TFC's & Sukuk's to place bid & offer on daily basis. These TFC's & Sukuks carry Coupon rate ranging from 3 month KIBOR + 0.9% to 1.9%, 6 month KIBOR + 0.50% to 2.25% (2020: 3 month KIBOR + 0.9% to 1.9%, 6 month KIBOR + 0.5% to 2.25%) calculated on face value of the respective TFC/Sukuk that is payable quarterly / semi annually.

11.3 Reconciliation of gain / (loss) on remeasurement of investments at FVTPL

	2021	2020
	Rupees	
Cost of investment	2,560,454,396	3,204,396,581
Unrealised gain / (loss):		
Balance as at July 01	(180,890,384)	(375,378,058)
Net unrealized loss of PSX shares transfered from long term investment	-	(15,077,782)
Unrealised gain for the year	213,190,602	209,565,456
	32,300,218	(180,890,384)
Balance as at June 30	2,592,754,614	3,023,506,197

11.4 Investment in qouted equity securities - at fair value through other comprehensive income

2021	(Restated) 2020		2021	(Restated) 2020
(Number of shares)			------------ Rupees ------------	
57,722,000	-	Opening investment (at cost)	**301,072,400**	-
10,908,000	69,736,000	Add: Investment made during the year	**100,785,445**	363,545,200
(42,831,000)	(12,014,000)	Less: Investment disposed of during the year	**(222,894,650)**	(62,472,800)
25,799,000	57,722,000	**Closing investment (at cost)**	**178,963,195**	301,072,400
		Unrealized gain on remeasurement of investment:		
		Opening balance	**423,338,700**	-
		Add: (Deficit) / surplus on re-measurement of investments at FVOCI	**(211,455,600)**	524,910,190
		Less: Gain realized on disposal of investments in equity instruments at FVOCI	**(183,938,315)**	(101,571,490)
		Closing balance	**27,944,785**	423,338,700
		Closing investment (at fair value)	**206,907,980**	724,411,100

11.4.1 The Group has designated its investments in ordinary shares of Hum Network Limited (HUMNL) at fair value through other comprehensive income in accordance with the irrevocable election available to the Group under the International Financial Reporting Standards (IFRS) 9 *Financial Instruments.*

11.4.2 As at June 30,2021, the Group revalued the investment in HUMNL at the fair value of Rs. 8.02 per share. (2020: Rs. 12.55 per share).

11.4.3 During the year the Group has not received any dividend from HUMNL.

11.4.4 During the year, the Group also disposed of 42,831,000 shares (2020: 12,014,000 shares) of HUMNL as it had to liquidate some investments for financing purpose as well as it had an opportunity to earn a substantial capital gain amounting to Rs. 183.938 million. The fair value per share of the investments at the date of disposal was Rs. 6.52/- to 13.74/-. Upon disposal of the investments, a capital gain amounting to Rs. 183,938,315 (2020: 101,571,490) was directly transferred to unappropriated profits.

12 TRADE DEBTS

	Note	2021 Rupees	2020 Rupees
Considered good			
- Brokerage and operating	12.2	120,088,055	83,576,900
- Advisory and consultancy fee		120,230,829	73,361,994
		240,318,884	156,938,894
Considered doubtful			
- Brokerage and operating		870,668,691	869,146,841
- Advisory and consultancy fee		51,604,192	37,174,746
		922,272,883	906,321,587
		1,162,591,767	1,063,260,481
Less: provision for expected credit losses	12.1	(922,272,883)	(906,321,587)
	12.3	240,318,884	156,938,894

12.1 Movement in provision for expected credit losses

	2021	2020
Balance at the beginning of the year	906,321,587	902,969,044
Charged during the year	15,951,296	3,822,301
Reversed during the year	-	(469,758)
Balance at the end of the year	922,272,883	906,321,587

12.2 This includes Rs. 4.3 million (2020: Rs. 1.7 million) due from related parties. The maximum aggregate amount outstanding at any time during the year amounts to Rs. 331.80 million (2020: Rs. 34.4 million)

12.3 The Group holds capital securities having fair value of Rs. 59,279 million (2020: Rs. 38,874 million) owned by its clients, as collaterals against trade debts.

13 RECEIVABLE AGAINST MARGIN FINANCING

	Note	2021 Rupees	2020 Rupees
Considered good		245,655,746	37,754,624
Considered doubtful		1,917,749	1,917,749
	13.1	247,573,495	39,672,373
Less: provision for doubtful debts		(1,917,749)	(1,917,749)
		245,655,746	37,754,624

13.1 The Group provides Margining financing facility to clients on markup basis ranging from 12.00% to 15.00% (2020: 12.00% to 18.00%) per annum.

14 ADVANCES, DEPOSITS AND PREPAYMENTS

	Note	2021 Rupees	2020 Rupees
Advances			
Advance to consultant	14.1	9,293,760	9,393,760
Advance against expenses		1,106,456	2,081,149
Advance against salary		833,119	4,362,988
		11,233,335	15,837,897
Trade deposits			
Exposure deposit with National Clearing Company of Pakistan Limited (NCCPL)	14.2	50,231,785	2,264,012
National Commodity & Derivatives Exchange Limited		54,040,508	68,393,709
		104,272,293	70,657,721
Prepayments			
Insurance		591,441	614,253
		116,097,069	87,109,871

14.1 This represents advance payment made to consultant in respect of consultancy services on Corporate Finance Projects.

14.2 This represents deposits held at the year end against exposure arising out of the trading in securities in accordance with the regulations of National Clearing Company Limited.

15 OTHER RECEIVABLES

	Note	2021	2020
		Rupees	
Receivable against Reverse Repo transactions		268,568,516	52,152,387
Dividend receivable		-	91,227,000
Receiveable from director - Ahsan Mehnti		4,000,000	-
Others		6,082,439	5,608,589
		278,650,955	148,987,976
Less: provision for expected credit losses	15.1	-	(39,711,656)
		278,650,955	109,276,320

15.1 Movement in provision for expected credit losses

	Note	2021	2020
Balance at the beginning of the year		39,711,656	39,711,656
Charged during the year		-	-
Reversal of provision against expected credit losses previously recognized	30.1	(39,711,656)	-
Balance at the end of the year		-	39,711,656

16 CASH AND BANK BALANCES

	Note	2021	2020
Cash in hand		650,596	271,588
Cash at bank			
- current accounts		157,244,101	47,229,518
- savings accounts	16.1	2,521,167,976	766,596,128
	16.2	2,678,412,077	813,825,646
		2,679,062,673	814,097,234

16.1 The return on these balances is 4% to 6% (2020: 6% to 13%) per annum on daily product basis.

16.2 Bank balances include customers' bank balances held in designated bank accounts amounting to Rs. 1,563 million (2020: Rs. 777.251 million).

17 AUTHORIZED, ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2021	2020		2021	2020
----(Number of shares)----			Rupees	
		Authorized capital		
75,000,000	75,000,000	Ordinary shares of Rs. 10/- each	750,000,000	750,000,000
		Issued, Subscribed and Paid up Capital		
		Ordinary shares of Rs.10/- each		
10,800,000	10,800,000	For Cash	108,000,000	108,000,000
48,600,000	48,600,000	As bonus shares	486,000,000	486,000,000
59,400,000	59,400,000		594,000,000	594,000,000

17.1 As of June 30, 2021 the Parent Company held 41,245,884 (2020: 41,245,884) ordinary shares of Holding Company having a par value of Rs. 10 each.

17.2 There is only one class of ordinary shares.

17.3 There is no agreement with shareholders for voting rights, board selection, rights of first refusal, and block voting.

18 SURPLUS ON REVALUATION OF PROPERTY

In the year 2015, the Group reclassified Leasehold Offices to Investment Property. Accordingly, surplus on revaluation of properties was recognised in accordance with IAS-40 "Investment Property".

19 LONG TERM LOAN

On June 30, 2020 the Group had signed a facility letter with Allied Bank limited (ABL) whereby the outstanding running finance facility amounting to Rs. 499.99 million had been converted into a long term loan under markup arrangement at the rate of 3 months KIBOR + 1% to be charged on quarterly basis. The loan is repayable in twelve quarterly installments ending on June 30, 2023. The loan is secured against pledge of shares as per ABL's ALCO approved shares list with respective margins. During the year , the Group settled the term loan due to availability of sufficient liquidity.

19.1 Fair value of shares pledged with Allied Bank Limited against term loan facility as at June 30, 2021 amounted to Rs. Nil (2020: 918.44 million). The details of which are as under:

	June 30, 2021		June 30, 2020	
	Number of securities	Amount (Rupees)	Number of securities	Amount (Rupees)
Client	-	-	34,350,000	918,175,500
House	-	-	10,000	267,300
Total	-	-	34,360,000	918,442,800

20 SHORT TERM BORROWINGS - secured

20.1 Short term running finance facilities are available to Group from various commercial banks, under mark-up arrangements, amounting to Rs. 5,500 million (2020: Rs. 5,000 million). These facilities have various maturity dates up to September 30, 2024 (2020: May 06, 2021). These arrangements are secured against pledge of marketable securities. These running finance facilities carry mark-up ranging from 1 month KIBOR + 0.5% to 1.0% , 3 month KIBOR + 0.50% to 1.5% (2020: 1 month KIBOR + 0.75% to 1.0%, 3 month KIBOR + 0.55% to 1.50%) calculated on a daily product basis that is payable quarterly.

20.2 Fair value of shares pledged with banking companies against various short term running finance facilities and bank guarantees as at June 30, 2021 amounted to Rs. 5,642.98 million (2020: Rs. 4,376.90 million). Total value of pledged securities with financial institutions indicating separately securities belonging to customers is as under:

	June 30, 2021		June 30, 2020	
	Number of securities	Amount (Rupees)	Number of securities	Amount (Rupees)
Client	140,335,000	4,086,425,400	83,400,000	2,186,712,000
House	66,582,255	1,556,557,520	119,315,760	2,190,184,650
Total	206,917,255	5,642,982,920	202,715,760	4,376,896,650

21 LOAN FROM RELATED PARTY

During the year ended June 30, 2020 , the Group had obtained a long term, unsecured loan, from Mr. Arif Habib, the controlling shareholder of the Parent Company. The loan was repayable on demand after 13 months of disbursement of loan and carried interest at the rate of 6 month KIBOR + 2% (payable semi-annually). During the year in August 2020, the Group repaid the loan as substantial cash flows were available.

22 TRADE AND OTHER PAYABLES

	Note	2021	2020
		Rupees	
Creditors	22.1	1,553,003,850	747,901,751
Commission payable	22.2	102,628,722	19,605,841
Accrued expenses		20,995,508	9,196,584
Withholding taxes payable	44	71,302,613	4,504,508
Sales tax payable	44	22,809,898	8,796,575
Other liabilities		23,510,713	4,651,317
		1,794,251,304	794,656,576

22.1 This includes Rs.126.10 million (2020: Rs. 6 million) payable to related parties.

22.2 This includes Rs. 49.15 million (2020: Rs. 8.50 million) payable to related parties.

		Note	2021	2020
23	**LOAN FROM RELATED PARTY**		Rupees	
	Loan from director - Ahsan Mehnti	23.1	3,862,500	3,862,500

23.1 This represents short term interest free loan from director of M/s. Arif Habib Commodities (Private) Limited ('the Subsidiary Company') to meet working capital requirements of the Subsidiary Company and is repayable on demand.

24 CONTINGENCIES AND COMMITMENTS

24.1 Contingency

The Holding Company has been contesting a demand of Rs. 45.42 million raised against its non-taxable services vide order issued on September 12, 2014 by the Assistant Commissioner, Sindh Revenue Board. The Holding Company filed an appeal against the impugned order in the appropriate forums and, accordingly, a stay was granted to the Holding Company against the impugned order. During the year 2018, the Appellate Tribunal Sindh Revenue Board remanded the case to the learned Commissioner (Appeals) for decision denovo on merits in terms of note / opinion recorded by the Member Technical. The Holding Company's legal counsel is of the view that the Holding Company has a favorable case based on merit. Accordingly, the Group has not made any provision of the said amount in these consolidated financial statements.

		Note	2021	2020
24.2	**Commitments**		Rupees	
	Following commitments of Group are outstanding as at the reporting date:			
	- Outstanding settlements against Marginal Trading contracts		788,579,531	112,323,212
	- Outstanding settlements against sale / purchase of securities in regular market.		34,264,836	53,073,167
	-Financial guarantees given by commercial banks on behalf of the Holding Company		750,000,000	250,000,000

25 OPERATING REVENUE

	Note	2021	2020
Brokerage and operating revenue		740,290,032	349,398,215
Advisory and consultancy fee		671,628,116	155,244,981
Dividend income		114,454,876	166,766,673
Markup on corporated debt securities	44	21,326,778	47,631,228
		1,547,699,802	719,041,097

26 GAIN / (LOSS) ON RE-MEASUREMENT OF INVESTMENTS AT FVTPL

	Note	2021	2020
Unrealized gain / (loss) in the value of long term investments	7.2	9,698,115	(7,965,874)
Unrealized gain on remeasurement of investments at FVTPL	11.3	213,190,602	209,565,456
		222,888,717	201,599,582

27 ADMINISTRATIVE AND OPERATING EXPENSES

	Note	2021	2020
		Rupees	
Salaries and other benefits	27.1	419,480,873	178,758,626
CDC and clearing house charges		28,816,972	24,343,572
Fees & Subscription		13,087,899	8,458,189
Legal and professional charges		9,442,809	9,356,764
Communication and utilities		23,348,187	15,727,897
Rent, rates and taxes		1,729,242	3,994,831
Depreciation on property and equipment	4	13,675,294	7,895,260
Depreciation on right-of-use assets	5	21,202,568	20,143,375
Amortization of intangible assets	6	392,168	493,759
Building maintenance		21,862,749	19,719,898
Repairs and maintenance		10,775,593	7,145,331
Insurance		8,620,953	5,426,537
Advertisement and business promotion		7,631,078	1,854,020
Business representation		15,634,493	1,738,909
Motor vehicle and travelling expense		33,302,923	26,362,373
Printing and stationery		4,861,413	1,476,955
Conveyance and meals		367,850	1,513,848
Meeting expenses		450,000	509,829
Auditors' remuneration	27.2	2,235,000	2,248,512
Donation	27.3	5,000,000	-
Man power services	27.4	22,800,000	21,847,600
Others		4,381,498	4,939,480
		669,099,562	363,955,565

27.1 Salaries and other benefits

	Note	2021	2020
Salaries and other benefits	27.1.1	201,426,912	126,928,560
Commission		218,053,961	50,113,845
		419,480,873	177,042,405

27.1.1 Salaries and benefits include Rs. 8.60 million (2020: Rs. 6.38 million) in respect of provident fund contribution.

27.2 Auditors' remuneration

	2021	2020
	Rupees	
Annual audit fee	1,430,000	1,473,512
Half yearly review	310,000	310,000
Certification on compliance with Code of Corporate Governance	230,000	200,000
Other certifications	265,000	265,000
	2,235,000	2,248,512

27.3 Donation

None of the directors or their spouse had any interest in the donees. Further, the particulars of the parties to whom donation paid exceeds Rs. 1 million or 10% of the total donation, whichever is higher, are as follows:

	2021	2020
	Rupees	
Habib University Foundation	5,000,000	-

27.4 These represent charges paid to Group Company - Arif Habib Consultancy (Private) Limited in respect of recruitment services obtained for providing senior and highly qualified consultants to lead the Company's investment banking departement.

		Note	2021	2020
28	**FINANCE COSTS**		Rupees	
	Finance cost on lease liability		**5,701,898**	6,135,267
	Markup on short term borrowings		**83,013,003**	335,111,527
	Markup on sponsor loan		**18,278,580**	12,283,397
	Markup on MTS securities		**3,539,662**	775,277
	Bank charges		**19,318,868**	5,754,950
	Guarantee charges to Parent Company		**1,876,617**	2,090,095
			131,728,628	362,150,513
29	**OTHER CHARGES**			
	Provision for doubtful receivables		**18,563,554**	5,377,456
30	**OTHER INCOME**			
	Markup on reverse repo transactions		**13,931,717**	39,214,013
	Markup on margin financing		**31,921,667**	22,987,833
	Markup on margin trading deposits		**1,045,236**	103,264
	Profit on savings accounts		**27,270,715**	27,095,715
	Profit on exposure deposits		**6,313,776**	5,017,256
	Reversal of provision for other receivables	30.1	**24,783,996**	-
	Others		**1,743,616**	721,483
	Gain on disposal of Investment property		**500,000**	775,000
			107,510,723	95,914,564
30.1	**Gain on settlement of a reverse repo arrangement**			
	Reversal of provision of expected credit losses on other receiveables previously recognized	15.1	**39,711,656**	-
	Less: Loss on disposal of shares held as collateral		**(14,927,660)**	-
			24,783,996	-
31	**TAXATION**			
	Current tax - for the year		**319,060,363**	70,533,136
	- for prior years		**(7,240,843)**	-
			311,819,520	70,533,136
	Deferred		**-**	-
			311,819,520	70,533,136
31.1	**Relationship between tax expense and accounting profit**			
	Profit before taxation		**2,416,142,994**	143,727,552
	Tax at the applicable rate of 29% (2020: 29%)		**700,681,468**	41,680,990
	Tax effect of income under Presumptive Tax Regime		**(16,023,683)**	(24,349,458)
	Tax effect of income under Minimum Tax Regime		**976,750**	52,165,315
	Tax effect of income taxed at lower rate		**(214,086,043)**	79,269,806
	Tax effect of non-deductible expenses		**940,973**	(1,786,333)
	Tax effect of exempt income / permanent differences		**(148,864,521)**	(75,002,186)
	Tax effect of business losses of subsidiary adjusted during the year		**(4,432,081)**	-
	Tax effect of prior year charge		**(7,240,843)**	-
	Others		**(132,500)**	(1,444,998)
			311,819,520	70,533,136

31.2 Income tax assessments of the Holding Company as well as the subsidiaries are deemed to be finalized as per tax returns filed up to tax year 2020. Tax returns are subject to further assessment under provisions of the Income Tax Ordinance, 2001 ("the Ordinance") unless selected for an audit by the taxation authorities. The Commissioner of Income Tax may, at any time during a period of five years from date of filing of return, select a deemed assessment order for audit.

31.3 The Holding Company had been contesting Civil Suit No. 284/2016 against levy of "Super Tax" u/s 4B of the Income Tax Ordinance, 2001 introduced through Finance Act, 2015 in the High Court of Sindh and had not paid the Super Tax accordingly. During the year, all the petitions pertaining to "Super Tax" u/s 4B which were filed at branch registries were now to be heard by the Honourable Supreme Court Of Pakistan as per it's direction. During the year the Honourable Supreme Court Of Pakistan directed petitioner taxpayers to deposit 50% of their respective impugned outstanding tax amounts pertaining to super tax u/s 4B with the respondent authorities, no coercive action for recovery shall be taken against such tax payers in the meanwhile.

Therefore, as per the directive of Honorable Supreme Court Of Pakistan the Holding Company deposited 50% of their outstanding tax amounts, amounting to Rs. 31.162 million. On a prudent basis, the Group continues to recognize a provision for the remaining 50% of the amount of tax in these consolidated financial statements.

32 EARNINGS PER SHARE - BASIC AND DILUTED

32.1 Basic earnings per share

	2021	2020
	Rupees	
Profit after taxation	**2,104,323,474**	73,194,416
	Number of shares	
Weighted average number of ordinary shares outstanding	**59,400,000**	60,121,312
	Rupees	
Earnings per share	**35.43**	1.22

32.2 Diluted earnings per share

There is no dilutive effect on the basic earnings per share of the Group, since there are no convertible instruments in issue as at June 30, 2021 and June 30, 2020.

33 CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the end of the reporting year as shown in the cash flow statement are reconciled to the related items in the consolidated statement of financial position as follows:

	Note	2021	2020
		Rupees	
Cash and bank balances	*16*	**2,679,062,673**	814,097,234
Short term borrowings - *running finance*	*20*	**(1,369,369,349)**	(1,836,074,716)
		1,309,693,324	(1,021,977,482)

34 RELATED PARTY TRANSACTIONS AND BALANCES

34.1 Related parties comprise of group companies (the Parent Company and the fellow subsidiaries), key management personnel and directors of the Holding Company and the Parent Company (as well as their close family members), and the staff provident fund. Remuneration of the chief executive, directors and executives as disclosed in note 35 to these consolidated financial statements. Transactions with related parties during the year other than those disclosed elsewhere in these consolidated financial statements are as follows:

Name of the related party, relationship with company & Nature of Transaction	Year ended 30 June 2021	30 June 2020
	Rupees	
PARENT COMPANY		
Arif Habib Corporation		
Transaction during the year		
Brokerage commission earned on sale and purchase of securities	5,932,872	2,560,553
Loan obtained	917,000,000	-
Loan repaid	917,000,000	-
Markup on loan charged during the year	4,447,132	-
Guarantee charges	1,876,617	2,090,095
Balances at the year end		
Trade receivable at year end	33,093	80,477
Guarantee charges payable	464,883	454,370
Mark-up Payable	4,447,132	-
KEY MANAGEMENT PERSONNEL		
Zafar Alam (Chairman of the Holding Company)		
Transaction during the year		
Brokerage commission earned on sale and purchase of securities	1,644,264	10,590
Balances at the year end		
Trade payable at year end	1,104,484	2,148,473
Muhammad Shahid Ali (CEO of the Holding Company)		
Transaction during the year		
Brokerage commission earned on sale and purchase of securities	16,731,270	7,886,015
Balances at the year end		
Trade payable at year end	112,754,445	3,150,901
Muhammad Haroon (Director of Holding Company)		
Transaction during the year		
Brokerage commission earned on sale and purchase of securities	400,987	139,235
Balances at the year end		
Trade payable at year end	29,147	700,697
Sharmin Shahid (Director of the Holding Company)		
Transaction during the year		
Brokerage commission earned on sale and purchase of securities	2,690,583	728,673
Balances at the year end		
Trade receivable at year end	8,340	50,302
Nida Ahsan (Director of the Holding Company)		
Transaction during the year		
Brokerage commission earned on sale and purchase of securities	520,335	1,730,920

	Year ended 30 June 2021	Year ended 30 June 2020
	Rupees	Rupees
Balances at the year end		
Trade payable at year end	**9,346,762**	-
Trade receivable at year end	**-**	65,419
Mohsin Madni (Director of the Holding Company)		
Transaction during the year		
Brokerage commission earned on sale and purchase of securities	**22,519**	2,936
Balances at the year end		
Trade payable at year end	**191,512**	175
Ahsan Mehanti (Director of the Subsidiary Company - Arif Habib Commodities (Private) Limited		
Transaction during the year		
Loan received	**-**	62,500
Balances at the year end		
Loan Receiveable	**4,000,000**	4,000,000
Loan Payable	**3,862,500**	3,862,500

CLOSE FAMILY MEMBERS OF KEY MANAGEMENT PERSONNEL

	2021	2020
Arif Habib		
Transaction during the year		
Brokerage commission earned on sale and purchase of securities	**7,292,830**	6,563,516
Loan obtained	**1,510,000,000**	1,100,000,000
Loan repaid	**1,810,000,000**	800,000,000
Markup on loan charged during the year	**13,718,736**	12,283,397
Mark up payable on loan	**-**	12,737,772
Balances at the year end		
Loan payable at the year end	**-**	300,000,000
Mark up payable on loan	**49,556**	42,574
Abdus Samad A. Habib		
Transaction during the year		
Brokerage commission earned on sale and purchase of securities	**1,786,631**	409,718
Balances at the year end		
Trade payable at year end	**872,251**	-
Trade receivable at year end	**-**	1,451,078
Muhammad Kashif A. Habib		
Transaction during the year		
Brokerage commission earned on sale and purchase of securities	**4,000**	6,363

	Year ended 30 June 2021	Year ended 30 June 2020
	Rupees	Rupees
Balances at the year end		
Trade receivable at year end	**4,075,266**	19,630
OTHER RELATED PARTIES		
Javedan Corporation Limited		
Transaction during the year		
Purchase of plots	**151,426,800**	-
Brokerage commission earned on sale and purchase of securities	**322,500**	-
Development charges paid	**-**	11,943,765
Arif Habib Dolmen Reit Management Ltd.		
Transaction during the year		
Brokerage commission earned on sale and purchase of securities	**232,200**	250,600
Rotocast Engineering Co. (Pvt) Limited		
Transaction during the year		
Rent paid	**17,241,048**	28,735,080
Brokerage commission earned on sale and purchase of securities	**2,078,345**	-
Balances at the year end		
Prepaid rent	**-**	5,928,359
Trade receivable at year end	**31,083**	-
Arif Habib Equity (Pvt) Ltd.		
Transaction during the year		
Sale of plots	**153,000,000**	-
Brokerage comission earned on sale and purchase of securities	**21,425**	-
Loan obained	**55,000,000**	-
Loan repaid	**55,000,000**	-
Markup charged during the year	**112,712**	-
Balances at the year end		
Trade receivable at year end	**156,485**	6,298,569
ARIF HABIB PROVIDENT FUND TRUST		
Contribution paid during the year	**7,794,550**	6,298,569

35 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Directors		Executives	
	2021	2020	**2021**	2020	**2021**	2020
	Rupees					
Managerial remuneration	**10,282,858**	9,893,152	**-**	-	**57,291,020**	94,722,045
Contribution to provident fund	**1,297,622**	1,262,454	**-**	-	**2,787,482**	4,251,523
Medical allowance	**395,598**	367,464	**-**	-	**2,229,974**	2,606,291
Commission	**69,148,348**	8,500,000	**450,000**	425,000	**30,752,806**	22,567,317
	81,124,426	20,023,070	**450,000**	425,000	**93,061,282**	124,147,176
Number of persons	2	2	5	5	16	18

36 FINANCIAL INSTRUMENTS

36.1 Financial risk analysis

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

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

36.1.1 *Market risk*

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

i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As of the reporting date, the Group was not exposed to currency risk since there were no foreign currency transactions and balances at the reporting date.

ii) Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest/ mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. Presently, daily stock market fluctuation is controlled by government authorities with cap and floor of 7.5%. The restriction of floor prices reduces the volatility of prices of equity securities and the chances of market crash at any moment. The Group manages price risk by monitoring the exposure in quoted equity securities and implementing the strict discipline in internal risk management and investment policies, which includes disposing of its own equity investment and collateral held before it led the Group to incur significant mark to market and credit losses. As of the reporting date Group was exposed to price risk since it had investments in quoted securities amounting to Rs. 2,799 million (2020: Rs. 3,747 million) and also because it holds collaterals in the form of securities against their debtor balances at the reporting date.

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

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

Analysis of short term investment in quoted equity securities by business sector is as follows:

	June 30, 2021		(Restated) June 30, 2020	
	(Rupees)	%	(Rupees)	%
Engineering	-	-	135,389,240	3.87
Chemical	-	-	2,498,000	0.07
Food & Personal Care Products	**56,481,515**	**2.15**	-	-
Oil & Gas	**636,701,000**	**24.21**	102,799,000	2.94
Inv. Banks / Inv. Cos. / Securities Cos.	-	-	22,663,243	0.65
Sugar & Allied Industries	**5,766,425**	**0.22**	5,766,425	0.16
Automobile	-	-	3,834,886	0.11
Textile Composite	-	-	19,088,000	0.55
Fertilizer	**865,807,027**	**32.92**	1,221,240,240	34.93
Commercial Bank	**316,491,720**	**12.03**	1,095,697,328	31.34
Construction & Material (Cement)	**118,619,957**	**4.51**	112,279,462	3.21
Leasing Companies	-	-	7,358,625	0.21
Power Generation & Distribution	**190,756,200**	**7.25**	36,278,202	1.04
Technology & Communication	**275,251,890**	**10.46**	730,858,090	20.91
Miscellaneous	**164,521,392**	**6.25**	-	-
	2,630,397,126	**100.00**	3,495,750,741	100.00

Sensitivity Analysis:

The table below summarizes Group's price risk as of June 30, 2021 and 2020 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the year end reporting dates. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worse because of the nature of equity markets and the aforementioned concentrations existing in Group's equity investment portfolio.

		Fair value	Hypothetical price change	Estimated fair value after hypothetical change in prices	Hypothetical increase / (decrease) in shareholders' equity	Hypothetical increase / (decrease) in profit / (loss) after tax	Hypothetical increase / (decrease) in other comprehensive income / (loss) after tax
June 30, 2021	**Rupees**	**2,799,662,594**	**10% increase**	**3,079,628,853**	**237,971,320**	**220,384,142**	**17,587,178**
			10% decrease	**2,519,696,335**	**(237,971,320)**	**(220,384,142)**	**(17,587,178)**
June 30, 2020 (restated)	Rupees	3,747,917,297	10% increase	4,122,709,027	318,572,971	256,998,027	61,574,944
			10% decrease	3,373,125,567	(318,572,971)	(256,998,027)	(61,574,944)

iii) Interest rate risk

Interest / mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest / mark-up rates. Sensitivity to interest / mark-up rate risk arises from mismatches of financial assets and liabilities that that mature re-price in a given period. The Group manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The short term borrowing arrangements have variable rate pricing that is dependent on the Karachi Inter Bank Offer Rate (KIBOR) as indicated in note 20 to these consolidated financial statements.

Financial assets and liabilities include balances of Rs. 3,200.737 million (2020: Rs. 1,108.70 million) and Rs. 1,369.369 million (2020: Rs. 2,636.06 million) respectively, which are subject to interest / markup rate risk. Applicable interest / mark-up rates for financial assets and liabilities have been indicated in respective notes.

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

	2021	2020	**2021**	2020
	Effective interest rate (%)		Carrying amounts (Rs.)	
Financial assets				
Bank depositspls account	4% to 6%	6% to 13%	2,521,167,976	766,596,128
Receivable against Reverse Repo transactions	12% to 15%	13% to 18%	268,568,516	52,152,387
Receivable against margin financing	12% to 15%	12% to 18%	245,655,746	37,754,624
Quoted debt securities	7.93% to 9.94%	9.66% to 15.54%	169,265,468	252,166,556
Financial liabilities				
Long term loan	8.17% to 8.3%	11.49% to 14.35%	-	499,987,261
Short term borrowings	7.82% to 9.09%	7.36% to 15.35%	1,369,369,349	1,836,074,716
Current portion of long term subordinated loan	14.37%	14.55%	-	300,000,000

Sensitivity analysis

The Group does not account for any fixed rate financial asset and liabilities at fair value through profit or loss. Therefore, a change in interest rate would not affect the carrying amoount of financial instrument. For cash flow sensitivity analysis of variable rate instruments it is observed that interest / mark-up rate in terms of KIBOR has decreased by 12 bps during the year.

The following information summarizes the estimated effects of 1% hypothetical increases and decreases in interest rates on cash flows from financial assets and financial liabilities that are subject to interest rate risk. It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. The hypothetical changes in market rates do not reflect what could be deemed best or worst case scenarios. Variations in market interest rates could produce significant changes at the time of early repayments. For these reasons, actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

	Effect on profit after tax	
	increase	decrease
As at June 30, 2021		
Cash flow sensitivity-Variable rate financial instruments	**13,030,547**	**(13,030,547)**
As at June 30, 2020		
Cash flow sensitivity-Variable rate financial instruments	10,844,485	(10,844,485)

36.1.2 Credit risk

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

Exposure to credit risk

Credit risk of the Group mainly arises from deposits with banks and financial institutions, trade debts, receivable against margin financing, short term loans, deposits and other receivables. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk, the Group has developed its own risk management policies and guidelines whereby clients are provided trading limits according to their net worth and proper margins are collected and maintained from the clients. The management continuously monitors the credit exposure towards the clients and makes provision against those balances considered doubtful of recovery.

The Group's management, as part of risk management policies and guidelines, reviews clients' financial position, considers past experience, obtain authorized approvals and arrange for necessary collaterals in the form of equity securities to reduce credit risks and other factors. These collaterals are subject to market risk which ultimately affects the recoverability of debts. Further, credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings.

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

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

	Note	2021	2020
		Rupees	
Long-term advances and deposits		30,994,190	30,888,304
Trade debts	(a) & (b)	240,318,884	156,938,894
Receivable against margin financing		245,655,746	37,754,624
Exposure deposits with NCCPL		50,231,785	2,264,012
Exposure deposits with NECL		54,040,508	68,393,709
Other receivables		278,650,955	109,276,320
Bank balances		2,678,412,077	813,825,646
		3,578,304,145	1,219,341,509

(a) Trade debts were due from local clients.

(b) The Group held equity securities having fair value of Rs. 59,277 million (2020: Rs. 38,874 million) owned by its clients, as collaterals against trade debts - brokerage and operating.

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

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

	Short term rating		2021	2020
			Rupees	
Allied Bank Limited	A-1+	PACRA	10,664,018	13,336,522
Askari Bank Limited	A-1+	PACRA	37,258	15,596
Bank Al-Falah Limited	A-1+	PACRA	770,704	80,318
Bank Al-Habib Limited	A-1+	PACRA	1,336,226,637	76,880,993
Bank Islami Limited	A-1	PACRA	983,734	964,368
Bank of Khyber	A-1	PACRA	2,165,722	1,250,197

	Short term rating		2021	2020
			Rupees	
Bank Of Punjab	A-1+	PACRA	**6,602**	6,602
Dubai Islamic Bank Limited	A-1+	JCR-VIS	**102,518,808**	54,147,769
Faysal Bank Limited	A-1+	PACRA	**1,175,740**	9,107
Habib Bank Limited	A-1+	PACRA	**45,623,686**	8,034,191
Habib Metropolitan Bank Limited	A-1+	PACRA	**225,587,164**	108,315,013
J.S Bank Limited	A-1+	PACRA	**1,761,590**	2,717,602
MCB	A-1+	PACRA	**52,800,018**	27,572,361
Meezan Bank Limited	A-1+	JCR-VIS	**141,890,947**	153,327,981
National Bank of Pakistan	A-1+	PACRA	**599,223,184**	300,965,072
NIB Bank Limited	A-1+	PACRA	**3,009,558**	3,011,356
Silk Bank Limited	A-2	JCR-VIS	**5,479**	1,127,895
Sindh Bank Limited	A-1	JCR-VIS	**51,330,605**	1,025,919
Soneri Bank Limited	A-1+	PACRA	**6,986,836**	3,913,038
Summit Bank Limited	-	-	**78,561,889**	49,652,297
United Bank Limited	A-1+	JCR-VIS	**17,081,898**	7,471,449
			2,678,412,077	813,825,646

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

The Group writes off a defaulted financial asset when there remains no reasonable probability of recovering the carrying amount of the asset through available means.

36.1.3 Liquidity risk

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

On the reporting date, the Group had cash and bank balance Rs. 2,679.062 million (2020: Rs. 814.10 million) unutilized credit lines Rs. 3,664 million (2020: Rs. 3,164 million) and liquid assets in the form of short term securities amounting to Rs. 2,799.662 million (2020: Rs. 3,747.917 million).

The following are the contractual maturities of financial liabilities, including estimated interest payments (except interest payments on short term borrowings, long term loans and sub-ordinated loans):

	2021					
	Carrying amount	**Contractual cashflows**	**Six months or less**	**Six to twelve months**	**One to five years**	**More than five years**
	(Rupees)					
Financial liabilities						
Lease liability	30,222,286	34,501,150	13,299,474	13,397,397	7,804,279	-
Trade and other payables	1,700,138,793	1,700,138,793	1,700,138,793	-	-	-
Short term borrowings (including accrued mark-up)	1,388,009,307	1,388,009,307	1,388,009,307	-	-	-
Payable against purchase of securities- net	53,758,623	53,758,623	53,758,623	-	-	-
	3,172,129,009	3,176,407,873	3,155,206,197	13,397,397	7,804,279	-

	2020					
	Carrying amount	Contractual cashflows	Six months or less	Six to twelve months	One to five years	More than five years
	(Rupees)					
Financial liabilities						
Long term loan	499,987,261	499,987,261	83,333,334	83,333,334	333,320,593	-
Loan from Sponsor	300,000,000	300,000,000	-	300,000,000	-	-
Lease liability	38,383,986	52,809,069	12,285,384	12,338,141	28,145,544	-
Trade and other payables	781,355,493	781,355,493	781,355,493	-	-	-
Short term borrowings (including accrued mark-up)	1,897,711,347	1,897,711,347	1,897,711,347	-	-	-
	3,517,438,087	3,531,863,170	2,774,685,558	395,671,475	361,466,137	-

36.2 Financial instruments by categories

As at June 30, 2021 Financial Asset	June 30, 2021 At fair value through profit or loss	At fair value through other comprehensive income	Amortized cost	Total
	Rupees			
Long Term Investment	54,754,771	-	-	54,754,771
Long term advances and deposits	-	-	32,118,136	32,118,136
Short term investments	2,592,754,614	206,907,980	-	2,799,662,594
Trade debts	-	-	240,318,884	240,318,884
Receivable against margin financing	-	-	245,655,746	245,655,746
Accrued markup on margin financing	-	-	7,650,726	7,650,726
Short term deposits	-	-	104,272,293	104,272,293
Other receivables	-	-	278,650,955	278,650,955
Cash and bank balances	-	-	2,679,062,673	2,679,062,673
	2,647,509,385	206,907,980	3,587,729,413	6,442,146,778

As at June 30, 2021 Financial Liabilities	Financial liabilities at amortized cost
	Rupees
Lease liability	30,222,286
Short term borrowings (including accrued markup)	1,388,009,307
Trade and other payables	1,700,138,793
Payable against purchase of securities - net	53,758,623
	3,172,129,009

As at June 30, 2020 Financial assets	June 30, 2020 (restated) At fair value through profit and loss	At fair value through other comprehensive income	Amortized cost	Total
	Rupees			
Long Term Investment	45,056,656	-	-	45,056,656
Long term advances and deposits	-	-	31,599,250	31,599,250
Short term investments	3,023,506,197	724,411,100	-	3,747,917,297
Trade debts	-	-	156,938,894	156,938,894
Recieveable against margin financing	-	-	37,754,624	37,754,624
Recieveable against sales / purchases of securities - net			79,559,207	79,559,207
Accrued markup on margin financing	-	-	2,712,600	2,712,600
Short term deposits	-	-	70,657,721	70,657,721
Other receivables	-	-	109,276,320	109,276,320
Cash and bank balances	-	-	814,097,234	814,097,234
	3,068,562,853	724,411,100	1,302,595,850	5,095,569,803

As at June 30, 2020 Financial liabilities	Financial liabilities at amortized cost
	Rupees
Lease liability	38,383,986
Long term loan	499,987,261
Short term borrowings (including accrued markup)	1,897,711,347
Current portion of long term subordinated loan	300,000,000
Trade and other payables	781,355,493
	3,517,438,087

37 FAIR VALUE OF ASSETS AND LIABILITIES

The Group measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 : Quoted market price (unadjusted) in an active market.

Level 2 : Valuation techniques based on observable inputs.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data.

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

Valuation techniques used by the Group include discounted cash flow model. Assumptions and inputs used in the valuation technique mainly include risk-free rate, equity risk premium, long term growth rate and projected rates of increase in revenues, other income and expenses. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determind by market participants acting at arm's length.

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

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

June 30, 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
	------------ Amount in Rupees -----------			
Financial assets mesured at fair value				
Short term investment	2,799,662,594	-	-	2,799,662,594
Long term investment	-	-	54,754,771	54,754,771
Non-Financial assets measured at fair value				
Investment properties	-	1,968,800,000	-	1,968,800,000

June 30, 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
	------------ Amount in Rupees -----------			
Financial assets mesured at fair value				
Short term investment (restated)	3,747,917,297	-	-	3,747,917,297
Long term investment	-	-	45,056,656	45,056,656
Non-Financial assets measured at fair value				
Investment properties	-	1,678,415,232	-	1,678,415,232

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy:

	Note	**2021**	2020
		Rupees	
Balance as at July 01		**45,056,656**	53,022,530
Unrealised loss for the year	*7.1*	**9,698,115**	(7,965,874)
Balance as at June 30		**54,754,771**	45,056,656

Although the Group believes that its estimated fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair values. A change of 1% in value arrived at reporting date would have the following effect:

	Effect on profit and loss account	
	Favourable	(Unfavourable)
	Rupees	
June 30, 2021		
Unquoted equity securities	547,548	(547,548)
June 30, 2020		
Unquoted equity securities	450,567	(450,567)

38 CAPITAL MANAGEMENT

38.1 Management of Capital

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

39 CORRECTION OF A PRIOR PERIOD ERROR

As disclosed in note 3.6.1 to these consolidated financial statements, the Group follows trade date accounting in relation to its own proprietary investments. However, the sale of 8,220,500 ordinary shares of Hum Network Limited (being carried at fair value through other comprehensive income) transacted on June 29, 2020 and June 30, 2020 was, inadvertently, not accounted for as a disposal of the investment in the consolidated financial statements for the year ended June 30, 2020.

In these consolidated financial statements, the above error has been duly rectified retrospectively in accordance with the requirements of the International Accounting Standard (IAS) 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and the corresponding figures impacted by the error have been restated. However, since these restatements had no effect on the consolidated statement of financial position as at the beginning of the earliest period presented (i.e July 2019), the same has not been presented in these consolidated financial statements.

The retrospective correction of errors has its effects on the corresponding figures presented in these consolidated financial statements as follows:

	Short term investments	Receiveable / (Payable) against sale / purchase of securities- net	Unappropriated profits	Surplus on re-measurement of equity securities at FVOCI
	Rupees			
Effects on the consolidated statement of financial position				
Balance as at July 01, 2020 (as previously reported)	3,851,084,572	(28,513,698)	2,208,771,925	483,759,375
Effect of disposal of shares:				
Decrease in short term investments	(103,167,275)	-	-	-
Increase in receiveable / (payable) against sales / purchase of securities - net	-	108,072,905	-	-
	(103,167,275)	108,072,905		
Increase in other comprehensive income for the year ended June 30, 2020	-	-	-	4,905,630
Increase in gain realized on disposal of equity securities at FVOCI	-	-	65,326,305	(65,326,305)
	-	-	65,326,305	(60,420,675)
Balance as at July 01, 2020 (as restated)	3,747,917,297	79,559,207	2,274,098,230	423,338,700

Effects on the consolidated comprehensive income for the year ended June 30, 2020.

	Rupees
Total comprehensive income for the year ended June 30, 2020 (as previously reported)	593,198,976
Increase in other comprehensive income for the year	4,905,630
Total comprehensive income for the year ended June 30, 2020 (as restated)	598,104,606

40 OPERATING SEGMENT

These consolidated financial statements have been prepared on the basis of a single reportable segment as the Group's asset allocation decisions are based on a single and integrated business strategy.

All non current assets of the Group as at June 30, 2021 are located in Pakistan.

41 EVENTS AFTER THE REPORTING DATE

The Board of Directors of Holding Company has proposed a final cash dividend of Rs. 10/- (2020: Rs. 2.5/-) per share amounting to Rs. 594 million (2020: 148.5 million) and bonus shares in the proportion of 10 shares for every 100 shares held (i.e. 10%) at its meeting held on July 30, 2021 for the approval of the members at the annual general meeting to be held on September 25, 2021. These consolidated financial statements do not reflect the said appropriation.

42 DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue by the Board of Directors of the Holding Company in their meeting held on July 30, 2021.

43 NUMBER OF EMPLOYEES

The total number of employees and average number of employees at year end and during the year respectively are as follows:

	2021	2020
	--------------- Number	---------------
Total number of employees as at	**199**	139
Average number of employees during the year	**169**	138

44 CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary, to comply with the requirements of the Companies Act, 2017 and for the purpose of comparison and better presentation. Following reclassifications have been made.

Reclassified from component	Reclassified to component	Amount (Rupees)
Markup on corporate debt securities (Other income)	Markup on corporate debt securities (Operating revenue)	47,631,228
Withholding taxes payable (Trade and other payables)	Sales tax payable (Trade and other payables)	8,796,575
Exposure deposit with National Clearing Company of Pakistan Limited (NCCPL) (Advances, deposits and prepayments)	National Commodity & Derivatives Exchange Limited (Advances, deposits and prepayments)	68,393,709
Prepayments (Advances, deposits and prepayments)	Advance against expenses (Advances, deposits and prepayments)	1,359,668

45 GENERAL

Figures have been rounded off to the nearest rupee.

Chief Executive Officer

Director

Chief Financial Officer

NOTICE OF SEVENTEENTH ANNUAL GENERAL **MEETING**

Notice is hereby given that the Seventeenth Annual General Meeting of Arif Habib Limited will be held on September 25, 2021 at 10:00 A.M. at PSX Auditorium, Stock Exchange Building, Stock Exchange Road, Karachi, further, consequent to the current situation caused by the COVID-19 pandemic, shareholders can alternatively opt to attend the meeting through video link facility managed from the Company's head office at the Arif Habib Centre, 23, M.T. Khan Road, Karachi, to transact the following business:

ORDINARY BUSINESS

1) To confirm minutes of the Annual General Meeting held on September 19, 2020.

2) To review, consider and adopt audited accounts of the company together with the auditors' and directors' report thereon including approval of the annexures there to, for the year ended June 30, 2021 together with Audited Consolidated Financial Statements of the Company and the Auditors' Reports thereon for the year ended June 30, 2021.

3) To consider and approve final dividend for the year ended June 30, 2021, in cash at Rs. 10 per share i.e. 100% and by way of issue of fully paid bonus shares in the proportion of 1 share for every 10 shares held by the members i.e. 10% as recommended by the Board of Directors.

4) To appoint auditors of the company and fix their remuneration for the financial year 2021-22. The Board of Directors have recommended for reappointment of M/s. Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants as external auditors.

SPECIAL BUSINESS

5) To consider, subject to declaration of the final dividend as above, capitalization of a sum of Rs. 59,400,000 (Rupees Fifty nine million four hundred thousand) by way of issue of 5,940,000 fully paid bonus shares of Rs. 10 each and if thought fit to pass and ordinary resolution in the matter.

"RESOLVED THAT a sum of Rs. 59,400,000 (Rupees Fifty nine million four hundred thousand) out of Reserves of the Company available for appropriation as at June 30, 2021, be capitalized and applied for issue of 5,940,000 (Five million nine hundred forty thousand) ordinary shares of Rs. 10/- each allotted as fully paid bonus shares to the members of the Company whose names appear on the register of members as at close of business on September 17, 2021 in the proportion of one shares of every ten shares held (i.e. 10%) and that such shares shall rank pari passu in every respect with the existing ordinary shares of the company.

"FURTHER RESOLVED THAT the bonus shares so allotted shall not be entitled for final cash dividend for the year 2021."

"FURTHER RESOLVED THAT fractional entitlement of the members shall be consolidated into whole shares and sold on the Pakistan Stock Exchange and the sale proceeds thereof will be donated as deemed appropriate by the Board."

"FURTHER RESOLVED THAT the Company Secretary be and is hereby authorized and empowered to give effect to this resolution and to do or cause to do all acts, deeds and things that may be necessary or required for issue of allotment and distribution of bonus shares."

6) To authorize the Board of Directors of the Company to approve those transactions with related parties (if executed) during the financial year ending 30th June 2022 which require approval of shareholders u/s 207 and u/s 208 of the Companies Act, 2017, by passing the following special resolution with or without modification:

"RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to approve the transactions to be conducted with Related Parties on case to case basis for the financial year ending 30th June 2022."

"FURTHER RESOLVED THAT the transactions approved by the Board shall be deemed to have been approved by the shareholders u/s 207 and / or u/s 208 of the Companies Act, 2017 (if triggered) and shall be placed before the shareholders in the Annual General Meeting for their formal ratification/approval u/s 207 and / or 208 of the Companies Act, 2017 (if required)."

7) To consider and if deemed fit, pass the following Special Resolutions with or without modification(s):

INVESTMENT IN ASSOCIATED COMPANIES & ASSOCIATED UNDERTAKINGS:

"RESOLVED THAT the consent and approval be and is hereby accorded under Section 199 of the Companies Act, 2017 and "Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012" for the following limit of investments/ additional investments in associated companies and associated undertakings subject to the terms and conditions mentioned in the **Annexure-B** of Statement under Section 134(3)."

"FURTHER RESOLVED THAT the consent and approval be and is hereby accorded under Section 199 of the Companies Act, 2017 for renewal of the following equity investments limit up to unutilized portion of for which approval had been sought in previous general meeting(s), in associated companies and associated undertakings as mentioned in the annexed statement under Section 134(3)."

"FURTHER RESOLVED THAT the consent and approval be and is hereby accorded under Section 199 of the Companies Act, 2017 for renewal of following sanctioned limits of loans and advances for which approval has been sought in previous general meeting, in associated companies and associated undertakings as mentioned in the annexed statement under Section 134(3) whereas the renewal of limits will be in the nature of running finance for a period of one year and shall be renewable in next general meeting(s) for further period(s) of one year."

		Amount in Million			
	Name of Companies & Undertakings	Proposed Fresh Investment		Renewal Requested	
		Equity	Loan / Advance / Guarantee	Equity	Loan / Advance / Guarantee
1	Safemix Concrete Products Limited	-	-	156	250
2	Arif Habib Corporation Limited	-	-	-	1,500
3	Power Cement Limited	1,000	500	107	500
4	Aisha Steel Mills Limited	1,000	500	-	500
5	Javedan Corporation Limited	1,000	500	-	500

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

ANY OTHER BUSINESS

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

Statements under Section 134(3) of the Companies Act, 2017, comprising of Annexure A, Annexure B and Annexure C pertaining to the special business is being sent to the shareholders along with this notice.

By order of the Board

Muhammad Taha Siddiqui
Company Secretary

Karachi
Friday, September 03, 2021

NOTES

A. Participation of shareholders through online facility

In pursuance of SECP's Circular No. 4 dated February 15, 2021, pertaining to Regulatory Relief to dilute impact of Corona Virus (COVID 19) for Corporate Sector, the shareholders shall be entitled to attend the proceedings of the AGM through online means using a video link facility, Zoom application or other electronic means for the safety and well-being of the valued shareholders and the general public.

The shareholders will be able to login and participate in the AGM proceedings through their smartphones or computer devices from their homes or any convenient location after completing all the formalities required for the verification and identification of the shareholders.

The login facility will be opened at 09:30 a.m. on September 25, 2021 enabling the participants to join the proceedings which will start at 10:00 a.m. sharp.

Shareholders interested in attending the AGM through electronic means, are requested to register themselves by submitting their following particulars at the Company's designated email address agm2021@arifhabibltd.com before the close of business hours on September 17, 2021. The link to the zoom application will be sent to the shareholders on the email address provided in the below table:

Shareholder's Name	CNIC No.	Folio / CDC Account No.	Cell No.	No. of shares held	Email address

Login facility will be shared with the shareholders whose emails addresses are provided on above table, shareholders can also provide their comments / suggestions on agm2021@arifhabibltd.com or Whatsapp or SMS on 0321-8210507 for the agenda items proposed to be conducted at the AGM in the same manner as it is being discussed in the AGM, and later shall be made part of the minutes of the meeting.

The purpose of the aforementioned arrangements is to ensure maximum participation of the shareholders in the AGM through an online facility. Shareholders are also requested to consolidate their attendance through proxies, so that the quorum requirement may also be fulfilled.

B. Book closure:

i) The share transfer books will remain closed from September 18, 2021 to September 25, 2021 (both days inclusive). Transfers in good order, received at the office of Company's Share Registrar, CDC Share Registrar Services Limited, CDC House, 99 – B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400 by close of the business on September 17, 2021 will be treated in time for the purpose of attending the annual general meeting and for determination of entitlement of shareholders to cash dividend and bonus shares.

ii) All members/shareholders are entitled to attend, speak and vote at the annual general meeting. A member/shareholder may appoint a proxy to attend, speak and vote on his/her behalf. The proxy need not be a member of the Company. Proxies in order to be effective must be received at the office of our Registrar: M/s. CDC Share Registrar Services Limited, CDC House, 99 – B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400 not less than 48 hours before the meeting.

iii) In pursuance of Circular No. 1. of 2000 of SECP dated January 26, 2000 the beneficial owners of the shares registered in the name of Central Depository Company (CDC) and/or their proxies are required to produce their Computerized National Identity Card (CNIC) or passport for identification purpose at the time of attending the meeting. The form of proxy must be submitted with the Company within the stipulated time, duly witnessed by two persons whose names, addresses and CNIC numbers must be mentioned on the form, along with attested copies of the CNIC or the passport of the beneficial owner and the proxy.

In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced at the time of the meeting.

iv) Members are requested to intimate any changes in address immediately to Company's Share Registrar, CDC Share Registrar Services Limited, CDC House, 99 – B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400.

CNIC / NTN Number on Dividend Warrant (Mandatory)

As already been notified from time to time, SECP has directed vide its Notification S.R.O. 831(1)/2012 dated July 5, 2012, that the electronic Dividend should also bear the Computerized National Identity Card (CNIC) Number of the registered shareholder or the authorized person, except in case of minor(s) and corporate shareholder(s).

In order to comply with the SECP's directives and in terms of Section 243(2)(a) of the Companies Act, 2017, the Company shall be constrained to withhold the Dividend Warrant(s), in case of non-availability copy of valid CNIC (for individuals) and National Tax Number (for a corporate entity).

Accordingly, shareholders who have not yet submitted a copy of their valid CNIC or NTN are once again requested to immediately submit the same to the Company or Share Registrar, M/s. CDC Share Registrar Services Limited.

C. Payment of Cash Dividend through electronic mode:

In accordance with the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed company to pay cash dividend to its shareholder only through electronic mode directly into the bank account designated by the entitled shareholder. Please note that giving bank mandate for dividend payments is mandatory and in order to comply with this regulatory requirement, you are requested to please provide the following information to your respective CDC Participant / CDC Investor Account Services (in case your shareholding is in Book Entry Form) or to our Share Registrar M/s. CDC Share Registrar Services Limited, Share Registrar Department, CDC House, 99-B, Block B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi – 74400 (in case your shareholding is in Physical Form):

	Details of Shareholder
Name of shareholder	
Folio/ CDS Account No.	
CNIC No.	
Cell number of shareholder	
Landline number of shareholder, if any	
Email	

	Details of Bank Account
Title of Bank Account	
Account International Bank Account Number (IBAN) "Mandatory"	**PK ________________________________ (24 digits) (Kindly provide your accurate IBAN number after consulting with your respective bank branch since in case of any error or omission in given IBAN, the company will not be held responsible in any manner for any loss or delay in your cash dividend payment).**
Bank's Name	
Branch Name and Address	

It is stated that the above-mentioned information is correct and in case of any change therein, I / we will immediately intimate Participant / Share Registrar accordingly.

____

Signature of shareholder

D. Deduction of Income Tax from Dividend under section 150 of the Income Tax Ordinance, 2001:

a) Pursuant to the provisions of the Finance Act 2021 effective July 1, 2021, the rate of deduction of income tax from dividend payments has been revised as follows:

i. Rate of tax deduction for filers of income tax return – 15%
ii. Rate of tax deduction for non-filers of income tax return – 30%

Shareholders whose names are not entered into the Active Tax-payers List (ATL) available on the website of FBR, despite the fact that they are filers, are advised to immediately make sure that their names are entered in ATL, otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.

b) Withholding Tax exemption from the dividend income, shall only be allowed if copy of valid tax exemption certificate is made available to Company's Share Registrar by the first day of book closure.

c) Further, according to clarification received from FBR, withholding tax will be determined separately on "Filer/Non-filer" status of principal shareholder as well as joint-holder(s) based on their shareholding proportions.

In this regard all shareholders who hold company's shares jointly are requested to provide shareholding proportions or principal shareholder and joint-holder(s) in respect of shares held by them (if not already provided) to Company's Share Registrar, in writing as follows:

			Principal Shareholder		Joint Shareholder	
Company Name	Folio/CDS Account #	Total Shares	Name and CNIC #	Shareholding Proportion (No. of Shares)	Name and CNIC #	Shareholding Proportion (No. of Shares)

The required information must reach Company's Share Registrar within 10 days of this notice; otherwise it will be assumed that the shares are equally held by the principal shareholder and joint-holder(s).

d) The corporate shareholders having CDC accounts are required to have their NTN updated with their respective participants, whereas corporate physical shareholders are requested to send a copy of their NTN certificate to the Company's Share Registrar. The shareholders while sending NTN or NTN certificates, as the case may be, must quote the company name and their respective folio numbers.

E. Availability of annual audited financial statements

The audited financial statements of the Company for the year ended June 30, 2021 have been made available on the Company's website (http://www.arifhabibltd.com) in addition to annual and quarterly financial statements for the prior years.

Further, this is to inform that in accordance with SRO 470(I)/2016 dated May 31, 2016, through which SECP has allowed companies to circulate the annual audited accounts to its members through CD/DVD/USB instead of transmitting the hard copies at their registered addresses, subject to consent of shareholders and compliance with certain other conditions, the Company has obtained shareholders' approval in its Annual General Meeting held on September 24, 2016. Accordingly Annual Report of the Company for the year ended June 30, 2021 is dispatched to the shareholders through CD. However, if a shareholder, in addition, request for hard copy of Annual Audited Financial Statements, the same shall be provided free of cost within seven working days of receipt of such request. For convenience of shareholders, a "Standard Request Form for provision of Annual Audited Financial Accounts" have also been made available on the Company's website.

F. Unpaid Dividend Account

In accordance with the provisions of Section 244 of the Companies Act, 2017.

(i) Where a dividend has been declared by a company but has not been paid or claimed, within a time period specified under Section 242, to any shareholder entitled to the payment of the dividend, the company shall, within fifteen days from the date of expiry of the said period, transfer the total amount of dividend which remains unpaid or unclaimed to a separate profit bearing account to be called the unpaid dividend account opened by the company for this purpose in any scheduled bank. The deposits in the unpaid dividend account shall only be used for payment to a claimant as given in sub-section 4.

Explanation - Dividend for the purpose of this section means the dividend payable in cash.

(ii) The company shall, within a period of ninety days of making any deposit of the amount under sub-section (1) to the unpaid dividend account, prepare a statement containing the names, the last known addresses, number of shares held, the amount of unpaid dividend to be paid to each shareholder and such other particulars as may be specified and place it on the website of the company required under any law, rules, regulations or directions to maintain a website and also on any other website as may be specified.

(iii) Any change in the information to be maintained on the website under sub-section (2) shall be effected by the company in such manner and within such time as may be specified.

(iv) Any person claiming to be entitled to any money transferred under sub-section (1) to the unpaid dividend account of the company may apply to the company for payment of the money claimed.

(v) The company shall make payment to the bonafide claimant within a period of thirty days from the date of submission of a claim with the company. No claimant shall be entitled to any amount except his unclaimed dividend amount.

(vi) The amount of profit generated from the account maintained by the company under this section shall be used by the company for its corporate social responsibility initiatives and specified purposes.

STATEMENT UNDER SECTION 134(3) OF **THE COMPANIES ACT, 2017**

This statement sets out the material facts concerning the Special Business given in Agenda item No. 4 and Agenda item No. 5 of the Notice to be transacted at the Annual General Meeting of the Company. Directors of the Company have no interest in the special business except in their capacity as director / shareholder

ANNEXURE A

AUTHORIZATION FOR THE BOARD OF DIRECTORS TO APPROVE THOSE TRANSACTIONS WITH RELATED PARTIES (IF EXECUTED) DURING THE FINANCIAL YEAR ENDING JUNE 30TH, 2021 WHICH REQUIRE APPROVAL OF SHAREHOLDERS U/S 207 AND / OR 208 OF THE COMPANIES ACT, 2017

The Company shall be conducting transactions with its related parties during the year ending 30th June 2022 on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. Being the directors of a brokerage house, many Directors may be deemed to be treated as interested in transactions with related parties due to their shareholding in such companies. In order to promote good corporate governance and transparent business practices, the shareholders desire to authorize the Board of Directors to approve transactions with the related parties from time-to-time on case to case basis, including transactions (if executed) triggering approval of shareholders u/s 207 and / or 208 of the Companies Act, 2017, for the year ending June 30th, 2022, which transactions shall be deemed to be approved by the Shareholders. The nature and scope of such related party transactions is explained above. These transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification.

The Directors are interested in the resolution only to the extent of their shareholding and / or directorships in such companies.

Annexure - B

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

INVESTMENTS IN ASSOCIATED COMPANIES & ASSOCIATED UNDERTAKINGS

The Board of Directors of the Company has approved the specific limits for loans/advances along with other particulars for investments in the following associated companies and associated undertakings subject to the consent of members under Section 199 of the Companies Act, 2017 / Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017. The Board of Directors do hereby undertake / certify that necessary due diligence for the following proposed investments have been carried out. The principle purpose of this special resolution is to make the Company in a ready position to capitalize on the investment opportunities as and when they arrive. It is prudent that the Company should be able to make the investment at the right time when the opportunity is available.

S.No	Description	Information
1	**INVESTMENT IN SECURITIES**	
1	Name of the associated company or associated undertakingalong with criteria based on which the associated relationship is established	**SAFEMIX CONCRETE PRODUCTS LIMITED** An associated undertaking due to investments by the holding Company
2	Purpose, benefits and period of investment	For the benefit of the Company and to earn better returns in the long run on strategic investment by capturing the opportunities on the right time
3	Maximum amount of investment	Unutilized limit of PKR 155.69 million is requested for approval. This is in addition to Investment at cost of PKR 94.31 million already made upto 30 June, 2021.
4	Maximum price at which securities will be acquired	At par/premium/market/offered/negotiated price prevailing on the date of transaction/investment
5	Maximum number of securities to be acquired	No of securities purchasable under approved limit in accordance with / based on Sr. Nos. 3 & 4 above
6	In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	Not Applicable
7	Number of securities and percentage thereof held before and after the proposed investment	Before: 5.69 million shares held in the Company as on 30 June, 2021 being 22.80% holding. After: Increase in securities / percentage in accordance with / based on Sr. No. 3, 4 & 5 above
8	In case of investment in listed securities, average of the preceding twelve weekly average price of the security intended to be acquired	PKR 7.89
9	In case of investment in unlisted securities, fair market value of such securities determined in terms of regulation 6 (1)	Not Applicable

S.No	Description	Information
10	Financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements	Total Equity, Total assets and total liability amounting to PKR 177 million, PKR 490 million and PKR 313 million respectively. Gross loss, Loss before tax and Loss after tax amounting to PKR 12.99 million, PKR 110 million and PKR 98.77 million respectvely"
11	Break-up value of securities intended to be acquired on the basis of the latest audited financial statements	PKR 7.09
12	Earning per share of the associated company or associated undertaking for the last three years	2020: PKR (3.95) 2019: PKR (1.19) 2018: PKR 0.10
13	Sources of fund from which securities will be acquired	From company's own available liquidity and credit lines
14	Where the securities are intended to be acquired using borrowed funds	
(i)	Justification for investment through borrowings	The Company foresee the return on this strategic investment higher than the borrowing cost
(ii)	Detail of guarantees and assets pledged for obtaining such funds	Pledge of listed securities and / or charge over assets of the Company, if and where needed.
15	Salient features of the agreement(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment	There is no agreement as this is a Strategic Invest-ment
16	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Directors of the Company have no interest in the investee Company except in their capacity as Sponsor / Director / Share holder of Investee Company.
17	Any other important details necessary for the members to understand the transaction	Not Applicable
18	In case of investment in securities of a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information, is required, namely	
(i)	Description of the project and its history since conceptualization	Not Applicable
(ii)	Starting and expected dated of completion of work	Not Applicable
(iii)	Time by which such project shall become commercially operational	Not Applicable
(iv)	Expected time by which the project shall start paying return on investment	Not Applicable
19	In case an investment in associated company has already been made, the performance review of such investment including complete information / justification for any impairments / write-offs	The sale over the year ended June 30, 2020 decreased significantly due to multiple reasons. Firstly, during the year an exclusive private sector development project was successfully completed, however the major revenue from it was earned during the previous year; secondly, the current financial year started under a stabilization programme, resulting in high interest rates and an attempt to document the economy, which resulted in an overall slowdown in real estate sector. Furthermore, in the last quarter the operations and sales were severely affected due to the outbreak of COVID-19 and imposition of lock-downs. However, the construction package announced by the Federal Government will provide some stimulus for the real sector which will have a trickledown effect on our industry/company, therefore, it is expected that the profit of the Company will increase. Consequently the investment is expected to add value to AHL shareholders. Performance of SMCPL can be referred in Point 10 to 12 above.

S.No	Description	Information
2	**INVESTMENT IN SECURITIES**	
1	Name of the associated company or associated undertakingalong with criteria based on which the associated relationship is established	**POWER CEMENT COMPANY LIMITED** An associated undertaking due to investments by the holding Company
2	Purpose, benefits and period of investment	For the benefit of the Company and to earn better returns in the long run on strategic investment by capturing the opportunities on the right time
3	Maximum amount of investment	Fresh limit of PKR 1000 million and Unutilized limit of PKR 106.95 million is requested for approval. This is in addition to Investment at cost of PKR 143.05 million already made upto 30 June, 2021.
4	Maximum price at which securities will be acquired	At par/premium/market/offered/negotiated price prevailing on the date of transaction/investment
5	Maximum number of securities to be acquired	No of securities purchasable under approved limit in accordance with / based on Sr. Nos. 3 & 4 above
6	In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	Not Applicable
7	Number of securities and percentage thereof held before and after the proposed investment	Before: 6.26 million shares held in the Company as on 30 June, 2021 being 0.59% holding. After: Increase in securities / percentage in accordance with / based on Sr. No. 3, 4 & 5 above
8	In case of investment in listed securities, average of the preceding twelve weekly average price of the security intended to be acquired	PKR 9.47
9	In case of investment in unlisted securities, fair market value of such securities determined in terms of regulation 6 (1)	Not Applicable
10	Financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements	Total Equity, Total assets and total liability amounting to PKR 9,228 million, PKR 45,194 million and PKR 35,967 million respectively. Gross loss, Loss before tax and Loss after tax amounting to PKR 97 million, PKR 3,959 million and PKR 3,616 million respectvely"
11	Break-up value of securities intended to be acquired on the basis of the latest audited financial statements	PKR 8.68
12	Earning per share of the associated company or associated undertaking for the last three years	2020: PKR (3.4) 2019: PKR 0.55 2018: PKR 0.32
13	Sources of fund from which securities will be acquired	From company's own available liquidity and credit lines

S.No	Description	Information
14	Where the securities are intended to be acquired using borrowed funds	
(i)	Justification for investment through borrowings	The Company foresee the return on this strategic investment higher than the borrowing cost
(ii)	Detail of guarantees and assets pledged for obtaining such funds	Pledge of listed securities and / or charge over assets of the Company, if and where needed.
15	Salient features of the agreement(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment	There is no agreement as this is a Strategic Investment
16	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Directors of the Company have no interest in the investee Company except in their capacity as Sponsor / Director / Shareholder of Investee Company.
17	Any other important details necessary for the members to understand the transaction	Not Applicable
18	In case of investment in securities of a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information, is required, namely	
(i)	Description of the project and its history since conceptualization	Not Applicable
(ii)	Starting and expected dated of completion of work	Not Applicable
(iii)	Time by which such project shall become commercially operational	Not Applicable
(iv)	Expected time by which the project shall start paying return on investment	Not Applicable
19	In case an investment in associated company has already been made, the performance review of such investment including complete information / justification for any impairments / write-offs	During the financial year 2019-20, the Company gross sales touched Rs. 8,193 million. Sales of Rs. 1,565 million, being part of the trial production, have been classified in Capital Work in Progress. Overall gross sales revenue of your Company increased by 16 % as compared to last year whereas net sales revenue increased by 7 % in line with the improved sales volume during the period primarily due to surge in exports on the back of superior quality production of the Company. The Earnings per Share dropped during the year (loss of Rs. 3.40) as compared to earnings of Rs. 0.55 per share in the comparative year) The Company's declining profitability was mainly attributable to higher debt burden on account of mark-up expenses accrued on Line III debts. The Government has incentivized the construction sector by legislating a package announced by the Prime Minister to increase the cement consumption in the country in the wake of the coronavirus pandemic. The government has approved an industry status for the construction sector after announcing establishment of a Construction Industry Development Board. If effectively implemented, this construction policy would play a significant role in paving the way for the government's promise of providing 10 million employment opportunities and 5 million houses to the nation. Goverments initiative will have a positive impact of profitability of the Company. Consequently the investment is expected to add value to AHL shareholders. Performance of PCL can be referred in Point 10 to 12 above.

S.No	Description	Information
3	**INVESTMENT IN SECURITIES**	
1	Name of the associated company or associated undertakingalong with criteria based on which the associated relationship is established	**Aisha Steel Mills Limited** An associated undertaking due to investments by the holding Company
2	Purpose, benefits and period of investment	For the benefit of the Company and to earn better returns in the long run on strategic investment by capturing the opportunities on the right time
3	Maximum amount of investment	Fresh limit of PKR 1,000 million is requested for approval. This is in addition to Investment at cost of PKR 250 million already made upto 30 June, 2021.
4	Maximum price at which securities will be acquired	At par/premium/market/offered/negotiated price prevailing on the date of transaction/investment
5	Maximum number of securities to be acquired	No of securities purchasable under approved limit in accordance with / based on Sr. Nos. 3 & 4 above
6	In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	Not Applicable
7	Number of securities and percentage thereof held before and after the proposed investment	Before: 7.5 million (ordinary) & 0.12 million (prefrence) shares held in the Company as on 30 June, 2021, being 0.99% holding. After: Increase in securities / percentage in accordance with / based on Sr. No. 3, 4 & 5 above
8	In case of investment in listed securities, average of the preceding twelve weekly average price of the security intended to be acquired	PKR 19.62
9	In case of investment in unlisted securities, fair market value of such securities determined in terms of regulation 6 (1)	Not Applicable
10	Financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements	Total Equity, Total assets and total liability amounting to PKR 8,097 million, PKR 34,509 million and PKR 26,411 million respectively. Gross profit, Loss before tax and Loss after tax amounting to PKR 2,366 million, PKR (1,343) million and PKR 617 million respectvely"
11	Break-up value of securities intended to be acquired on the basis of the latest audited financial statements	PKR 9.96
12	Earning per share of the associated company or associated undertaking for the last three years	2020: PKR (0.89) 2019: PKR 0.26 2018: PKR 1.57
13	Sources of fund from which securities will be acquired	From company's own available liquidity and credit lines

S.No	Description	Information
14	Where the securities are intended to be acquired using borrowed funds	
(i)	Justification for investment through borrowings	The Company foresee the return on this strategic investment higher than the borrowing cost.
(ii)	Detail of guarantees and assets pledged for obtaining such funds	Pledge of listed securities and / or charge over assets of the Company, if and where needed.
15	Salient features of the agreement(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment	There is no agreement as this is a Strategic Investment
16	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Directors of the Company have no interest in the investee Company except in their capacity as Sponsor / Director / Shareholder of Investee Company.
17	Any other important details necessary for the members to understand the transaction	Not Applicable
18	In case of investment in securities of a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information, is required, namely	
(i)	Description of the project and its history since conceptualization	Not Applicable
(ii)	Starting and expected dated of completion of work	Not Applicable
(iii)	Time by which such project shall become commercially operational	Not Applicable
(iv)	Expected time by which the project shall start paying return on investment	Not Applicable
19	In case an investment in associated company has already been made, the performance review of such investment including complete information / justification for any impairments / write-offs	FY20 saw some extra ordinary developments that not only affected the current global business, but also will leave its mark for foreseeable future. It comprised of crises and challenges both at international and local front. Locally ASL witnessed application of tight monetary and fiscal policies to counter the rising inflation, sharp devaluation, and depleting current account balance, with re-entry into the IMF program l leading to major macroeconomic adjustments. Interest rates during the period July 2019 to February 2020 were as high as 13.25%. The PKR exchange rate vis-à-vis the USD depreciated substantially and the growth stalled. Although some signs of economic recovery emerged towards the end of the calendar year, but they were cut short by the emergence of COVID-19 pandemic. Moving forward the outlook of the business of the Company looks healthy, and will further strengthen with continuity of business-friendly policies of the government. Consequently the investment is expected to add value to AHL shareholders. Performance of ASL can be referred in Point 10 to 12 above.

S.No	Description	Information
4	**INVESTMENT IN SECURITIES**	
1	Name of the associated company or associated undertakingalong with criteria based on which the associated relationship is established	**JAVEDAN CORPORATION LIMITED** An associated undertaking due to investments by the holding Company
2	Purpose, benefits and period of investment	For the benefit of the Company and to earn better returns in the long run on strategic investment by capturing the opportunities on the right time
3	Maximum amount of investment	Fresh limit of PKR 1,000 million is requested for approv-al.This is in addition to Investment at cost of PKR 250 million already made upto 30 June, 2021.
4	Maximum price at which securities will be acquired	At par/premium/market/offered/negotiated price prevailing on the date of transaction/investment
5	Maximum number of securities to be acquired	No of securities purchasable under approved limit in accordance with / based on Sr. Nos. 3 & 4 above
6	In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	Not Applicable
7	Number of securities and percentage thereof held before and after the proposed investment	Not Applicable After: Increase in securities / percentage in accordance with / based on Sr. No. 3, 4 & 5 above
8	In case of investment in listed securities, average of the preceding twelve weekly average price of the security intended to be acquired	PKR 26.52
9	In case of investment in unlisted securities, fair market value of such securities determined in terms of regulation 6 (1)	Not Applicable
10	Financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements	Total Equity, Total assets and total liability amounting to PKR 17,523 million, PKR 26,155 million and PKR 8,632 million respectively. Gross profit, (Loss) / Profit before tax and Profit after tax amounting to PKR 912 million, PKR 371 million and PKR 209 million respectvely"
11	Break-up value of securities intended to be acquired on the basis of the latest audited financial statements	PKR 55.21
12	Earning per share of the associated company or associated undertaking for the last three years	2020: PKR 0.66 2019: PKR 1.83 2018: PKR 3.10
13	Sources of fund from which securities will be acquired	From company's own available liquidity and credit lines

S.No	Description	Information
14	Where the securities are intended to be acquired using borrowed funds	
(i)	Justification for investment through borrowings	The Company foresee the return on this strategic investment higher than the borrowing cost
(ii)	Detail of guarantees and assets pledged for obtaining such funds	Pledge of listed securities and / or charge over assets of the Company, if and where needed.
15	Salient features of the agreement(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment	There is no agreement as this is a Strategic Investment
16	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Directors of the Company have no interest in the investee Company except in their capacity as Sponsor / Director / Shareholder of Investee Company.
17	Any other important details necessary for the members to understand the transaction	Not Applicable
18	In case of investment in securities of a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information, is required, namely	
(i)	Description of the project and its history since conceptualization	Not Applicable
(ii)	Starting and expected dated of completion of work	Not Applicable
(iii)	Time by which such project shall become commercially operational	Not Applicable
(iv)	Expected time by which the project shall start paying return on investment	Not Applicable
19	In case an investment in associated company has already been made, the performance review of such investment including complete information / justification for any impairments / write-offs	During the financial year 2020, JCL recorded sale of PKR 1,643 million as compared to PKR 1,899 million in the corresponding period last year. The Cost of sales for the period was recorded at PKR 708 million as compared to PKR 772 million in the corresponding period. The gross profit for the year declined by 17% amounting to PKR 191 million. The profitability over the period has declined mainly on account of deficit of PKR 238 million recognised on development cost incurred and development cost recovered from allottees of Phase 1 and increase in finance cost. For Real Estate Sector the announced construction package by the Federal Government should provide some stimulus to the sector to restore normalcy earlier than, otherwise, expected. It is important to note that the construction package by the Federal Government has been backed up by necessary changes required at Provincial level in terms of provincial level taxes and duties Consequently the investment is expected to add value to AHL shareholders. Performance of JCL can be referred in Point 10 to 12 above.

S.No	Description	Information
1	**LOANS AND ADVANCES**	
1	Name of the associated company or associated undertaking along with criteria based on which the associated relationship is established	**SAFEMIX CONCRETE PRODUCTS LIMITED** An associated undertaking due to investment by the holding Company
2	Amount of loans or advances	Previously sanctioned unutilized limit of PKR 250 million is requested for renewal. Above facilities will be in the nature of running finance for a period of one year and shall be renewable in next general meeting for further period of one year.
3	Purpose of loans or advances and benefits likely to accrue to the investing company and its members from such loans or advances	To support the functionality , operations and growth of the associate.
4	In case any loan has already been granted to the said associated company or associated undertaking, the complete details thereof	During 2020-21, no loan was extended to the associate.
5	In case an investment in associated company has already been made, the performance review of such investment including complete information / justification for any impairments / write-offs	During 2020-21, no loan was extended to the associate.
6	Financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements	Total Equity, Total assets and total liability amounting to PKR 177 million, PKR 490 million and PKR 313 million respectively. Gross loss, Loss before tax and Loss after tax amounting to PKR 12.99 million, PKR 110 million and PKR 98.77 million respectvely"
7	Average borrowing cost of the investing company or in case of absence of borrowing the Karachi Inter Bank Offered Rate for the relevant period	Average borrowing cost of the investing Company ranges from 1 month KIBOR + 0.5% to 1.0% , 3 month KIBOR + 0.50% to 1.5% in 2020 - 2021.
8	Rate of interest, mark up, profit, fees or commission etc. to be charged	Higher than the Companys' prevalent average borrowing cost.
9	Sources of funds from where loans or advances will be given	From Company's own available liquidity and credit lines
10	Where loans or advances are being granted using borrowed funds	
(i)	Justification for granting loan or advance out of borrowed funds	To support the functionality, operations and growth of the associate.
(ii)	Detail of guarantees / assets pledged for obtaining such funds, if any	Pledge of listed securities and / or charge over assets of the Company, if and where needed.
(iii)	Repayment schedules of borrowing of the investing company	Obtained facilities have different maturity dates upto May 31, 2022.
11	Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any	Will be decided with mutual consent at the time of extending the loan.

S.No	Description	Information
12	If the loans or advances carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable	Not Applicable
13	Repayment schedule and terms of loans or advances to be given to the investee company	Above facilities will be in the nature of running finance for a period of one year and shall be renewable in next general meeting for further period of one year.
14	Salient features of all agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment	Not Applicable
15	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Directors of the Company have no interest in the investee Company except in their capacity as Sponsor / Director / Shareholder of Investee Company.
16	Any other important details necessary for the members to understand the transaction	Not Applicable
17	In case of investment in a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information is required, namely	
(i)	A description of the project and its history since conceptualization	Not Applicable
(ii)	Start date and expected date of completion	Not Applicable
(iii)	Time by which such project shall become commercially operational	Not Applicable
(iv)	Expected return on total capital employed in the project	Not Applicable
(v)	Funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts	Not Applicable

S.No	Description	Information
2	**LOANS AND ADVANCES**	
1	Name of the associated company or associated undertaking along with criteria based on which the associated relationship is established	**ARIF HABIB CORPORATION LIMITED** An associated undertaking due to Parent Comapny.
2	Amount of loans or advances	Previously sanctioned unutilized limit of PKR 1,500 million is requested for renewal. Above facilities will be in the nature of running finance for a period of one year and shall be renewable in next general meeting for further period of one year.
3	Purpose of loans or advances and benefits likely to accrue to the investing company and its members from such loans or advances	To support the functionality , operations and growth of the associate.
4	In case any loan has already been granted to the said associated company or associated undertaking, the complete details thereof	During 2020-21, no loan was extended to the associate.
5	In case an investment in associated company has already been made, the performance review of such investment including complete information / justification for any impairments / write-offs	During 2020-21, no loan was extended to the associate.
6	Financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements	Total Equity, Total assets and total liability amounting to PKR 18,103 million, PKR 18,978 million and PKR 875 million respectively. EBITDA, Loss before tax and Loss after tax amounting to PKR (246) million, PKR (442) million and PKR (569) million respectvely"
7	Average borrowing cost of the investing company or in case of absence of borrowing the Karachi Inter Bank Offered Rate for the relevant period	Average borrowing cost of the investing Company ranges from 1 month KIBOR + 0.5% to 1.0% , 3 month KIBOR + 0.50% to 1.5% in 2020 - 2021.
8	Rate of interest, mark up, profit, fees or commission etc. to be charged	Higher than the Companys' prevalent average borrowing cost.
9	Sources of funds from where loans or advances will be given	From Company's own available liquidity and credit lines
10	Where loans or advances are being granted using borrowed funds	
(i)	Justification for granting loan or advance out of borrowed funds	To support the functionality, operations and growth of the associate.
(ii)	Detail of guarantees / assets pledged for obtaining such funds, if any	Pledge of listed securities and / or charge over assets of the Company, if and where needed.
(iii)	Repayment schedules of borrowing of the investing company	Obtained facilities have different maturity dates upto May 31, 2022.
11	Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any	Will be decided with mutual consent at the time of extending the loan.

S.No	Description	Information
12	If the loans or advances carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable	Not Applicable
13	Repayment schedule and terms of loans or advances to be given to the investee company	Above facilities will be in the nature of running finance for a period of one year and shall be renewable in next general meeting for further period of one year.
14	Salient features of all agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment	Not Applicable
15	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Directors of the Company have no interest in the investee Company except in their capacity as Sponsor / Director / Shareholder of Investee Company.
16	Any other important details necessary for the members to understand the transaction	Not Applicable
17	In case of investment in a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information is required, namely	
(i)	A description of the project and its history since conceptualization	Not Applicable
(ii)	Start date and expected date of completion	Not Applicable
(iii)	Time by which such project shall become commercially operational	Not Applicable
(iv)	Expected return on total capital employed in the project	Not Applicable
(v)	Funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts	Not Applicable

S.No	Description	Information
3	**LOANS AND ADVANCES**	
1	Name of the associated company or associated undertaking along with criteria based on which the associated relationship is established	**POWER CEMENT LIMITED** An associated undertaking due to investment by the holding Company
2	Amount of loans or advances	Fresh limit of PKR 500 million is requested for approval. This is in adition to previously sanctioned unutilized limit of PKR 500 million is requested for renewal. Above facilities will be in the nature of running finance for a period of one year and shall be renewable in next general meeting for further period of one year.
3	Purpose of loans or advances and benefits likely to accrue to the investing company and its members from such loans or advances	To support the functionality , operations and growth of the associate.
4	In case any loan has already been granted to the said associated company or associated undertaking, the complete details thereof	During 2020-21, no loan was extended to the associate.
5	In case an investment in associated company has already been made, the performance review of such investment including complete information / justification for any impairments / write-offs	During 2020-21, no loan was extended to the associate.
6	Financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements	Total Equity, Total assets and total liability amounting to PKR 9,228 million, PKR 45,194 million and PKR 35,967 million respectively. Gross loss, Loss before tax and Loss after tax amounting to PKR 97 million, PKR 3,959 million and PKR 3,616 million respectvely"
7	Average borrowing cost of the investing company or in case of absence of borrowing the Karachi Inter Bank Offered Rate for the relevant period	Average borrowing cost of the investing Company ranges from 1 month KIBOR + 0.5% to 1.0% , 3 month KIBOR + 0.50% to 1.5% in 2020 - 2021.
8	Rate of interest, mark up, profit, fees or commission etc. to be charged	Higher than the Companys' prevalent average borrowing cost.
9	Sources of funds from where loans or advances will be given	From Company's own available liquidity and credit lines
10	Where loans or advances are being granted using borrowed funds	
(i)	Justification for granting loan or advance out of borrowed funds	To support the functionality, operations and growth of the associate.
(ii)	Detail of guarantees / assets pledged for obtaining such funds, if any	Pledge of listed securities and / or charge over assets of the Company, if and where needed.
(iii)	Repayment schedules of borrowing of the investing company	Obtained facilities have different maturity dates upto May 31, 2022.
11	Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, f any	Will be decided with mutual consent at the time of extending the loan.

S.No	Description	Information
12	If the loans or advances carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable	Not Applicable
13	Repayment schedule and terms of loans or advances to be given to the investee company	Above facilities will be in the nature of running finance for a period of one year and shall be renewable in next general meeting for further period of one year.
14	Salient features of all agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment	Not Applicable
15	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Directors of the Company have no interest in the investee Company except in their capacity as Sponsor / Director / Shareholder of Investee Company.
16	Any other important details necessary for the members to understand the transaction	Not Applicable
17	In case of investment in a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information is required, namely	
(i)	A description of the project and its history since conceptualization	Not Applicable
(ii)	Start date and expected date of completion	Not Applicable
(iii)	Time by which such project shall become commercially operational	Not Applicable
(iv)	Expected return on total capital employed in the project	Not Applicable
(v)	Funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts	Not Applicable

S.No	Description	Information
4	**LOANS AND ADVANCES**	
1	Name of the associated company or associated undertaking along with criteria based on which the associated relationship is established	**Aisha Steel Mills Limited** An associated undertaking due to investment by the holding Company
2	Amount of loans or advances	Fresh limit of PKR 500 million is requested for approval. This is in addition to previously sanctioned unutilized limit of PKR 500 million is requested for renewal. Above facilities will be in the nature of running finance for a period of one year and shall be renewable in next general meeting for further period of one year.
3	Purpose of loans or advances and benefits likely to accrue to the investing company and its members from such loans or advances	To support the functionality , operations and growth of the associate.
4	In case any loan has already been granted to the said associated company or associated undertaking, the complete details thereof	During 2020-21, no loan was extended to the associate.
5	In case an investment in associated company has already been made, the performance review of such investment including complete information / justification for any impairments / write-offs	During 2020-21, no loan was extended to the associate.
6	Financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements	Total Equity, Total assets and total liability amounting to PKR 8,097 million, PKR 34,509 million and PKR 26,411 million respectively. Gross profit, Loss before tax and Loss after tax amounting to PKR 2,366 million, PKR (1,343) million and PKR 617 million respectvely"
7	Average borrowing cost of the investing company or in case of absence of borrowing the Karachi Inter Bank Offered Rate for the relevant period	Average borrowing cost of the investing Company ranges from 1 month KIBOR + 0.5% to 1.0% , 3 month KIBOR + 0.50% to 1.5% in 2020 - 2021.
8	Rate of interest, mark up, profit, fees or commission etc. to be charged	Higher than the Companys' prevalent average borrowing cost.
9	Sources of funds from where loans or advances will be given	From Company's own available liquidity and credit lines
10	Where loans or advances are being granted using borrowed funds	
(i)	Justification for granting loan or advance out of borrowed funds	To support the functionality, operations and growth of the associate.
(ii)	Detail of guarantees / assets pledged for obtaining such funds, if any	Pledge of listed securities and / or charge over assets of the Company, if and where needed.
(iii)	Repayment schedules of borrowing of the investing company	Obtained facilities have different maturity dates upto May 31, 2022.
11	Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any	Will be decided with mutual consent at the time of extending the loan.

S.No	Description	Information
12	If the loans or advances carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable	Not Applicable
13	Repayment schedule and terms of loans or advances to be given to the investee company	Above facilities will be in the nature of running finance for a period of one year and shall be renewable in next general meeting for further period of one year.
14	Salient features of all agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment	Not Applicable
15	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Directors of the Company have no interest in the investee Company except in their capacity as Sponsor / Director / Shareholder of Investee Company.
16	Any other important details necessary for the members to understand the transaction	Not Applicable
17	In case of investment in a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information is required, namely	
(i)	A description of the project and its history since conceptualization	Not Applicable
(ii)	Start date and expected date of completion	Not Applicable
(iii)	Time by which such project shall become commercially operational	Not Applicable
(iv)	Expected return on total capital employed in the project	Not Applicable
(v)	Funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts	Not Applicable

S.No	Description	Information
5	**LOANS AND ADVANCES**	
1	Name of the associated company or associated undertaking along with criteria based on which the associated relationship is established	**JAVEDAN CORPORATION LIMITED** An associated undertaking due to investment by the holding Company
2	Amount of loans or advances	Fresh limit of PKR 500 million is requested for approval. This is in adition to previously sanctioned unutilized limit of PKR 500 million is requested for renewal. Above facilities will be in the nature of running finance for a period of one year and shall be renewable in next general meeting for further period of one year.
3	Purpose of loans or advances and benefits likely to accrue to the investing company and its members from such loans or advances	To support the functionality , operations and growth of the associate.
4	In case any loan has already been granted to the said associated company or associated undertaking, the complete details thereof	During 2020-21, no loan was extended to the associate.
5	In case an investment in associated company has already been made, the performance review of such investment including complete information / justification for any impairments / write-offs	During 2020-21, no loan was extended to the associate.
6	Financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements	Total Equity, Total assets and total liability amounting to PKR 17,523 million, PKR 26,155 million and PKR 8,632 million respectively. Gross profit, (Loss) / Profit before tax and Profit after tax amounting to PKR 912 million, PKR 371 million and PKR 209 million respectvely"
7	Average borrowing cost of the investing company or in case of absence of borrowing the Karachi Inter Bank Offered Rate for the relevant period	Average borrowing cost of the investing Company ranges from 1 month KIBOR + 0.5% to 1.0% , 3 month KIBOR + 0.50% to 1.5% in 2020 - 2021.
8	Rate of interest, mark up, profit, fees or commission etc. to be charged	Higher than the Companys' prevalent average borrowing cost.
9	Sources of funds from where loans or advances will be given	From Company's own available liquidity and credit lines
10	Where loans or advances are being granted using borrowed funds	
(i)	Justification for granting loan or advance out of borrowed funds	To support the functionality, operations and growth of the associate.
(ii)	Detail of guarantees / assets pledged for obtaining such funds, if any	Pledge of listed securities and / or charge over assets of the Company, if and where needed.
(iii)	Repayment schedules of borrowing of the investing company	Obtained facilities have different maturity dates upto May 31, 2022.
11	Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any	Will be decided with mutual consent at the time of extending the loan.

S.No	Description	Information
12	If the loans or advances carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable	Not Applicable
13	Repayment schedule and terms of loans or advances to be given to the investee company	Above facilities will be in the nature of running finance for a period of one year and shall be renewable in next general meeting for further period of one year.
14	Salient features of all agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment	Not Applicable
15	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Directors of the Company have no interest in the investee Company except in their capacity as Sponsor / Director / Shareholder of Investee Company.
16	Any other important details necessary for the members to understand the transaction	Not Applicable
17	In case of investment in a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information is required, namely	
(i)	A description of the project and its history since conceptualization	Not Applicable
(ii)	Start date and expected date of completion	Not Applicable
(iii)	Time by which such project shall become commercially operational	Not Applicable
(iv)	Expected return on total capital employed in the project	Not Applicable
(v)	Funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts	Not Applicable

ANNEXURE - C

Statement under Section 134(3) of the Companies Act, 2017, in compliance with Regulation 4(2) of Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012, for decision to make investment under the authority of a resolution passed earlier pursuant to provisions of section 208 of the Companies Ordinance, 1984 (repealed) is not implemented either fully or partially:

The Company in its previous general meetings had sought approvals under section 208 of the Companies Ordinance, 1984 (repealed) for investments in the following Associated Companies and Associated Undertakings in which investment has not been made so far, either fully or partially. Approval of renewal of unutilised portion of equity investments and sanctioned limit of loans and advances is also hereby sought for the companies, in which directors of the company have no inertest except in their capacity as director/shareholder, as per following details :

1 Name of associated company / undertaking : **Arif Habib Corporation Limited**

S. No.	Description	Investment in Securities		Loans / Advances and Corporate Gurantees	
a)	total investment approved;		-		1,500,000,000
b)	amount of investment made to date;		-		-
c)	reasons for not having made complete investment so far where resolution required it to be implemented in specified time; and			Facility is in the nature of Running Finance to be availed as and when needed in the interest of the shareholders	
d)	material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company :	**2020**	2019	**2020**	2019
i	Earnings per share - basic & diluted	(1.38)	(2.12)	(1.38)	(2.12)
ii	Net (Loss) / Profit	(569,875,093)	(963,841,051)	(569,875,093)	(963,841,051)
iii	Shareholders Equity	18,103,036,343	19,877,951,283	18,103,036,343	19,877,951,283
iv	Total Assets	18,978,026,120	26,708,568,580	18,978,026,120	26,708,568,580
v	Break-up value	44.33	43.81	44.33	43.81
	RENEWAL IN PREVIOUS LIMITS REQUESTED FOR PORTION I.E. :	**Unutilised**	**-**	**Sanctioned**	**1,500,000,000**

2 Name of associated company / undertaking : **Safe Mix Concrete Products Limited**

S. No.	Description	Investment in Securities		Loans / Advances and Corporate Gurantees	
a)	total investment approved;		250,000,000		250,000,000
b)	amount of investment made to date;		94,300,696		-
c)	reasons for not having made complete investment so far whereresolution required it to be implemented in specified time; and	Waiting for an appropriate time in the interest of the shareholders for complete utilisation		Facility is in the nature of running finance and availed as and when needed in the interest of the shareholders	
d)	material change in financial statementsof associated company or associated undertaking since date of the resolution passed for approval of investment in such company :	**2020**	2019	**2020**	2019
i	Eanings per share	(3.95)	(1.19)	(3.95)	(1.19)
ii	Net (Lose)/Profit	(98,777,041)	(29,771,054)	(98,777,041)	(29,771,054)
iii	Shareholders Equity	177,356,035	188,148,433	177,356,035	188,148,433
iv	Total Assets	490,062,787	608,474,409	490,062,787	608,474,409
v	Break-up value	7.09	7.53	7.09	7.53
	RENEWAL IN PREVIOUS LIMITS REQUESTED FOR PORTION I.E.:	**Unutilised**	**155,699,304**	**Sanctioned**	**250,000,000**

3 Name of associated company / undertaking : **Power Cement Limited**

S. No.	Description	Investment in Securities		Loans / Advances and Corporate Gurantees	
a)	total investment approved;		250,000,000		500,000,000
b)	amount of investment made to date;		143,048,035		-
c)	reasons for not having made complete investment so far where resolution required it to be implemented in specified time; and"	Waiting for an appropriate time in the interest of the shareholders for complete utilisation		Facility is in the nature of running finance and availed as and when needed in the interest of the shareholders	
d)	material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company :	**2020**	2019	**2020**	2019
i	Eanings per share	(3.40)	0.55	(3.40)	0.55
ii	Net Profit	(3,616,452,000)	931,268,000	(3,616,452,000)	931,268,000
iii	Shareholders Equity	9,228,394,000	12,221,540,000	9,228,394,000	12,221,540,000
iv	Total Assets	45,194,965,000	40,008,403,000	45,194,965,000	40,008,403,000
v	Break-up value	8.68	11.49	8.68	11.49
	RENEWAL IN PREVIOUS LIMITS REQUESTED FOR PORTION I.E.:	**Unutilised**	**106,951,965**	**Sanctioned**	**500,000,000**

4 Name of associated company / undertaking : **Aisha Steel Mills Limited**

S. No.	Description	Investment in Securities		Loans / Advances and Corporate Gurantees	
a)	total investment approved;	250,000,000		500,000,000	
b)	amount of investment made to date;	250,000,000		-	
c)	reasons for not having made complete investment so far where resolution required it to be implemented in specified time; and"	Waiting for an appropriate time in the interest of the shareholders for complete utilisation		Facility is in the nature of running finance and availed as and when needed in the interest of the shareholders	
d)	material change in financial statementsof associated company or associated undertaking since date of the resolution passed for approval of investment in such company:	**2020**	2019	**2020**	2019
i	Eanings per share - Basic	(0.89)	0.26	(0.89)	0.26
ii	Net (Lose)/Profit	(616,573,000)	253,698,000	(616,573,000)	253,698,000
iii	Shareholders Equity	8,097,437,000	8,746,828,000	8,097,437,000	8,746,828,000
iv	Total Assets	34,509,399,000	32,730,909,000	34,509,399,000	32,730,909,000
v	Break-up value	9.96	11.43	9.96	11.43
	RENEWAL IN PREVIOUS LIMITS REQUESTED FOR PORTION I.E.:	**Unutilised**	**-**	**Sanctioned**	**500,000,000**

5 Name of associated company / undertaking : **Javedan Corporation Limited**

S. No.	Description	Investment in Securities		Loans / Advances and Corporate Gurantees	
a)	total investment approved;	250,000,000		500,000,000	
b)	amount of investment made to date;	250,000,000		-	
c)	reasons for not having made complete investment so far where resolution required it to be implemented in specified time; and"	Waiting for an appropriate time in the interest of the shareholders for complete utilisation		Facility is in the nature of running finance and availed as and when needed in the interest of the shareholders	
d)	material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company :	**2020**	2019	**2020**	2019
i	Eanings per share - Basic	0.66	1.83	0.66	1.83
ii	Net Profit	209,156,000	579,880,000	209,156,000	579,880,000
iii	Shareholders Equity	17,523,409,000	17,284,413,000	17,523,409,000	17,284,413,000
iv	Total Assets	26,154,969,000	25,283,074,000	26,154,969,000	25,283,074,000
v	Break-up value	55.21	59.91	55.21	59.91
	RENEWAL IN PREVIOUS LIMITS REQUESTED FOR PORTION I.E.:	**Unutilised**	**-**	**Sanctioned**	**500,000,000**

CATEGORIES OF **SHAREHOLDERS** As of JUNE 30, 2021

Categories of Shareholders	Shareholders	Shares Held	Percentage (%)
Directors and their spouse(s) and minor children	7	66,833	0.11
Associated companies, undertakings and related parties	3	43,056,384	72.49
NIT & ICP	-	-	-
Banks Development Financial Institutions, Non Banking Financial Financial Institutions.	2	100,054	0.17
Insurance Companies	2	226,920	0.38
Modarabas and Mutual Funds	4	72,500	0.12
General Public Foreign	6	39,500	0.07
Foreign Companies	-	-	-
Others	47	3,315,528	5.58
General Public Local	2849	12,522,281	21.08
Total	**2920**	**59,400,000**	**100.00**

CATEGORIES OF **SHAREHOLDERS** As of JUNE 30, 2021

Categories of Shareholders	Shareholders	Shares Held	Percentage (%)
Directors and their spouse(s) and minor children			
MUHAMMAD HAROON	1	1,557	0.00
NIDA AHSAN	1	1,099	0.00
SHARMIN SHAHID	1	1,099	0.00
MOHSIN MADNI	1	500	0.00
MUHAMMAD SHAHID ALI	1	878	0.00
ZAFAR ALAM	1	61,100	0.10
MUHAMMAD SOHAIL SALAT	1	600	0.00
Associated Companies, undertakings and related parties	3	43,056,384	72.49
NIT & ICP	-	-	-
Banks Development Financial Institutions, Non Banking Financial Institutions.	2	100,054	0.17
Insurance Companies	2	226,920	0.38
Modarabas and Mutual Funds	4	72,500	0.12
General Public			
a. Local	2,849	12,522,281	21.08
b. Foreign	6	39,500	0.07
Foreign Companies	-	-	-
Others	47	3,315,528	5.58
Totals	**2,920**	**59,400,000**	**100.00**

Share holders holding 10% or more	Shares Held	Percentage
M/S. ARIF HABIB CORPORATION LIMITED	41,245,884	69.44

CATEGORIES OF
SHAREHOLDERS
As of JUNE 30, 2021

# Of Shareholders	Shareholdings' Slab			Total Shares Held
592	1	to	100	15,485
513	101	to	500	142,376
362	501	to	1000	276,650
996	1001	to	5000	2,166,618
182	5001	to	10000	1,360,247
101	10001	to	15000	1,277,061
43	15001	to	20000	781,014
21	20001	to	25000	481,938
18	25001	to	30000	503,919
11	30001	to	35000	366,320
8	35001	to	40000	293,897
6	40001	to	45000	251,846
15	45001	to	50000	734,713
8	50001	to	55000	420,560
3	55001	to	60000	173,920
5	60001	to	65000	317,609
1	65001	to	70000	68,000
1	70001	to	75000	70,399
4	75001	to	80000	319,197
2	85001	to	90000	175,400
1	95001	to	100000	100,000
2	100001	to	105000	202,528
1	110001	to	115000	113,000
3	115001	to	120000	360,000
2	125001	to	130000	252,000
2	130001	to	135000	264,607
1	135001	to	140000	140,000
1	140001	to	145000	145,000
1	155001	to	160000	160,000
1	170001	to	175000	171,500
1	175001	to	180000	180,000
2	195001	to	200000	400,000
2	200001	to	205000	404,700
1	290001	to	295000	292,000
1	295001	to	300000	300,000
1	415001	to	420000	415,704
1	425001	to	430000	428,500
1	1810001	to	1815000	1,810,500
1	1815001	to	1820000	1,816,908
1	8245001	to	8250000	8,245,884
1	32995001	to	33000000	33,000,000
2920				**59,400,000**

اظہار تشکر

ہم کمپنی کے حصص داران کے اعتماد اور سرپرستی کے لئے ان کے مشکور ہیں۔ ہم تمام اسٹیک ہولڈرز، اپنی پیرنٹ کمپنی ، اسٹیٹ بینک آف پاکستان ، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور پاکستان اسٹاک ایکسچینج لمیٹڈ آف پاکستان اسٹاک ایکسچینج لمیٹڈ کو ان کی غیر متزلزل حمایت اور رہنمائی کے لئے مخلصانہ خراج تحسین پیش کرتے ہیں۔

ہم اس مدت کے دوران کمپنی کے ملازمین کی محنت کا اعتراف کرتے ہوئے تعریف کرتے ہیں۔ ہم بورڈ کمیٹیوں کے ممبروں کی قیمتی شراکت اور فعال کردار کو بھی تسلیم کرتے ہیں جو کہ خصوصی اہمیت کے معاملات میں انتظامیہ کی مدد اور رہنمائی کرتے ہیں۔

بورڈ آف ڈائریکٹرز کے لیے اور ان کی جانب سے ،

علی حبیب ظفر عالم
چیف ایگزیکٹو آفیسر اور ایگزیکٹو ڈائریکٹر

محمد شاہد
چیئرمین

کراچی
تاریخ: 30 جولائی 2021۔

اسٹیک ہولڈرز کے لئے معلومات

گزشتہ سالوں کے اہم آپریٹنگ اور مالی اعداد و شمار کا خلاصہ کیا گیا ہے اور اسے صفحہ نمبر 187 پر پیش کیا گیا ہے۔

بیلنس شیٹ کے بعد کی تاریخ کا واقعہ / منافع

بورڈ آف ڈائریکٹرز نے July 30, 2021 کو منعقد اپنے اجلاس میں فی حصص -/Rs. 10 نقد منافع مجموعاً Rs. 594 ملین، مع 10حصص برائے ہر 100 حصص (i.e 10%) September 25, 2021 کو منعقد ہونے والے سالانہ عام اجلاس میں ارکان کی منظوری کے لئے پیش کیے جانے کے لئے تجویز کیا ہے ۔ یہ غیر منضبط مالی بیانات اس تخصیص کی عکاسی نہیں کرتے ہیں۔

پارٹی سے متعلق ترسیلات

فہرست سازی کے ضوابط کی ضروریات کی تعمیل کرنے کے لئے ، کمپنی نے پارٹی سے متعلقہ تمام ترسیلات کو آڈٹ کمیٹی اور بورڈ کے سامنے جائزہ اور منظوری کے لئے پیش کیا ہے ۔ ان ترسیلات کو آڈٹ کمیٹی اور بورڈ نے اپنے اجلاسوں میں منظور کرلیا ہے ۔ متعلقہ فریقوں سے متعلق تمام ترسیلات کی تفصیلات منسلک آڈٹ شدہ مالی بیانات کے نوٹ 35 اور 34 میں فراہم کی گئی ہیں۔

آڈیٹر

سبکدوش ہونے والے آڈیٹرز میسرز چارٹرڈ اکاؤنٹنٹ رحمان سرفراز رحیم اقبال رفیق نے دوبارہ تقرری کے لئے خود کو پیش کیا ہے ۔ بورڈ ان کی دوبارہ تقرری کی سفارش کرتا ہے ۔ ایک قرارداد میسرز رحمن سرفراز رحیم اقبال رفیق کو مالی سال 22-2021 کے لئے بطور آڈیٹر منظوری کے لئے آئندہ سالانہ جنرل اجلاس میں پیش کی جائے گی۔

مستقبل کے امکانات

آپ کے کمپنی کے مستقبل کے امکانات کمپنی کے مارکیٹ شیئر کو بڑھانے اور اس کے تمام کاروباری طبقات میں وسیع پیمانے پر شرکت کے ذریعہ انتظامیہ کی کوششوں کی وجہ سے نہایت خوش آئند ہیں۔ کمپنی کی اپنی خدمات کے پریمیم سویٹ کے ذریعہ اپنے موجودہ گاہکوں کے ساتھ ساتھ متوقع غیر ملکی اور ملکی مؤکلان سے روابط وسیع کرتے ہوئے بہتر حجم کے حصول کی کوشش کر رہی ہے ۔ اس میں کمپنی کی اعلیٰ معیار کی ریسرچ کو ترقی دینے کے ذریعہ منفرد پروڈکٹس اور خدمات کی پیش کش شامل ہے ۔

مینجمنٹ ایکویٹی اور قرض کی نئی فہرستوں کی وجہ سے بڑھتی ہوئی سرگرمی کی بھی پیش گوئی کرتی ہے جس کے لئے انویسٹمنٹ بینکنگ ڈویژن پوری طرح سے لیس ہے ۔

مینجمنٹ کو یقین ہے کہ کمپنی کا ایکویٹی اور پراپرٹی انویسٹمنٹ پورٹ فولیو اچھے نتائج کا مظاہرہ کرتا رہے گا ، کیونکہ معیشت اور مارکیٹ میں سرمایہ کاری کے ثمرات کے مواقع کی پیش کش جاری ہے ۔

بورڈ اور آڈٹ کمیٹی کے ارکان کی حاضری درج ذیل کے مطابق ہے

Name of Director	Board Meeting	Audit Committee Meeting
Mr. Zafar Alam	4	N/ A
Ms. Sharmin Shahid	4	N/A
Ms. Nida Ahsan	3	N/A
Mr. Muhammad Haroon	3	3
Mr. Mohsin Madni	4	4
Mr. Muhammad Shahid Ali	4	N/A
Mr. Muhammad Sohail Salat	4	4

جن ارکان نے بورڈ اور کمیٹی کے اجلاس میں شرکت نہیں کی انہیں غیر حاضری کی رخصت دی گئی۔

کمپنی کے حصص کی تجارت بذریعہ ڈائیریکٹرز اور ایگزیکیٹوز

سال کے دوران کمپنی شیئر کی بذریعہ ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری ان کے شریک حیات اور نابالغ اولاد کی گئی درج ذیل تجارت۔

Name of Director	Designation	Shares Bought	Shares Sold	Remarks
Mr. Zafar Alam	Chairman	24,500	-	-
Mr. Muhammad Sohail Salat	Director	-	-	-
Ms. Sharmin Shahid	Director	-	-	-
Mr. Mohsin Madni	Director	-	-	-
Mr. Muhammad Haroon	Director	-	-	-
Ms. Nida Ahsan	Director	-	-	-
Mr. Muhammad Shahid Ali	Chief Executive Officer	-	-	-
Mr. Muhammad Taha Siddiqui	Chief Financial Officer & Company Secretary	-	-	-
Spouses		-	-	-
Minor Children		-	-	-

آڈٹ کمیٹی

بورڈ کی آڈٹ کمیٹی نے اپنے فرائض و ذمہ داریاں موثر انداز میں بورڈ سے منظور شدہ دائرہ عمل کے مطابق انجام دیں۔ کمیٹی کی تشکیل بھی اس رپورٹ کے ساتھ منسلک کی گئی ہے۔

کارپوریٹ اور سیکریٹیریل عملدرآمد

کمپنی سیکرٹری نے سالانہ ریٹرن کے جز کے طور پر سیکریٹیریل کمپلائنس کا سرٹیفکیٹ رجسٹرار آف کمپنیز کو تصدیق کے لئے پیش کیا کہ سیکریٹیریل اور کارپوریٹ شرائط جیسا کہ کمپنیز آرڈیننس 1984 ، میمورنڈم اور آرٹیکل آف ایسوسی ایشن آف دی کمپنی اور لسٹنگ ضوابط پر کلی طور سے عمل کیا گیا ہے

اخلاقیات اور کاروباری مشق

کارپوریٹ گورننس کے رہنما اصولوں کے مطابق ، کمپنی نے عمل درآمد کے لئے " ضابطۂ اخلاق " مرتّب کیا ہے۔ اس پر کمپنی کے تمام ڈائریکٹرز اور ملازمین نے سمجھ کر قبول کرتے ہوئے دستخط کیے ہیں ۔

شیئر ہولڈنگ کا خاکہ

کمپنی کے حصص یافتگان اور زمرے کے تفصیلی خاکوں کو 30 جون 2021 تک ، فہرست سازی کے ضوابط کے تحت شرائط کے مطابق ، اس سالانہ رپورٹ میں شامل کیا گیا ہے۔

کارپوریٹ سماجی ذمہ داری

آپ کی کمپنی نے معاشرے اور کاروباری برادری کے لیے ایک سماجی ذمہ دار تنظیم کے طور پر متعدد فلاحی سرگرمیوں کے ذریعے اپنا تعاون جاری رکھا۔ اے ایچ ایل اپنی کارپوریٹ سماجی ذمہ داری کی تکمیل کے لیے پرعزم ہے اور صحت، تعلیم، ماحولیات اور کمیونٹی ویلفیئر پر مرکوز منصوبوں میں اپنی شمولیت جاری رکھے ہوئے ہے۔ ہم مستقبل میں بھی اس طرح کے نیک مقاصد کے لیے اپنی شمولیت اور شراکت کو جاری رکھنا چاہتے ہیں۔

کمپنی کی جانب سے دی گئی شراکت کی تفصیلات صفحہ نمبر 14 پر پیش کی گئی ہیں۔

کارپوریٹ گورننس کا ضابطہ۔

کمپنی کا بورڈ اور مینجمنٹ اس بات کو یقینی بنانے کے لیے پرعزم ہے کہ کوڈ آف کارپوریٹ گورننس کے تقاضے پورے کیے جائیں۔ کمپنی نے مالی اور غیر مالیاتی معلومات کی درستگی، جامعیت اور شفافیت کو بڑھانے کے مقصد سے مضبوط کارپوریٹ گورننس کے طریقوں کو اپنایا ہے۔

ڈائریکٹرز کو یہ اطلاع دیتے ہوئے خوشی ہے کہ:

a) کمپنی کی انتظامیہ کے ذریعہ تیار کردہ مالی بیانات اس کے معاملات کی شفاف حیثیت، اس کے آپریشنز، کیش فلو اور ایکویٹی میں تبدیلی کے نتائج پیش کرتے ہیں۔

b) کمپنی کے کھاتے باقاعدگی سے تیار کیے گئے ہیں۔

c) مالی بیانات کی تیاری کے لئے مناسب اکاؤنٹنگ پالیسیاں مستقل طور پر اپنائی جاتی ہیں اور محاسبہ کا تخمینہ معقول اور محتاط فیصلے پر مبنی ہوتا ہے۔

d) بین الاقوامی مالیاتی رپورٹنگ معیارات، جیسا کہ پاکستان میں قابل اطلاق ہیں، مالی بیانات کی تیاری میں رو بہ عمل لائے گئے ہیں۔

e) اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اس کا موثر انداز میں نفاذ اور نگرانی کی گئی ہے۔

f) کمپنی کو جاری رکھنے کی صلاحیت پرکوئی واضح شبہات نہیں ہیں۔

g) کارپوریٹ گورننس کے بہترین طریقۂ کار سے کسی قسم کی رخصت نہیں لی گئی ہے، جیسا کہ فہرست سازی کے ضوابط میں واضح ہے۔

h) کمپنی پر ٹیکسوں، فرائض، محصولوں اور محصولات کی قانونی ادائیگی کی وجہ سے بیلنس شیٹ کی تاریخ کے مطابق کوئی معقول ذمہ داری موجود نہیں ہے۔

i) سال کے دوران بروکر کے ذریعہ ایسا کوئی لین دین نہیں ہوا ہے جو دھوکہ دہی، غیر قانونی یا کسی بھی سیکیورٹیز مارکیٹ قوانین کی خلاف ورزی ہے۔

j) کمپنی نے اپنے ملازمین کے پراویڈنٹ فنڈ میں 7,788,000 روپیہ ادا کردیئے ہیں اور کمپنی پرکوئی واجب الادا رقم نہیں ہے کیونکہ سال کے آخر میں پراویڈنٹ فنڈ کا انتظام ایک الگ ٹرسٹ کے ذریعہ کیا جاتا ہے۔

بورڈ میں تبدیلیاں

زیر جائزہ سال کے دوران بورڈ کے ڈھانچے میں کوئی تبدیلی واقع نہیں ہوئی۔

بورڈ اور آڈٹ کمیٹی کے اجلاس اور حاضری

زیر جائزہ سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ اجلاس اور آڈٹ کمیٹی کے چار اجلاس July01, 2020 سے June30, 2021 کے دوران منعقد کیے گئے۔

انتظامیہ نئی ایکویٹی /قرضوں کی لسٹنگ اور انضمام اور حصول اور نجی ایکویٹی سرمایہ کاری کے شعبوں میں بھی بڑھتی ہوئی سرگرمیوں کی پیش گوئی کرتی ہے۔ ہم اپنے گاہکوں کو بہترین خدمات فراہم کر کے بڑے حصہ کے حصول کے لیے پراعتماد ہیں۔

ایوارڈ اور اعتراف۔

ہم یہ اعلان کرتے ہوئے بے حد فخر محسوس کرتے ہیں کہ مالی سال 21 میں کمپنی کی کارکردگی کو بین الاقوامی شہرت یافتہ تنظیموں جیسے کہ ایسیٹس ٹرپل اے کے ساتھ ساتھ فنانس ایشیا کی طرف سے تسلیم کیا گیا ہے۔ اس سال اے ایچ ایل نے درج ذیل 4 ایوارڈ حاصل کیے ہیں۔

1. پاکستان کا بہترین بروکر – فنانس ایشیا کنٹری ایوارڈ۔
2. بہترین کارپوریٹ اور ادارہ جاتی مشیر – دی ایسیٹس ٹرپل اے، پائیدار کیپیٹل مارکیٹس کنٹری اینڈ ریجنل ایوارڈز 2020
3. بہترین ایکویٹی ایڈوائزر – دی ایسیٹس ٹرپل اے، پائیدار کیپیٹل مارکیٹس کنٹری اینڈ ریجنل ایوارڈز 2020۔
بہترین بانڈ ایڈوائزر – دی ایسیٹس ٹرپل اے، پائیدار کیپیٹل مارکیٹس کنٹری اینڈ ریجنل ایوارڈز 2020۔
4. سال کی بہترین ٹرانزیکشن 2019 – سی ایف اے سوسائٹی پاکستان ایوارڈ۔

کریڈٹ ریٹنگ

کمپنی کو JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (JCR-VIS) کی جانب سے **'AA-/A-1'** (ڈبل A مائنس /A-One) کا ادارہ کی درجہ بندی دوبارہ تفویض کی گئی ہے۔ تفویض کردہ درجہ بندی کا آؤٹ لک 'مستحکم' ہے۔ اس سرٹیفیکیشن نے مسلسل ترقی کے لیے مینجمنٹ کے وژن کو مزید واضح کیا ہے اور توقع کی جاتی ہے کہ کمپنی کے کلائنٹس کو برانڈ "عارف حبیب" کی ساکھ اور استحکام کے حوالے سے مزید اعتماد حاصل ہو سکے گا۔

مینجمنٹ کی درجہ بندی

کمپنی کو پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) کی طرف سے **BMR1** کی مینجمنٹ ریٹنگ تفویض کی گئی ہے۔ تفویض کردہ درجہ بندی کاآؤٹ لک 'مستحکم' ہے۔ اس سرٹیفیکیشن نے مضبوط کنٹرول اور گورننس فریم ورک کو برقرار رکھنے

، کلائنٹ سروسنگ ٹولز کی مسلسل اپ ڈیٹ ، اور سرمایہ کاری، بنیادی طور پر لیکویڈیٹی اور مفادات کے تصادم کی سرگرمیوں سے پیدا ہونے والے خطرات کی محتاط نگرانی کے لئے کمپنی کی صلاحیت کی توثیق کی ہے۔

رسک مینجمنٹ

ہمارے کاروبار میں خطرات ناگزیر ہیں اور ان میں لیکویڈیٹی ، مارکیٹ ، کریڈٹ ، آپریشنل ، لیگل ، ریگولیٹری اور ساکھ کے خطرات شامل ہیں۔ اے ایچ ایل کی رسک مینجمنٹ گورننس کا آغاز ہمارے بورڈ سے ہوتا ہے ، جو رسک مینجمنٹ پالیسیوں اور طریقوں کا جائزہ لینے اور ان کی منظوری میں ایک اہم کردار ادا کرتا ہے۔

ہمارا رسک مینجمنٹ فریم ورک اور سسٹم دیرینہ ، معیاری اور بہت مضبوط ہے۔ ہمیں یقین ہے کہ مؤثر رسک مینجمنٹ کمپنی کی کامیابی کے لیے بنیادی اہمیت کا حامل ہے۔ اس کے مطابق ، ہم نے جامع رسک مینجمنٹ کے عمل کا آغاز کیا ہے جس کے ذریعے ہم اپنی سرگرمیوں کے انعقاد میں ان خطرات کی نگرانی ، تشخیص اور ان کا انتظام کرتے ہیں۔ ایک سے زیادہ لین دین ، مصنوعات ، کاروباری اداروں اور مارکیٹوں میں خطرے کو کنٹرول کرنے کے لیے حدود کا سخت فریم ورک لاگو کیا جاتا ہے جس کے تحت ہم معاملات کرتے ہیں۔ اس میں مختلف سطحوں پر کریڈٹ اور مارکیٹ کے خطرے کی حد مقرر کرنا اور ان حدود کی باقاعدگی سے نگرانی شامل ہے۔

انویسٹمنٹ بینکنگ آپریشنز

ہمارے انویسٹمنٹ بینکنگ آپریشنز میں کل 672 ملین روپے کی آمدنی ہوئی ، جو مالی سال 20 کے مقابلے میں +333 فیصد ہے۔ انویسٹمنٹ بینکنگ ریونیو میں ایکویٹی آئی پی اوز کی ریکارڈ تعداد ، فہرست اور نجی طور پر رکھے گئے ٹی ایف سی اور سکوک ، انضمام اور حصول ، نجی ایکویٹی پلیسمنٹ ، ایڈوائزری اور رائٹ شیئرز کے ذریعے ایکوئٹی ریزنگ کی انڈر رائٹنگ شامل ہیں۔ مالی سال 21 نے ایکسچینج میں 8 ایکویٹی لسٹنگ دیکھی جس سے مجموعی طور پر 20.1 ارب روپے کا اضافہ ہوا۔ ہمیں آپ کے کو یہ بتاتے ہوئے خوشی ہو رہی ہے کہ آپ کی کمپنی 6 کمپنیوں کی شمولیت ہونے اور مجموعی طور پر 17 ارب (85 فیصد مارکیٹ شیئر) روپیہ اکٹھا کرنے کے ساتھ مارکیٹ لیڈر رہی ۔ اے ایچ ایل نے 36 ارب کے دو قرضوں کے مسائل کو اٹھانے / لسٹ کرنے کا مشورہ بھی دیا۔ ۔ اگرچہ امید کی لہر جاری ہے ، ہم بازار میں کئی نئی فہرستوں کی پیش گوئی کرتے ہیں اور ہمیں یقین ہے کہ اے ایچ ایل اپنی مارکیٹ لیڈر پوزیشن کو برقرار رکھے گا اور مارکیٹ میں مزید آئی پی او متعارف کرائے گا۔

سروس گلوبل فٹویئر
آئی پی او
40.9 ملین حصص
2.2 بلین پاک روپیہ
ایس جی ایف جوتے، چمڑے اور اس سے منسلک مصنوعات کی تیاری، فروخت، مارکیٹنگ، درآمد اور برآمد میں شامل ہے۔

پینتھر ٹائرز لیمیٹڈ
آئی پی او
40 ملین حصص
2.2 بلین پاک روپیہ
ٹائر اور ٹیوب انڈسٹری کا حصہ، پی ٹی ایل نے آٹوموبائل اسپیئر پارٹس اور لبریکنٹس کا تجارتی کاروبار بھی شروع کیا ہے

آغا اسٹیل لیمیٹڈ
آئی پی او
120 ملین حصص
3.8 بلین پاک روپیہ
آغا ملک کی پہلی اور واحد الیکٹرک آرک فرنس کی سہولت ہے جو اعلی معیار کی سٹیل بار، تار کی سلاخیں اور بلیٹ تیار کرتی ہے

ٹی پی ایل ٹریکرز لیمیٹڈ
آئی پی او
66.8 ملین حصص
802 ملین پاک روپیہ
ٹی پی ایل ٹی ٹیکنالوجی حل فراہم کرنے کرنے کی خدمات مہیا کرتی ہے خصوصاً، مربوط کار ڈیٹا اور لوکیشن سروسز، اور صنعتی آئی او ٹی ٹیکنالوجیز

کے ۔ الیکٹرک
سکوک
25 بلین پاک روپیہ
کے الیکٹرک نے 25000 ملین روپے جمع کرنے کا ہدف مشارکہ سکوک سرٹیفکیٹ معمول کے کیپیکس اور اوپیکس کی ضروریات میں اضافے کے لیے جاری کیا گیا تھا۔

بنک الفلاح لیمیٹڈ
ٹرم فنانس سرٹیفکیٹس
11 بلین پاک روپیہ
بنک الفلاح لیمیٹڈ نے پاک روپیہ 5000 کی مالیت میں TFC جاری کیا ، جس میں کوپن کی شرح 9.03٪ سالانہ ہے۔ جس کا مقصد جاری کنندہ کے فکسڈ ریٹ اثاثوں یعنی اسٹاف لونز، کنزیومر لون پورٹ فولیو وغیرہ کو مقررہ شرح واجبات کے ساتھ ہیج کرنا ہے

اینگرو پولیمر اینڈ کیمیکلز لیمیٹڈ
مبدل پذیر ترجیحی حصص
300 ملین حصص
3 بلین پاک روپیہ
ای پی سی ایل اینگرو کارپوریشن لمیٹڈ کا ایک ذیلی ادارہ ہے ، کمپنی پولی ونائل کلورائیڈ (پی وی سی)، ونائل کلورائیڈ مونومر (وی سی ایم)، کاسٹک سوڈا اور دیگر متعلقہ کیمیکل تیار کرتی ہے ، مارکیٹ کرتی ہے اور فروخت کرتی ہے۔

پاکستان المونیم بیوریج کینز لیمیٹڈ
فروخت کی پیشکش
93.9 ملین حصص
4.6 ملین پاک روپیہ
پی اے بی سی پاکستان میں ایلومینیم کے مشروبات کے ڈبے بنانے والی واحد کمپنی ہے۔ کمپنی پاکستان اور افغانستان کے تمام بڑے کاربونیٹیڈ مشروبات کی بوتلوں کے فراہم کنندہ ہیں ، بشمول پیپسی کولا فرنچائز اور کوکا کولا بوٹلرز

انوسمنٹ بینکینگ کے شعبے میں ہماری متواتر کارکردگی کا اعتراف ایسیٹس ٹرپل اے سسٹین ایبل مارکیٹ کنٹری & ریجنل ایوارڈ 2020 کی جانب سے کیا گیا اور ہم نے تین کیٹیگری، بیسٹ کارپوریٹ اینڈ انسٹیٹیوشنل ایڈوائزر۔ ڈومیسٹک، بیسٹ ایکویٹی اڈوائزر،اور بیسٹ بونڈ اڈوائزر۔ اپکی کمپنی نے مسلسل ساتویں سال (2014-2020) CFA Society Pakistan کا "Best Corporate Finance House (Equities & Advisory" ایوارڈ جیت کر تاریخ رقم کی ہے . کارنامہ جو اب تک کوئی اورنہیں کر پایا ہے۔ اس کے علاوہ اے ایچ ایل نے Best transaction of the Year award for IPO of Interloop from CFA Society Pakistan. حاصل کیا ہے۔

اس ترقی کو مدنظر رکھتے ہوئے جب کہ معیشت کوویڈ کے چیلنج کا سامنا کر رہی تھی ، اے ایچ ایل نے اس خطرے کو ملک کے شمال میں اپنے قدم بڑھانے اور ٹیکنالوجی اور ہماری افرادی قوت میں مزید سرمایہ کاری کے موقع کے طور پر استعمال کیا۔ اس سے انتظامی اور آپریٹنگ اخراجات میں 344 ملین روپیہ سے 638 ملین (+85٪YoY)روپیہ کا اضافہ ہوا۔

بروکریج آپریشنز

بروکنگ آپریشنز نے مالی سال 21 میں مجموعی آمدن کے طور پر روپے 706 ملین روپیہ ادا کیا جو کہ مالی سال 20 کے مقابلے میں +118 فیصد ہے۔ ہماری بروکریج ریونیو میں صحت مند نمو صرف تجارتی حجم میں حیران کن نمو کی وجہ سے نہیں ہے بلکہ وسیع ہوتی ہوئی ریٹیل اور آن لائن مارکیٹ میں ہماری زیادہ شراکت بھی اس کی وجہ ہے۔ گو کہ ہمیں ڈبلیو ایف ایچ (گھر سے کام) کی پالیسی اپنانی پڑی تھی لیکن ہم نے آمدنی میں اس تاریخی نمو کے حصول کے لیے کڑی محنت کی۔ ادارہ جاتی اور ایچ این ڈبلیوآئی کلائنٹس کی خدمات کے لئے اپنی افرادی قوت میں اضافہ کیا جس کے نتیجے میں مارکیٹ شیئر کا اضافی حصول ممکن ہوا۔

بروکریج آمدنی میں تاریخی اضافہ کے حصول لئے ، بلاتعطل اور صحت مندانہ کام کا ماحول بنانے میں ہمارے آئی ٹی ڈیپارٹمنٹ کا اہم کردار رہا ہے۔

اس سال ہم نے اپنی شاخیں راولپنڈی، فیصل آباد، اور ملتان میں قائم کی ہیں شاخوں کی کل،تعداد 6 ہوگئی ۔ ہم نے بروکریج آمدنی کی غیر معمولی نمو لاہور ,(164٪)، اسلام آباد (235٪) اور پشاور (161٪) شاخوں سے حاصل کی۔ ہم عوام الناس میں پاکستان کیپیٹل مارکیٹ میں مواقع کی آگہی میں اضافہ کے حصول کے اپنے مقصد کے لئے دیگر شہروں میں بھی اپنی شاخیں قائم کرنا جاری رکھیں گے۔ ریٹیل اور آن لائن ٹیموں نے اس مہم میں غیر معمولی کارکردگی کا مظاہرہ کیا ہے۔ ہم اپنی کمپلائنس ٹیم کی تعریف بھی کرنا چاہوں گا جو ہمارے کھلنے والے اکائونٹس کی بڑھتی ہوئے تعداد کے KYC/AML کے لئے مستعدی سے کام کر رہے ہیں۔ ہم سیٹلمنٹ ڈپارٹمنٹ کی انتھک محنت کا اعتراف بھی کرنا چاہوں گا جو وہ اے ایچ ایل کی اب تک کی تاریخ کے سب سے بڑے سودوں کو تیزرفتاری سے سنبھالنے کے لئے کر رہے ہیں ۔

ہماری منی مارکیٹ ڈیسک نے 86.9 ملین (+54٪YoY) روپے کی ادائیگی کرکے بروکنگ ریونیو میں اضافہ کیا۔ جو کہ 2013 میں ہمارے آپریشن شروع کرنے کے وقت سے بھی زیادہ ہے۔ ہم نے اپنی منی مارکیٹ اور ایف ایک ڈیپارٹمنٹ میں مزید تاجروں کو شامل کیا ہے جس کے نتیجے میں ہمارے مارکیٹ شیئر میں نمایاں اضافہ ہوا ۔

اللہ کے فضل سے ، اے ایچ ایل نے 2021 کے لیے فنانس ایشیا کے کنٹری ایوارڈز میں 'پاکستان میں بہترین بروکر' حاصل کیا ہے۔

بڑھتے ہوئے نشانات - ڈیجیٹل طریقوں سے نمو پذیری۔

نیشنل کلیئرنگ کمپنی پاکستان لمیٹڈ (NCCPL) نے 30 جون 2021 کو 256،954 منفرد شناختی نمبر (UINs) کا اعلان کیا ہے۔ یہ تعداد پاکستان کی کل آبادی کے مقابلے میں سمندر میں ایک قطرہ کے مترادف ہے۔ اے ایچ ایل کا خیال ہے کہ یو آئی این کی تعداد کو کئی گنا بڑھایا جا سکتا ہے جس کے لیے ٹیکنالوجی اہم کردار ادا کرے گی۔ اے ایچ ایل مسلسل شمال میں صارفین تک اپنی رسائی کو بڑھانے کے لیے کام کر رہی ہے اور ہم نے مالی سال 21 میں 3 نئی برانچیں قائم کی ہیں۔ ہم نے 3،932 نئے اکاؤنٹس کھولے ہیں جو کہ پچھلے سال کے مقابلے میں 330 فیصد زیادہ ہیں جن میں سے تقریبا 70 فیصد آن لائن ہیں۔ اس کے علاوہ ، ہم نے کلائنٹس کے لیے ایک نئی موبائل ایپلی کیشن تیار کی ہے جو کہ گذشتہ کی بہ نسبت ایک بڑا اپ گریڈ ہے اور صارفین کے اطمینان ، صارف دوست اور معلومات تک رسائی کے لیے بہت بہتر ہے۔

اے ایچ ایل کو وزیراعظم عمران خان کے اس اقدام میں جس کی سربراہی اسٹیٹ بینک کے ڈاکٹر رضا باقر نے کی، پیش پیش رہنے پر فخر ہے۔ اب تک 182،000 RDAs قائم کیے گئے تھے (جون کے اختتام تک) پاکستان میں سرمایہ کاری کے بہاؤ میں 1.6 بلین امریکی ڈالر کا تعاون کیا۔ آر ڈی اے کا بڑا حصہ نیا پاکستان سرٹیفکیٹ اور ایکویٹی سرمایہ کاری کے لیے 5249 پر مرکوز ہے۔ اے ایچ ایل نے آر ڈی اے کلائنٹس کو کسٹمر سپورٹ فراہم کرنے کے لیے ایک سرشار ہیلپ ڈیسک قائم کیا ہے اور آر ڈی اے کلائنٹ کو بڑھانے کے لیے اپنے کارکنان میں اضافہ کر رہا ہے۔ ،اللہ تعالیٰ کے فضل سے اے ایچ ایل سال کے دوران روشن ڈیجیٹل اکاؤنٹس کا تقریبا 38 فیصد مارکیٹ حصص حاصل کر چکا ہے۔

صنفی تنوع

افرادی قوت میں خواتین کی شمولیت نہ صرف سماجی، اخلاقی اور ثقافتی نقطہ نظر سے اہم ہے بلکہ مساوی مواقع کے کام کی جگہ کو برقرار رکھنا تنظیم کی اسٹریٹجک سمت کو بھی متعین کرنے میں مدد کرتا ہے۔ اے ایچ ایل نے صنفی تنوع اور افرادی قوت میں خواتین کی شمولیت کو اپنی حکمت عملی کا ایک اہم اصول بنایا ہے اور اس سلسلے میں اہم اقدامات اٹھا رہا ہے تاکہ جوہر کو شناخت، اس کی پرورش اور ترقی کی جاسکے۔ مالی سال 21 نے اے ایچ ایل کو 30 خواتین کی افرادی قوت میں شمولیت کے ساتھ ایک بڑا قدم بڑھاتے ہوئے دیکھا ہے جو کہ کل نئی ملازمتوں کا 50 فیصد ہے۔

مالیاتی کارکردگی

ہمیں آپ سب کو یہ بتاتے ہوئے مسرت ہو رہی ہے کہ مالی سال 21 کے لیے اے ایچ ایل کی مالی کارکردگی تمام شعبہ جات میں غیرمعمولی رہی ہے۔ آپ کی کمپنی نے اب تک کی سب سے زیادہ بروکریج ریونیو، سب سے زیادہ انویسٹمنٹ بینکنگ ریونیو، اور سب سے زیادہ بنیادی منافع اور خالص منافع حاصل کیا ہے۔ بروکریج اور ایڈوائزری سے مشترکہ آپریٹنگ ریونیو (ڈیویڈنڈ آمدنی کے بغیر) +188 فی صد YoY بڑھا ہے جبکہ مالی سال 20 کے 478.7 ملین روپیہ کے مقابلے میں مالی سال 21میں . 898.8 ملین روپیہ ادا کیا گیا ہے۔

مالی سال 21 میں 2010 کے بعد سب سے زیادہ سرمایہ بڑھانے اور 14 سالوں میں سب سے زیادہ ایکویٹی نمو دیکھنے میں آئی۔ مالی سال 21 کے دوران جمع کیا گیا کل سرمایہ 56 ارب روپیہ (ایکویٹی سرمایہ 20 ارب روپے) ہے ۔اس کے علاوہ، 25 لسٹڈ کمپنیز نے رائٹ ایشو کے ذریعے مزید 45 ارب روپے جمع کیے۔

مالی سال 2020 میں 706.7 ملین روپے کے مقابلے میں مالی سال 21 میں سال کے دوران کل آمدنی 3،048 ملین (آپریٹنگ اور نان آپریٹنگ انکم) تین گنا ہو گئی ہے۔ یہ بنیادی طور پر ایف وی ٹی پی ایل (مناسب قدر بذریعہ منافع / نقصان) میں ایکویٹی سیکیورٹیز پر کیپیٹل گین کی وجہ سے ہوا ہے، جس کی بنا پر مالی سال 20 میں 273.3 ملین روپیہ کے نقصان کو برداشت کرتے ہوئے 1،311.4 ملین روپے سالانہ تک پہنچ گیا ہے۔

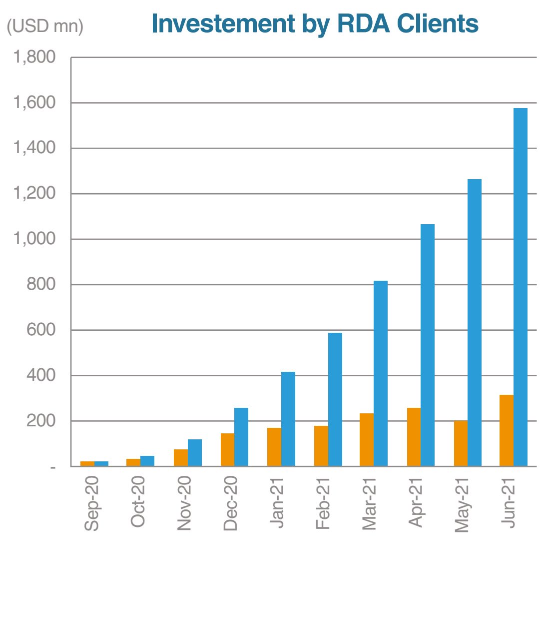
سرمایہ کاروں ، بینکوں ، بروکرز اور انشورنس کمپنیوں کے درمیان بالترتیب 95 ملین امریکی ڈالر ، 32 ملین ڈالر اور 10 ملین ڈالر کی فروخت نظر آئی جس کا مجموعہ 137 ملین ڈالر ہے۔ 524 ملین امریکی ڈالر کی فروخت بنیادی طور پر افراد ، کارپوریٹس اور دیگر تنظیموں (خاص طور پر سرکاری پنشن فنڈز) کی طرف سے جذب کی گئی ، جنھوں نے بالترتیب 332 ملین ڈالر ، 138 ملین ڈالر اور 45 ملین ڈالر کی سرمایہ کاری کی ، مجموعی طور پر 515 ملین امریکی ڈالر۔ FY21 چوتھی سہ ماہی میں انشورنس سیکٹر کو مقامی لوگوں میں ایک اہم فروخت کنندہ کے طور پر دیکھا گیا جس میں غیر ملکیوں کی مدد سے 63 ملین امریکی ڈالر کا نکاس ہوا جنھوں نے 93 ملین ڈالر مالیت کے خالص اسٹاک فروخت کیے۔ پاکستان ایکوئٹی کے سب سے بڑے خالص خریدار کے طور پر افراد کا ابھرنا پاکستان کی تبدیلی کے لیے کافی مقامی لیکویڈیٹی اور اعتماد کی عکاسی کرتا ہے۔

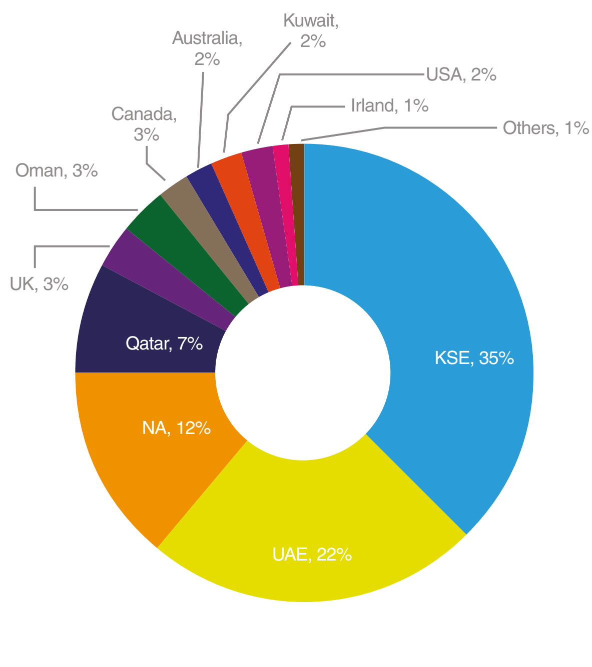
کارکردگی کے پیمانے پر ، عالمی منڈیوں کے مطابق ، ٹیک 312٪ کے حصول کے ساتھ آگے رہا جس کے بعد ، ریفائنری +214٪ ، سنتھیٹک +163٪ ، انجینئرنگ +109٪ ، اور گلاس اور سیرامکس + 99 ٪ حاصل کیے۔ یہ مالی سال 20 میں انڈیکس کی کارکردگی میں اہم 5 شعبوں سے نمایاں طور پر مختلف تھا ، جو کہ چرم +110٪ ، ٹیکسٹائل +79٪ ، ٹیکنالوجی +66٪ ، دواسازی +57٪ ، اور سیمنٹ +45٪ تھے۔ روایتی کردار جیسے P&E (+9٪) اور بینک (+32٪) مالی سال 21 میں غیر فعال رہے۔ مالی سال 21 کے دوران ، بینچ مارک انڈیکس میں 12،952 پوائنٹس کے اضافے میں بڑے پیمانے پر 5 شعبوں نے حصہ لیا۔

ان میں ٹیکنالوجی (+pts2489) ، سیمنٹ (+pts2064) ، بینک (+pts2059) ، کھاد (+pts822) اور ٹیکسٹائل (+pts745) شامل ہیں۔ قیادت سنبھالنے والے نئے شعبے PSX بورڈ اور پاکستانی معیشت کی وسعت اور گہرائی کی عکاسی کرتے ہیں جو ہمیں وبائی مرض کے بعد کی دنیا میں نظر آنے والے رجحانات کے مطابق رکھتے ہیں۔

روشن ڈیجیٹل اکاؤنٹ میں سب سے زیادہ شراکت۔

روشن ڈیجیٹل اکاؤنٹ پاکستانی کارکنان کی ترسیلات زر کے لیے ایک کامیاب حل ثابت ہوا ہے۔ زرمبادلہ کے ذخائر بڑھانے کے لیے ترسیلات زر کو راغب کرنے سے زیادہ یہ اقدام سمندر پار پاکستانیوں کو اثاثہ جات کے مختلف زمروں میں سرمایہ کاری کے ذریعے پاکستان کی بحالی میں حصہ لینے کے قابل بناتا ہے۔ قبل ازیں اس طرح کے فنڈز رسمی ذرائع سے نہیں آتے تھے اور بنیادی طور پر رئیل اسٹیٹ میں لگائے جاتے تھے ، تاہم ، حکومت نے نئے راستے جیسے نیا پاکستان سرٹیفکیٹ اور اسٹاک مارکیٹ میں سرمایہ کاری کی پیشکش کی ہے۔ جیسا کہ یہ چینل پختہ ہو رہا ہے ، اسٹیٹ بینک کمرشل بینکوں کی وساطت سے آرڈی اے کے ذریعے آٹو خریداری جیسی مالیاتی مصنوعات پیش کرنے کی کوشش کر رہا ہے۔



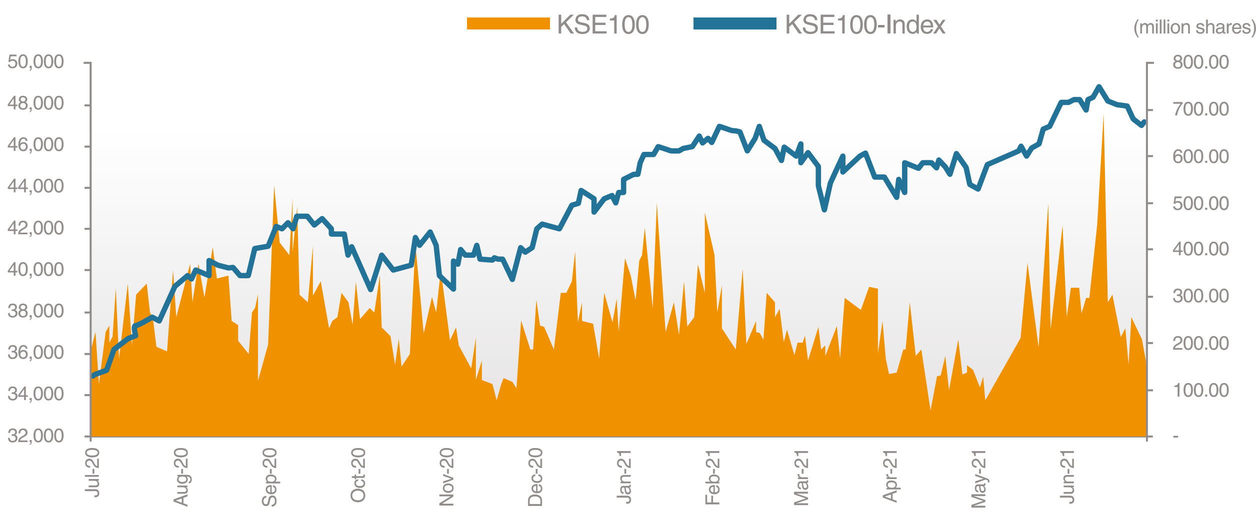


بیمار معیشت کی بحالی کے لیے کیے گئے کئی اقدامات کے لیے حکومت کو بھی کریڈٹ دیا جانا چاہیے۔ پبلک سیکٹر ڈویلپمنٹ پروگرام (پی ایس ڈی پی) نے 106 فیصد استعمال کی تاریخی سطح کے ساتھ ایک اہم کردار ادا کیا، جس کی مزید مدد پاکستان ہاؤسنگ اسکیم کے متعارف کرانے سے ہوئی ہے جو کہ جی ڈی پی نمو کے لیے موافق فضاٰ کا کام کرے گی ۔ روشن ڈیجیٹل اکاؤنٹس (آرڈی اے) کے تعارف نے پاکستانی شہریوں کو قوم کے ساتھ جڑے رہنے اور ایف ایکس سپورٹ پیدا کرنے کے قابل بنایا۔ اسٹیٹ بینک یہاں آرڈی اے اور ہاؤسنگ اسکیم دونوں اقدامات کو سہولت فراہم کرنے کے حوالے سے مرکزی کردار ادا کر رہا ہے، جہاں مؤخرالذّ کر سے توقع ہے کہ ہاؤسنگ مارگیج مارکیٹ کی بنیاد رکھی جائے گی جو کہ فی الوقت پاکستان میں موجود نہیں ہے (جی ڈی پی کا 0.5 فیصد بہ نسبت 4% جنوبی ایشیا کے لیے)۔

ایک مشکل دور سے کامیابی سے گزرنے کے بعد پاکستان، تاریخی طور پر کثیر ذخائر زرمبادلہ (24.4 بلین ڈالر)، ریکارڈ ترسیلات زر (29.4 بلین ڈالر)، ریکارڈ برآمدات (25.6 بلین ڈالر)، 10 سالوں میں سب سے کم CAD (1.9 بلین ڈالر) کے لحاظ سے نئے ریکارڈ قائم کر رہا ہے۔، ریکارڈ LSMI پیداوار میں اضافہ (14.6٪YoY)، ریکارڈ آٹو قرضے (PKR 308 ارب)، سیمنٹ کی فروخت (57.4 ملین ٹن) کے ساتھ ساتھ اب تک کی سب سے زیادہ بجلی کی پیداوار (130،223 GWh)۔ یہ سب پاکستان کی تبدیلی کی کہانی کو مستحکم کرتا ہے اور کے ایس ای 100 کی کارکردگی، اوسط یومیہ ٹریڈ ویلیو اور حجم کے لحاظ سے کئی سال کی بلندیوں پر تجارت کرنے کی بنیاد ہے۔

سٹاک مارکیٹ کی کارکردگی: امید اور خوش امیدی کا سال۔

مالی سال 19 اور مالی سال 20 کی کارکردگی کے برعکس، گزرنے والا مالی سال 21، 38 فیصد حصول کے ساتھ شاندار رہا ہے۔ بحالی کا طریقۂ کار ابتدائی طور پر آئی ایم ایف پروگرام کے حصول اور اسٹیٹ بینک کی جانب سے شرح سود میں کمی کا شعوری فیصلہ کرکے طے کیا گیا تھا۔ مالیاتی پالیسی میں سہولت اور افراط زر میں کمی کے علاوہ، امریکی ڈالر کے مقابلے میں پاکستانی روپیہ کے استحکام نے پاکستان کی معاشی بحالی اور اسٹاک مارکیٹ کی کارکردگی میں اہم کردار ادا کیا۔



KSE100 انڈیکس میں مالی سال 21 کے دوران مجموعی طور پر 12،952 پوائنٹس کا اضافہ ہوا۔ کاروباری حالات میں بہتری کی وجہ سے، سرمایہ کاروں کا اعتماد بحال ہوا جس کے نتیجے میں بورس میں اوسط تجارت کا حجم مالی سال 20 میں 196 ملین حصص سے دوگنا ہوکر مالی سال 21 میں 528 ملین حصص تک پہنچ گا (2.6YoY x) اسی طرح، PKR اور USD دونوں میں اوسط ٹریڈ ویلیو مالی سال 20 میں 10.3 PKR ٹریلین سے FY21 میں 27.8 ٹریلین PKR، اور FY21 میں 65.5 ملین USD سے 173.3 ملین ڈالر تک تین گنا ہو گئی۔

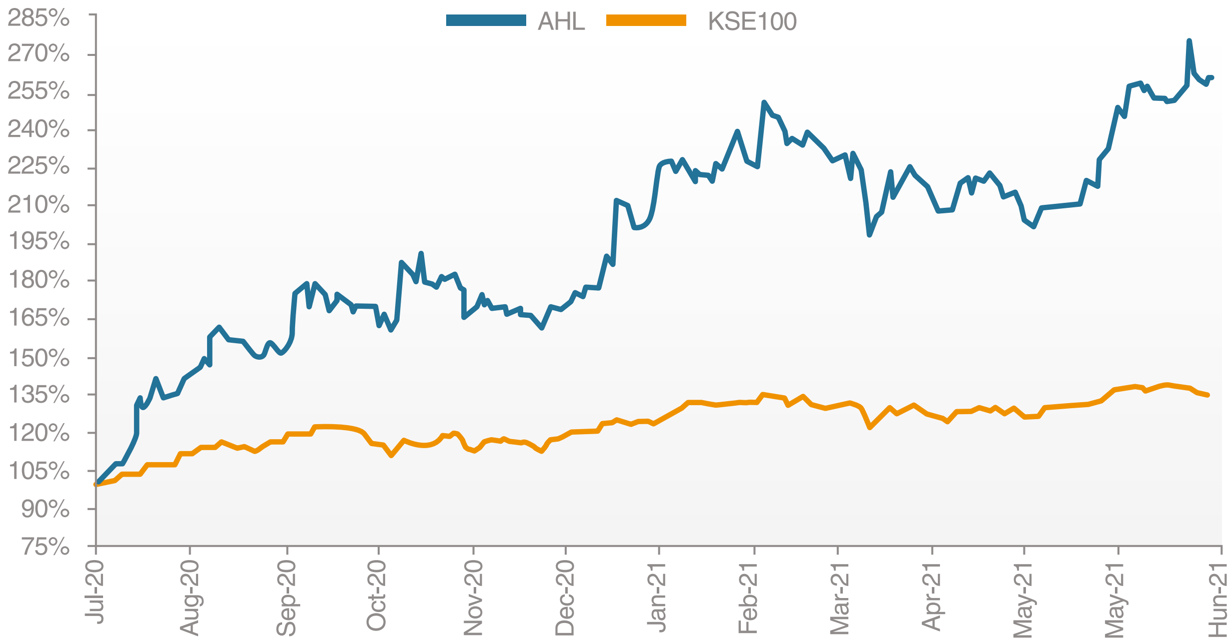
ایم ایس سی آئی ایمرجنگ مارکیٹ کی حیثیت حاصل کرنے کے بعد، مطلق فروخت کنندگان غیر ملکی رہے ہیں۔ مالی سال 21 مختلف نہیں تھا، غیر ملکیوں کی ایکویٹی فروخت کی مالیت 387 ملین ڈالر رہی۔ فروخت زیادہ تر ای اینڈ پی (90 ملین امریکی ڈالر)، بینکوں (114 ملین امریکی ڈالر)، اور دیگر شعبوں (135 ملین ڈالر) میں دیکھی گئی۔ غیر ملکی فروخت کے علاوہ، مقامی

عزیزانِ گرامی!

گزشتہ سال بہت سے اطوار سے غیر معمولی تھا۔ اگرچہ ہم مالی سال 2021 میں بہت زیادہ شکر گزار ہیں لیکن، ہم سب سے پہلے اس درد اور صدمات کو تسلیم کرنا چاہتے ہیں جو وبائی مرض کووڈ نے ہمارے کچھ گاہکوں ، ساتھیوں اور شراکت داروں کو پہنچایا ہے۔ اللہ کے فضل سے ، پاکستان اب تک ان معدودے چند ممالک میں شامل رہا ہے جنھوں نے بہتر کارکردگی کا مظاہرہ کیا ہے لیکن ہمیں بہت سے ممالک میں وبا کی وجہ سے ہونے والی تباہی کے بارے میں آگاہ رہتے ہوئے خطرات سے محتاط رہنا چاہیے۔

ہم اپنے تمام کلائنٹس کا شکریہ ادا کرتے ہیں کہ انہوں نے اب تک کی سب سے زیادہ بروکریج ریونیو، سب سے زیادہ انویسٹمنٹ بینکنگ ریونیو ، اور سب سے زیادہ بنیادی منافع کے حوالے سے متعلق ہم پر اعتماد قائم رکھا۔ ہم اپنے ساتھیوں کا شکریہ ادا کرتے ہیں جنھوں نے اپنے خاندانوں کی صحت اور تحفظ کا توازن برقرار رکھنے ہوئے عزم اور حوصلے سے کڑی محنت کی۔

ہم اپنے تمام بورڈ اراکین کا شکریہ ادا کرتا ہیں کہ انہوں نے کمپنی کے لیے صحیح فیصلے کرنے میں ہماری مدد اور رہنمائی کی۔ ہم سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور پاکستان اسٹاک ایکسچینج کا بھی شکریہ ادا کرتے ہیں کہ انہوں نے مارکیٹ اصلاحات کے لئے فعال طور پر کام کیا اور مارکیٹ کے حجم اور آئی پی او کی سرگرمی کو بہتر بنانے میں مدد کی۔ آخر میں ، ہم اپنے تمام حصص یافتگان کو مالی سال 21 (جولائی 2020 - جون 2021) میں 38 فیصد کی مارکیٹ ریٹرن کے مقابلے میں 169 فیصد کے ریٹرن کے لیے مبارکباد دیتے ہیں۔



معاشی لحاظ سے ، پاکستان نے مالی سال 2021 میں مضبوط واپسی دیکھی ہے۔ نیشنل کمانڈ آپریشن سینٹر (این سی او سی) کی پاکستان بھر میں آبادی کے اہم مراکز میں سمارٹ لاک ڈاؤن لگانے کی کوششوں نے بحالی کے مرحلے میں مدد کی جسے ورلڈ بینک نے تسلیم کیا ہے۔ حکومت اور اسٹیٹ بینک آف پاکستان (ایس بی پی) کی اجتماعی کوششوں کی وجہ سے ، مالی سال 21 میں معاشی بحالی بہت مستحکم رہی ہے اور جی ڈی پی کی شرح نمو 3.9 فیصد کا حصول ممکن ہوا ہے۔ کارخانے خصوصاً جو ٹیکسٹائل سیکٹر سے وابستہ ہیں ، پوری گنجائش کے مطابق چل رہی ہیں اور روزگار پیدا کر رہے ہیں ، نئے معمولات میں ڈھلتے ہوئے کاروبار ترقی کر رہے ہیں۔ مالیاتی پالیسی کا صحیح وقت پر چارج لینے اور کاروباری برادری کے درمیان اعتماد بحال کرنے کے ساتھ ساتھ عارضی اقتصادی ریلیف سہولت (ٹی ای آر ایف) متعارف کرانے میں ایک خاص تذکرہ اسٹیٹ بینک کی دانشمندی کا ضروری ہے جس نے توسیعی منصوبوں کو آگے بڑھانے کے لئے انسانی اور مالی سرمائے کو متحرک کیا۔

FORM OF PROXY

17th Annual General Meeting

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

I/we ____ of ___________________________being a member(s) of Arif Habib Limited holding ____ordinary shares as per CDC A/c. No. ____ hereby appoint Mr./Mrs./Miss ____of (full address) ____ or failing him/herMr./Mrs./Miss____ of (full address) ____ (being member of the Company) as my/our Proxy to attend, act and vote for me/us and on my/our behalf at the Sixteen Annual General Meeting of the Company to be held on September 25, 2021 and /or any adjournment thereof.

Signed this ___________________________________ day of ________________________________ 2021.

WITNESSES:

1. Name : ______________________________
   Address : ______________________________
   NIC No. : ______________________________
   Signature : ______________________________

2. Name : ______________________________
   Address : ______________________________
   NIC No. : ______________________________
   Signature : ______________________________

Signature on
Rs. 5/-
Revenue Stamp

NOTICE:

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

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

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

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

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

AFFIX
CORRECT
POSTAGE

ARIF HABIB LIMITED

Registrar:

CDC Share Registrar Services Limited
CDC House, 99-B, Block-B, S.M.C.H.S, Main
Shahra-e-Faisal, Karachi.

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پراکسی فارم

17واں سالانہ جنرل اجلاس

کمپنی سیکریٹری
عارف حبیب لمیٹڈ
عارف حبیب سینٹر
23، ایم ٹی خان روڈ
کراچی۔

میں/ہم ---------- بحیثیت عارف حبیب لمیٹڈ ہولڈنگ کے رکن (اراکین) --------- آرڈینری شیئر بمطابق سی ڈی سی اکاؤنٹ نمبر---------
اپنی جانب سے مسٹر/مسز/مس --------------- کو تقرر/برخاست کرتا ہوں۔اِن کا مکمل پتہ---------------- یا ناکامی
مسٹر/مسز/مس --------------- کو تقرر/برخاست کرتا ہوں۔ان کا مکمل پتہ----------------

بحیثیت رُکنِ کمپنی میری/ہماری، کمپنی کے صولہویں سالانہ اجلاس میں شرکت اور ووٹ دینے کے لئے ، میرے/ہمارے لئے یا ہماری جانب سے جو کہ 25 ستمبر 2021 کو منعقد ہوا اور یا التوا کا شکار رہوا۔

دستخط:---------------بروز/بتاریخ--------------- 2021

گواہان:

1	2
نام:----------	نام:----------
پتہ:-----------	پتہ:-----------
شناختی کارڈ نمبر:----------	شناختی کارڈ نمبر:----------
دستخط:-----------	دستخط:-----------

پانچ روپے کے اسٹامپ ٹکٹ پر دستخط

فارم برائے نمائندہ سترہواں سالانہ اجلاس عام 25 ستمبر 2021ء

اطلاع:

۱) ایک رکن جو اجلاس میں حاضر ہونے اور ووٹ ڈالنے کا اہل ہے اپنی جگہ کسی اور رکن کو اپنے نمائندے کے طور پر مقدر کر سکتا ہے جو ایسے حقوق جیسے حاضر ہونے، بات کرنے اور اجلاس میں ووٹ ڈالنے کیلئے اہل ہو جائے گا/گی جیسے حقوق ایک رکن کو دستیاب ہیں۔

۲) نمائندہ اجلاس میں حاضری کے وقت اپنی شناخت کا ثبوت اپنا کمپیوٹرائزڈ قومی شناختی کارڈ دکھا کر یا اصل پاسپورٹ دکھا کر ظاہر کرے گا/گی اور فولیو نمبر بھی ہمراہ لائے گا/گی۔

۳) نمائندہ خارنز (پراکسی فارمز) موثر ہونے کی غرض سے ہمارے رجسٹرار میسرز سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ، شیئر رجسٹرار ڈپارٹمنٹ، سی ڈی سی ہاؤس، 99-بی، ایس ایم سی ایچ ایس، شارع فیصل، کراچی پر واقع دفتر پر اچھی طرح دستخط اور مہر اور دو اشخاص کی گواہی مع انکے دستخط، نام پتہ اور شناختی کارڈ نمبر جو فارم پر دیا گیا ہے اجلاس کے انعقاد سے زیادہ سے زیادہ 48 گھنٹوں قبل موصول ہونا لازمی ہیں۔

۴) مستفید ہونے والے مالکان اور نمائندے کے تصدیق شدہ کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول نمائندہ فارم (پراکسی فارم) کے ہمراہ قاہر کرنے ہونگے اگر معاملہ افراد کی صورت میں ہے۔

۵) اگر معاملہ ایک کاروباری ادارے کی جانب سے نمائندہ (پراکسی) کا ہے تو بورڈ آف ڈائریکٹرز قرارداد/مختار نامہ (وکالت نامہ) اور نمائندہ کے کمپیوٹرائزڈ قومی شناختی کارڈ کی تصدیق شدہ نقل یا پاسپورٹ نمائندہ فارم (پراکسی فارم) کے ہمراہ لازمی طور پر جمع کرانا ہوگا۔

AFFIX
CORRECT
POSTAGE

ARIF HABIB LIMITED

Registrar:

CDC Share Registrar Services Limited
CDC House, 99-B, Block-B, S.M.C.H.S, Main
Shahra-e-Faisal, Karachi.

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FORM OF PROXY FOR E-VOTING

17th Annual General Meeting

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

I/we, ____ of ________________________________, holder of ____ Share(s) as per Registered Folio No./CDC A/c. No.______________________hereby opt for e-voting through Intermediary and hereby consent to the appointment of Execution officer Mr./Mrs./Miss____ as proxy and will exercise e-voting as per the Companies (E-Voting) Regulations, 2016 and hereby demand for poll for resolutions.

My secured email address is _________________________________, please send login details, password and electronic signature through email.

Signed this ____ day of _____________________________________2021.

WITNESSES:

1. Name : : _____________________________________

   Address : _____________________________________

   NIC No. : _____________________________________

   Signature : _____________________________________

2. Name : _____________________________________

   Address : _____________________________________

   NIC No. : _____________________________________

   Signature : _____________________________________

Signature on
Rs. 5/-
Revenue Stamp

NOTICE:

01. A member entitled to attend and vote at the meeting may appoint another member and non-members as his / her proxy.

02. In order to be effective, the instructions/proxy forms must be received at the Company's registered office address at Arif Habib Centre, 23, M.T. Khan Road, Karachi, no later than 10 days before the meeting (i.e. by the close of business on September 15, 2021), duly signed and stamped and witnessed by two persons with their names, address, CNIC numbers and signatures. Further the same instructions/proxy scanned copy may also be sent to our official email id evoting@arifhabibltd.com.

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

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

AFFIX
CORRECT
POSTAGE

ARIF HABIB LIMITED

Registrar:

CDC Share Registrar Services Limited
CDC House, 99-B, Block-B, S.M.C.H.S, Main
Shahra-e-Faisal, Karachi.

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الیکٹرونک ووٹنگ کیلئے پراکسی فارم

17واں سالانہ اجلاس عام

کمپنی سیکریٹری
عارف حبیب لمیٹڈ
عارف حبیب سینٹر
23، ایم ٹی خان روڈ،
کراچی

میں / ہم ، ___________________ کا تعلق ___________________

سے اور ہمارے پاس رجسٹرڈ فولیونمبر / سی ڈی سی اکاؤنٹ نمبر ___________ کے تحت ___________ شیئرز کے مالک ہیں، اور ہم ثالث کے ذریعے الیکٹرانک ووٹنگ کا انتخاب کرتے ہیں اور جناب / محترمہ ___________ کو بطور ایگزیکیوشن افسر برائے پراکسی مقرر کیے جانے کے حوالے سے اپنی رضامندی کا اظہار کرتے ہیں جو کمپنیز (الیکٹرانک ووٹنگ) ریگولیشنز 2016 کے تحت الیکٹرانک ووٹنگ پر عمل کریں گے اور قرارداد کیلئے پولنگ کا مطالبہ کرتے ہیں۔

میرا ای میل ایڈریس ___________ ہے، براہِ کرم لاگ ان کی تفصیلات، پاسورڈ اور الیکٹرانک دستخط اسی ایڈریس پر بھیجیں۔

دستخط

مورخہ ___________

گواہان:

1	2
نام: ___________	نام: ___________
پتہ: ___________	پتہ: ___________
شناختی کارڈ نمبر: ___________	شناختی کارڈ نمبر: ___________
دستخط: ___________	دستخط: ___________

پانچ روپے کے اسٹامپ ٹکٹ پر دستخط

نوٹس:

۱۔ ووٹنگ کی تقریب میں شرکت اور ووٹ ڈالنے کا اہل ممبر کسی ایک اور رکن یا غیر رکن کو اپنا پراکسی مقرر کر سکتا ہے۔

۲۔ موثر انداز سے عمل کیلئے ضروری ہے کہ ہدایت نامہ / پراکسی فارم کمپنی کے رجسٹرڈ دفتر، عارف حبیب سینٹر، 23، ایم ٹی خان روڈ، کراچی، پر اجلاس سے 10 روز قبل پہنچ جانا چاہئے (یعنی 15 ستمبر 2021 کو کاروباری سرگرمیوں کے اختتام تک)، جس پر دو گواہان کے نام، پتہ، شناختی کارڈ اور دستخط ہونا چاہئیں۔ مزید برآں، ہدایت نامہ / پراکسی کی اسکین کی ہوئی کاپی ہمارے ای میل ایڈریس evoting@arifhabibltd.com پر بھی ارسال کریں۔

۳۔ افراد کی صورت میں بینیفیشل اونرز کے تصدیق شدہ کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ کی کاپی پراکسی فارم کے ساتھ جمع کرائی جائے۔

۴۔ کارپوریٹ ادارے کے پراکسی کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی اور کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ کی مصدقہ کاپی پراکسی فارم کے ساتھ جمع کرائیں۔

AFFIX
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ARIF HABIB LIMITED

Registrar:

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Shahra-e-Faisal, Karachi.

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UAN (92-21) 111-245-111 - www.arifhabibltd.com

ARIF HABIB LIMITED

ARIF HABIB CENTRE

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Fax No (92-21) 32416072; 32429653
Tel (92 42) 35871730
Group Website www.arifhabib.com.pk