

Half Year Report December 31, 2022



ARIF HABIB
LIMITED



**Best Securities House
in Pakistan for 2022**
Asiamoney



Roshan Digital Account
Largest market share in
Equities (27%)



Best Investment Bank 2022
Asiamoney



**Most Out standing
Company in Pakistan**
Financial Sector 2021
Asiamoney



Best Investment Bank 2022
Domestic 2022 - Finance Asia
Awards 2022



Best Bond Advisor
The Asset Triple A
Country/Regional Awards 2021



Best Equity Advisor
The Asset Triple A Country &
Regional Awards 2021



**Best Corporate and
Institutional Advisor**
The Asset Triple A Country
& Regional Awards 2021



**Best Corporate
Finance House of the Year 2020**
CFA Society Pakistan



**Best Equity Brokerage
House of the Year 2021**
CFA Society Pakistan



**Best Economic Research
House of the Year 2021**
CFA Society Pakistan



**Best Equity Analyst
of the Year 2021**
CFA Society Pakistan



**Best Money Market Broker
(Islamic)**
Financial Market
Association of Pakistan



**Top Brokerage
House for Opening
Roshan Digital Accounts**
Central Depository Company

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COMPANY INFORMATION

Board of Directors

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

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

Office No. F-16 & F-17, 1st Floor,
The Mall Tower, Cantt, Peshawar
Tel: +92 91 5253910-13

Faisalabad Branch

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

Multan Branch

Office No. 05, 3rd Floor,
The United Mall,
Plot No.74, Abdali Road Multan
Tel: +92 61 4514413
+ 92 61 4514412

OUR VISION

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

OUR 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.



Director's Report

Dear Fellow Members of Arif Habib Limited,

On behalf of the Board of Directors, I am pleased to present the financial statements of Arif Habib Limited (AHL) for the second quarter and half year ended December 31, 2022.

Economic Review:

Pakistan's economic fundamentals further deteriorated in the outgoing quarter as delays in completion of the IMF's 9th review and lack of bilateral support from friendly countries took a toll on overall macro fundamentals. Government's decision to control the official exchange rate led to sharp decline in official flows with remittances and exports declining 11% and 5% respectively with flows diverted to a vibrant grey market which was trading 10-12% above the official PKR-USD exchange rate. As a result, reserves have declined to a multi decade low of USD 3.7bn (barely providing 2 weeks of import cover). The current account deficit though has continued its downward trend -60% YoY to USD 3.7bn in 1HFY23 primarily on account of lower trade balance due to a combination of weaker demand and administrative measures to curb imports. Inflationary pressures have also persisted with inflation averaging 25.0% in 2QFY23 with risks tilted to the upside forcing the central bank to resume rate hikes with 1% hike in both November and January monetary policy meeting to 17% (highest since Oct'1997). Despite challenging macro backdrop, there has been some silver lining particularly with the return of the IMF team for staff level discussions in end January. This follows the government's decision to meet two key IMF pre-conditions, free float of the PKR and increase in petroleum prices. The outlook nonetheless remains challenging with IMF strongly advocating major structural reforms in the energy sector including tariff hikes as well as imposition of additional taxes to narrow the fiscal deficit. Further monetary and fiscal tightening is likely to keep economic growth subdued in 2HFY23 as well.

Stock Market Performance

The first half of FY23 remained particularly challenging for the country. International credit rating agencies such as Moody's, Fitch and S&P Global, downgraded Pakistan's outlook to negative, as well as cut foreign credit ratings, reflecting the rising risks to external financing. The economic hardship and policy inaction during the year largely kept the IMF dissatisfied, keeping the EFF program's 9th review stalled. As the country continued to finance its current account deficit and debt obligations, while multilateral and bilateral partners awaited clarity from the IMF, foreign reserves held by the SBP shrunk to an eight-year low of just USD 5.59bn by Dec'22 end. Growing liquidity concerns kept the Pak Rupee under pressure, which closed at 226.43/USD by end of Dec'22, and triggered inflation to rise to precarious levels. CPI settled at 25% YoY during 1HFY23 against 9.1% in the same period of last year. To counter the same, the State Bank of Pakistan undertook hikes in the policy rate by 2.25% to 16%, further eroding business climate and sentiment at the index. Whereas devastating floods further made a dent in the already struggling economy. The KSE-100 index closed at 40,420 points in 1HFY23, down by 2.70% / 1,120 points YoY, which took the USD-based return to a negative 11.97%.

As various exogenous and macroeconomic indicators turned red, sentiment of the index remained dull during 1HFY23, with average volumes shrinking by a massive 36% to 219mn shares, while average value declined by 58% to USD 30mn YoY. Commercial Banks (-7%) and Cement (-4%), remained major underperformers while Technology (+34%), Power Generation and Distribution (+11%), and Oil and Gas Exploration (+3%) were noticeable outperformers during 1HFY23.

Foreign investors remained net sellers in Pak equities, with outflows arriving at USD 0.93mn in 1HFY23. On the domestic front, buying was undertaken by Banks & DFIs (USD 50mn) and Individuals (USD 48mn), whereas Mutual Funds and Insurance companies sold stocks worth USD 64mn and USD 63mn, respectively.

Your Company's Performance

During the period under review, your Company has posted after tax loss of PKR 33.44 million due to a loss in investment portfolio owing to deteriorating market conditions. The equity of your Company as at the balance sheet date is PKR 4.78 billion (June 2022: PKR 5.20 billion), which translates into book value per share of PKR 73.10 (June 30, 2022: PKR 79.61).

During the half year ended December 31, 2022, the brokerage and investment banking divisions managed to perform well despite challenging macroeconomic environment with revenues of PKR 509.79 million (1HFY22: PKR 598.48 million). We were engaged in multiple M&A advisory & debt raising transactions during the period and successfully completed one major M&A transaction and multiple debt raising transactions.

Director's Report

The short-term investment portfolio took a hit due to deteriorating market conditions, however, this was partially offset by unrealized gains on our real estate investment portfolio.

AHL is continuously working to improve its services and has invested in technology and workforce to better serve its customers which has resulted in higher fixed cost. In addition, due to rising inflationary pressures, cost of running the business have increased resulting in 14% rise in operating expenses. Finance cost of the company increased significantly and amounted to PKR 321.61 million (1H FY22: PKR 75.60 million) due to a combination of higher interest rates amid aggressive monetary tightening by the central bank as well as increased utilization of borrowing lines for some attractive investment opportunities.

During the period under review, your company has been awarded winner for Best Brokerage House, Best Corporate Finance House, Best Economic Research House, and Best Research Analyst by the CFA Society of Pakistan. AHL has become the only Stockbroking and Investment banking firm which has been awarded winner in all the house awards and also got the distinction for winning Best Corporate Finance House for 8 consecutive years. It has also been recognized as the Best Brokerage House and the Best Economic Research House for a second consecutive year.

Your Company has also continued to be recognized and awarded by leading global financial publications. These include the Best Securities House in Pakistan for 2022, Best Investment Bank 2022 & Most Outstanding Company in Pakistan - Financial Sector 2021 award by "Asiamoney". Further, AHL has received Best Investment Bank - Domestic 2022 award by "FinanceAsia" Country Awards 2022.

Future Prospects

The future prospects of your Company are largely dependent upon political and economic stability. Any positive developments on this front will improve the market volumes, and valuations which will attract new companies to raise equity from public markets. We are continuously working on expanding our online and retail client base in order to increase the market participation of investors and avail benefits from the attractive market opportunities on offer.

The Management foresees activity on account of debt listings, Mergers & Acquisitions, privately placed TFCs and Sukuks as well as some activity on equity listings for which the Investment Banking Division is well equipped.

Acknowledgement

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

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

For and on behalf of the Board of Directors,



Muhammad Shahid Ali Habib
Chief Executive Officer and Director



Zafar Alam
Chairman

Karachi.

Dated: January 31, 2023

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF

Report on Review of Condensed Interim Unconsolidated Financial Statements

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of M/s. Arif Habib Limited ("the Company") as at **December 31, 2022** and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity, and condensed interim unconsolidated statement of cash flows and notes thereto for the six-month period then ended (here-in-after referred to as the "unconsolidated interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As part of our engagement, we were only required to review the cumulative figures for the six-month period ended December 31, 2022. Accordingly, we have not reviewed the figures in the condensed interim unconsolidated statement of profit or loss and the condensed interim unconsolidated statement of comprehensive income for the three-month period ended December 31, 2022.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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



RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi

Date: February 02, 2023

UDIN: RR2022102138Bp50LtFU

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2022

		(Un audited) December 31, 2022	(Audited) June 30, 2022
	Note	Rupees	
ASSETS			
NON- CURRENT ASSETS			
Property and equipment	3	75,877,263	83,978,889
Right-of-use assets	4	16,613,493	32,555,873
Intangible assets		5,978,696	6,087,502
Long term investments	5	80,745,423	80,745,423
Investment property	6	1,922,579,352	1,657,331,341
Long Term Advances and Deposits		7,793,649	5,904,407
		2,109,587,876	1,866,603,435
CURRENT ASSETS			
Short term investments	7	4,824,123,296	5,272,505,403
Trade debts	8	297,121,981	166,138,218
Receivable against margin financing	9	228,985,359	395,380,659
Advances, deposits and prepayments	10	14,575,466	18,334,298
Receivable against trading of securities-net		263,401,786	-
Accrued markup on margin financing		27,627,936	21,480,959
Other receivables	11	139,304,586	133,494,275
Investment in subsidiary held for sale	12	43,558,105	43,558,105
Cash and bank balances	13	1,608,754,988	1,068,332,991
		7,447,453,503	7,119,224,908
		9,557,041,379	8,985,828,343
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized Capital			
75,000,000 (June 2022: 75,000,000) ordinary shares of Rs.10/- each		750,000,000	750,000,000
Issued, subscribed and paid-up capital		653,400,000	653,400,000
65,340,000 (June 30, 2022: 65,340,000) ordinary shares of Rs. 10/each			
Capital reserves			
Surplus on revaluation of property		15,432,500	15,432,500
Revenue reserves			
Unappropriated profits		4,107,309,347	4,532,787,684
Total equity		4,776,141,847	5,201,620,184
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liability		1,557,949	3,683,358
Deferred tax - net	14	36,070,580	26,704,649
		37,628,529	30,388,007
CURRENT LIABILITIES			
Short term borrowings- secured	15	2,876,167,903	2,431,969,618
Current portion of lease liability		2,341,082	15,894,070
Trade and other payables	16	1,651,727,056	1,120,346,272
Unclaimed dividend		21,881,028	19,164,705
Payable against trading of securities- net		-	21,078,278
Accrued Markup on Short Term Borrowings		118,044,576	75,064,344
Taxation- Net	17	73,109,358	70,302,865
		4,743,271,003	3,753,820,152
CONTINGENCIES AND COMMITMENTS			
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TOTAL EQUITY AND LIABILITIES		9,557,041,379	8,985,828,343

The annexed notes from 1 to 31 form an integral part of these condensed interim unconsolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT

For the six months and quarter ended December 31, 2022 (unaudited)

	Note	Quarter ended	
		December 31, 2022	December 31, 2021
		Rupees	Rupees
Operating revenue	19	831,254,054	685,755,736
Realized (loss) / gain on disposal of investments		(268,777,938)	161,216,575
Realized gain on sale of investment property		-	355,500,000
		562,476,116	1,202,472,311
Net change in unrealized (loss) / gain on investments	20	(121,762,318)	(116,064,574)
Net change in unrealized gain on investment property		233,700,000	97,682,190
		674,413,798	1,184,089,927
Administrative and operating expenses	21	(308,145,834)	(286,843,276)
Other charges		(19,265,018)	(204,639)
Other operating income	23	43,002,924	29,077,162
		390,005,870	926,119,174
Finance costs	22	(321,608,815)	(75,601,994)
Profit before taxation		68,397,055	850,517,180
Taxation	24	(101,835,392)	(92,353,238)
Profit after taxation		(33,438,337)	758,163,942
(Loss) / Earning per share - basic & diluted	25	(0.51)	11.60

The annexed notes from 1 to 31 form an integral part of these condensed interim unconsolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months and quarter ended December 31, 2022 (unaudited)

	<u>Six Months ended</u>		<u>Quarter ended</u>	
	<u>December 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
	Rupees		Rupees	
(Loss) / Profit after taxation	(33,438,337)	758,163,942	(104,294,459)	509,166,448
Other comprehensive income	-	-	-	-
<i>Items that will not be reclassified subsequently to statement of profit or loss</i>				
Net Change in fair value of the investment in equity securities	-	(40,246,440)	-	12,383,520
Total comprehensive (loss) / income for the period	<u>(33,438,337)</u>	<u>717,917,502</u>	<u>(104,294,459)</u>	<u>521,549,968</u>

The annexed notes from 1 to 31 form an integral part of these condensed interim unconsolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months and quarter ended December 31, 2022 (unaudited)

	Issued, subscribed & paid up capital	Reserves			Sub-total	Total
		Unappropriated profits	Surplus on revaluation of property	Surplus on re- measurement of equity securities at FVOCI		
		Rupees				
Balance as at June 30, 2021	594,000,000	4,358,006,084	15,432,500	27,944,785	4,401,383,369	4,995,383,369
Total comprehensive income for the six months ended December 31, 2021						
- Profit after taxation	-	758,163,942	-	-	758,163,942	758,163,942
- Other comprehensive loss	-	-	-	(40,246,440)	(40,246,440)	(40,246,440)
	-	758,163,942	-	(40,246,440)	717,917,502	717,917,502
Transaction with owners						
- Bonus shares @ 10% for the year ended June 30, 2021	59,400,000	(59,400,000)	-	-	(59,400,000)	-
- Cash dividend paid @ 100% for the year ended June 30, 2021	-	(594,000,000)	-	-	(594,000,000)	(594,000,000)
	59,400,000	(653,400,000)	-	-	(653,400,000)	(594,000,000)
Balance as at December 31, 2021	653,400,000	4,462,770,026	15,432,500	(12,301,655)	4,465,900,871	5,119,300,871
Balance as at June 30, 2022	653,400,000	4,532,787,684	15,432,500	-	4,548,220,184	5,201,620,184
Balance as at July 1, 2022	653,400,000	4,532,787,684	15,432,500	-	4,548,220,184	5,201,620,184
Comprehensive Loss for the six months ended December 31, 2022	-	(33,438,337)	-	-	(33,438,337)	(33,438,337)
Cash dividend paid @ 60% for the year ended June 30, 2022	-	(392,040,000)	-	-	(392,040,000)	(392,040,000)
Balance as at December 31, 2022	653,400,000	4,107,309,347	15,432,500	-	4,122,741,847	4,776,141,847

The annexed notes from 1 to 31 form an integral part of these condensed interim unconsolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT

For the six months and quarter ended December 31, 2022 (unaudited)

		December 31, 2022	December 31, 2021
	Note	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		68,397,055	850,517,180
Adjustments for:			
Depreciation on property and equipment	21	8,473,356	8,303,712
Depreciation on right-of-use-asset	21	14,801,017	11,495,356
Amortization of intangible asset	21	108,806	162,157
Gain on Termination of lease	23	(229,512)	-
Gain on disposal of investment property		-	(355,500,000)
(Gain) / Loss on re-measurement of short term investments	20	121,762,318	-
(Gain) / Loss on sale of short term investment		268,777,938	-
Loss / (gain) on re-measurement of long term investments		-	11,121,098
Provision for expected credit losses		19,265,018	204,639
Unrealized gain on re-measurement of investment property		(233,700,000)	(97,682,190)
Mark up on reverse repo transactions	23	(6,441,240)	(14,568,701)
Dividend income on investment in equity securities	19	(179,021,385)	-
Profit on savings accounts maintained with banks	23	(33,975,420)	(12,912,393)
Finance costs	22	321,608,815	75,601,994
		301,429,711	(373,774,328)
Cash generated from operating activities before working capital changes		369,826,766	476,742,852
Effect on cash flow due to working capital changes (Increase)/decrease in current assets			
Short-term investments - net		57,841,851	(1,195,506,694)
Trade debts - consider good		(130,983,763)	(106,380,652)
Receivable against margin financing		166,395,300	(123,516,921)
Receivable against sale of securities-net		(263,401,786)	-
Deposits and short-term prepayments		3,758,832	(904,632)
Accrued markup on margin financing		(6,146,977)	(8,266,454)
Other receivables		5,148,470	(20,809,019)
Increase/(decrease) in current liabilities			
Trade and other payables		531,380,784	(631,011,646)
Payable against trading of securities- net		(21,078,278)	103,306,516
		342,914,433	(1,983,089,502)
Cash used in operations		712,741,199	(1,506,346,650)
Taxes paid		(89,662,968)	(193,815,181)
Finance costs paid		(277,217,308)	(50,618,997)
Net cash used in operating activities		345,860,923	(1,750,780,828)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		(371,730)	(21,786,694)
Expenditure on investment property - net		(31,548,011)	-
Proceeds from disposal of investment property		-	1,400,000,000
Dividends received		179,021,385	-
Interest received on savings accounts maintained with banks		10,192,861	10,947,852
Long term deposits - net		(1,889,242)	(19,420,000)
Net cash used in investing activities		155,405,263	1,369,741,158
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease Rentals against finance lease liability		(15,718,797)	(18,421,997)
Dividend paid		(389,323,677)	(589,657,680)
Net cash used in financing activities		(405,042,474)	(608,079,677)
Net (decrease) in cash and cash equivalents		96,223,712	(989,119,347)
Cash and cash equivalents at the beginning of the year		(1,363,636,627)	1,304,729,121
Cash and cash equivalents at the end of the year	26	(1,267,412,915)	315,609,774

The annexed notes from 1 to 31 form an integral part of these condensed interim unconsolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the six months and quarter ended December 31, 2022 (unaudited)

1. STATUS AND NATURE OF BUSINESS

1.1 Arif Habib Limited ("the Company") is a public listed company incorporated in Pakistan under the Companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2017 on May 30, 2017). The shares of the Company are quoted on Pakistan Stock Exchange Limited (PSX). 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% shareholding in the Company to general public and the Company obtained listing on the PSX on January 31, 2007. As of the reporting date, the Parent Company held 69.44% shares (June, 30 2021: 69.44% shares) of the Company.

1.2 The Company is a holder of Trading Right Entitlement Certificate (TREC) of PSX. The principal activities of the Company are investments, share brokerage, inter-bank brokerage, Initial Public Offer (IPO) underwriting, advisory and consultancy services.

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	Office No. F-16 & F-17, 1st Floor, The Mall Tower, Cantt, Peshawar
- Multan	Regional office	Office No. 05, 3rd Floor, The United Mall, Plot No.74, Abdali Road Multan
- Faisalabad	Regional office	Office No. 04, 3rd Floor at Legacy Tower, Koh-e-Noor City.
- Rahim Yar Khan	Regional office	Shop No. 2, Basement, Basheer Plaza, Model Town, Rahim Yar Khan
- Karachi	Regional office	Office No. 1001, 1002, 103, 10th Floor, Gul Tower, I.I. Chundrigar Road, Karachi

1.4 The Company has following wholly owned subsidiaries:

Holding %

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

2. BASIS OF PREPARATION OF THESE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

2.1 Statement of compliance with the applicable accounting and reporting standards

These condensed interim unconsolidated financial statements (here-in-after referred to as the 'interim financial statements') have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise:

- International Accounting Standard (IAS) 34 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of, and directives issued under, the Companies Act, 2017.

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the six months and quarter ended December 31, 2022 (unaudited)

Where the provisions of, and directives issued under, the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of, and directives issued under, the Companies Act, 2017 have been followed.

These interim financial statements do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2022.

2.2 Basis of measurement of items in these interim financial statements

All the items in these interim financial statements have been measured at their historical cost except for the following:

- (a) Long term investments in unquoted ordinary shares of M/s. ISE Tower REIT Management Limited and M/s. LSE Financial Services Limited which are carried at fair value;
- (b) Investment property which is carried at fair value; and
- (c) 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 interim financial statements are measured using the currency of the primary economic environment in which the Company operates. These interim financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

2.4 Judgments and sources of estimation uncertainty

In preparing these interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied in the annual unconsolidated financial statements of the Company as at and for the year ended June 30, 2022.

2.5 Significant accounting policies

The significant accounting policies applied in the preparation of these interim financial statements are the same as those applied in the preparation of the annual unconsolidated financial statements of the Company for the year ended June 30, 2022.

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
3. PROPERTY AND EQUIPMENT	Note	_____ Rupees _____	
Owned assets	3.1	<u>75,877,263</u>	<u>83,978,889</u>

- 3.1 During the period ended December 31, 2022, additions made amounting to Rs. 0.37 million (30 June 2022: Rs. 21.85 million) which comprised of office equipment and computer and allied items. However, no disposals were made during the period.

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the six months and quarter ended December 31, 2022 (unaudited)

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
4. RIGHT-OF-USE-ASSETS	Note	Rupees	
Opening net book value/cost		32,555,873	27,657,325
Add: Addition during the period / year		-	26,785,352
Less: Disposal during the period / year		1,141,363	
		31,414,510	54,442,677
Less: Depreciation charged during the period / year		(14,801,017)	(21,886,804)
Closing net book value	4.1	16,613,493	32,555,873

4.1 These represent the 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)
Lessor name	Rotocast Engineering Co. (Pvt.) Ltd.	Mr. Azmat Hassan Khan	Mr. Ahsan Mahmood
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
Lease agreement date	July 01, 2022	March 01, 2019	October 10, 2020
Lease commencement date	July 01, 2022	February 01, 2019	October 15, 2020
Initial contractual term of the lease	1 year	5 years	5 years
Availability of extension option?	No	Yes	Yes
No. of years for which the lease extension option is available	N/A	5 years	Indefinite
Estimated lease term (as on the date of commencement of the lease)	1 year	5 years	5 years

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
5. LONG TERM INVESTMENTS - unquoted	Note	Rupees	
Investment in subsidiaries	5.1	38,000,000	38,000,000
Investment in other entities	5.2	42,745,423	42,745,423
		80,745,423	80,745,423
5.1 Investment in subsidiaries - at cost less accumulated impairment			
Arif Habib Commodities (Private) Limited - cost		38,000,000	38,000,000
		38,000,000	38,000,000

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the six months and quarter ended December 31, 2022 (unaudited)

	Note	(Un-audited) December 31, 2022	(Audited) June 30, 2022
5.2 Investment in other entities - at fair value through profit or loss		Rupees	
ISE Towers REIT Management Company Limited	5.2.1	27,493,503	27,493,503
LSE Financial Services Limited	5.2.1	15,251,920	15,251,920
		<u>42,745,423</u>	<u>42,745,423</u>

5.2.1 This represents the investment in 3,034,604 (June 2022: 3,034,604) unquoted ordinary shares of M/s. ISE Towers REIT Management Company Limited and 843,975 (June 2022: 843,975) unquoted ordinary shares of M/s. LSE Financial Services Limited.

	Note	(Un-audited) December 31, 2022	(Audited) June 30, 2022
6. INVESTMENT PROPERTY		Rupees	
Open plots of land / offices - at fair value	6.1	1,823,493,553	1,592,388,461
Residential flats under construction - at cost	6.2	99,085,799	64,942,880
		<u>1,922,579,352</u>	<u>1,657,331,341</u>
6.1 Open plots of land / offices - at fair value			
Opening carrying amount (at fair value)		1,592,388,461	1,968,800,000
Realized gain on disposal		-	940,000,000
		<u>1,592,388,461</u>	<u>2,908,800,000</u>
Sale during the year		-	(1,410,000,000)
Reversals during the year	6.1.3	(15,552,128)	-
Development charges incurred during the period / year (subsequent expenditure)		<u>12,957,220</u>	<u>22,375,601</u>
		<u>(2,594,908)</u>	<u>(1,387,624,399)</u>
		1,589,793,553	1,521,175,601
Net change in unrealized gain during the year		233,700,000	71,212,860
Closing carrying amount	6.1.2	<u>1,823,493,553</u>	<u>1,592,388,461</u>

6.1.1 Open plots of land / offices comprise of the following:

Open plots of land:	8 residential and 5 commercial plots situated at Naya Nazimabad, Deh Manghopir, Gadap Town, Karachi (a real estate project being managed by M/s. Javedan Corporation Limited, a related party).
Offices:	Offices bearing no. 60, 61, 62, 63 and 64 situated at first floor of the building complex of PSX, office bearing no. 220 situated at Lahore Stock Exchange Plaza and offices bearing no. 106, 113, 203, 409 situated in the Lahore Stock Exchange - South Tower.

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the six months and quarter ended December 31, 2022 (unaudited)

6.1.2 The valuation of the investment property was carried out by an independent external property valuer having appropriate recognised qualification and relevant experience according to which the aggregate fair value and forced sale value of the properties as at December 31, 2022 were Rs. 1,823.49 million (June 30, 2022: Rs.1,592.39 million) and Rs. 1,460.87 million (June 30, 2022: Rs. 1,241.88 million), respectively.

6.1.3 This represents a cheque payment made to Kings Real estate in the prior period, with the intention of involving it, in the development cost to be incurred on company's investment property. However, subsequently to the issuance of cheque, company decided against the said development work, and accordingly, development work is reversed with the said amount of Rs. 15.52 million.

6.2 Residential flats under construction - at cost

This represents the aggregate of the initial down payment and subsequent periodic payments made to M/s. Javedan Corporation Limited, a related party, in respect of the purchase of 20 residential flats in Global Residency real estate project situated at Naya Nazimabad, Deh Manghopir, Gadap Town, Karachi. Total agreed purchase consideration of these flats amounts to Rs. 377 million which is to be settled in 55 unequal installments of varying frequency.

Since, the flats are presently under construction, their fair value cannot be reliably measured. As a result, the Company has elected to measure such investment at cost.

For financial commitment relating to the above referred periodic payments yet to be made to M/s. Javedan Corporation Limited, please refer note 20.2 to these unconsolidated financial statements.

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
		Rupees	
7. SHORT TERM INVESTMENTS	Note		
At fair value through profit or loss			
Quoted equity securities	7.1	3,105,776,181	4,250,803,109
Quoted debt securities	7.2	68,347,115	71,702,294
Un-quoted debt securities	7.3	1,650,000,000	950,000,000.00
		1,718,347,115	1,021,702,294
		4,824,123,296	5,272,505,403
7.1 Investment in quoted equity securities			
Cost of investment		3,645,794,215	4,668,469,985
Unrealised loss:			
Balance at start of the period / year		(417,666,876)	34,796,222
Unrealised loss for the period		(122,351,158)	(452,463,098)
		(540,018,034)	(417,666,876)
Balance at the end of period / year	7.1.1	3,105,776,181	4,250,803,109

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the six months and quarter ended December 31, 2022 (unaudited)

7.2.1 These represent the investments in Term Finance (TFC) & Sukuk Certificates made under Market Making arrangements. The Company has entered into such arrangements in accordance with Chapter 12 of PSX Rule Book with various Financial and Corporate Institution. Under the arrangements, the Company has to maintain minimum inventory of TFCs & Sukuks to place bid & offer on daily basis. These TFCs and Sukuks carry coupon rate ranging from 3 month KIBOR + 1.5% to 2.25%, 6 month KIBOR + 0.50% to 2.25% (June 30, 2022: 3 month KIBOR + 0.9% to 1.9%, 6 month KIBOR + 0.50% to 2.25%) calculated on the face value of the respective TFCs or Sukuks that is payable quarterly / semi annually.

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
7.2 Investment in quoted debt securities	Note	Rupees	
Cost of investment		68,368,472	72,312,491
Unrealised gain / (loss) :			
Balance as at July 01		(610,197)	(1,454,664)
Unrealised gain for the period		588,840	844,467
		(21,357)	(610,197)
Balance as at December 31	7.2.1	68,347,115	71,702,294

7.3.1 This represents the investment in Term Finance Certificates (TFCs) of Bank of Punjab (BOP), TPL Corporation Limited (TPL) and Bank Alfalah Limited. These TFCs have been issued as redeemable capital and carry interest at the rate of 6 month average KIBOR + 2% to 2.5% per annum payable semi-annually (June 30, 2022: 6 month average KIBOR + 2% to 2.5% per annum payable semi-annually).

7.3.2 This represents the investment in Sukuks. These Sukuks have been issued by the K-Electric Limited (KE) as redeemable capital, and carry interest at the rate of 3 month average KIBOR + 1.7% per annum (quarterly).

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
7.3 Investment in unquoted debt securities	Note	Rupees	
Investment in unquoted TFCs	7.3.1	1,600,000,000	950,000,000
Investment in unquoted Sukuks	7.3.2	50,000,000	-
		1,650,000,000	950,000,000

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the six months and quarter ended December 31, 2022 (unaudited)

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
8. TRADE DEBTS	Note	Rupees	
Gross receivables			
Equity brokerage - secured	8.1	1,076,047,413	971,396,924
Inter bank brokerage - unsecured		22,273,626	24,129,003
Advisory and consultancy fee - unsecured		150,545,312	103,187,373
		1,248,866,351	1,098,713,300
Less: Provision for expected credit losses			
Equity brokerage - secured		(890,718,542)	(871,814,071)
Inter bank brokerage - unsecured		(2,719,747)	(2,454,930)
Advisory and consultancy fee - unsecured		(58,306,081)	(58,306,081)
	8.2	(951,744,370)	(932,575,082)
		297,121,981	166,138,218

8.1 Gross receivables - Equity brokerage

8.1.1 These receivables include Rs. 6.714 million (June 30, 2022 : Rs. 1.9 million) due from the related parties. The maximum aggregate amount outstanding during the period from such parties (with reference to month-end balances) amounted to Rs. 466.026 million (June 30, 2022: Rs. 551.82 million).

8.1.2 The Company holds capital securities having fair value of Rs. 74,201 million (June 30, 2022: Rs. 64,334 million) owned by its clients, as collaterals against trade debts.

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
8.2 Movement in provision for expected credit losses	Note	Rupees	
Balance at the beginning of the period / year		932,575,082	922,272,883
Charge for the period / year		19,169,288	10,302,199
Balance at the end of the period / year		951,744,370	932,575,082
9. RECEIVABLE AGAINST MARGIN FINANCING			
Considered good		228,985,359	395,380,659
Considered doubtful		1,917,749	1,917,749
	9.1	230,903,108	397,298,408
Less: provision for doubtful receivables		(1,917,749)	(1,917,749)
		228,985,359	395,380,659

9.1 Margin financing facility is provided to clients on markup basis ranging from 10.00% to 23.00% (June 30, 2022:15.00% to 23.00%) per annum.

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the six months and quarter ended December 31, 2022 (unaudited)

10. ADVANCES, DEPOSITS AND PREPAYMENTS	Note	(Un-audited) December 31, 2022	(Audited) June 30, 2022
		Rupees	
Advances			
Advance to consultant	10.1	4,069,760	4,069,760
Advance against expenses		3,403,001	3,092,021
Advance against salary		2,118,219	1,439,002
		<u>9,590,979</u>	<u>8,600,783</u>
Trade deposits			
Exposure deposit with National Clearing Company of Pakistan Limited (NCCPL)	10.2	-	8,629,396
Prepayments			
Insurance		4,984,489	1,104,119
		<u>14,575,466</u>	<u>18,334,298</u>

10.1 This represents advance payment made to a consultant in respect of consultancy services on corporate finance projects.

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

11. OTHER RECEIVABLES	Note	(Un-audited) December 31, 2022	(Audited) June 30, 2022
		Rupees	
Receivable from Javedan Corporation Limited - a related party:			
- Proceeds from sale of investment property		5,126,734	5,126,734
- Mark-up on loan		-	10,192,861
		<u>5,126,734</u>	<u>15,319,595</u>
Receivable against reverse repo arrangements		103,645,860	115,089,608
Others	11.1	30,531,991	3,085,072
		<u>139,304,586</u>	<u>133,494,275</u>

11.1 It represents receivable against profit on saving accounts maintained by the Company, and the return on Bank Alfalah Limited's TFCs.

12. INVESTMENT IN SUBSIDIARY HELD FOR SALE

There has been no change in the status of the Investment held for sale, as reported in note 15 to the annual unconsolidated financial statements of the Company for the year ended June 30, 2022, except for the fact that the required approval, for the sale, as per the provision of section 183 of the Companies Act 2017, has been obtained in the Arif Habib Limited's 18th Annual general meeting, held on October 15, 2022.

13. CASH AND BANK BALANCES	Note	(Un-audited) December 31, 2022	(Audited) June 30, 2022
		Rupees	
Cash in hand		695,737	687,720
Cash held in central depository company		6,961,016	4,244,693
Cash at bank			
- current accounts		119,703,620	143,083,273
- savings accounts	11.1	1,481,394,615	920,317,305
		<u>1,601,098,235</u>	<u>1,063,400,578</u>
		<u>1,608,754,988</u>	<u>1,068,332,991</u>

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the six months and quarter ended December 31, 2022 (unaudited)

13.1 The return on these balances is 7% to 15% (June 30, 2022: 6% to 14%) per annum on daily product basis.

13.2 Bank balances include customers' bank balances held in designated bank accounts amounting to Rs. 1,432.62 million (June 30, 2022: Rs.986.95 million).

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
14. DEFERRED TAX - net	Note	Rupees	
Deferred tax liability in respect of:			
- Capital loss on short term investments	14.1	-	-
- Other temporary differences	14.2	36,070,580	26,704,649
		<u>36,070,580</u>	<u>26,704,649</u>

14.1 Deferred tax in respect of capital loss on short term investments

Deferred tax asset amounting to Rs. 53.286 million has not been recognized in respect of the realized and unrealized capital losses on short term investments amounting to Rs. 426.3 million because it is not probable that future capital gain on securities will be available against which the Company can use the benefits therefrom.

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
14.2 Deferred tax in respect of other temporary differences	Note	Rupees	
Deferred tax liabilities recognized	14.2.1	43,893,532	44,347,288
Deferred tax asset recognized	14.2.2	(7,822,953)	(17,642,639)
		<u>36,070,580</u>	<u>26,704,649</u>

14.2.1 Deferred tax liabilities

Accelerated depreciation	7,449,303	9,122,269
Right-of-use assets	4,817,913	9,441,203
Investment property	31,626,316	25,783,816
	<u>43,893,532</u>	<u>44,347,288</u>

14.2.2 Deferred tax assets

Intangible assets	6,815,000	6,815,000
Long term investment	-	4,594,038
Provision for doubtful debts and other receivables	556,147	556,147
Lease liability	451,805	5,677,454
Deferred tax assets available for recognition	<u>7,822,953</u>	<u>17,642,639</u>
Deferred tax assets actually recognized	7,822,953	17,642,639
Unrecognized deferred tax assets	-	-
Total deferred tax asset position	<u>7,822,953</u>	<u>17,642,639</u>

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the six months and quarter ended December 31, 2022 (unaudited)

	Note	(Un-audited) December 31, 2022	(Audited) June 30, 2022
15. SHORT TERM BORROWINGS		Rupees	
From banking companies			
- Running finance	15.1	913,467,903	1,631,969,618
From related parties			
- Financing facility from Javedan Corporation Limited	15.2	1,550,000,000	800,000,000
- Financing facility from the Sponsor	15.3	412,700,000	-
		1,962,700,000	800,000,000
		2,876,167,903	2,431,969,618

15.1 Running finance arrangements from banking companies - secured

15.1.1 Short term running finance facilities are available from various commercial banks, under mark-up arrangements, amounting to Rs. 6,750 million (June 30, 2022: Rs. 6,250 million). These facilities have various maturity dates up to September 30, 2024 (June 30, 2022: September 30, 2024). 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% (June 30, 2022: 1 month KIBOR + 0.5% to 1.0% , 3 month KIBOR + 0.50% to 1.5%) calculated on a daily product basis that is payable quarterly.

15.1.2 Fair value of shares pledged with banking companies against various short term running finance facilities and bank guarantees as at December 31, 2022 amounted to Rs. 6,066.13 million (June 30, 2022: Rs. 6,612.99 million). Total value of securities pledged with financial institutions, indicating separately securities belonging to customers, is as under:

	December 31, 2022		June 30, 2022	
	Number of securities	Amount (Rupees)	Number of securities	Amount (Rupees)
Clients	154,950,000	5,206,320,000	123,850,000	4,681,530,000
House	39,474,000	859,815,930	66,927,500	1,931,461,325
Total	194,424,000	6,066,135,930	190,777,500	6,612,991,325

	(Un-audited) December 31, 2022	(Audited) June 30, 2022
15.2 Financing facility from Javedan Corporation Limited - unsecured	Rupees	
Opening balance	800,000,000	-
Add: Finance obtained during the period / year	750,000,000	1,780,000,000
Less: Repayments made during the period / year	-	(980,000,000)
Closing balance	1,550,000,000	800,000,000

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the six months and quarter ended December 31, 2022 (unaudited)

15.2.1 During the period, the Company obtained an unsecured financing facility of Rs. 750 million from M/s. Javedan Corporation Limited to finance its working capital requirements. The loan is repayable within 30 days of notice of demand and carries interest at the rate of 3 month KIBOR + 1.75% (payable quarterly).

	(Un-audited) December 31, 2022	(Audited) June 30, 2022
	Rupees	
Opening balance	-	-
Add: Finance obtained during the period / year	2,112,700,000	650,000,000
Less: Repayments made during the period / year	(1,700,000,000)	(650,000,000)
Closing balance	412,700,000	-

15.3.1 During the year, company obtained financing facility of Rs. 2.112 billion from sponsor Mr. Arif Habib, as a short term , unsecured, subordinated loan, which is payable on demand. It carried interest at the rate of 3 month KIBOR + 1% on the balance payable at the time of demand of principal payment. During the period, Loan amounted to Rs. 1.7 billion has been repaid on demand.

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
		Rupees	
16. TRADE AND OTHER PAYABLES	Note		
Creditors	16.1	1,432,183,037	952,177,136
Commission payable	16.2	44,163,556	28,573,207
Accrued expenses		24,587,329	23,692,633
Advance from customers		99,172	4,252,568
Withholding tax payable		54,443,021	33,155,905
Sindh sales tax and federal excise duty payable		16,921,293	17,202,489
Advance against committed sale of investment property	16.3	24,993,725	22,243,725
Payable to NCCPL against exposure deposit	10.2	25,673,284	-
Payable against reverse repo transaction	16.4	23,629,267	33,629,267
Other liabilities		5,033,372	5,419,342
		1,651,727,056	1,120,346,272

16.1 This includes Rs. 20.925 million (June 30, 2022: Rs. 109.45 million) payable to related parties.

16.2 This includes Rs. 20.584 million (June 30, 2022: Rs. 23.9 million) payable to related parties.

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
		Rupees	
16.3 Advance for committed sale of investment property	Note		
Advance received from:			
- M/s. Arif Habib Commodities (Private) Limited	16.3.1	15,993,725	13,243,725
- Mr. Safi Ullah	16.3.2	9,000,000	9,000,000
		24,993,725	22,243,725

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the six months and quarter ended December 31, 2022 (unaudited)

16.3.1 This represents an advance received from M/s. Arif Habib Commodities (Private) Limited, a subsidiary company, against an agreed sale of four offices located at 1st floor of Stock Exchange Building against consideration amounting to Rs. 26 million (agreed in July 2019). The Company received Rs 1.5 million as token money at the time of agreement and the remaining amount is being received in 49 equal monthly installments. The sale will be executed after receiving of total amount of Rs. 26 million. Since the Company is committed to sell the offices at Rs. 26 million, the fair value of the offices as at December 31, 2022 has been recognized equal to the said sale consideration.

16.3.2 This represents advance received from Mr. Safi Ullah against sale of two residential plots located at Block A, Naya Nazimabad, Deh Manghopir, Gadap Town, Karachi at the total sum of Rs. 43.688 million. The sale will be executed after receiving of total amount of Rs. 43.688 million. Since the Company is committed to sell the plots at Rs. 43.688 million, the fair value of these plots as at December 31, 2022 has been recognized equal to the said sale consideration.

16.4 This represents amount payable to M/s. Masood Fabrics and M/s. Mehmood Textiles for amount realized, over and above of the receivable, on disposal of collateral held against reverse repo transaction. Out of total, Rs. 32 million has been paid and the remaining amount is standing as payable.

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
17. TAXATION - net	Note	Rupees	
Income tax payable	17.1	123,894,071	121,085,623
Income tax refundable		(50,784,713)	(50,782,758)
		<u>73,109,358</u>	<u>70,302,865</u>

17.1 This includes provision for super tax amounting to Rs. 111.43 million (2022: Rs. 86.936 million). There has been no change in the status of the super tax as disclosed in note 22.1 to the annual unconsolidated financial statements of the Company for the year ended June 30, 2022, except for the following:

The Company filed D-7228/2022 pertaining to "Super Tax" u/s 4c for the tax year 2022 on November 24, 2022, which was heard by the high court of Sindh. The High Court of Sindh directed petitioner(company) to secure the said super tax u/s 4c by furnishing bank guarantee / pay order / cheques within 7 days of the order dated 28th November, 2022. Also, the high court directed the tax department to allow furnishing of the tax returns of tax year 2022 excluding the said super tax u/s 4c liability, and also restricted against any coercive measure until the hearing is completed.

As at the reporting date, the case is pending with the high court of Sindh, and the same is confirmed by the company's legal advisor.

18. CONTINGENCY AND COMMITMENTS

18.1 Contingency

There has been no change in the status of the contingent liability as reported in note 23.1 to the annual unconsolidated financial statements of the Company for the year ended June 30, 2022.

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the six months and quarter ended December 31, 2022 (unaudited)

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
		Rupees	
18.2 Commitments			
Following commitments were outstanding as at the reporting date:			
- Outstanding settlements against Margin Trading contracts		229,047,587	372,222,968
- Outstanding settlements against sale / purchase of securities in regular market		174,179,600	277,978,515
- Financial guarantees given by commercial banks on behalf of the Company		750,000,000	750,000,000
- Against purchase of investment property		277,914,201	312,057,120
- Against development cost of investment property		112,629,235	110,034,327
		(Un-audited) December 31, 2022	(Audited) December 31, 2021
		Rupees	
19. OPERATING REVENUE	Note		
Equity brokerage revenue	30.2	178,522,576	226,420,986
Inter bank brokerage revenue	30.2	53,332,874	48,610,353
Advisory and consultancy fee		277,934,929	323,444,056
Markup on margin financing		29,369,546	24,982,118
Dividend income on investment in equity securities		179,021,385	55,188,045
Markup on corporate debt securities		113,072,744	7,110,178
		831,254,054	685,755,736
20. NET CHANGE IN UNREALIZED LOSS ON INVESTMENTS			
Long term investments		-	(11,121,098)
Short term investments	7.1 & 7.2	(121,762,318)	(104,943,476)
		(121,762,318)	(116,064,574)

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the six months and quarter ended December 31, 2022 (unaudited)

		(Un-audited) December 31, 2022	(Un-audited) December 31, 2021
	Note	Rupees	
21. ADMINISTRATIVE AND OPERATING EXPENSES			
Salaries and other benefits	21.1	179,621,751	157,090,841
Motor vehicle and travelling expense		24,820,980	22,463,709
Building maintenance		15,364,004	12,792,075
Depreciation on right-of-use assets		14,801,017	11,495,356
Man power services	21.2	12,592,644	11,400,000
Communication		11,248,336	10,364,351
CDC and clearing house charges		11,015,559	15,208,500
Depreciation on property and equipment		8,473,356	8,303,712
Fees and subscription		5,445,949	3,878,145
Insurance		5,161,650	5,991,507
Legal and professional charges		4,913,514	9,144,346
Donation		3,182,000	-
Others		2,726,589	3,354,571
Repairs and maintenance		2,261,833	5,912,197
Conveyance and meals		2,214,825	301,490
Business representation		2,018,632	2,646,147
Meeting expenses		600,000	125,000
Printing and stationery		545,413	2,352,368
Rent, rates and taxes		435,166	2,009,237
Auditors' remuneration		400,000	468,211
Advertisement and business promotion		193,810	1,008,617
Amortization on intangible assets		108,806	162,157
Write off of trade receivables		-	370,739
		308,145,834	286,843,276
21.1 Salaries and other benefits			
Salaries and other benefits		90,872,784	87,822,908
Commission		88,748,967	69,267,933
		179,621,751	157,090,841

21.2 These represent charges paid to M/s. Arif Habib Consultancy (Private) Limited, a related party, in respect of recruitment services obtained for providing senior and highly qualified consultants to lead the Company's investment banking department.

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the six months and quarter ended December 31, 2022 (unaudited)

		(Un-audited) December 31, 2022	(Un-audited) December 31, 2021
	Note	Rupees	
22. FINANCE COSTS			
Markup on short term borrowings	22.1	309,000,769	62,667,472
Other finance costs	22.2	12,608,046	12,934,522
		321,608,815	75,601,994
22.1 Markup on short term borrowings			
Markup on borrowing from banking companies		200,093,624	42,554,973
Markup on borrowing from related parties:			
- M/s. Javedan Corporation Limited		92,981,499	17,012,778
- M/s. Arif Habib Corporation Limited		-	3,099,721
- Mr. Arif Habib		15,925,646	-
		108,907,145	20,112,499
		309,000,769	62,667,472
22.2 Other finance costs			
Finance cost on lease liability		1,411,275	1,917,134
Markup on MTS securities		1,041,565	1,862,362
Bank charges		8,571,718	8,204,008
Guarantee charges to Arif Habib Corporation		1,583,488	951,018
		12,608,046	12,934,522
23. OTHER INCOME			
Markup on reverse repo transaction		6,441,240	14,568,701
Profit on savings accounts		33,975,420	12,912,393
Profit on exposure deposit		2,261,022	1,596,068
Gain on termination of lease		229,512	
Other Income		95,730	-
		43,002,924	29,077,162
24. TAXATION			
Current tax			
- for the year		89,502,950	107,301,293
- for prior year		2,966,511	(8,226,535)
		92,469,461	99,074,758
Deferred		9,365,931	(6,721,520)
		101,835,392	92,353,238
25. EARNINGS PER SHARE			
25.1 Basic earnings per share			
Profit after taxation attributable to ordinary shareholders		(33,438,337)	758,163,942
		Number	
Weighted average number of ordinary shares outstanding during the period		65,340,000	65,340,000
		Rupees	
Earnings per share - basic		(0.51)	11.60

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the six months and quarter ended December 31, 2022 (unaudited)

25.2 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 the reporting dates.

(Un-audited) December 31, 2022	(Un-audited) December 31, 2022
--------------------------------------	--------------------------------------

26. CASH AND CASH EQUIVALENTS

Cash and bank balances
Short term borrowings

Rupees	
1,608,754,988	1,865,920,815
(2,876,167,903)	(1,550,311,041)
(1,267,412,915)	315,609,774

27. RELATED PARTY TRANSACTIONS AND BALANCES

Name of the related party, relationship with company and
Nature of Transaction

Period Ended	
December 31, 2022	December 31, 2021
Rupees	

PARENT COMPANY

Arif Habib Corporation Limited

Brokerage Commission earned during the period on sale and
purchase of Securities

Guarantee Commission

Mark-up on loan paid / payable

Loan received

Loan repaid

2,241,749	4,026,249
1,583,488	951,018
-	3,099,721
-	650,000,000
-	650,000,000

SUBSIDIARY

Arif Habib Commodities (Private) Limited

Brokerage Commission earned during the period on sale and
purchase of Securities

144,121	263,388
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GROUP COMPANIES

Javedan Corporation Limited

Sale of plots

Mark-up on loan paid / payable

Loan received

Loan repaid

Brokerage commission earned during the
period on sale and purchase of securities

-	1,446,000,000
92,981,499	17,012,778
750,000,000	880,000,000
-	880,000,000
-	322,500

Arif Habib Dolmen REIT Management Ltd.

Brokerage Commission earned during the period on sale and
purchase of Securities

Advisory and Consultancy fee earned

-	516,000
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Arif Habib Equity (Pvt) Ltd.

Brokerage Commission earned during the period on sale and
purchase of Securities

197,716	754,625
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Rotocast Engineering Co. (Pvt) Limited

Brokerage Commission earned during the period on sale and
purchase of Securities

284,286	190,507
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CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the six months and quarter ended December 31, 2022 (unaudited)

	Period Ended	
	December 31,	December 31,
	Rupees	
KEY MANAGEMENT PERSONNEL		
Zafar Alam (Chairman)		
Brokerage Commission earned during the period on sale and purchase of Securities	53,215	160,278
Meeting Fee Paid	50,000	25,000
Muhammad Shahid Ali (CEO)		
Brokerage Commission earned during the period on sale and purchase of Securities	4,446,557	4,509,074
Muhammad Haroon (Director)		
Brokerage Commission earned during the period on sale and	160,732	265,800
Meeting Fee Paid	50,000	25,000
Muhammad Sohail Salat (Director)		
Meeting Fee Paid	50,000	25,000
Sharmin Shahid (Director)		
Brokerage Commission earned during the period on sale and purchase of Securities	-	366,548
Meeting Fee Paid	50,000	25,000
Nida Ahsan (Director)		
Brokerage Commission earned during the period on sale and purchase of Securities	125,300	218,935
Meeting Fee Paid	50,000	25,000
Mohsin Madni (Director)		
Brokerage Commission earned during the period on sale and purchase of Securities	1,331	9,562
CLOSE FAMILY MEMBERS OF KEY MANAGEMENT PERSONNEL		
Arif Habib		
Brokerage commission earned during the period on sale and purchase of Securities	2,061,341	2,493,459
Abdus Samad A. Habib		
Brokerage commission earned during the period on sale and purchase of Securities	376,987	364,687
POST EMPLOYMENT BENEFIT PLAN		
Provident fund trust - Contribution paid during the period	5,366,744	4,807,416

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the six months and quarter ended December 31, 2022 (unaudited)

	December 31, 2022	June 30, 2022
	Rupees	
Balances with related parties at the end of the period are as follows:		
PARENT COMPANY		
Arif Habib Corporation Limited		
Balance Receivable at period end	39,415	97,724
Guarantee Commission Payable	867,821	904,262
SUBSIDIARY		
Arif Habib Commodities (Private) Limited		
Advance against sale of investment property	16,250,030	13,500,000
Advance against equity	2,000,000	2,000,000
Balance payable at period end	-	1,253,071
Balance receivable at period end	1,210,300	-
Advances	256,305	256,275
GROUP COMPANIES		
Javedan Corporation Limited		
Balance receivable at period end	80,000	80,000
Receivable against sale of investment property	5,126,734	5,126,734
Loan payable	1,550,000,000	800,000,000
Mark-up receivable	-	10,192,861
Mark-up payable	-	3,144,411
Arif Habib Dolmen REIT Management Ltd.		
Balance receivable at period end	10,556	10,556
OTHER RELATED PARTIES		
Rotucast Engineering Co. (Pvt) Limited		
Prepaid rent	-	746,370
Balance receivable at period end	2,803	4,194
Arif Habib Equity (Pvt) Ltd.		
Balance receivable at period end	38,303	20,208
KEY MANAGEMENT PERSONNEL		
Zafar Alam (Chairman)		
Balance payable at period end	105,320	52,721
Meeting fee payable		25,000
Muhammad Shahid Ali (CEO)		
Balance payable at period end	20,546,874	108,175,990

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the six months and quarter ended December 31, 2022 (unaudited)

	December 31, 2022	June 30, 2022
	Rupees	
Sharmin Shahid (Director)		
Balance receivable at period end	46,442	4,283
Meeting fee payable	-	25,000
Nida Ahsan (Director)		
Balance receivable at period end	115,021	7,928
Meeting fee payable	-	25,000
Muhammad Haroon (Director)		
Balance payable at period end	2,429	24,876
Meeting fee payable		25,000
Muhammad Sohail Salat (Director)		
Meeting fee payable		25,000
Balance receivable at period end	599	599
Mohsin Madni (Director)		
Balance payable at period end	71,104	485
CLOSE FAMILY MEMBERS OF KEY MANAGEMENT PERSONNEL		
Arif Habib		
Trade receivable at year end	31,289	51,962
Abdus Samad A. Habib		
Balance payable at period end	199,809	-
Balance receivable at period end	-	1,667,893
Muhammad Kashif A. Habib		
Balance receivable at period end	12,666	12,666

28. FAIR VALUE HIERARCHY

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. as prices).
- Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the six months and quarter ended December 31, 2022 (unaudited)

Following is the fair value hierarchy of the assets carried at fair value:

	Level 1	Level 2	Level 3	Total
As on December 31, 2022	----- Amount in Rupees -----			
Financial assets measured at fair value				
Short term investments	4,824,123,296	-	-	4,824,123,296
Long term investments	-	-	42,745,423	42,745,423
Non-financial assets measured at fair value				
Investment properties	-	1,823,493,553	-	1,823,493,553
As on June 30, 2022				
Financial assets measured at fair value				
Short term investments	5,272,505,403	-	-	5,272,505,403
Long term investments	-	-	42,745,423	42,745,423
Non-financial assets measured at fair value				
Investment properties	-	1,592,388,461	-	1,592,388,461

29. OPERATING SEGMENT

These interim 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 December 31, 2022 were located in Pakistan.

30. CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary for the purpose of comparison and better presentation. Following reclassifications have been made in these unconsolidated financial statements.

Reclassified from component	Reclassified to component	Amount (Rupees)
Brokerage and operating revenue (Operating revenue)	Inter bank brokerage revenue (Operating revenue)	<u>48,610,353</u>

31. GENERAL

31.3 Date of authorization for issue of these interim financial statements

These interim financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on January 31, 2023.

31.4 Level of rounding

Unless otherwise indicated, all figures in these interim financial statements have been rounded off to the nearest rupee.



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2022

		Un audited December 31, 2022	Audited June 30, 2022
	Note	Rupees	
ASSETS			
NON- CURRENT ASSETS			
Property and equipment	5	77,389,115	85,465,988
Right-of-use assets		16,613,493	32,555,873
Intangible assets		6,978,696	7,087,502
Long term investments		42,745,423	42,745,423
Investment property	6	1,922,579,352	1,657,331,341
Long-term deposits		17,373,949	15,411,612
		2,083,680,028	1,840,597,739
CURRENT ASSETS			
Short term investments	7	4,824,123,297	5,272,505,402
Trade debts	8	296,250,565	166,138,218
Receivable against margin financing		228,985,359	395,380,659
Receivable under margin trading system		12,338,421	9,233,629
Receivable against sale of securities- net		263,401,786	-
Advances, deposits and prepayments		71,274,412	65,701,568
Accrued markup		27,627,936	21,480,959
Other receivables		139,304,585	133,631,775
Investment in subsidiary held for sale	9	52,392,276	49,675,292
Cash and bank balances	10	1,620,707,379	1,074,709,602
		7,536,406,016	7,188,457,104
		9,620,086,044	9,029,054,843
TOTAL ASSETS			
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized Capital			
75,000,000 (June 2022: 75,000,000) ordinary shares of PKR10/- each		750,000,000	750,000,000
Issued, subscribed and paid-up capital		653,400,000	653,400,000
Capital reserves			
Surplus on revaluation of property		15,432,500	15,432,500
		15,432,500	15,432,500
Revenue reserves			
Unappropriated profits		4,173,079,212	4,588,393,074
Total equity		4,841,911,712	5,257,225,574
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liability		1,557,949	3,683,359
Deferred tax - net		26,704,649	26,704,649
		28,262,598	30,388,008
CURRENT LIABILITIES			
Short term borrowings- secured	11	2,875,281,205	2,431,969,617
Current portion of lease liability		2,341,082	15,894,070
Trade and other payables		1,648,505,035	1,106,948,164
Unclaimed dividend		21,881,028	19,164,706
Payable against purchase of securities- net		-	21,078,278
Liabilities directly associated with the assets held for sale		756,308	619,347
Markup accrued		118,044,576	75,064,344
Taxes payable -net	12	83,102,500	70,702,735
		4,749,911,734	3,741,441,261
	13		
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES			
		9,620,086,044	9,029,054,843

The annexed notes from 1 to 21 form an integral part of the condensed interim financial information.


Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the Half Year and Quarter ended December 31, 2022 (un-audited)

	Note	Six months ended		Second Quarter ended	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
		Rupees	Rupees	Rupees	Rupees
Operating revenue	14	853,847,415	702,360,896	566,239,886	428,089,545
Realized (loss) / gain on disposal of investments		(268,777,938)	161,216,575	(311,352,040)	107,228,133
Realized gain on sale of investment property		-	355,500,000	-	355,500,000
		585,069,477	1,219,077,471	254,887,846	890,817,678
Net change in unrealized (loss) / gain on investments		(121,762,318)	(116,064,574)	90,703,921	63,477,356
Net change in unrealized gain on investment property		233,700,000	97,682,190	-	(183,817,810)
		697,007,159	1,200,695,087	345,591,767	770,477,224
Administrative and operating expenses		(322,126,990)	(296,480,254)	(197,409,695)	(170,936,423)
Finance costs		(321,617,165)	(75,601,994)	(183,366,000)	(53,362,992)
Other operating income		46,042,349	30,038,826	34,033,665	8,386,942
Other charges		(19,265,018)	(204,639)	(19,265,018)	(204,639)
Profit before taxation		80,040,335	858,447,026	(20,415,281)	554,360,112
Taxation		(103,314,197)	(93,960,489)	(80,643,145)	(43,555,134)
Profit after taxation		(23,273,862)	764,486,537	(101,058,426)	510,804,978
Earning per share - basic & diluted	19	(0.36)	(Restated) 11.70	(1.55)	(Restated) 7.82

The annexed notes from 1 to 21 form an integral part of the condensed interim financial information.


Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Half Year and Quarter ended December 31, 2022 (un-audited)

	December 31, 2022	December 31, 2021	Second Quarter ended December 31, 2022	December 31, 2021
	Rupees		Rupees	
Profit after taxation	(23,273,862)	764,486,537	(101,058,426)	510,804,978
Other comprehensive income for the period			-	-
<i>Items that will not be reclassified subsequently to statement of profit or loss</i>				
Investment in Equity securities at FVOCI - net change in fair value	-	(40,246,440)	-	12,383,520
Total comprehensive income for the period	(23,273,862)	724,240,097	(101,058,426)	523,188,498

The annexed notes from 1 to 21 form an integral part of the condensed interim financial information.



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Half Year and Quarter ended December 31, 2022 (un-audited)

	Issued, subscribed & paid up capital	Reserves				Sub-total	Total
		Unappropriated profits	Surplus on revaluation of property	Surplus on re-measurement of equity securities at FVOCI			
					Rupees		
Balance as at July 1, 2021	594,000,000	4,413,860,019	15,432,500	27,944,785	4,457,237,304	5,051,237,304	
Cash dividend paid @ 100% for the year ended June 30, 2021	-	(594,000,000)	-	-	(594,000,000)	(594,000,000)	
Unrealized gain on remeasurement of equity securities at FVOCI	-	-	-	(52,629,960)	(52,629,960)	(52,629,960)	
Comprehensive income for the six months ended December 31, 2021	-	764,486,537	-	-	764,486,537	764,486,537	
Balance as at December 31, 2021	594,000,000	4,584,346,556	15,432,500	(24,685,175)	4,575,093,881	5,169,093,881	
Balance as at January 1, 2022	594,000,000	4,584,346,556	15,432,500	(24,685,175)	4,575,093,881	5,169,093,881	
Profit for the period January 2022 - June 2022	-	61,816,713	-	-	61,816,713	61,816,713	
Other Comprehensive income for the year	-	-	-	26,314,980	26,314,980	26,314,980	
Total Comprehensive income for the year ended June 30, 2022	-	61,816,713	-	26,314,980	88,131,693	88,131,693	
Gain realized on disposal of equity securities at FVOCI	-	1,629,805	-	(1,629,805)	-	-	
Bonus shares @ 10% for the year ended June 30, 2021	59,400,000	(59,400,000)			(59,400,000)	-	
Balance as at June 30, 2022	653,400,000	4,588,393,074	15,432,500	-	4,603,825,574	5,257,225,574	
Balance as at July 1, 2022	653,400,000	4,588,393,074	15,432,500	-	4,603,825,574	5,257,225,574	
Comprehensive Income for the six months ended December 31, 2022	-	(23,273,862)	-	-	(23,273,862)	(23,273,862)	
Cash dividend paid @ 60% for the year ended June 30, 2022	-	(392,040,000)	-	-	(392,040,000)	(392,040,000)	
Balance as at December 31, 2022	653,400,000	4,173,079,212	15,432,500	-	4,188,511,712	4,841,911,712	

The annexed notes from 1 to 21 form an integral part of the condensed interim financial information.



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT

For the Half Year and Quarter ended December 31, 2022 (un-audited)

	December 31, 2022	December 31, 2021
Note	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	80,040,335	858,447,026
Adjustments for:		
Depreciation on property and equipment	8,686,603	8,434,262
Depreciation on right-of-use-asset	14,801,017	11,495,356
Amortization of intangible asset	108,806	162,157
Gain on disposal of investment property	-	(355,500,000)
(Gain) / Loss on re-measurement of short term investments	121,762,318	-
(Gain) / Loss on short term investment	268,777,938	-
Loss / (gain) on re-measurement of long term investments	-	11,121,098
Provision for expected credit losses	19,265,018	204,639
Unrealized gain on re-measurement of investment property	(233,700,000)	(97,682,190)
Mark up on reverse repo transactions	(6,441,240)	(14,568,701)
Dividend income	(179,021,385)	-
Profit on savings accounts maintained with banks	(36,294,240)	(12,970,585)
Finance costs	321,617,165	75,601,994
	299,562,000	(373,701,970)
Cash generated from operating activities before working capital changes	379,602,335	484,745,056
Effect on cash flow due to working capital changes		
(Increase)/decrease in current assets		
Short-term investments - net	57,841,849	(1,176,622,937)
Trade debts - consider good	(130,112,347)	(106,380,652)
Receivable against margin financing	166,395,300	(123,516,921)
Receivable against sale of securities-net	(263,401,786)	-
Receivable under margin trading system	(3,104,792)	-
Deposits and short-term prepayments	(5,572,844)	(7,368,720)
Accrued markup on margin financing	(6,146,977)	(8,266,454)
Other receivables	7,604,791	(16,809,019)
Increase/(decrease) in current liabilities		
Trade and other payables	541,693,832	(642,797,610)
Loan from related party	-	(3,862,500)
Payable against purchase of securities- net	(21,078,278)	103,306,516
	344,118,748	(1,982,318,297)
Cash used in operations	723,721,083	(1,497,573,241)
Taxes paid	(90,914,432)	(195,979,318)
Finance costs paid	(278,636,933)	(50,618,997)
Net cash used in operating activities	354,169,718	(1,744,171,556)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(609,730)	(22,366,692)
Expenditure on investment property - net	(31,548,011)	-
Proceeds from disposal of investment property	-	1,400,000,000
Dividends received	179,021,385	-
Interest received on savings accounts maintained with banks	10,192,861	11,006,044
Long term deposits - net	(1,962,337)	(19,420,369)
Net cash used in investing activities	155,094,168.00	1,369,218,983
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal repayment against finance lease liability	(14,537,035)	(18,421,997)
Dividend paid	(389,323,678)	(589,657,680)
Net cash used in financing activities	(403,860,713)	(608,079,677)
Net (decrease) in cash and cash equivalents	105,403,173	(983,032,250)
Cash and cash equivalents at the beginning of the year	(1,337,811,951)	1,309,693,324
Cash and cash equivalents at the end of the year	(1,232,408,778)	326,661,074

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The annexed notes from 1 to 21 form an integral part of the condensed interim financial information.



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Half Year and Quarter ended December 31, 2022 (un-audited)

1 STATUS AND NATURE OF BUSINESS

- 1.1 Arif Habib Limited ("the Company") is a public listed company incorporated in Pakistan under the Companies Ordinance, 1984. The shares of the Company are quoted on Pakistan Stock Exchange Limited ("the 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% shareholding in the Company to general public and the Company obtained listing on the Exchange on January 31, 2007.

The Company is a holder of Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange Limited. The principal activities of the Company are brokerage of shares, equity and debt securities, forex and other financial instruments, corporate finance services and securities investments. The registered office of the Company is situated at Arif Habib Centre, 23 M.T. Khan Road, Karachi..

- 1.2 The Parent Company holds 72.92% shares of the Company.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim consolidated financial statement of the Company for the six month and quarter ended December 31, 2022 have been prepared in accordance with the requirements of the international Accounting Standard 34 "Interim Financial Reporting" and provision and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements are being submitted to the shareholders as required under section 237 of the the Companies Act, 2017 (the Act) and the Listing Regulations of Pakistan Stock Exchange Limited.

These Condensed interim consolidated financial statements comprise of the statement of financial position as at December 31, 2022 and profit and loss account, statement of comprehensive income, statement of changes in equity and the cash flow statement for the period ended December 31, 2022.

The comparative statement of financial position presented in these condensed interim financial statements as at June 30, 2022 has been extracted from the audited financial statements of the company for the year ended June 30, 2022, whereas the comparative profit and loss account, statement of comprehensive income, statement of changes in equity and the cash flow statement for the quarter ended December 31, 2021.

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

These condensed interim consolidated financial statements has been prepared on the basis of a single reportable segment.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of the consolidated financial statements for the year ended June 30, 2022.

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

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Half Year and Quarter ended December 31, 2022 (un-audited)

4 ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the condensed interim consolidated financial information in conformity with approved accounting standards require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

In preparing the condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the preceding published annual consolidated financial statements of the Company as at and for the year ended June 30, 2022.

5 PROPERTY & EQUIPMENT

During the period ended December 31, 2022, additions made amounting to PKR 0.61 million (June 2022: PKR 26.87 million) which comprised of Office Equipment and Computer & Allied. However, no disposals were made in property & equipment.

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
	Note	Rupees	
6 INVESTMENT PROPERTY			
Open plots of land / offices - at fair value	6.1	1,823,493,553	1,592,388,461
Residential flats under construction - at cost	6.2	99,085,799	64,942,880
		<u>1,922,579,352</u>	<u>1,657,331,341</u>
6.1 Open plots of land / offices - at fair value			
Opening carrying amount (at fair value)		1,592,388,461	1,968,800,000
Realized gain on disposal		-	940,000,000
		<u>1,592,388,461</u>	<u>2,908,800,000</u>
Sale during the year		-	(1,410,000,000)
Reversals during the year	6.1.3	(15,552,128)	-
Development charges incurred during the period / year (subsequent expenditure)		12,957,220	22,375,601
		<u>(2,594,908)</u>	<u>(1,387,624,399)</u>
		1,589,793,553	1,521,175,601
Net change in unrealized gain during the year		233,700,000	71,212,860
Closing carrying amount	6.1.2	<u>1,823,493,553</u>	<u>1,592,388,461</u>

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Half Year and Quarter ended December 31, 2022 (un-audited)

6.1.1 Open plots of land / offices comprise of the following:

Open plots of land:	8 residential and 5 commercial plots situated at Naya Nazimabad, Deh Manghopir, Gadap Town, Karachi (a real estate project being managed by M/s. Javedan Corporation Limited, a related party).
Offices:	Offices bearing no. 60, 61, 62, 63 and 64 situated at first floor of the building complex of PSX, office bearing no. 220 situated at Lahore Stock Exchange Plaza and offices bearing no. 106, 113, 203, 409 situated in the Lahore Stock Exchange - South Tower.

6.1.2 The valuation of the investment property was carried out by an independent external property valuer having appropriate recognised qualification and relevant experience according to which the aggregate fair value and forced sale value of the properties as at December 31, 2022 were Rs. 1,823.49 million (June 30, 2022: Rs.1,592.39 million) and Rs. 1,460.87 million (June 30, 2022: Rs. 1,241.88 million), respectively.

6.1.3 This represents a cheque payment made to Kings Real estate in the prior period, with the intention of involving it, in the development cost to be incurred on company's investment property. However, subsequently to the issuance of cheque, company decided against the said development work, and accordingly, development work is reversed with the said amount of Rs. 15.52 million.

6.2 Residential flats under construction - at cost

This represents the aggregate of the initial down payment and subsequent periodic payments made to M/s. Javedan Corporation Limited, a related party, in respect of the purchase of 20 residential flats in Global Residency real estate project situated at Naya Nazimabad, Deh Manghopir, Gadap Town, Karachi. Total agreed purchase consideration of these flats amounts to Rs. 377 million which is to be settled in 55 unequal installments of varying frequency.

Since, the flats are presently under construction, their fair value cannot be reliably measured. As a result, the Company has elected to measure such investment at cost.

For financial commitment relating to the above referred periodic payments yet to be made to M/s. Javedan Corporation Limited, please refer note 20.2 to these unconsolidated financial statements.

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
7 SHORT TERM INVESTMENTS	Note		Rupees
Equity securities at FVTPL	7.1	3,105,266,349	4,250,803,109
Corporate debt securities - at FVTPL		1,718,856,947	1,021,702,293
		4,824,123,297	5,272,505,402
Equity securities at FVOCI		-	-
		4,824,123,297	5,272,505,402

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Half Year and Quarter ended December 31, 2022 (un-audited)

	(Un-audited) December 31, 2022	(Audited) June 30, 2022
Reconciliation of gain / (loss) on remeasurement of equity investments at FVTPL		
	————— Rupees —————	
Cost of investment	5,364,162,687	5,690,782,476
Unrealised (loss) gain:		
Balance as at July 01	(418,277,074)	33,341,558
Unrealized Loss transferred from long term investment	-	-
Unrealised gain / (loss) for the year	(121,762,317)	(451,618,631)
	(540,039,391)	(418,277,074)
Balance as at June 30	4,824,123,297	5,272,505,402

8 TRADE DEBTS

8.1 Treatment of amount receivable from customers

Trade debts and other receivables are recognized at fair value and subsequently measured at amortized cost. A provision for impairment in trade debts and other receivables is made when there is objective evidence that the Company will not be able to collect all amounts due according to original terms of receivables. Trade debts and other receivables considered irrecoverable are written off.

8.2 The Company holds equity securities having fair value of PKR 74,201 million (June 2022: PKR 64,334 million) owned by its clients, as collaterals against trade debts.

	December-22		June-22	
	Gross	Impairment	Gross	Impairment
Not past due	10,112,551	-	8,038,852	-
Past due 1 day - 30 days	180,036,560	31,107	110,099,223	31,170
Past due 31 days - 180 days	63,202,060	8,423	17,918,373	1,542,467
Past due 181 days - 1 year	47,781,841	167,532	11,782,985	2,744,093
More than one year	946,861,869	951,537,254	950,873,867	928,257,352
Rupees	1,247,994,881	951,744,316	1,098,713,300	932,575,082

9 DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

There has been no change in the status of the Investment held for sale, as reported in note 15 to the annual consolidated financial statements of the Company for the year ended June 30, 2022, except for the fact that the required approval, for the sale, as per the provision of section 183 of the Companies Act 2017, has been obtained in the Arif Habib Limited's 18th Annual general meeting, held on October 15, 2022.

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Half Year and Quarter ended December 31, 2022 (un-audited)

9 DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

There has been no change in the status of the Investment held for sale, as reported in note 15 to the annual consolidated financial statements of the Company for the year ended June 30, 2022, except for the fact that the required approval, for the sale, as per the provision of section 183 of the Companies Act 2017, has been obtained in the Arif Habib Limited's 18th Annual general meeting, held on October 15, 2022.

9.1 Assets and liabilities of the disposal group classified as held for sale		December 31, 2022	June 30, 2022
		Rupees	
		Note	
<u>Assets held for sale</u>			
Intangible asset	9.1.1	2,500,000	2,500,000
Long term deposits	9.1.2	4,924,355	4,924,355
Advance tax		2,873	2,873
Short term investment	9.1.3	22,800,000	22,800,000
Cash and bank balances	9.1.4	22,165,048	19,448,064
		52,392,276	49,675,292
<u>Liabilities held for sale</u>			
Taxes payable		395,008	313,247
Other liabilities		361,300	306,100
		756,308	619,347

9.1.1 This represents the Trading Right Entitlement Certificate received by the Subsidiary AH 1857 in accordance with the Stock Exchange (Corporatization, Demutualization and Integration) Act, 2012. The said asset is being carried at cost less accumulated impairment losses.

9.1.2 This represents a deposit placed with Pakistan Stock Exchange Limited for trading activities.

9.1.3 Short term investment	December 31, 2022	June 30, 2022
	Rupees	
Cost of investment	24,628,892	24,628,892
Unrealised gain / (loss):		
Balance as at July 01	(1,041,340)	(1,041,340)
Unrealised (loss) / gain for the year	(787,552)	(787,552)
	(1,828,892)	(1,828,892)
Balance as at June 30	22,800,000	22,800,000
9.1.4 Cash and bank balances		
Cash at bank	22,165,048	19,448,064

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Half Year and Quarter ended December 31, 2022 (un-audited)

		December 31, 2022	June 30, 2022
10	CASH AND BANK BALANCES	Note	Rupees
	Cash in hand		695,737
	Cash held in central depository company		6,961,016
	Cash at Bank		
	in current accounts		82,828,936
	in savings accounts		1,530,221,690
		10.1	1,613,050,626
			1,620,707,379
			1,074,709,602

10.1 This includes customer's bank balances held in designated bank accounts amounting to PKR 1,432.18 million (June 2022: PKR 986.95 million).

11 SHORT TERM BORROWINGS - SECURED

		December 31, 2022	June 30, 2022
	Note	Rupees	
From banking companies			
- Running finance		912,581,205	1,631,969,618
From related parties			
- Financing facility from Javedan Corporation Limited	10.1	1,550,000,000	800,000,000
- Financing facility from the Sponsor		412,700,000	-
		1,962,700,000	800,000,000
		2,875,281,205	2,431,969,618

11.1 Running finance arrangements from banking companies - secured

11.1.1 Short term running finance facilities are available from various commercial banks, under mark-up arrangements, amounting to Rs. 6,750 million (June 30, 2022: Rs. 6,250 million). These facilities have various maturity dates up to September 30, 2024 (June 30, 2022: September 30, 2024). 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% (June 30, 2022: 1 month KIBOR + 0.5% to 1.0% , 3 month KIBOR + 0.50% to 1.5%) calculated on a daily product basis that is payable quarterly.

11.1.2 Fair value of shares pledged with banking companies against various short term running finance facilities and bank guarantees as at December 31, 2022 amounted to Rs. 6,066.13 million (June 30, 2022: Rs. 6,612.99 million). Total value of securities pledged with financial institutions, indicating separately securities belonging to customers, is as under:

11.1 Short term running finance facilities are available from various commercial banks, under mark-up arrangements which represents the aggregate of sale prices of all mark-up agreements between the Company and the banks.

11.2 Total value of pledged securities with financial institutions indicating separately securities belonging to customers is as under:

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Half Year and Quarter ended December 31, 2022 (un-audited)

	December 31, 2022		June 30, 2022	
	Number of securities	Amount (Rupees)	Number of securities	Amount (Rupees)
Client	154,950,000	5,206,320,000	123,850,000	4,681,530,000
House	39,474,000	859,815,930	66,927,500	1,931,461,325
Total	194,424,000	6,066,135,930	190,777,500	6,612,991,325

(Un-audited)
December 31,
2022

(Audited)
June 30,
2022

11.2 Financing facility from Javedan Corporation Limited - unsecured

Opening balance
Add: Finance obtained during the period / year
Less: Repayments made during the period / year
Closing balance

— Rupees —

800,000,000	-
750,000,000	1,780,000,000
-	(980,000,000)
1,550,000,000	800,000,000

11.2.1 During the period, the Company obtained an unsecured financing facility of Rs. 750 million from M/s. Javedan Corporation Limited to finance its working capital requirements. The loan is repayable within 30 days of notice of demand and carries interest at the rate of 3 month KIBOR + 1.75% (payable quarterly).

(Un-audited)
December 31,
2022

(Audited)
June 30,
2022

11.3 Financing facility from the Sponsor

Opening balance
Add: Finance obtained during the period / year
Less: Repayments made during the period / year
Closing balance

— Rupees —

-	-
2,112,700,000	650,000,000
(1,700,000,000)	(650,000,000)
412,700,000	-

11.3.1 During the year, company obtained financing facility of Rs. 2.112 billion from sponsor Mr. Arif Habib, as a short term , unsecured, subordinated loan, which is payable on demand. It carried interest at the rate of 3 month KIBOR + 1% on the balance payable at the time of demand of principal payment. During the period, Loan amounted to Rs. 1.7 billion has been repaid on demand.

		December 31, 2022	June 30, 2022
12 TAXES PAYABLE -NET		— Rupees —	
Income tax payable	12.1	133,887,213	121,485,493
Income tax refundable		(50,784,713)	(50,782,758)
		83,102,500	70,702,735

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Half Year and Quarter ended December 31, 2022 (un-audited)

- 12.1** This includes provision for super tax amounting to Rs. 111.43 million (2022: Rs. 86.936 million). There has been no change in the status of the super tax as disclosed in note 23.1 to the annual unconsolidated financial statements of the Company for the year ended June 30, 2022, except for the following:

The Company filed D-7228/2022 pertaining to "Super Tax" u/s 4c for the tax year 2022 on November 24, 2022, which was heard by the high court of Sindh. The High Court of Sindh directed petitioner(company) to secure the said super tax u/s 4c by furnishing bank guarantee / pay order / cheques within 7 days of the order dated 28th November, 2022. Also, the high court directed the tax department to allow furnishing of the tax returns of tax year 2022 excluding the said super tax u/s 4c liability, and also restricted against any coercive measure until the hearing is completed.

As at the reporting date, the case is pending with the high court of Sindh, and the same is confirmed by the company's legal advisor.

13 CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

There were no change in contingencies at the period end as disclosed in the financial statements for the year ended June 30, 2022.

December 31, 2022	June 30, 2022
Rupees	

COMMITMENTS

Following commitments are outstanding as at the year end.

- Outstanding Settlements against Marginal Trading contracts	229,047,587	372,222,968
- Outstanding Settlements against (purchase) / sale of securities in regular market.	174,179,600	277,978,515
- Guarantee given by a commercial bank on behalf of the Company	750,000,000	750,000,000
- Against purchase of investment property	277,914,201	312,057,120
- Against development cost of investment property	112,629,235	110,034,327

14 OPERATING REVENUE

Brokerage and operating revenue	199,061,117	240,626,597
Inter bank brokerage revenue	53,332,874	48,610,353
Advisory and consultancy fee	277,934,929	323,445,224
Dividend income	179,021,385	55,188,045
Markup on margin financing	29,369,546	26,296,371
Markup on corporate debt securities	115,127,564	8,194,306
	853,847,415	702,360,896

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Half Year and Quarter ended December 31, 2022 (un-audited)

15 RELATED PARTY TRANSACTIONS AND BALANCES

Name of the related party, relationship with company & Nature of Transaction	Period Ended	
	December 31, 2022	December 31, 2021
	Rupees	
<u>PARENT COMPANY</u>		
Arif Habib Corporation Limited		
Brokerage Commission earned during the period on sale and purchase of Securities	2,241,749	4,026,249
Guarantee Commission	867,821	951,018
Mark-up on loan paid / payable	-	3,099,721
Loan received	-	650,000,000
Loan repaid	-	650,000,000
<u>GROUP COMPANIES</u>		
Javedan Corporation Limited		
Sale of plots	-	1,446,000,000
Mark-up on loan paid / payable	92,981,499	17,012,778
Loan received	750,000,000	880,000,000
Loan repaid	-	880,000,000
Brokerage commission earned during the period on sale and purchase of securities	-	322,500
Arif Habib Dolmen REIT Management Ltd.		
Brokerage Commission earned during the period on sale and purchase of Securities	-	516,000
Arif Habib Equity (Pvt) Ltd.		
Brokerage Commission earned during the period on sale and purchase of Securities	197,716	754,625
Rotocast Engineering Co. (Pvt) Limited		
Brokerage Commission earned during the period on sale and purchase of Securities	284,286	190,507
<u>KEY MANAGEMENT PERSONNEL</u>		
Zafar Alam (Chairman)		
Brokerage Commission earned during the period on sale and purchase of Securities	53,215	160,278
Meeting Fee Paid	50,000	25,000
Muhammad Shahid Ali (CEO)		
Brokerage Commission earned during the period on sale and purchase of Securities	4,446,557	4,509,074
Muhammad Haroon (Director)		
Brokerage Commission earned during the period on sale and	160,732	265,800
Meeting Fee Paid	50,000	25,000

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Half Year and Quarter ended December 31, 2022 (un-audited)

	Period Ended	
	December 31, 2022	December 31, 2021
	Rupees	
Muhammad Sohail Salat (Director)		
Meeting Fee Paid	50,000	25,000
Sharmin Shahid (Director)		
Brokerage Commission earned during the period on sale and purchase of Securities	-	366,548
Meeting Fee Paid	50,000	25,000
Nida Ahsan (Director)		
Brokerage Commission earned during the period on sale and purchase of Securities	125,300	218,935
Meeting Fee Paid	50,000	25,000
Mohsin Madni (Director)		
Brokerage Commission earned during the period on sale and purchase of Securities	1,331	9,562
<u>CLOSE FAMILY MEMBERS</u>		
Arif Habib		
Brokerage commission earned during the period on sale and purchase of Securities	2,061,341	2,493,459
Abdus Samad A. Habib		
Brokerage commission earned during the period on sale and purchase of Securities	376,987	364,687
<u>POST EMPLOYMENT BENEFIT PLAN</u>		
Provident fund trust - Contribution paid during the period	5,366,744	4,807,416

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Half Year and Quarter ended December 31, 2022 (un-audited)

	Period Ended	
	December 31, 2022	December 31, 2021
	Rupees	
Balances with related parties at the end of the period are as follows:		
<u>PARENT COMPANY</u>		
Arif Habib Corporation Limited		
Balance Receivable at period end	39,415	97,724
Guarantee Commission Payable	1,583,488	904,262
<u>KEY MANAGEMENT PERSONNEL</u>		
Zafar Alam (Chairman)		
Balance payable at period end	105,320	52,721
Muhammad Shahid Ali (CEO)		
Balance payable at period end	20,546,874	108,175,990
Sharmin Shahid (Director)		
Balance receivable at period end	46,442	4,283
Nida Ahsan (Director)		
Balance receivable at period end	115,021	7,928
Muhammad Haroon (Director)		
Balance payable at period end	2,429	24,876
Muhammad Sohail Salat (Director)		
Balance receivable at period end	599	599
Mohsin Madni (Director)		
Balance payable at period end	71,104	485
<u>CLOSE FAMILY MEMBERS</u>		
Arif Habib		
Trade receivable at year end	31,289	51,962
Abdus Samad A. Habib		
Balance payable at period end	199,809	-
Balance receivable at period end	-	1,667,893
Muhammad Kashif A. Habib		
Balance receivable at period end	12,666	12,666
<u>OTHER RELATED PARTIES</u>		
Rotucast Engineering Co. (Pvt) Limited		
Prepaid rent	-	746,370
Balance receivable at period end	2,803	4,194
Arif Habib Equity (Pvt) Ltd.		
Balance receivable at period end	38,303	20,208

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Half Year and Quarter ended December 31, 2022 (un-audited)

16 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company as at and for the year ended June 30, 2022.

17 CASH AND CASH EQUIVALENTS

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

		December 31, 2022	December 31, 2021
	Note	Rupees	
Cash and bank balances		1,620,707,379	1,876,972,115
Bank balance included in the disposal group held for sale	9.1.4	22,165,048	-
Short term borrowings		(2,875,281,205)	(1,550,311,041)
		<u>(1,232,408,778)</u>	<u>326,661,074</u>

18 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors in meeting held on January 31, 2023.

19 EARNINGS / (LOSS) PER SHARE

	December 31, 2022	December 31, 2021
	Rupees	
(Loss) / Profit after taxation attributable to ordinary shareholders	(23,273,862)	764,486,537
		(Restated)
Weighted average number of ordinary shares outstanding at	65,340,000	65,340,000
(Loss) / Earnings per share	<u>(0.36)</u>	<u>11.70</u>

20 CORRESPONDING FIGURES

Reclassified from component	Reclassified to component	Amount (Rupees)
Brokerage and operating revenue (Operating revenue)	Inter bank brokerage revenue (Operating revenue)	<u>48,610,353</u>

**CONDENSED INTERIM SELECTED NOTES TO
THE CONSOLIDATED FINANCIAL STATEMENTS**
For the Half Year and Quarter ended December 31, 2022 (un-audited)

21 GENERAL

Figures have been rounded off to the nearest rupee.



Chief Executive Officer



Director



Chief Financial Officer

PATTERN OF SHAREHOLDING REPORT

As of December 31, 2022

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children			
MUHAMMAD HAROON	1	1,712	0.00
NIDA AHSAN	1	1,208	0.00
SHARMIN SHAHID	1	1,208	0.00
MOHSIN MADNI	1	550	0.00
MUHAMMAD SHAHID ALI	1	965	0.00
ZAFAR ALAM	1	75,110	0.11
MUHAMMAD SOHAIL SALAT	1	660	0.00
Associated Companies, undertakings and related parties	1	47,648,522	72.92
NIT & ICP	-	-	-
<u>Banks Development Financial Institutions, Non Banking Financial Institutions</u>	1	59	0.00
<u>Insurance Companies</u>	1	60,962	0.09
<u>Modarabas and Mutual Funds</u>	1	3,850	0.01
General Public			
a. Local	3,474	15,838,272	24.24
b. Foreign	52	156,376	0.24
Foreign Companies	-	-	-
Others	44	1,550,546	2.37
Totals	3,637	65,340,000	100.00
Shareholders holding 10% or more		Shares Held	Percentage
M/S. ARIF HABIB CORPORATION LIMITED		47,648,522	72.92

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