

CONTINUING
THE LEGACY
LEADERSHIP



Quarterly Report
March 31, 2024

AWARDS & RECOGNITION



Best Investment Bank Country Awards – 2022
FinanceAsia

Best Brokerage House – 2022
International Finance



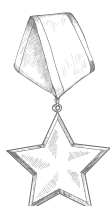
Pakistan's Best Investment Bank: 2022
EuroMoney

Best Securities House - 2022
Asiamoney



Best Investment Bank - 2022
Asiamoney

Best Forex Mobile App: AHL Tick App - 2022
The European



Most Innovative Financial Market Brokerage - 2022
The European



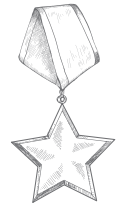
Most Trusted Forex Broker: 2022
The European

Best Equity Brokerage House – 2023
CFA Society Pakistan



Best Corporate Finance House of the Year Equity and Advisory – 2023
CFA Society Pakistan

Best Corporate Finance House of the Year (Fixed Income) – 2023
CFA Society Pakistan



Best Economic Research House - 2023
CFA Society Pakistan

Investment Ideas Competition - Winner
CFA Society Pakistan



Best Equity Sales Person(Runner Up) - 2023
CFA Society Pakistan

Best Equity House Pakistan – 2022
Global Business Outlook





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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
Mr. Haroon Usman	Non-executive Director
Ms. Sharmin Shahid	Non-executive Director
Ms. Nida Ahsan	Non-executive Director
Dr. Muhammad Sohail Salat	Independent Director
Mr. Mohsin Madni	Non-executive Director

Audit Committee

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

Human Resource & Remuneration Committee

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

Company Secretary & Chief Financial Officer

Mr. Muhammad Taha Siddiqui

Auditors

M/s. Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

Credit Rating
JCR-VIS Credit Rating Company Limited

Management Rating

The Pakistan Credit Rating Agency

Legal Advisors

Muhammad Zubair
Advocate High Court

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
Meezan 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

Registrar & Share Transfer Office

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

Registered Office

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

Lahore Branch

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

Islamabad Branch

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

Peshawar Branch

Shops No. F16 & F17, 1st Floor, The Mall Tower,
Peshawar Cantt.
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. 5, 3rd Floor, United Mall, Plot No. 74,
Abdali Road, Multan
Tel: +92 61 4514413

Rahim Yar Khan Branch

Shop # 2, Basement, Basheer Plaza, Opposite Town
Hall, 12 A Model Town, Rahim Yar Khan
Tel: +92 68-5870230,

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.





DIRECTORS' **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 nine months and quarter ended March 31, 2024.

Economic Review:

The beginning of 2024 marked a pivotal period for Pakistan, with the successful execution of general elections and formation of a new government providing much-needed political stability. On the economic front, economy saw a deceleration in its growth rate, dropping to 1% from the previous quarter's 2.50%, primarily due to a slowdown within the industrial sector. However, the agricultural sector displayed robust growth, driven by significant production increases in key crops, partially offsetting the industrial slowdown. During the same quarter, Pakistan reached a crucial agreement with the IMF, securing a staff-level approval for the second review under the Standby Arrangement, which promises a tranche of USD 1.1bn conditional upon Executive Board's approval. This is expected to strengthen the reserves of the State Bank of Pakistan which stood at USD 8bn by the end of March 2024. The period also saw the Pakistani Rupee appreciate by 1.4%, while the current account deficit significantly narrowed 87% year-on-year to USD 508 mn. Moreover, the State Bank of Pakistan held the interest rate steady at 22%, in light of reduced inflationary pressures, with headline inflation averaging 24.03% in 3QFY24 vs 28.57% in the previous quarter.

Stock Market Performance

During 9MFY24, the KSE-100 peaked at 67,246 points marking a new high during the period. This robust momentum was primarily on the back of i) Stand-by Arrangement (SBA) facility worth USD 3bn secured from the IMF, ii) the establishment of the SIFC to seek foreign direct investment, iii) formation of a coalition Government and key portfolios post General Elections, v) conclusive talks with the IMF for current SBA and prospective EFF program, vi) governments commitment to speed up the privatization process, and vii) administrative measures by the authorities to restrict illegal foreign currency trading. The Pak Rupee after witnessing an all-time low of PKR 307.10 against USD on 5th Sep'23, closed the period at PKR 277.94. Meanwhile, the State Bank kept the policy rate unchanged at 22%.

During 9MFY24, the benchmark KSE-100 index closed at 67,005 points, up by 61.64% / 25,552 points YoY, which took the USD-based return to 66.3%. The average volumes and value (\$ based) increased by 122% (248mn shares) and 81% (USD 23mn) YoY, respectively.

The market momentum was led by the; i) Commercial Banks (9,953pts), ii) Fertilizer (4,619pts), iii) E&P (3,908pts), iv) Power (2,743pts), and v) Cement (1,805pts). During 9MFY24, the local bourse attracted net foreign inflows of USD 74.9mn (3QFY24: net inflows of USD 7.7mn) compared to a net inflow of USD 7.2mn (3QFY23: Net inflow USD 8.1mn) during the same period last year. Buying was primarily witnessed in; i) Commercial Banks (USD 29.3mn), ii) Power Generation (USD 10.9mn), iii) Cements (USD 10.4mn), iv) Fertilizer (USD 10.0mn), v) OMC's (USD 5.4mn), and vi) Food and Personal Care (USD 5.4mn).

Your Company's Performance

Throughout the fiscal year 2024, our company has demonstrated remarkable performance, achieving robust profitability in the first nine months. We're delighted to report a significant turnaround, with an after-tax profit of PKR 1,175.82 million compared to a loss of PKR 152.72 million in the same period last year. This impressive result can be largely attributed to the favourable market conditions which positively impacted our investment portfolio.

Our financial strength is further underscored by the growth in equity, reaching PKR 6.01 billion by the end of the reporting period, translating to a notable book value per share of PKR 91.93, reflecting a substantial increase from the previous year.

The brokerage division has been a standout performer, witnessing a remarkable surge in revenue by 61.38%, reaching PKR 441.82 million, showcasing our prowess in this segment. However, the investment banking division faced challenges, primarily due to the absence of IPOs and low price-earnings multiples in the market.

One of our standout achievements has been the exceptional performance of our short-term investment portfolio, yielding massive realized and unrealized gains of PKR 865.63 million, marking a remarkable 269% increase from the corresponding period last year.

We have continued to invest heavily in technology and human capital to enhance our services, albeit resulting in higher fixed costs. Additionally, inflationary pressures have necessitated increased operational expenses, reflecting a 23.38% rise during the period under review.

Our commitment to incentivizing performance is evident through the increase in variable compensation for our brokerage team, aligning with the surge in revenues generated. Furthermore, effective fund management has led to a notable reduction in financing costs, totalling PKR 251 million compared to PKR 463 million in the previous year.

Amidst our operational achievements, we take pride in the recognition bestowed upon us by the esteemed CFA Society Pakistan. Winning accolades such as Best Brokerage House, Best Corporate Finance House (Equity and Advisory), among others, at the 20th Annual Excellence Awards for 2023, underscores our commitment to excellence across various facets of our business.

In conclusion, our performance in the first nine months of fiscal year 2024 reflects our resilience, adaptability, and unwavering commitment to delivering value to our stakeholders amidst dynamic market conditions. We remain poised for sustained growth and continued excellence in the periods ahead.

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 continued 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 recognise 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: April 24, 2024

CONDENSED INTERIM
UNCONSOLIDATED STATEMENT
OF **FINANCIAL POSITION**

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31, 2024

	(Un audited) March 31, 2024	(Audited) June 30, 2023
Note	----- Rupees -----	
ASSETS		
NON- CURRENT ASSETS		
Property and equipment	3 60,805,112	67,118,424
Right-of-use assets	4 69,741,198	2,279,667
Intangible assets	5,622,143	5,715,626
Long term investments	5 1,252,116,669	1,123,254,068
Investment property	6 1,140,619,429	450,749,014
Long term advances and deposits	367,524,155	500,184,567
	<u>2,896,428,706</u>	<u>2,149,301,366</u>
CURRENT ASSETS		
Short term investments	7 2,197,905,510	2,849,795,546
Trade debts	8 382,217,019	259,690,968
Receivable against margin financing - secured, considered good	122,554,894	113,367,759
Advances, deposits and prepayments	9 602,862,785	38,549,929
Receivable against trading of securities-net	79,812,246	77,192,508
Accrued markup on margin financing	18,281,815	21,527,045
Other receivables	10 343,005,234	1,273,270,139
Income tax refundable	11 23,810,264	15,457,413
Cash and bank balances	12 5,118,888,921	987,078,274
	<u>8,889,338,688</u>	<u>5,635,929,581</u>
TOTAL ASSETS	<u>11,785,767,394</u>	<u>7,785,230,947</u>
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorized Capital		
75,000,000 (June 2023: 75,000,000) ordinary shares of Rs.10/- each	<u>750,000,000</u>	<u>750,000,000</u>
Issued, subscribed and paid-up capital	653,400,000	653,400,000
65,340,000 (June 30, 2023: 65,340,000) ordinary shares of Rs. 10/- each		
<i>Capital reserves</i>		
Surplus on revaluation of property	7,835,000	7,835,000
<i>Revenue reserves</i>		
Unappropriated profits	<u>5,345,485,356</u>	<u>4,333,017,286</u>
Total equity	<u>6,006,720,356</u>	<u>4,994,252,286</u>
LIABILITIES		
NON-CURRENT LIABILITIES		
Lease liability	60,835,361	918,356
Deferred tax - net	13 30,730,328	69,149,530
	91,565,689	70,067,886
CURRENT LIABILITIES		
Short term borrowings- secured	14 -	1,617,785,680
Current portion of lease liability	18,730,233	2,108,980
Trade and other payables	15 5,624,089,273	995,737,794
Unclaimed dividend	22,156,214	21,425,487
Accrued markup on short term borrowings	22,505,629	83,852,834
	5,687,481,349	2,720,910,775
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TOTAL EQUITY AND LIABILITIES	<u>11,785,767,394</u>	<u>7,785,230,947</u>

The annexed notes from 1 to 28 form an integral part of these condensed interim unconsolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF **PROFIT OR LOSS**

For the nine months and quarter ended March 31, 2024 (unaudited)

	Note	Nine Months ended		Quarter ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
----- Rupees -----					
Operating revenue	17	959,054,585	1,099,393,409	279,769,345	268,139,355
Realized gain / (loss) on disposal of investments		450,384,402	(458,051,102)	458,123,137	(189,273,164)
Realized gain on disposal of investment property		649,029	1,255,727,634	-	1,255,727,634
		1,410,088,016	1,897,069,941	737,892,482	1,334,593,825
Net change in unrealized gain / loss on investments	18	415,245,797	(53,595,701)	(349,050,860)	68,166,617
Net change in unrealized gain on investment property		(749,029)	(1,031,352,634)	-	(1,265,052,634)
		1,824,584,784	812,121,606	388,841,622	137,707,808
Administrative and operating expenses	19	(565,105,918)	(458,014,414)	(229,653,033)	(149,868,580)
Other charges		(1,754,955)	(19,265,018)	100,000	-
Other operating income	21	238,181,297	60,191,794	116,569,863	17,188,870
		1,495,905,208	395,033,968	275,858,452	5,028,098
Finance costs	20	(250,658,140)	(463,028,444)	(25,085,090)	(141,419,629)
Profit / (loss) before taxation		1,245,247,068	(67,994,476)	250,773,362	(136,391,531)
Taxation	22	(69,428,998)	(84,724,732)	(48,659,637)	17,110,660
Profit / (loss) after taxation		1,175,818,070	(152,719,208)	202,113,725	(119,280,871)
Earnings / (loss) per share - basic & diluted	23	18.00	(2.34)	3.09	(1.83)

The annexed notes from 1 to 28 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 nine months and quarter ended March 31, 2024 (unaudited)

	Nine Months ended		Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	----- Rupees -----			
Profit / (loss) after taxation	1,175,818,070	(152,719,208)	202,113,725	(119,280,871)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	<u>1,175,818,070</u>	<u>(152,719,208)</u>	<u>202,113,725</u>	<u>(119,280,871)</u>

The annexed notes from 1 to 28 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 nine months and quarter ended March 31, 2024 (unaudited)

	Issued, subscribed & paid up capital	Reserves			Total
		Unappropriated profits	Surplus on revaluation of property	Sub-total	
----- Rupees -----					
Balance as at June 30, 2022	653,400,000	4,532,787,684	15,432,500	4,548,220,184	5,201,620,184
<i>Total comprehensive income for the nine months ended March 31, 2023</i>					
- Loss after taxation	-	(152,719,208)	-	(152,719,208)	(152,719,208)
- Other comprehensive income	-	-	-	-	-
	-	(152,719,208)	-	(152,719,208)	(152,719,208)
<i>Transaction with owners</i>					
- Cash dividend paid @ 60% for the year ended June 30, 2022	-	(392,040,000)	-	(392,040,000)	(392,040,000)
	-	(392,040,000)	-	(392,040,000)	(392,040,000)
Balance as at March 31, 2023	<u>653,400,000</u>	<u>3,988,028,476</u>	<u>15,432,500</u>	<u>4,003,460,976</u>	<u>4,656,860,976</u>
Balance as at June 30, 2023	<u>653,400,000</u>	<u>4,333,017,286</u>	<u>7,835,000</u>	<u>4,340,852,286</u>	<u>4,994,252,286</u>
Balance as at July 1, 2023	653,400,000	4,333,017,286	7,835,000	4,340,852,286	4,994,252,286
<i>Total comprehensive income for the nine months ended March 31, 2024</i>					
- Profit after taxation	-	1,175,818,070	-	1,175,818,070	1,175,818,070
- Other comprehensive income	-	-	-	-	-
	-	1,175,818,070	-	1,175,818,070	1,175,818,070
<i>Transaction with owners</i>					
- Cash dividend paid @ 25% for the year ended June June 30, 2023	-	(163,350,000)	-	(163,350,000)	(163,350,000)
Balance as at March 31, 2024	<u>653,400,000</u>	<u>5,345,485,356</u>	<u>7,835,000</u>	<u>5,353,320,356</u>	<u>6,006,720,356</u>

The annexed notes from 1 to 28 form an integral part of these condensed interim unconsolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months and quarter ended March 31, 2024 (unaudited)

Note	March 31, 2024	March 31, 2023
	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,245,247,068	(67,994,476)
Adjustments for:		
Depreciation on property and equipment	19 10,099,790	12,718,288
Depreciation on right-of-use-asset	19 20,061,814	21,967,930
Amortization of intangible asset	19 93,483	163,208
Gain on Termination of lease	21 -	(229,512)
Gain / (Loss) on disposal of property and equipment	302,588	(1,255,727,634)
(Gain) / loss on re-measurement of short term investments	18 (419,682,156)	53,595,701
(Gain) / loss on sale of short term investment	(450,384,402)	458,051,102
Loss / (gain) on re-measurement of long term investments	4,436,359	-
Provision for expected credit losses	1,754,955	19,265,018
Unrealized gain on re-measurement of investment property	749,029	1,031,352,634
Realized gain on disposal of investment property	(649,029)	-
Mark up on reverse repo transactions	21 (7,921,244)	(6,441,240)
Reversal of Impairment Loss	-	(6,441,895)
Dividend income on investment in equity securities	17 (191,431,411)	(209,477,783)
Profit on savings accounts maintained with banks	21 (169,320,973)	(43,384,228)
Finance costs	20 250,658,140	463,028,444
	(951,233,057)	538,440,033
Cash generated from operating activities before working capital changes	294,014,011	470,445,557
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets		
Short-term investments - net	1,521,956,594	(75,671,385)
Trade debts - consider good	(122,526,051)	(197,969,412)
Receivable against margin financing	(9,187,135)	92,195,548
Receivable against sale of securities-net	(2,619,738)	(17,051,406)
Deposits and short-term prepayments	(564,312,856)	(8,199,491)
Accrued markup on margin financing	3,245,230	(15,952,417)
Other receivables	1,103,680,382	(31,053,873)
Increase / (decrease) in current liabilities		
Trade and other payables	4,628,351,479	79,402,853
Payable against trading of securities- net	-	(21,078,278)
	6,558,587,905	(195,377,861)
Cash generated from operations	6,852,601,916	275,067,696
Taxes paid	(116,201,051)	(128,077,692)
Finance costs paid	(298,582,034)	(399,496,000)
Net cash generated from / (used in) operating activities	6,437,818,831	(252,505,996)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(4,347,845)	(402,730)
Proceeds from disposal of investment property	(689,970,415)	503,500,000
Expenditure on investment property - net	-	(181,211,226)
Proceeds from disposal of subsidiary	-	50,000,000
Investment in Rahat REIT	-	(500,000,000)
Proceed from disposal of property and equipment	258,779	-
Dividends received	191,431,411	209,477,783
Interest received on savings accounts maintained with banks	2,071,785	10,192,861
Long term deposits - net	(638,548)	(1,542,337)
Net cash (used in) / generated from investing activities	(501,194,833)	90,014,351
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease Rentals against finance lease liability	(24,408,398)	(16,092,297)
Dividend paid	(162,619,273)	(389,717,028)
Net cash used in from financing activities	(187,027,671)	(405,809,325)
Net increase / (decrease) in cash and cash equivalents	5,749,596,327	(568,300,970)
Cash and cash equivalents at the beginning of the year	(630,707,406)	(1,363,636,627)
Cash and cash equivalents at the end of the year	24 5,118,888,921	(1,931,937,597)

The annexed notes from 1 to 28 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 nine months and quarter ended March 31, 2024 (unaudited)

1. STATUS AND NATURE OF BUSINESS

1.1 Arif Habib Limited ("the Company") is a public listed company incorporated in Pakistan under the repealed Companies Ordinance, 1984 ("the Ordinance") which has now been replaced by Companies Act, 2017 ("the Act"). The shares of the Company are listed on Pakistan Stock Exchange Limited ("the Exchange"). The Company was initially incorporated as an unquoted public limited company wholly owned by Arif Habib Corporation Limited ("the Parent Company"). Subsequently, the Parent Company offered its 25% share holding in the Company to general public and the Company obtained listing on the Exchange on January 31, 2007. As of June 30, 2023, the Parent Company held 72.92% shares of the Company (June 30, 2023: 72.92% shares).

1.2 The Company is a holder of Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange Limited. The principal activities of the Company are 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	Shops No. F16 and F17, 1st Floor, The Mall Tower, Peshawar Cantt.
- Multan	Regional office	Office No. 305, 3rd Floor at United Mall, Abdali Road, Multan
- Faisalabad	Regional office	Office No. 04, 3rd Floor at Legacy Tower, Koh-e-Noor City, Faisalabad

1.4 The Company has following subsidiaries: Holding %

- Rayaan Commodities (Private) Limited	100%
----------------------------------------	------

1.5 The shareholders of Arif Habib Limited (the Company) and its holding company, Arif Habib Corporation Limited (AHCL), in their respective Extraordinary General Meetings (EGMs) held on December 26, 2023, passed resolution for the proposed Scheme of Arrangement (Scheme) envisaging demerger of assets and liabilities of the Company (demerged undertaking) and merger into AHCL (merged undertaking) as mentioned in detail below. The Company intends to filed petition with the High Court of Sindh in this respect in accordance with the requirements of section 279 to 283 and section 285 of the Companies Act, 2017. The primary objective of the scheme is to effectuate the separation of a distinct part of its undertaking, namely the Demerged Undertaking and the Retained Undertaking (as defined under the Scheme of Arrangement). Simultaneously, it entails the merger, through amalgamation, of the Demerged Undertaking into AHCL, effective from July 1, 2023.

As per the stipulations set forth in the Scheme of Arrangement, in consideration for this transaction, shares of AHCL will be issued to the shareholders of the Company (excluding AHCL itself) based on a swap ratio of 0.8673 ordinary shares of AHCL for each share held in the Company on the Record Date, as defined in the Scheme.

It is imperative to note that the successful implementation of the Scheme of Arrangement is contingent upon obtaining necessary approvals, sanctions, consents, observations, and no-objection certificates from various stakeholders, including creditors, the Securities and Exchange Commission of Pakistan, the relevant High Court, or any other competent authority applicable to the matter. As of the date of these financial statements, the petition seeking the sanctioning of the Scheme is still pending. Consequently, these financial statements do not incorporate the potential impact of the Scheme of Arrangement.

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2024 (unaudited)

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.

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, 2023.

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 ISE Tower REIT Management Limited, LSE Proptech Limited, LSE Ventures Limited, Naya Nazimabad Apartment REIT, Rahat Residency REIT and Signature Residency REIT which are carried at fair value;
- (b) Investment property which is carried at fair value (except for residential flats which are under construction); 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, 2023.

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, 2023.

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2024 (unaudited)

3.	PROPERTY AND EQUIPMENT	Note	(Un-audited) March 31, 2024	(Audited) June 30, 2023
		----- Rupees -----		
	Owned assets	3.1	60,805,112	67,118,424
3.1	During the period ended March 31, 2023, additions made amounting to Rs. 4.35 million (30 June 2023: Rs. 0.48 million) which mainly comprised of office equipment and computer and allied items and disposal amounting to Rs. 0.63 million (written down value) which comprises of office equipments.			
4.	RIGHT-OF-USE ASSETS	Note	(Un-audited) March 31, 2024	(Audited) June 30, 2023
		----- Rupees -----		
	Opening net book value		2,279,667	32,555,873
	Add: Addition during the period / year	4.1	87,523,345	-
	Less: Disposal during the period / year		-	(1,141,363)
			89,803,012	31,414,510
	Less: Depreciation charged during the period / year		(20,061,814)	(29,134,843)
	Closing net book value		69,741,198	2,279,667
4.1.	During the period, the Company made new agreement with Rotocast Engineering Co. (Private) Limited for the lease of Principal office in Karachi for the lease period of 3.5 year. The lease period commence from July 01, 2023.			
5.	LONG TERM INVESTMENTS - unquoted	Note	(Un-audited) March 31, 2024	(Audited) June 30, 2023
		----- Rupees -----		
	Investment in subsidiaries		38,000,000	38,000,000
	- Rayaan Commodities (Private) Limited		1,214,116,669	1,085,254,068
	Investment in other entities	5.1	1,252,116,669	1,123,254,068

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2024 (unaudited)

5.1	Investment in other entities - <i>at fair value through profit or loss</i>	Note	(Un-audited) March 31, 2024	(Audited) June 30, 2023
		----- Rupees -----		
	Unquoted - Equity Instruments			
	ISE Towers REIT Management Company Limited	5.1.1	21,256,899	22,181,370
	Quoted - Equity Instruments			
	LSE PropTech Limited	5.1.2	1,247,162	1,421,528
	LSE Ventures Limited	5.1.2	4,247,767	7,585,290
	Unquoted - Debt Instrument			
	Naya Nazimabad Apartment REIT (NRR)	5.1.3	426,440,880	426,440,880
	Rahat Residency REIT (RRR)	5.1.3	627,625,000	627,625,000
	Signature Residency REIT (SRR)	5.1.3	133,298,960	-
			<u>1,214,116,669</u>	<u>1,085,254,068</u>

5.1.1 This represents the investment in 3,034,604 (June 2023: 3,034,604) unquoted ordinary shares of M/s. ISE Towers REIT Management Company Limited.

5.1.2 This represents the investment in 295,536 (June 2023: 295,536) quoted ordinary shares of M/s. LSE PropTech Limited and 842,810 (June 2023: 842,810) quoted ordinary shares of M/s. LSE Financial Services Limited.

5.1.3 This represents the investment in 27,800,000 (June 2023: 27,800,000) units of Naya Nazimabad Apartment REIT (NRR), 50,000,000 (June 2023: 50,000,000) units of Rahat Residency REIT (RRR) and 13,329,896 (June 2023: nil) units of Signature Residency REIT (SRR).

6.	INVESTMENT PROPERTY	(Un-audited) March 31, 2024	(Audited) June 30, 2023
		----- Rupees -----	
	Open plots of land / offices - at fair value	194,500,000	202,000,000
	Residential flats under construction - at cost	946,119,429	248,749,014
		<u>1,140,619,429</u>	<u>450,749,014</u>

7.	SHORT TERM INVESTMENTS	Note	(Un-audited) March 31, 2024	(Audited) June 30, 2023
		----- Rupees -----		
	<i>At fair value through profit or loss</i>			
	Quoted equity securities	7.1	2,129,331,953	2,761,251,468
	Quoted debt securities	7.2	68,573,557	88,544,078
			<u>68,573,557</u>	<u>88,544,078</u>
			<u>2,197,905,510</u>	<u>2,849,795,546</u>

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2024 (unaudited)

7.1	Investment in quoted equity securities	(Un-audited) March 31, 2024	(Audited) June 30, 2023
		----- Rupees -----	
	Cost of investments	2,132,844,289	3,179,844,352
	Unrealised loss:		
	Balance at start of the period / year	(418,592,884)	(417,666,876)
	Unrealised gain / (loss) for the period / year	415,080,548	(926,008)
		(3,512,336)	(418,592,884)
	Balance at the end of period / year	<u>2,129,331,953</u>	<u>2,761,251,468</u>
7.2	Investment in quoted debt securities	(Un-audited) March 31, 2024	(Audited) June 30, 2023
		----- Rupees -----	
	Cost of investments		
	Unrealised gain / (loss) :	67,035,578	91,607,707
	Balance at start of the period / year		
	Unrealised gain / (loss) for the period / year	(3,063,629)	(610,197)
		4,601,608	(2,453,432)
		1,537,979	(3,063,629)
	Balance at the end of period / year	<u>68,573,557</u>	<u>88,544,078</u>
		7.2.1	

7.2.1 These represent the investments in Term Finance (TFC) and 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 and Sukuks to place bid & offer on daily basis. These TFCs and Sukuks carry coupon rate ranging from 3 month KIBOR + 1.5% to 2.5%, 6 month KIBOR + 0.50% to 2% (2023: 3 month KIBOR + 1.5% to 2.5%, 6 month KIBOR + 0.50% to 2%) calculated on the face value of the respective TFCs or Sukuks that is payable quarterly / semi annually.

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2024 (unaudited)

8. TRADE DEBTS

Gross receivables

Equity brokerage - secured	
Equity brokerage - unsecured	
Inter bank brokerage - unsecured	
Advisory and consultancy fee - unsecured	

Less: Provision for expected credit losses

Equity brokerage - secured	
Inter bank brokerage - unsecured	
Advisory and consultancy fee - unsecured	

Note	(Un-audited) March 31, 2024	(Audited) June 30, 2023
----- Rupees -----		
8.1	336,790,842	199,931,616
	874,805,088	871,827,147
	<u>1,211,595,930</u>	<u>1,071,758,763</u>
	35,051,114	27,816,750
	86,655,373	109,748,485
	<u>1,333,302,416</u>	<u>1,209,323,998</u>
	(874,805,088)	(871,827,147)
	(7,261,444)	(5,695,935)
	(69,018,865)	(72,109,948)
	<u>(951,085,397)</u>	<u>(949,633,030)</u>
	<u>382,217,019</u>	<u>259,690,968</u>

8.1 Gross receivables - Equity brokerage

8.1.1 These receivables include Rs. 0.9 million (June 30, 2023 : Rs. 0.9 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. 60.456 million (June 30, 2023: Rs. 275.32 million).

8.1.2 As of the reporting date, the Company had capital securities having fair value of Rs. 96,645 million (June 30, 2023: Rs. 75,027 million) owned by its clients, as collaterals against trade debts.

9. ADVANCES, DEPOSITS AND PREPAYMENTS

Advances

Advance to consultant	
Advance against expenses	
Advance against salary	

Trade deposits

Exposure deposit with National Clearing Company of Pakistan Limited (NCCPL)	
-----------------------------------------------------------------------------	--

Prepayments

Insurance	
-----------	--

	(Un-audited) March 31, 2024	(Audited) June 30, 2023
----- Rupees -----		
	1,243,760	1,243,760
	3,321,121	3,273,801
	2,403,835	1,672,044
	<u>6,968,715</u>	<u>6,189,605</u>
	593,642,244	31,400,253
	2,251,826	960,071
	<u>602,862,785</u>	<u>38,549,929</u>

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2024 (unaudited)

10. OTHER RECEIVABLES

Receivable from Javedan Corporation Limited - a related party:

- Proceeds from sale of investment property
- Outstanding loan
- Mark-up on loan

Mark-up on loan receivable from Aisha Steel Mills Limited
Receivable from Rahat Residency REIT - a related party:

- Amount Receivable as proceeds from sale of investment property to REIT Scheme
- Receivable against reverse repo arrangements
- Others

	(Un-audited) March 31, 2024	(Audited) June 30, 2023
----- Rupees -----		
	-	5,126,734
	-	352,000,000
	-	<u>2,071,785</u>
	-	359,198,519
	<u>15,175,233</u>	-
	326,630,000	804,075,000
	-	108,796,620
	1,200,000	1,200,000
	<u>343,005,234</u>	<u>1,273,270,139</u>

10.1 During the year ended June 30, 2023, the Company provided an unsecured financing facility of Rs. 1 billion to M/s. Javedan Corporation Limited to finance working capital requirements which will be repayable within one year. Further, the loan was repayable within 30 days of notice of demand and carried interest at the rate of 3 month KIBOR + 1.75% (payable quarterly). The loan provided during the year ended June 30, 2023 was Rs. 352 million which was repaid during the period.

10.2 During the period ended March 31, 2024, the Company provided an unsecured financing facility of Rs. 1 billion to M/s. Aisha Steel Mills Limited to finance working capital requirements which will be repayable within one year. Further, the loan was repayable within 30 days of notice of demand and carried interest at the rate of 1 month KIBOR + 2% (payable quarterly). The loan provided during the period ended March 31, 2024 was repaid during the period.

11. INCOME TAX REFUNDABLE

11.1 Movement for the year

As at July 01,

Charge for the period / year

- current
- prior

Taxes paid during the period / year

As at June 30,

	(Un-audited) March 31, 2024	(Audited) June 30, 2023
----- Rupees -----		
	15,457,413	(70,302,865)
	<u>(107,848,200)</u>	<u>(133,078,720)</u>
	-	8,093,592
	<u>(107,848,200)</u>	<u>(124,985,128)</u>
	116,201,051	210,745,406
	<u>23,810,264</u>	<u>15,457,413</u>

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2024 (unaudited)

11.1 This includes provision for super tax amounting to Rs. 94.363 million (2023: Rs. 78.638 million). There has been no change in the status of the super tax as disclosed in note 22.2 to the annual unconsolidated financial statements of the Company for the year ended June 30, 2023.

12. CASH AND BANK BALANCES

Cash in hand
Cash held in central depository company

Cash at bank

- current accounts
- savings accounts

Note	(Un-audited) March 31, 2024	(Audited) June 30, 2023
----- Rupees -----		
	744,050	733,779
	7,404,914	6,674,187
	484,403,980	146,095,936
12.1	4,626,335,977	833,574,372
12.2	5,110,739,957	979,670,308
	<u>5,118,888,921</u>	<u>987,078,274</u>

12.1 The return on these balances is 10% to 20.5% (June 30, 2023: 10% to 19%) per annum on daily product basis.

12.2 Bank balances include customers' bank balances held in designated bank accounts amounting to Rs. 5,333.670 million (June 30, 2023: Rs. 946.286 million).

13. DEFERRED TAX - net

Deferred tax liability / (asset) in respect of:

- Capital loss on short term investments
- Capital gain on long term investments

- Other temporary differences

Note	(Un-audited) March 31, 2024	(Audited) June 30, 2023
----- Rupees -----		
13.1	-	-
13.2	29,842,031	72,113,469
	29,842,031	72,113,469
13.3	888,297	(2,963,939)
	<u>30,730,328</u>	<u>69,149,530</u>

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2024 (unaudited)

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

As of the reporting date, the Company had the following capital gains / losses arising from its short term investment in quoted equity and debt securities:

Note	(Un-audited) March 31, 2024	(Audited) June 30, 2023
----- Rupees -----		
Realized capital losses on sale of investments (including brought forward losses from prior periods)	13.1.1 47,508,420	497,892,822
Unrealized capital (gain) / loss on remeasurement of investments to fair value	1,974,357	421,656,513
Net capital loss position	<u>49,482,777</u>	<u>919,549,335</u>

13.1.1 No deferred tax asset has been recognized in respect of the above presented net capital loss position since, at the reporting date, it was not probable that the Company would be able to generate sufficient taxable capital gains on securities in future against which the said excess capital losses would be adjusted.

13.2 Deferred tax in respect of capital gain on long term investments

This mainly represents the deferred tax liability recognized on the surplus on remeasurement of the Company's long term investment in the units of REIT schemes. As reported in note 1.5 to these financial statements, these investments are expected to be disposed of as part of the transfer of the Company's non-core business operations to its Parent Company.

13.3 Deferred tax in respect of other temporary differences

	(Un-audited) March 31, 2024	(Audited) June 30, 2023
----- Rupees -----		
<i>Deferred tax liabilities</i>		
Right-of-use assets	20,224,947	661,103
Accelerated depreciation	5,120,604	6,437,721
	<u>25,345,552</u>	<u>7,098,824</u>
<i>Deferred tax assets</i>		
Lease liability	17,642,255	877,927
Intangible assets	6,815,000	6,491,468
Minimum tax carryforward	-	2,693,368
	<u>24,457,255</u>	<u>10,062,763</u>
Net deferred tax liability / (asset)	<u>888,297</u>	<u>(2,963,939)</u>

14. SHORT TERM BORROWINGS

From banking companies

- Running finance

Note	(Un-audited) March 31, 2024	(Audited) June 30, 2023
----- Rupees -----		
14.1	<u>-</u>	<u>1,617,785,680</u>

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2024 (unaudited)

14.1 Running finance arrangements from banking companies - secured

14.1.1 Short term running finance facilities are available from various commercial banks, under mark-up arrangements, amounting to Rs. 6,250 million (June 30, 2023: Rs. 6,250 million). These facilities have various maturity dates up to April 22, 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, 2023: 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.

14.1.2 Fair value of shares pledged with banking companies against various short term running finance facilities and bank guarantees as at March 31, 2024 amounted to Rs. 4,684.42 million (June 30, 2023: Rs. 6,602.82 million). Total value of securities pledged with financial institutions, indicating separately securities belonging to customers, is as under:

	March 31, 2024		June 30, 2023	
	Number of securities	Amount (Rupees)	Number of securities	Amount (Rupees)
Clients	107,650,000	4,271,552,000	118,700,000	4,730,847,000
House	31,635,000	412,863,100	134,088,000	1,871,972,795
Total		<u>4,684,415,100</u>		<u>6,602,819,795</u>

15. TRADE AND OTHER PAYABLES

	Note	(Un-audited) March 31, 2024	(Audited) June 30, 2023
----- Rupees -----			
Creditors	15.1	5,333,670,744	877,099,730
Commission payable	15.2	23,495,368	22,477,749
Accrued expenses		48,666,636	16,460,698
Advance from customers		792,963	-
Withholding tax payable		23,845,576	24,101,999
Sindh sales tax and federal excise duty payable		6,936,249	934,324
Advance against committed sale of investment property		26,384,240	26,510,555
Future profit withheld		136,215,460	6,566,721
Payable against reverse repo transaction	15.3	24,033,886	17,629,267
Other liabilities		48,151	3,956,751
		<u>5,624,089,273</u>	<u>995,737,794</u>

15.1 This includes Rs. 235.88 million (2023: Rs. 61.3 million) payable to related parties.

15.2 This includes Rs. 22 million (2023: Rs. 12.82 million) payable to related parties.

15.3 This represents amount payable to Maimona Duraid for amount realized, over and above of the receivable, on disposal of collateral held against reverse repo transaction.

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2024 (unaudited)

16. CONTINGENCY AND COMMITMENTS

16.1 Contingency

There has been no change in the status of the contingent liability as reported in note 23.1.1 to the annual unconsolidated financial statements of the Company for the year ended June 30, 2023.

16.2 Commitments

Following commitments were outstanding as at the reporting date:

- Outstanding settlements against Margin Trading contracts

- Outstanding settlements against sale / purchase of securities in regular market

- Financial guarantees given by commercial banks on behalf of the Company

- Against purchase of investment property

	(Un-audited) March 31, 2024	(Audited) June 30, 2023
	----- Rupees -----	
	372,979,817	226,651,180
	541,093,029	151,314,528
	750,000,000	750,000,000
	553,470,181	75,000,000

17. OPERATING REVENUE

Equity brokerage revenue
Inter bank brokerage revenue
Advisory and consultancy fee

Markup on margin financing
Dividend income on investment in equity securities
Markup on corporate debt securities

	(Un-audited) March 31, 2024	(Un-audited) March 31, 2023
	----- Rupees -----	
	441,818,112	273,772,203
	127,470,976	93,839,610
	120,749,928	294,132,522
	690,039,016	661,744,335
	42,419,810	39,174,985
	191,431,411	209,477,783
	35,164,348	188,996,306
	269,015,569	437,649,074
	959,054,585	1,099,393,409

18. NET CHANGE IN UNREALIZED GAIN/ (LOSS) ON INVESTMENTS

Long term investments
Short term investments

Note	(Un-audited) March 31, 2024	(Un-audited) March 31, 2023
	----- Rupees -----	
	(4,436,359)	-
7.1 & 7.2	419,682,156	(53,595,701)
	415,245,797	(53,595,701)

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2024 (unaudited)

19. ADMINISTRATIVE AND OPERATING EXPENSES

	Note	(Un-audited) March 31, 2024	(Un-audited) March 31, 2023
----- Rupees -----			
Salaries and other benefits	19.1	353,036,760	253,076,682
Motor vehicle and travelling expense		44,003,305	37,405,787
Building maintenance		22,759,387	32,021,839
Depreciation on right-of-use assets		20,061,814	21,967,930
Man power services	19.2	16,664,800	18,892,644
Communication		18,742,069	17,122,430
CDC and clearing house charges		17,332,185	17,721,326
Depreciation on property and equipment		10,099,790	12,718,288
Fees and subscription	28.2	25,681,715	14,708,111
Insurance		7,473,244	7,606,011
Legal and professional charges	28.2	2,076,425	2,666,360
Donation		1,250,000	3,182,000
Repairs and maintenance		6,452,943	3,787,656
Conveyance and meals		4,325,489	3,416,104
Business representation		3,699,435	4,244,928
Meeting expenses		1,150,000	1,200,000
Printing and stationery		913,431	850,753
Rent, rates and taxes		889,397	544,591
Auditors' remuneration		500,000	400,000
Advertisement and business promotion		1,667,675	453,810
Amortization on intangible assets		93,483	163,208
Others		6,232,571	3,863,956
		<u>565,105,918</u>	<u>458,014,414</u>

19.1 Salaries and other benefits

	(Un-audited) March 31, 2024	(Un-audited) March 31, 2023
----- Rupees -----		
Salaries and other benefits	143,539,801	141,352,741
Commission & Bonus	209,496,959	111,723,941
	<u>353,036,760</u>	<u>253,076,682</u>

19.2 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 nine months and quarter ended March 31, 2024 (unaudited)

20. FINANCE COSTS

Markup on short term borrowings
Other finance costs

Note	(Un-audited) March 31, 2024	(Un-audited) March 31, 2023
----- Rupees -----		
20.1	223,968,554	444,616,940
20.2	26,689,586	18,411,504
	<u>250,658,140</u>	<u>463,028,444</u>

20.1 Markup on short term borrowings

Markup on borrowing from banking companies

Markup on borrowing from related parties:
- M/s. Javedan Corporation Limited
- Mr. Arif Habib

Note	(Un-audited) March 31, 2024	(Un-audited) March 31, 2023
----- Rupees -----		
28.2	223,968,554	263,838,256
	-	164,853,038
	-	15,925,646
	-	180,778,684
	<u>223,968,554</u>	<u>444,616,940</u>

20.2 Other finance costs

Finance cost on lease liability
Markup on MTS securities
Bank charges
Guarantee charges to Arif Habib Corporation

Note	(Un-audited) March 31, 2024	(Un-audited) March 31, 2023
----- Rupees -----		
	13,423,311	2,166,020
	1,178,065	1,370,687
	11,431,946	11,966,321
28.2	656,264	2,908,476
	<u>26,689,586</u>	<u>18,411,504</u>

21. OTHER INCOME

Markup on reverse repo transaction
Markup on loan to Javedan Corporation Limited
Markup on loan to Aisha Steel Mills Limited
Reversal of Impairment Loss
Profit on savings accounts
Profit on exposure deposit
Gain on termination of lease
Other income

	(Un-audited) March 31, 2024	(Un-audited) March 31, 2023
----- Rupees -----		
	7,921,244	6,441,240
	37,320,099	-
	15,175,233	-
	-	6,441,895
	169,320,973	43,384,228
	8,172,204	3,599,189
	-	229,512
	271,544	95,730
	<u>238,181,29</u>	<u>60,191,794</u>

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2024 (unaudited)

22.	TAXATION	(Un-audited) March 31, 2024	(Un-audited) March 31, 2023
		----- Rupees -----	
	Current tax	107,848,200	107,340,559
	- for the year	-	2,966,511
	- for prior year	107,848,200	110,307,070
	Deferred	(38,419,202)	(25,582,338)
		<u>69,428,998</u>	<u>84,724,732</u>
23.	EARNINGS / (LOSS) PER SHARE		
23.1	Basic earnings per share	(Un-audited) March 31, 2024	(Un-audited) March 31, 2023
		----- Rupees -----	
	Profit / (loss) after taxation attributable to ordinary shareholders	<u>1,175,818,070</u>	<u>(152,719,208)</u>
		----- Number -----	
	Weighted average number of ordinary shares outstanding during the period	<u>65,340,000</u>	<u>65,340,000</u>
		----- Rupees -----	
	Earnings / (loss) per share - basic	<u>18.00</u>	<u>(2.34)</u>
23.2	Diluted earnings / (loss) 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.		
24.	CASH AND CASH EQUIVALENTS	(Un-audited) March 31, 2024	(Un-audited) March 31, 2023
		----- Rupees -----	
	Cash and bank balances	5,118,888,921	1,147,919,290
	Short term borrowings	-	(3,079,856,887)
		<u>5,118,888,921</u>	<u>(1,931,937,597)</u>

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED **FINANCIAL** **STATEMENTS**

For the nine months and quarter ended March 31, 2024 (unaudited)

25. RELATED PARTY TRANSACTIONS AND BALANCES

Name of the related party, relationship with the party
and transactions with them during the period

Arif Habib Corporation Limited

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

(Un-audited) March 31, 2024	(Un-audited) March 31, 2023
1,392,475	3,184,849
77,638	2,192,609

SUBSIDIARY

Rayaan Commodities (Private) Limited

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

379,274	233,752
---------	---------

OTHER RELATED PARTIES

Javedan Corporation Limited

Mark-up on loan paid / payable
Loan received
Loan extended
Loan settled
Mark-up income on loan extended
*Brokerage commission earned during the period on sale and
purchase of securities*

-	164,853,038
-	750,000,000
640,000,000	-
992,000,000	-
37,320,099	-
-	86,918

Aisha Steel Mills Limited

Loan extended
Loan settled
Mark-up income on loan extended

1,150,000,000	-
1,150,000,000	-
15,175,233	-

Arif Habib Equity (Pvt) Ltd.

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

857,821	197,716
---------	---------

Rotocast Engineering Co. (Pvt) Limited

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

-	284,286
23,022,992	13,907,779

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2024 (unaudited)

KEY MANAGEMENT PERSONNEL

Zafar Alam (Chairman)

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

Muhammad Shahid Ali (CEO)

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

Muhammad Haroon (Director)

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

Muhammad Sohail Salat (Director)

Meeting Fee Paid

Sharmin Shahid (Director)

Meeting Fee Paid

Nida Ahsan (Director)

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

Mohsin Madni (Director)

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

	(Un-audited) March 31, 2024	(Un-audited) March 31, 2023
	----- Rupees -----	
	196,897	75,941
	150,000	100,000
	10,497,256	7,789,494
	389,588	248,422
	225,000	100,000
	225,000	100,000
	150,000	100,000
	59,769	631,778
	150,000	100,000
	108,637	13,713

CLOSE FAMILY MEMBERS OF KEY MANAGEMENT PERSONNEL

Arif Habib

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

Abdus Samad A. Habib

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

Muhammad Kashif A. Habib

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

POST EMPLOYMENT BENEFIT PLAN

Provident fund trust - Contribution paid during the period

	(Un-audited) March 31, 2024	(Un-audited) March 31, 2023
	----- Rupees -----	
	4,191,486	2,244,391
	31,325	663,932
	6,500	-
	7,508,137	7,939,555

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED **FINANCIAL** **STATEMENTS**

For the nine months and quarter ended March 31, 2024 (unaudited)

Balances with related parties at the end of the period are as follows:
period are as follows:

PARENT COMPANY

Arif Habib Corporation Limited
Balance Receivable at period end
Guarantee Commission Payable

SUBSIDIARY

Rayaan Commodities (Private) Limited
Advance against sale of investment property
Advance against equity
Trade payable
Advances

OTHER RELATED PARTIES

Javedan Corporation Limited
Trade receivable
Receivable against sale of investment property
Loan receivable
Mark-up receivable

Aisha Steel Mills Limited
Mark-up receivable

Rotocast Engineering Co. (Pvt) Limited
Trade receivable

Arif Habib Equity (Pvt) Ltd.
Trade payable

Rahat Residency REIT
Advance against issuance of units
Receivable against sale of investment property

Signature Residency REIT
Advance against issuance of units

Globe Residency REIT
Advance against committed purchase of investment property

	(Un-audited) March 31, 2024	(Audited) June 30, 2023
	----- Rupees -----	
	77,638	35,692
	-	688,306
	18,000,000	17,510,555
	2,000,000	2,000,000
	324,457	452,208
	615,760	256,305
	270,192	244,692
	-	5,126,734
	-	352,000,000
	-	2,071,785
	15,175,233	-
	35,849	13,978
	12,337,456	7,895,397
	325,000,000	325,000,000
	326,630,000	804,075,000
	-	133,298,960
	946,119,429	248,749,014

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2024 (unaudited)

KEY MANAGEMENT PERSONNEL

	(Un-audited) March 31, 2024	(Audited) June 30, 2023
	----- Rupees -----	
Zafar Alam (Chairman) <i>Trade payable</i>	158,838	3,726
Muhammad Shahid Ali (CEO) <i>Trade payable</i>	228,266,381	60,409,046
Sharmin Shahid (Director) <i>Trade receivable</i>	33,253	4,186
Nida Ahsan (Director) <i>Trade receivable</i> <i>Trade payable</i>	- 6,050,353	684 24,641
Muhammad Haroon (Director) <i>Trade payable</i>	172,884	302,869
Muhammad Sohail Salat (Director) <i>Trade receivable</i>	1,899	1,199
Mohsin Madni (Director) <i>Trade payable</i>	619,643	109,517

CLOSE FAMILY MEMBERS OF KEY MANAGEMENT PERSONNEL

	(Un-audited) March 31, 2024	(Audited) June 30, 2023
	----- Rupees -----	
Arif Habib <i>Trade receivable</i> <i>Mark-up payable</i> <i>Trade payable</i>	- 4,723,973 614,243	23,238 4,723,973 -
Abdus Samad A. Habib <i>Trade receivable</i>	472,346	576,799
Muhammad Kashif A. Habib <i>Trade payable</i>	244	1,879

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2024 (unaudited)

26. FAIR VALUE OF ASSETS AND LIABILITIES

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

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

Level 2 : Valuation techniques based on observable inputs.

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

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

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

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

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

As on March 31, 2024

	Level 1	Level 2	Level 3	Total
	Amount in Rupees			
<i>Financial assets measured at fair value</i>				
Short term investments	2,197,905,510	-	-	2,197,905,510
Long term investments	5,494,929	-	1,208,621,739	1,214,116,669
<i>Non-financial assets measured at fair value</i>				
Investment properties	-	194,500,000	-	194,500,000

As on June 30, 2023

	Level 1	Level 2	Level 3	Total
	Amount in Rupees			
<i>Financial assets measured at fair value</i>				
Short term investments	2,849,795,546	-	-	2,849,795,546
Long term investments	9,006,818	-	1,076,247,250	1,085,254,068
<i>Non-financial assets measured at fair value</i>				
Investment properties	-	202,000,000	-	202,000,000

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2024 (unaudited)

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

	March 31, 2024	June 30, 2023
	----- Rupees -----	
Balance as at July 01	22,181,370	42,745,423
Shares swapped with quoted securities	-	(15,251,920)
Unrealised (loss) / gain for the year	(924,471)	(5,312,133)
Balance as at June 30	<u>21,256,899</u>	<u>22,181,370</u>

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

	Effect on profit or loss	
	Favourable	(Unfavourable)
	----- Rupees -----	
March 31, 2024		
Unquoted equity securities	<u>38,000,000</u>	<u>(38,000,000)</u>
June 30, 2023		
Unquoted equity securities	<u>38,000,000</u>	<u>(38,000,000)</u>

27. 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 March 31, 2024 were located in Pakistan.

28. GENERAL

28.1 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 April 24, 2024.

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED **FINANCIAL** **STATEMENTS**

For the nine months and quarter ended March 31, 2024 (unaudited)

28.2 Reclassification of corresponding figures

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

Reclassified from component	Reclassified to component	Amount (Rupees)
Legal and professional charges (Administrative and operating expenses)	Fees and subscription (Administrative and operating expenses)	<u>4,284,514</u>
Markup on short term borrowings (Finance costs)	Other finance costs (Finance costs)	<u>715,867</u>

28.3 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**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31, 2024

	(Un audited) March 31, 2024	(Audited) June 30, 2023
Note	Rupees	
ASSETS		
NON- CURRENT ASSETS		
Property and equipment	3 62,707,314	68,722,457
Right-of-use assets	4 69,741,198	2,279,667
Intangible assets	6,622,143	6,715,626
Long term investments	5 1,214,116,669	1,085,254,068
Investment property	6 1,140,619,429	450,749,014
Long term advances and deposits	374,531,360	507,191,772
	<u>2,868,338,113</u>	<u>2,120,912,604</u>
CURRENT ASSETS		
Short term investments	7 2,197,905,510	2,849,795,546
Trade debts	8 382,217,019	259,690,968
Receivable against margin financing - secured, considered good	122,554,894	113,367,759
Receivable under margin trading system	13,601,311	11,679,177
Advances, deposits and prepayments	9 605,420,011	40,990,347
Receivable against trading of securities-net	79,812,246	77,192,508
Accrued markup on margin financing	18,281,815	21,527,045
Other receivables	10 343,005,234	1,274,009,584
Income tax refundable	11 23,686,236	15,111,277
Cash and bank balances	12 5,138,141,840	1,003,132,229
	<u>8,924,626,116</u>	<u>5,666,496,440</u>
TOTAL ASSETS	<u>11,792,964,229</u>	<u>7,787,409,044</u>
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorized Capital		
75,000,000 (June 2023: 75,000,000) ordinary shares of Rs.10/- each	<u>750,000,000</u>	<u>750,000,000</u>
Issued, subscribed and paid-up capital	653,400,000	653,400,000
65,340,000 (June 30, 2023: 65,340,000) ordinary shares of Rs. 10/- each		
<i>Capital reserves</i>		
Surplus on revaluation of property	7,835,000	7,835,000
<i>Revenue reserves</i>		
Unappropriated profits	5,365,166,866	4,347,081,897
Total equity	<u>6,026,401,866</u>	<u>5,008,316,897</u>
LIABILITIES		
NON-CURRENT LIABILITIES		
Lease liability	60,835,361	918,356
Deferred tax - net	13 30,730,328	69,149,530
	91,565,689	70,067,886
CURRENT LIABILITIES		
Short term borrowings- secured	14 -	1,617,785,680
Current portion of lease liability	18,730,233	2,108,980
Trade and other payables	15 5,611,604,598	983,851,280
Unclaimed dividend	22,156,214	21,425,487
Accrued markup on short term borrowings	22,505,629	83,852,834
	5,674,996,674	2,709,024,261
CONTINGENCIES AND COMMITMENTS		
TOTAL EQUITY AND LIABILITIES	<u>11,792,964,229</u>	<u>7,787,409,044</u>

The annexed notes from 1 to 28 form an integral part of these condensed interim consolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF **PROFIT OR LOSS**

For the nine months and quarter ended March 31, 2024 (unaudited)

	Note	Nine Months ended		Quarter ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
----- Rupees -----					
Operating revenue	17	985,660,793	1,127,514,241	288,468,924	273,666,826
Realized gain / (loss) on disposal of investments		450,384,402	(458,051,102)	458,123,137	(189,273,164)
Realized gain on disposal of investment property		649,029	(2,500,000)	-	(2,500,000)
		<u>1,436,694,224</u>	<u>666,963,139</u>	<u>746,592,061</u>	<u>81,893,662</u>
Net change in unrealized gain / loss on investments	18	415,245,797	(53,595,701)	(349,050,860)	68,166,617
Net change in unrealized gain on investment property		(749,029)	-	-	(233,700,000)
		<u>1,851,190,992</u>	<u>613,367,438</u>	<u>397,541,201</u>	<u>(83,639,721)</u>
Administrative and operating expenses	19	(591,888,617)	(521,039,749)	(238,973,759)	(198,912,759)
Other charges		(1,754,955)	(19,265,018)	100,000	-
Other operating income	21	244,403,301	62,429,700	119,984,811	16,387,351
		<u>1,501,950,721</u>	<u>135,492,371</u>	<u>278,652,253</u>	<u>(266,165,129)</u>
Finance costs	20	(250,671,660)	(463,041,258)	(25,089,327)	(141,424,093)
Profit / (loss) before taxation		<u>1,251,279,061</u>	<u>(327,548,887)</u>	<u>253,562,926</u>	<u>(407,589,222)</u>
Taxation	22	(69,844,092)	(76,031,373)	(47,742,122)	27,282,824
Profit after tax from continuing operations		<u>1,181,434,969</u>	<u>(403,580,260)</u>	<u>205,820,804</u>	<u>(380,306,398)</u>
Discontinued operations					
Profit for the period from discontinued operations - net of tax		-	944,056	-	944,056
Profit / (loss) after taxation		<u>1,181,434,969</u>	<u>(402,636,204)</u>	<u>205,820,804</u>	<u>(379,362,342)</u>
Earnings / (loss) per share - basic & diluted					
From continuing operations		18.08	(6.18)	3.15	(5.82)
From discontinued operations		-	0.01	-	0.01
	23	<u>18.08</u>	<u>(6.16)</u>	<u>3.15</u>	<u>(5.81)</u>

The annexed notes from 1 to 28 form an integral part of these condensed interim consolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

For the nine months and quarter ended March 31, 2024 (unaudited)

	Nine Months ended		Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	----- Rupees -----			
Profit / (loss) after taxation	1,181,434,969	(402,636,204)	205,820,804	(379,362,342)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	<u>1,181,434,969</u>	<u>(402,636,204)</u>	<u>205,820,804</u>	<u>(379,362,342)</u>

The annexed notes from 1 to 28 form an integral part of these condensed interim consolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

For the nine months and quarter ended March 31, 2024 (unaudited)

	Issued, subscribed & paid up capital	Reserves			Total
		Unappropriated profits	Surplus on revaluation of property	Sub-total	
		Rupees			
Balance as at June 30, 2022	653,400,000	4,550,390,525	15,432,500	4,565,823,025	5,219,223,025
<i>Total comprehensive income for the nine months ended March 31, 2023</i>					
- Loss after taxation	-	(402,636,204)	-	(402,636,204)	(402,636,204)
- Other comprehensive income	-	-	-	-	-
	-	(402,636,204)	-	(402,636,204)	(402,636,204)
<i>Transaction with owners</i>					
- Cash dividend paid @ 60% for the year ended June 30, 2022	-	(392,040,000)	-	(392,040,000)	(392,040,000)
	-	(392,040,000)	-	(392,040,000)	(392,040,000)
Balance as at March 31, 2023	<u>653,400,000</u>	<u>3,755,714,321</u>	<u>15,432,500</u>	<u>3,771,146,821</u>	<u>4,424,546,821</u>
Balance as at June 30, 2023	<u>653,400,000</u>	<u>4,347,081,897</u>	<u>7,835,000</u>	<u>4,354,916,897</u>	<u>5,008,316,897</u>
Balance as at July 1, 2023	653,400,000	4,347,081,897	7,835,000	4,354,916,897	5,008,316,897
<i>Total comprehensive income for the nine months ended March 31, 2024</i>					
- Profit after taxation	-	1,181,434,969	-	1,181,434,969	1,181,434,969
- Other comprehensive income	-	-	-	-	-
	-	1,181,434,969	-	1,181,434,969	1,181,434,969
<i>Transaction with owners</i>					
- Cash dividend paid @ 25% for the year ended June June 30, 2023	-	(163,350,000)	-	(163,350,000)	(163,350,000)
Balance as at March 31, 2024	<u>653,400,000</u>	<u>5,365,166,866</u>	<u>7,835,000</u>	<u>5,373,001,866</u>	<u>6,026,401,866</u>

The annexed notes from 1 to 28 form an integral part of these condensed interim consolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months and quarter ended March 31, 2024 (unaudited)

	Note	March 31, 2024	March 31, 2023
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax from continuing operations		1,251,279,061	(327,548,887)
Profit before tax from discontinued operations			1,713,405
Profit before taxation		1,251,279,061	(325,835,482)
Adjustments for:			
Depreciation on property and equipment	19	10,509,621	13,068,837
Depreciation on right-of-use-asset	19	20,061,814	21,967,930
Amortization of intangible asset	19	93,483	163,208
Gain on Termination of lease	21	-	(229,512)
Gain / (Loss) on disposal of property and equipment		302,588	2,500,000
(Gain) / loss on re-measurement of short term investments	18	(419,682,156)	53,595,701
(Gain) / loss on sale of short term investment		(450,384,402)	458,051,102
Loss / (gain) on re-measurement of long term investments		4,436,359	-
Provision for expected credit losses		1,754,955	19,265,018
Unrealized gain on re-measurement of investment property		749,029	-
Realized gain on disposal of investment property		(649,029)	-
Mark up on reverse repo transactions	21	(7,921,244)	(6,441,240)
Dividend income on investment in equity securities	17	(191,431,411)	(209,477,783)
Profit on savings accounts maintained with banks	21	(173,748,594)	(50,904,567)
Finance costs	20	250,671,660	463,041,258
		(955,237,327)	764,599,952
Cash generated from operating activities before working capital changes		296,041,734	438,764,470
Effect on cash flow due to working capital changes (Increase) / decrease in current assets			
Short-term investments - net		1,521,956,594	(77,384,791)
Trade debts - consider good		(122,526,051)	(198,505,606)
Inventory Property RARR		-	(1,565,795,467)
Receivable against margin financing		(9,187,135)	92,195,548
Receivable under margin trading system		(1,922,134)	(597,424)
Receivable against sale of securities-net		(2,619,738)	(17,051,406)
Deposits and short-term prepayments		(564,429,664)	(29,585,077)
Accrued markup on margin financing		3,245,230	(15,952,417)
Other receivables		1,108,847,448	(23,879,174)
Increase / (decrease) in current liabilities		4,627,753,318	336,716,087
Trade and other payables		-	(21,078,278)
Payable against trading of securities- net		-	-
		6,561,117,868	(1,520,918,005)
Cash generated from operations		6,857,159,602	(1,082,153,535)
Taxes paid		(116,838,253)	(128,544,065)
Finance costs paid		(298,595,554)	(399,508,814)
Net cash generated from / (used in) operating activities		6,441,725,795	(1,610,206,414)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		(4,347,845)	(674,736)
Proceeds from disposal of investment property		(689,970,415)	1,632,575,000
Expenditure on investment property - net		-	(408,086,226)
Proceeds from disposal of subsidiary		-	50,000,000
Proceed from disposal of property and equipment		(449,221)	-
Dividends received		191,431,411	209,477,783
Interest received on savings accounts maintained with banks		2,071,785	10,192,861
Long term deposits - net		(638,548)	957,663
Net cash (used in) / generated from investing activities		(501,902,833)	1,494,442,345
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease Rentals against finance lease liability		(24,408,398)	(16,092,298)
Dividend paid		(162,619,273)	(389,717,029)
Net cash used in from financing activities		(187,027,671)	(405,809,327)
Net increase / (decrease) in cash and cash equivalents		5,752,795,291	(521,573,396)
Cash and cash equivalents at the beginning of the year		(614,653,451)	(1,357,260,015)
Cash and cash equivalents at the end of the year	24	5,138,141,840	(1,878,833,411)

The annexed notes from 1 to 28 form an integral part of these condensed interim consolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2024 (unaudited)

1. STATUS AND NATURE OF BUSINESS

1.1 Arif Habib Limited ("the Company") is a public listed company incorporated in Pakistan under the repealed Companies Ordinance, 1984 ("the Ordinance") which has now been replaced by Companies Act, 2017 ("the Act"). The shares of the Company are listed on Pakistan Stock Exchange Limited ("the Exchange"). The Company was initially incorporated as an unquoted public limited company wholly owned by Arif Habib Corporation Limited ("the Parent Company"). Subsequently, the Parent Company offered its 25% share holding in the Company to general public and the Company obtained listing on the Exchange on January 31, 2007. As of June 30, 2023, the Parent Company held 72.92% shares of the Company (June 30, 2023: 72.92% shares).

1.2 The Company is a holder of Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange Limited. The principal activities of the Company are 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	Shops No. F16 and F17, 1st Floor, The Mall Tower, Peshawar Cantt.
- Multan	Regional office	Office No. 305, 3rd Floor at United Mall, Abdali Road, Multan
- Faisalabad	Regional office	Office No. 04, 3rd Floor at Legacy Tower, Koh-e-Noor City, Faisalabad

1.4 The Company has following subsidiaries: Holding %

- Rayaan Commodities (Private) Limited	100%
----------------------------------------	------

1.5 The shareholders of Arif Habib Limited (the Company) and its holding company, Arif Habib Corporation Limited (AHCL), in their respective Extraordinary General Meetings (EGMs) held on December 26, 2023, passed resolution for the proposed Scheme of Arrangement (Scheme) envisaging demerger of assets and liabilities of the Company (demerged undertaking) and merger into AHCL (merged undertaking) as mentioned in detail below. The Company intends to filed petition with the High Court of Sindh in this respect in accordance with the requirements of section 279 to 283 and section 285 of the Companies Act, 2017. The primary objective of the scheme is to effectuate the separation of a distinct part of its undertaking, namely the Demerged Undertaking and the Retained Undertaking (as defined under the Scheme of Arrangement). Simultaneously, it entails the merger, through amalgamation, of the Demerged Undertaking into AHCL, effective from July 1, 2023.

As per the stipulations set forth in the Scheme of Arrangement, in consideration for this transaction, shares of AHCL will be issued to the shareholders of the Company (excluding AHCL itself) based on a swap ratio of 0.8673 ordinary shares of AHCL for each share held in the Company on the Record Date, as defined in the Scheme.

It is imperative to note that the successful implementation of the Scheme of Arrangement is contingent upon obtaining necessary approvals, sanctions, consents, observations, and no-objection certificates from various stakeholders, including creditors, the Securities and Exchange Commission of Pakistan, the relevant High Court, or any other competent authority applicable to the matter. As of the date of these financial statements, the petition seeking the sanctioning of the Scheme is still pending. Consequently, these financial statements do not incorporate the potential impact of the Scheme of Arrangement.

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2024 (unaudited)

2 BASIS OF PREPARATION OF THESE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

2.1 Statement of compliance with the applicable accounting and reporting standards

These condensed interim consolidated 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.

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, 2023.

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 ISE Tower REIT Management Limited, LSE PropTech Limited, LSE Ventures Limited, Naya Nazimabad Apartment REIT, Rahat Residency REIT and Signature Residency REIT which are carried at fair value;
- (b) Investment property which is carried at fair value (except for residential flats which are under construction); 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 consolidated financial statements of the Company as at and for the year ended June 30, 2023.

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 consolidated financial statements of the Company for the year ended June 30, 2023.

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2024 (unaudited)

3.	PROPERTY AND EQUIPMENT	Note	(Un-audited) March 31, 2024	(Audited) June 30, 2023
			----- Rupees -----	
	Owned assets	3.1	62,707,314	68,722,457
3.1	During the period ended March 31, 2023, additions made amounting to Rs. 4.35 million (30 June 2023: Rs. 0.48 million) which mainly comprised of office equipment and computer and allied items and disposal amounting to Rs. 0.63 million (written down value) which comprises of office equipments.			
4.	RIGHT-OF-USE ASSETS	Note	(Un-audited) March 31, 2024	(Audited) June 30, 2023
			----- Rupees -----	
	Opening net book value		2,279,667	32,555,873
	Add: Addition during the period / year	4.1	87,523,345	-
	Less: Disposal during the period / year		-	(1,141,363)
			89,803,012	31,414,510
	Less: Depreciation charged during the period / year		(20,061,814)	(29,134,843)
	Closing net book value		69,741,198	2,279,667
4.1.	During the period, the Company made new agreement with Rotocast Engineering Co. (Private) Limited for the lease of Principal office in Karachi for the lease period of 3.5 year. The lease period commence from July 01, 2023.			
5.	LONG TERM INVESTMENTS - unquoted	Note	(Un-audited) March 31, 2024	(Audited) June 30, 2023
			----- Rupees -----	
	Investment in other entities	5.1	1,214,116,669	1,085,254,068
			1,214,116,669	1,085,254,068

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2024 (unaudited)

5.1	Investment in other entities - <i>at fair value through profit or loss</i>	Note	(Un-audited) March 31, 2024	(Audited) June 30, 2023
		----- Rupees -----		
	Unquoted - Equity Instruments			
	ISE Towers REIT Management Company Limited	5.1.1	21,256,899	22,181,370
	Quoted - Equity Instruments			
	LSE Proptech Limited	5.1.2	1,247,162	1,421,528
	LSE Ventures Limited	5.1.2	4,247,767	7,585,290
	Unquoted - Debt Instruments			
	Naya Nazimabad Apartment REIT (NRR)	5.1.3	426,440,880	426,440,880
	Rahat Residency REIT (RRR)	5.1.3	627,625,000	627,625,000
	Signature Residency REIT (SRR)	5.1.3	133,298,960	-
			<u>1,214,116,669</u>	<u>1,085,254,068</u>

5.1.1 This represents the investment in 3,034,604 (June 2023: 3,034,604) unquoted ordinary shares of M/s. ISE Towers REIT Management Company Limited.

5.1.2 This represents the investment in 295,536 (June 2023: 295,536) quoted ordinary shares of M/s. LSE Proptech Limited and 842,810 (June 2023: 842,810) quoted ordinary shares of M/s. LSE Financial Services Limited.

5.1.3 This represents the investment in 27,800,000 (June 2023: 27,800,000) units of Naya Nazimabad Apartment REIT (NRR), 50,000,000 (June 2023: 50,000,000) units of Rahat Residency REIT (RRR) and 13,329,896 (June 2023: nil) units of Signature Residency REIT (SRR).

6.	INVESTMENT PROPERTY	(Un-audited) March 31, 2024	(Audited) June 30, 2023
		----- Rupees -----	
	Open plots of land / offices	194,500,000	202,000,000
	Residential flats under construction	946,119,429	248,749,014
		<u>1,140,619,429</u>	<u>450,749,014</u>

7.	SHORT TERM INVESTMENTS	Note	(Un-audited) March 31, 2024	(Audited) June 30, 2023
		----- Rupees -----		
	<i>At fair value through profit or loss</i>			
	Quoted equity securities	7.1	2,129,331,953	2,761,251,468
	Quoted debt securities	7.2	68,573,557	88,544,078
			<u>68,573,557</u>	<u>88,544,078</u>
			<u>2,197,905,510</u>	<u>2,849,795,546</u>

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2024 (unaudited)

7.1 Investment in quoted equity securities

Cost of investments

Unrealised loss:

Balance at start of the period / year

Unrealised gain / (loss) for the period / year

Balance at the end of period / year

	(Un-audited) March 31, 2024	(Audited) June 30, 2023
	----- Rupees -----	
	2,132,844,289	3,179,844,352
	(418,592,884)	(417,666,876)
	415,080,548	(926,008)
	(3,512,336)	(418,592,884)
	<u>2,129,331,953</u>	<u>2,761,251,468</u>

7.2 Investment in quoted debt securities

Cost of investments

Unrealised gain / (loss) :

Balance at start of the period / year

Unrealised gain / (loss) for the period / year

Balance at the end of period / year

Note	(Un-audited) March 31, 2024	(Audited) June 30, 2023
	----- Rupees -----	
	67,035,578	91,607,707
	(3,063,629)	(610,197)
	4,601,608	(2,453,432)
	1,537,979	(3,063,629)
7.2.1	<u>68,573,557</u>	<u>88,544,078</u>

7.2.1 These represent the investments in Term Finance (TFC) and 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 and Sukuks to place bid & offer on daily basis. These TFCs and Sukuks carry coupon rate ranging from 3 month KIBOR + 1.5% to 2.5%, 6 month KIBOR + 0.50% to 2% (2023: 3 month KIBOR + 1.5% to 2.5%, 6 month KIBOR + 0.50% to 2%) calculated on the face value of the respective TFCs or Sukuks that is payable quarterly / semi annually.

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2024 (unaudited)

8. TRADE DEBTS

Gross receivables

Equity brokerage - secured	
Equity brokerage - unsecured	
Inter bank brokerage - unsecured	
Advisory and consultancy fee - unsecured	

Less: Provision for expected credit losses

Equity brokerage - secured	
Inter bank brokerage - unsecured	
Advisory and consultancy fee - unsecured	

Note	(Un-audited) March 31, 2024	(Audited) June 30, 2023
----- Rupees -----		
8.1	336,790,842	199,931,616
	874,805,088	871,827,147
	<u>1,211,595,930</u>	<u>1,071,758,763</u>
	35,051,114	27,816,750
	86,655,373	109,748,485
	<u>1,333,302,416</u>	<u>1,209,323,998</u>
	(874,805,088)	(871,827,147)
	(7,261,444)	(5,695,935)
	(69,018,865)	(72,109,948)
	<u>(951,085,397)</u>	<u>(949,633,030)</u>
	<u>382,217,019</u>	<u>259,690,968</u>

8.1 Gross receivables - Equity brokerage

8.1.1 These receivables include Rs. 0.9 million (June 30, 2023 : Rs. 0.9 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. 60.456 million (June 30, 2023: Rs. 275.32 million).

8.1.2 As of the reporting date, the Company had capital securities having fair value of Rs. 96,645 million (June 30, 2023: Rs. 75,027 million) owned by its clients, as collaterals against trade debts.

9. ADVANCES, DEPOSITS AND PREPAYMENTS

Advances

Advance to consultant	
Advance against expenses	
Advance against salary	

Trade deposits

Exposure deposit with National Clearing Company of Pakistan Limited (NCCPL)	
Exposure deposit with National Commodity & Derivatives Exchange Limited (NCEL)	

Prepayments

Insurance

	(Un-audited) March 31, 2024	(Audited) June 30, 2023
----- Rupees -----		
	1,243,760	1,243,760
	3,930,576	3,037,496
	2,473,835	1,672,044
	<u>7,648,170</u>	<u>5,953,300</u>
	594,121,610	31,400,253
	1,398,405	2,676,723
	<u>2,251,826</u>	<u>960,071</u>
	<u>605,420,011</u>	<u>40,990,347</u>

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2024 (unaudited)

10. OTHER RECEIVABLES

Receivable from Javedan Corporation Limited - a related party:

- Proceeds from sale of investment property
- Outstanding loan
- Mark-up on loan

Mark-up on loan receivable from Aisha Steel Mills Limited
Receivable from Rahat Residency REIT - a related party:

- Amount Receivable as proceeds from sale of investment property to REIT Scheme
- Receivable against reverse repo arrangements
- Others

	(Un-audited) March 31, 2024	(Audited) June 30, 2023
----- Rupees -----		
	-	5,126,734
	-	352,000,000
	-	2,071,785
	-	359,198,519
	15,175,233	-
	326,630,000	804,075,000
	-	108,796,620
	1,200,000	1,939,445
	<u>343,005,234</u>	<u>1,274,009,584</u>

10.1 During the year ended June 30, 2023, the Company provided an unsecured financing facility of Rs. 1 billion to M/s. Javedan Corporation Limited to finance working capital requirements which will be repayable within one year. Further, the loan was repayable within 30 days of notice of demand and carried interest at the rate of 3 month KIBOR + 1.75% (payable quarterly). The loan provided during the year ended June 30, 2023 was Rs. 352 million which was repaid during the period.

10.2 During the period ended March 31, 2024, the Company provided an unsecured financing facility of Rs. 1 billion to M/s. Aisha Steel Mills Limited to finance working capital requirements which will be repayable within one year. Further, the loan was repayable within 30 days of notice of demand and carried interest at the rate of 1 month KIBOR + 2% (payable quarterly). The loan provided during the period ended March 31, 2024 was repaid during the period.

11. INCOME TAX REFUNDABLE

11.1 Movement for the year

As at July 01,

Charge for the period / year

- current
- prior

Taxes paid during the period / year

As at June 30,

	(Un-audited) March 31, 2024	(Audited) June 30, 2023
----- Rupees -----		
	15,111,277	-70,702,735
	(108,263,294)	-133,617,113
	-	8,093,592
	(108,263,294)	-125,523,521
	116,838,253	211,337,533
	<u>23,686,236</u>	<u>15,111,277</u>

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2024 (unaudited)

11.1 This includes provision for super tax amounting to Rs. 94.363 million (2023: Rs. 78.638 million). There has been no change in the status of the super tax as disclosed in note 22.2 to the annual consolidated financial statements of the Company for the year ended June 30, 2023.

12. CASH AND BANK BALANCES

Cash in hand
Cash held in central depository company

Cash at bank

- current accounts
- savings accounts

Note	(Un-audited) March 31, 2024	(Audited) June 30, 2023
----- Rupees -----		
	744,050	733,779
	7,404,914	6,674,187
	484,709,483	146,349,940
12.1	4,645,283,393	849,374,323
12.2	5,129,992,876	995,724,263
	<u>5,138,141,840</u>	<u>1,003,132,229</u>

12.1 The return on these balances is 10% to 20.5% (June 30, 2023: 10% to 19%) per annum on daily product basis.

12.2 Bank balances include customers' bank balances held in designated bank accounts amounting to Rs. 5,333.670 million (June 30, 2023: Rs. 946.286 million).

13. DEFERRED TAX - net

Deferred tax liability / (asset) in respect of:

- Capital loss on short term investments
- Capital gain on long term investments

- Other temporary differences

Note	(Un-audited) March 31, 2024	(Audited) June 30, 2023
----- Rupees -----		
13.1	-	-
13.2	29,842,031	72,113,469
	29,842,031	72,113,469
13.3	888,297	(2,963,939)
	<u>30,730,328</u>	<u>69,149,530</u>

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2024 (unaudited)

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

As of the reporting date, the Company had the following capital gains / losses arising from its short term investment in quoted equity and debt securities:

Note	(Un-audited) March 31, 2024	(Audited) June 30, 2023
----- Rupees -----		
Realized capital losses on sale of investments (including brought forward losses from prior periods)	47,508,420	497,892,822
Unrealized capital (gain) / loss on remeasurement of investments to fair value	1,974,357	421,656,513
Net capital loss position	13.1.1 <u>49,482,777</u>	<u>919,549,335</u>

13.1.1 No deferred tax asset has been recognized in respect of the above presented net capital loss position since, at the reporting date, it was not probable that the Company would be able to generate sufficient taxable capital gains on securities in future against which the said excess capital losses would be adjusted.

13.2 Deferred tax in respect of capital gain on long term investments

This mainly represents the deferred tax liability recognized on the surplus on remeasurement of the Company's long term investment in the units of REIT schemes. As reported in note 1.5 to these financial statements, these investments are expected to be disposed of as part of the transfer of the Company's non-core business operations to its Parent Company.

13.3 Deferred tax in respect of other temporary differences

	(Un-audited) March 31, 2024	(Audited) June 30, 2023
----- Rupees -----		
<i>Deferred tax liabilities</i>		
Right-of-use assets	20,224,947	661,103
Accelerated depreciation	5,120,604	6,437,721
	<u>25,345,552</u>	<u>7,098,824</u>
<i>Deferred tax assets</i>		
Lease liability	17,642,255	877,927
Intangible assets	6,815,000	6,491,468
Minimum tax carryforward	-	2,693,368
	<u>24,457,255</u>	<u>10,062,763</u>
Net deferred tax liability / (asset)	888,297	(2,963,939)

14. SHORT TERM BORROWINGS

From banking companies

- Running finance

Note	(Un-audited) March 31, 2024	(Audited) June 30, 2023
----- Rupees -----		
14.1	<u>-</u>	<u>1,617,785,680</u>

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2024 (unaudited)

14.1 Running finance arrangements from banking companies - secured

14.1.1 Short term running finance facilities are available from various commercial banks, under mark-up arrangements, amounting to Rs. 6,250 million (June 30, 2023: Rs. 6,250 million). These facilities have various maturity dates up to April 22, 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, 2023: 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.

14.1.2 Fair value of shares pledged with banking companies against various short term running finance facilities and bank guarantees as at March 31, 2024 amounted to Rs. 4,684.42 million (June 30, 2023: Rs. 6,602.82 million). Total value of securities pledged with financial institutions, indicating separately securities belonging to customers, is as under:

	March 31, 2024		June 30, 2023	
	Number of securities	Amount (Rupees)	Number of securities	Amount (Rupees)
Clients	107,650,000	4,271,552,000	118,700,000	4,730,847,000
House	31,635,000	412,863,100	134,088,000	1,871,972,795
Total		<u>4,684,415,100</u>		<u>6,602,819,795</u>

15. TRADE AND OTHER PAYABLES

	Note	(Un-audited) March 31, 2024	(Audited) June 30, 2023
----- Rupees -----			
Creditors	15.1	5,333,346,287	876,647,522
Commission payable	15.2	23,495,368	22,477,749
Accrued expenses		49,185,089	20,359,414
Advance from customers		792,963	-
Withholding tax payable		25,886,368	24,101,999
Sindh sales tax and federal excise duty payable		7,345,529	934,324
Advance against committed sale of investment property		9,000,000	9,000,000
Future profit withheld		136,215,460	6,566,721
Payable against reverse repo transaction	15.3	24,033,886	17,629,267
Other liabilities		2,303,648	6,134,284
		<u>5,611,604,598</u>	<u>983,851,280</u>

15.1 This includes Rs. 235.88 million (2023: Rs. 61.3 million) payable to related parties.

15.2 This includes Rs. 22 million (2023: Rs. 12.82 million) payable to related parties.

15.3 This represents amount payable to Maimona Duraid for amount realized, over and above of the receivable, on disposal of collateral held against reverse repo transaction.

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2024 (unaudited)

16. CONTINGENCY AND COMMITMENTS

16.1 Contingency

There has been no change in the status of the contingent liability as reported in note 23.1.1 to the annual consolidated financial statements of the Company for the year ended June 30, 2023.

16.2 Commitments

Following commitments were outstanding as at the reporting date:

- Outstanding settlements against Margin Trading contracts
- Outstanding settlements against sale / purchase of securities in regular market
- Financial guarantees given by commercial banks on behalf of the Company
- Against purchase of investment property

	(Un-audited) March 31, 2024	(Audited) June 30, 2023
	----- Rupees -----	
	372,979,817	226,651,180
	541,093,029	151,314,528
	750,000,000	750,000,000
	553,470,181	75,000,000

17. OPERATING REVENUE

- Equity brokerage revenue
- Inter bank brokerage revenue
- Commodity brokerage revenue
- Advisory and consultancy fee
- Markup on margin financing
- Dividend income on investment in equity securities
- Markup on corporate debt securities

	(Un-audited) March 31, 2024	(Un-audited) March 31, 2023
	----- Rupees -----	
	441,438,838	273,538,451
	127,470,976	93,839,610
	26,985,482	28,354,584
	120,749,928	294,132,522
	716,645,224	689,865,167
	42,419,810	39,174,985
	191,431,411	209,477,783
	35,164,348	188,996,306
	269,015,569	437,649,074
	985,660,793	1,127,514,241

18. NET CHANGE IN UNREALIZED GAIN/ (LOSS) ON INVESTMENTS

- Long term investments
- Short term investments

Note	(Un-audited) March 31, 2024	(Un-audited) March 31, 2023
	----- Rupees -----	
	(4,436,359)	-
7.1 & 7.2	419,682,156	(53,595,701)
	415,245,797	(53,595,701)

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2024 (unaudited)

19. ADMINISTRATIVE AND OPERATING EXPENSES

Note	(Un-audited) March 31, 2024	(Un-audited) March 31, 2023
----- Rupees -----		
19.1	364,497,000	273,684,747
	45,590,27	38,892,080
	-	6,146,170
	23,234,887	32,021,839
	20,061,814	21,967,930
19.2	16,664,800	18,892,644
	19,118,926	17,560,755
	17,332,185	17,721,326
	10,509,621	13,068,837
28.2	26,000,383	34,682,520
	7,485,124	7,617,892
28.2	2,076,425	8,595,074
	1,250,000	3,182,000
	6,452,943	3,787,656
	4,325,489	3,416,104
	3,699,435	4,244,928
	1,150,000	1,200,000
	913,431	850,753
	889,397	750,942
	500,000	1,021,000
	7,121,981	3,483,408
	93,483	163,208
	12,921,022	8,087,936
	<u>591,888,617</u>	<u>521,039,749</u>

19.1 Salaries and other benefits

	(Un-audited) March 31, 2024	(Un-audited) March 31, 2023
----- Rupees -----		
Salaries and other benefits	151,620,020	158,124,481
Commission & Bonus	212,876,980	115,560,266
	<u>364,497,000</u>	<u>273,684,747</u>

19.2 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 CONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2024 (unaudited)

20. FINANCE COSTS

Markup on short term borrowings
Other finance costs

Note	(Un-audited) March 31, 2024	(Un-audited) March 31, 2023
----- Rupees -----		
20.1	223,968,554	444,616,940
20.2	26,703,106	18,424,318
	<u>250,671,660</u>	<u>463,041,258</u>

20.1 Markup on short term borrowings

Markup on borrowing from banking companies

Markup on borrowing from related parties:
- M/s. Javedan Corporation Limited
- Mr. Arif Habib

Note	(Un-audited) March 31, 2024	(Un-audited) March 31, 2023
----- Rupees -----		
28.2	223,968,554	263,838,256
	-	164,853,038
	-	15,925,646
	-	180,778,684
	<u>223,968,554</u>	<u>444,616,940</u>

20.2 Other finance costs

Finance cost on lease liability
Markup on MTS securities
Bank charges
Guarantee charges to Arif Habib Corporation

Note	(Un-audited) March 31, 2024	(Un-audited) March 31, 2023
----- Rupees -----		
	13,423,311	2,166,020
	1,178,065	1,370,687
	11,445,466	11,979,135
28.2	656,264	2,908,476
	<u>26,703,106</u>	<u>18,424,318</u>

21. OTHER INCOME

Markup on reverse repo transaction
Markup on margin trading deposits
Markup on loan to Javedan Corporation Limited
Markup on loan to Aisha Steel Mills Limited
Profit on savings accounts
Profit on exposure deposit
Gain on termination of lease
Other income

	(Un-audited) March 31, 2024	(Un-audited) March 31, 2023
----- Rupees -----		
	7,921,244	6,441,240
	1,794,383	1,159,462
	37,320,099	-
	15,175,233	-
	173,748,594	50,904,567
	8,172,204	3,599,189
	-	229,512
	271,544	95,730
	<u>244,403,301</u>	<u>62,429,700</u>

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2024 (unaudited)

22.	TAXATION	<table border="0"> <thead> <tr> <th style="text-align: center;">(Un-audited) March 31, 2024</th> <th style="text-align: center;">(Un-audited) March 31, 2023</th> </tr> <tr> <th colspan="2" style="text-align: center;">----- Rupees -----</th> </tr> </thead> <tbody> <tr> <td style="text-align: right;">Current tax</td> <td></td> </tr> <tr> <td style="text-align: right;">- for the period</td> <td style="text-align: right;">107,748,200</td> </tr> <tr> <td style="text-align: right;">- for prior period</td> <td style="text-align: right;">2,966,511</td> </tr> <tr> <td style="text-align: right;">108,263,294</td> <td style="text-align: right;">110,714,711</td> </tr> <tr> <td style="text-align: right;">Deferred</td> <td></td> </tr> <tr> <td style="text-align: right;">(38,419,202)</td> <td style="text-align: right;">(34,683,338)</td> </tr> <tr> <td style="text-align: right;"><u>69,844,092</u></td> <td style="text-align: right;"><u>76,031,373</u></td> </tr> </tbody> </table>	(Un-audited) March 31, 2024	(Un-audited) March 31, 2023	----- Rupees -----		Current tax		- for the period	107,748,200	- for prior period	2,966,511	108,263,294	110,714,711	Deferred		(38,419,202)	(34,683,338)	<u>69,844,092</u>	<u>76,031,373</u>		
(Un-audited) March 31, 2024	(Un-audited) March 31, 2023																					
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23.	EARNINGS / (LOSS) PER SHARE																					
23.1	Basic earnings per share	<table border="0"> <thead> <tr> <th style="text-align: center;">(Un-audited) March 31, 2024</th> <th style="text-align: center;">(Un-audited) March 31, 2023</th> </tr> <tr> <th colspan="2" style="text-align: center;">----- Rupees -----</th> </tr> </thead> <tbody> <tr> <td style="text-align: right;">Profit / (loss) after taxation attributable to ordinary shareholders</td> <td style="text-align: right;"><u>1,181,434,969</u></td> </tr> <tr> <td></td> <td style="text-align: right;"><u>(402,636,204)</u></td> </tr> <tr> <td></td> <td style="text-align: center;">-----Number-----</td> </tr> <tr> <td style="text-align: right;">Weighted average number of ordinary shares outstanding during the period</td> <td style="text-align: right;"><u>65,340,000</u></td> </tr> <tr> <td></td> <td style="text-align: right;"><u>65,340,000</u></td> </tr> <tr> <td></td> <td style="text-align: center;">----- Rupees -----</td> </tr> <tr> <td style="text-align: right;">Earnings / (loss) per share - basic</td> <td style="text-align: right;"><u>18.08</u></td> </tr> <tr> <td></td> <td style="text-align: right;"><u>(6.16)</u></td> </tr> </tbody> </table>	(Un-audited) March 31, 2024	(Un-audited) March 31, 2023	----- Rupees -----		Profit / (loss) after taxation attributable to ordinary shareholders	<u>1,181,434,969</u>		<u>(402,636,204)</u>		-----Number-----	Weighted average number of ordinary shares outstanding during the period	<u>65,340,000</u>		<u>65,340,000</u>		----- Rupees -----	Earnings / (loss) per share - basic	<u>18.08</u>		<u>(6.16)</u>
(Un-audited) March 31, 2024	(Un-audited) March 31, 2023																					
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	----- Rupees -----																					
Earnings / (loss) per share - basic	<u>18.08</u>																					
	<u>(6.16)</u>																					
23.2	Diluted earnings / (loss) 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.																				
24.	CASH AND CASH EQUIVALENTS	<table border="0"> <thead> <tr> <th style="text-align: center;">(Un-audited) March 31, 2024</th> <th style="text-align: center;">(Un-audited) March 31, 2023</th> </tr> <tr> <th colspan="2" style="text-align: center;">----- Rupees -----</th> </tr> </thead> <tbody> <tr> <td style="text-align: right;">Cash and bank balances</td> <td style="text-align: right;">1,201,023,476</td> </tr> <tr> <td style="text-align: right;">Short term borrowings</td> <td style="text-align: right;">(3,079,856,887)</td> </tr> <tr> <td style="text-align: right;"><u>5,138,141,840</u></td> <td style="text-align: right;"><u>(1,878,833,411)</u></td> </tr> </tbody> </table>	(Un-audited) March 31, 2024	(Un-audited) March 31, 2023	----- Rupees -----		Cash and bank balances	1,201,023,476	Short term borrowings	(3,079,856,887)	<u>5,138,141,840</u>	<u>(1,878,833,411)</u>										
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CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2024 (unaudited)

25. RELATED PARTY TRANSACTIONS AND BALANCES

Name of the related party, relationship with the party and transactions with them during the period

(Un-audited)
March 31,
2024

(Un-audited)
March 31,
2023

----- Rupees -----

Arif Habib Corporation Limited

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

1,392,475
77,638

3,184,849
2,192,609

OTHER RELATED PARTIES

Javedan Corporation Limited

Mark-up on loan paid / payable

-

164,853,038

Loan received

-

750,000,000

Loan extended

640,000,000

-

Loan settled

992,000,000

-

Mark-up income on loan extended

37,320,099

-

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

-

86,918

Aisha Steel Mills Limited

Loan extended

1,150,000,000

-

Loan settled

1,150,000,000

-

Mark-up income on loan extended

15,175,233

-

Arif Habib Equity (Pvt) Ltd.

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

857,821

197,716

Rotocast Engineering Co. (Pvt) Limited

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

-

284,286

Rent paid

23,022,992

13,907,779

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED **FINANCIAL** **STATEMENTS**

For the nine months and quarter ended March 31, 2024 (unaudited)

Balances with related parties at the end of the period are as follows:
period are as follows:

PARENT COMPANY

Arif Habib Corporation Limited
Balance Receivable at period end
Guarantee Commission Payable

OTHER RELATED PARTIES

Javedan Corporation Limited
Trade receivable
Receivable against sale of investment property
Loan receivable
Mark-up receivable

Aisha Steel Mills Limited
Mark-up receivable

Rotocast Engineering Co. (Pvt) Limited
Trade receivable

Arif Habib Equity (Pvt) Ltd.
Trade payable

Rahat Residency REIT
Advance against issuance of units
Receivable against sale of investment property

Signature Residency REIT
Advance against issuance of units

Globe Residency REIT
Advance against committed purchase of investment property

	(Un-audited) March 31, 2024	(Audited) June 30, 2023
	----- Rupees -----	
	77,638	35,692
	-	688,306
	270,192	244,692
	-	5,126,734
	-	352,000,000
	-	2,071,785
	15,175,233	-
	35,849	13,978
	12,337,456	7,895,397
	325,000,000	325,000,000
	326,630,000	804,075,000
	-	133,298,960
	946,119,429	248,749,014

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2024 (unaudited)

KEY MANAGEMENT PERSONNEL

	(Un-audited) March 31, 2024	(Audited) June 30, 2023
	----- Rupees -----	
Zafar Alam (Chairman) <i>Trade payable</i>	158,838	3,726
Muhammad Shahid Ali (CEO) <i>Trade payable</i>	228,266,381	60,409,046
Sharmin Shahid (Director) <i>Trade receivable</i>	33,253	4,186
Nida Ahsan (Director) <i>Trade receivable</i> <i>Trade payable</i>	- 6,050,353	684 24,641
Muhammad Haroon (Director) <i>Trade payable</i>	172,884	302,869
Muhammad Sohail Salat (Director) <i>Trade receivable</i>	1,899	1,199
Mohsin Madni (Director) <i>Trade payable</i>	619,643	109,517

CLOSE FAMILY MEMBERS OF KEY MANAGEMENT PERSONNEL

	(Un-audited) March 31, 2024	(Audited) June 30, 2023
	----- Rupees -----	
Arif Habib <i>Trade receivable</i> <i>Mark-up payable</i> <i>Trade payable</i>	- 4,723,973 614,243	23,238 4,723,973 -
Abdus Samad A. Habib <i>Trade receivable</i>	472,346	576,799
Muhammad Kashif A. Habib <i>Trade payable</i>	244	1,879

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2024 (unaudited)

26. FAIR VALUE OF ASSETS AND LIABILITIES

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

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

Level 2 : Valuation techniques based on observable inputs.

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

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

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

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

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

As on March 31, 2024

	Level 1	Level 2	Level 3	Total
	----- Amount in Rupees -----			
<i>Financial assets measured at fair value</i>				
Short term investments	2,197,905,510	-	-	2,197,905,510
Long term investments	5,494,929	-	1,208,621,739	1,214,116,669
<i>Non-financial assets measured at fair value</i>				
Investment properties	-	194,500,000	-	194,500,000

As on June 30, 2023

	Level 1	Level 2	Level 3	Total
	----- Amount in Rupees -----			
<i>Financial assets measured at fair value</i>				
Short term investments	2,849,795,546	-	-	2,849,795,546
Long term investments	9,006,818	-	1,076,247,250	1,085,254,068
<i>Non-financial assets measured at fair value</i>				
Investment properties	-	202,000,000	-	202,000,000

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2024 (unaudited)

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

	March 31, 2024	June 30, 2023
	----- Rupees -----	
Balance as at July 01	22,181,370	42,745,423
Shares swapped with quoted securities	-	(15,251,920)
Unrealised (loss) / gain for the year	(924,471)	(5,312,133)
Balance as at June 30	<u>21,256,899</u>	<u>22,181,370</u>

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

	Effect on profit or loss	
	Favourable	(Unfavourable)
	----- Rupees -----	
March 31, 2024		
Unquoted equity securities	<u>38,000,000</u>	<u>(38,000,000)</u>
June 30, 2023		
Unquoted equity securities	<u>38,000,000</u>	<u>(38,000,000)</u>

27. 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 March 31, 2024 were located in Pakistan.

28. GENERAL

28.1 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 April 24, 2024.

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED **FINANCIAL** **STATEMENTS**

For the nine months and quarter ended March 31, 2024 (unaudited)

28.2 Reclassification of corresponding figures

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

Reclassified from component	Reclassified to component	Amount (Rupees)
Legal and professional charges (Administrative and operating expenses)	Fees and subscription (Administrative and operating expenses)	<u>4,284,514</u>
Markup on short term borrowings (Finance costs)	Other finance costs (Finance costs)	<u>715,867</u>

28.3 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

PATTERN OF SHAREHOLDING REPORT

As of March 31, 2024

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	75,000	0.11
MUHAMMAD SOHAIL SALAT	1	660	0.00
Associated Companies, undertakings and related parties			
	1	47,648,522	72.92
NIT & ICP			
	-	-	-
Banks Development Financial Institutions, Non Banking Financial Institutions.			
	1	59	0.00
Insurance Companies			
	-	-	-
Modarabas and Mutual Funds			
	2	609,500	0.93
General Public			
a. Local	3,096	15,976,083	24.45
b. Foreign	35	112,226	0.17
Foreign Companies			
	-	-	-
Others			
	35	912,307	1.40
Totals			
	3,177	65,340,000	100.00
Shareholders holding 10% or more		Shares Held	Percentage
M/S ARIF HABIB CORPORATION		47,648,522	72.92



ARIF HABIB CENTRE

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