

A hand holding a glowing white arrow pointing upwards and to the right. The background is a dark blue gradient with a bar chart and bokeh lights. The arrow is the central focus, symbolizing growth and progress.

UNLOCKING EXCEPTIONAL RETURNS

INNOVATION & GROWTH



WE ARE ARIF HABIB LIMITED

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

During testing economic conditions, AHL has always endeavored to deliver consistent results to its trusting family of investors. It is only through consistency that we are able to maintain high levels of client satisfaction and have achieved industry wide recognition for our work.

Being steadfast, determined and persistent are characteristics that strongly resonate with AHL's code of conduct.

AWARDS & ACCOLADES

 <p>Best Equity Brokerage House - 2023 CFA Society Pakistan</p>	 <p>Best Gender Equality Bond - 2024 The Asset Triple A Sustainable Finance Awards</p>	 <p>Best Economic Research House - 2023-2021 CFA Society Pakistan</p>	 <p>Best for Research in Pakistan - 2024 Euromoney</p>
 <p>Best for Corporate Access 2023 Asiamoney Brokers Poll</p>	 <p>Best Corporate Finance House - Equity & Advisory 2022 - 2013 CFA Society Pakistan</p>	 <p>Best Corporate Finance House - Fixed Income 2023 CFA Society Pakistan</p>	 <p>Investment Ideas Competition - 2023 CFA Society Pakistan</p>
 <p>Best Research Analyst - 2021 - 2018 CFA Society Pakistan</p>	 <p>Best Investment Bank - Country Awards - 2022 FinanceAsia</p>	 <p>Best Securities House - 2022 Asiamoney</p>	 <p>Best Investment Bank - 2022 Asiamoney</p>
 <p>Best for Diversity & Inclusion in Pakistan - 2024 Euromoney</p>	 <p>Best Brokerage House 2023 International Finance</p>	 <p>Most Innovative Financial Market Brokerage - 2022 The European</p>	 <p>Best Money Markets Conventional Brokerage House - Runner up - 2024 Financial Markets Association of Pakistan</p>

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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
Syed Manzoor Raza	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

Mirza & Minto
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
Bank Makramah 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
+ 92 61 4514412

OUR VISION

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

OUR MISSION

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





DIRECTOR'S REPORT

Dear Fellow Members of Arif Habib Limited,

On behalf of the Board of Directors, I am pleased to present the financial statements of Arif Habib Limited (AHL) for the first quarter ended September 30, 2024.

Economic Review

The outgoing quarter of FY25 brought a series of positive developments that have rejuvenated hopes for Pakistan's economic recovery. The State Bank of Pakistan's reserves reached USD 10.7bn by the end of September 2024, bolstered by a USD 7bn Extended Fund Facility (EFF) agreement with the IMF. This improvement helped stabilize the Pakistani Rupee, which saw a modest appreciation of 0.23% against the U.S. dollar during the first quarter of FY25. In addition, the country made significant strides in reducing its current account deficit, which shrank by over 89% YoY, easing external pressures. On the monetary policy front, the State Bank of Pakistan responded to the easing inflationary trend, averaging 9.2% in the first quarter, by slashing the policy rate by 300bps to 17.5%. Additionally, Pakistan achieved a budget surplus of PKR 1.9trn, the first in a quarter since FY04, while recording a historic primary surplus of PKR 3.2trn, the largest ever.

Stock Market Performance

During 1QFY25, the KSE-100 reached its highest level of 82,248 points, driven by several key factors: the approval of a 37-month USD 7bn Extended Fund Facility (EFF) from the IMF, PKR appreciation of 0.2% against the USD a continuation of the monetary easing cycle with a 300bps rate cut bringing the policy rate to 17.5%, and inflation dropping to 9.2% from 29.0% YoY. Additionally, rollover commitments from Saudi Arabia, China, and the UAE, coupled with Moody's upgrade of Pakistan's rating to Caa2 from Caa3, strengthened investor confidence.

During 1QFY25, the benchmark KSE-100 index closed at 81,114 points, up by 75% / 34,882 points YoY. The average volumes and value (USD based) increased by 74% (490mn shares) and 96% (USD 65mn) YoY, respectively.

The upside to the index during 1QFY25 was led by the; i) Fertilizers (2,263pts), ii) E&P (1,699pts), iii) Commercial Banks (1,110pts), iv) Leather (161pts), and v) Pharmaceuticals (42pts).

During 1QFY25, foreign net outflow was seen in the local bourse at USD 21.7mn (1QFY24: net inflows of USD 21.9mn). Buying was primarily witnessed in; i) Technology (USD 12.8mn), ii) Other sectors (USD 8.8mn) iii) Textiles (USD 1.9mn), and Power (USD 1.1mn).

Your Company's Performance

During the reporting period, our Company has demonstrated robust performance, achieving an unconsolidated profit after tax of PKR 136.55 million, which translates to an earnings per share (EPS) of PKR 2.09. On a consolidated basis, our profit after tax reached PKR 140.22 million, resulting in an EPS of PKR 2.15.

For the three months ending September 30, 2024, our brokerage and investment banking divisions exhibited significant growth, generating revenues of PKR 255.28 million, a substantial increase from PKR 164.91 million recorded in the first quarter of FY24. During this quarter, we actively engaged in initial public offerings (IPOs), mergers and acquisitions (M&A), and Sukuk advisory transactions, successfully completing several key deals, including the IPO of BF Biosciences, which attracted considerable investor interest, as well as the M&A transaction involving UBL Currency Exchange and Sukuk advisory for Ismail Industries Limited.

Following the demerger, our Company has shifted its focus from equity investments with smaller capital to low-risk fixed-income securities and cash for future hedging activities. This strategic

pivot has resulted in a gain of PKR 51.61 million for the quarter, compared to PKR 30.85 million in the first quarter of FY24.

AHL is committed to enhancing its services and has made significant investments in technology and workforce development to better serve our customers. While this has led to higher fixed costs and a 23% increase in operating expenses, our financial costs have decreased slightly to PKR 4.31 million (down from PKR 26.27 million in 1QFY24) due to declining interest rates and more efficient borrowing practices.

As of the balance sheet date, our Company's equity stands at PKR 1.41 billion (up from PKR 1.27 billion in June 2024), resulting in a book value per share of PKR 21.58 (compared to PKR 19.49 on June 30, 2024).

We are proud to announce that AHL has received numerous accolades from prestigious global and local institutions during this period. Notable awards include 'Best for Research in Pakistan' and 'Best for Diversity & Inclusion in Pakistan' from Euromoney, as well as the Best Equity Brokerage House and Best Economic Research House awards from the CFA Society. Additionally, we received recognition for Best Trader and Best Analyst categories from the CFA Society, along with the 'Best Brokerage House' title from International Finance.

Non Adjusting Event After Reporting Date

The Board of Directors has proposed a final cash dividend of Rs. 5 per share amounting to Rs. 326.7 million for the approval of the members at the annual general meeting to be held on 27 November 2024. These condensed interim consolidated financial statements do not include the effect of the proposed final cash dividend.

Future Prospects

The future of AHL appears exceedingly promising, bolstered by strategic initiatives aimed at expanding our market presence and enhancing engagement across all business segments. Key growth areas include digital brokerage, IPOs, and M&A advisory, with the recent launch of our app and web-based trading system set to attract a broader client base and elevate the trading experience.

Our focus remains on increasing trading volumes from existing and potential clients, both domestically and internationally. We aim to achieve this by fostering strong client relationships through a premium suite of services and introducing innovative products supported by robust research capabilities that provide valuable insights and guidance.

Looking forward, we anticipate increased activity driven by new equity and debt listings, mergers and acquisitions, privately placed Term Finance Certificates (TFCs), Sukuks, as well as advisory and underwriting services for equity raising through rights issues. Our Investment Banking Division is well-positioned to capitalize on these opportunities, leveraging its expertise and resources to deliver superior outcomes.

As we navigate the challenges and opportunities ahead, our unwavering commitment to excellence and innovation will continue to guide our efforts. We are excited about the potential for substantial growth and remain dedicated to creating enduring value for our clients and stakeholders in the quarters to come.

Acknowledgement

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

We acknowledge and appreciate the hard work put in by the employee 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
Chief Executive Officer and Executive Director



Zafar Alam
Chairman

Karachi.

Dated: November 25, 2024

UNCONSOLIDATED FINANCIAL STATEMENTS





UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at September 30, 2024

	Note	(Un-audited) September 30, 2024	(Audited) June 30, 2024
Rupees			
ASSETS			
Non-current assets			
Property and equipment	4	57,243,175	58,108,527
Right-of-use assets		58,696,407	63,325,707
Intangible assets		5,413,349	5,436,719
Long term investment		68,461,607	68,461,607
Investment property		38,900,000	38,900,000
Long-term advances, deposits and other receivable	5	47,884,092	41,594,332
Deferred tax - net	11	3,171,102	8,941,185
		<u>279,769,732</u>	<u>284,768,077</u>
Current assets			
Short term investments	6	587,685,784	550,705,642
Trade debts	7	336,974,241	344,498,851
Receivable against margin financing		226,948,448	117,387,003
Advances, deposits and prepayments		133,615,493	185,081,675
Accrued markup on margin financing		7,314,338	4,526,291
Other receivables	8	603,962,613	998,174,239
Income tax refundable	9	-	2,594,059
Cash and bank balances	10	2,918,705,111	3,192,161,622
		<u>4,815,206,028</u>	<u>5,395,129,382</u>
		<u>5,094,975,760</u>	<u>5,679,897,459</u>
Total assets			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital		750,000,000	750,000,000
Issued, subscribed and paid-up capital		653,400,000	653,400,000
Capital reserves		7,835,000	7,835,000
Surplus on revaluation of property			
Revenue reserves		748,493,609	611,946,740
Unappropriated profits			
Total equity		<u>1,409,728,609</u>	<u>1,273,181,740</u>
Non-current liabilities			
Lease liability		26,205,828	43,866,648
		<u>26,205,828</u>	<u>43,866,648</u>
Current liabilities			
Short term borrowings - secured	12	433,422,465	664,317,881
Current portion of lease liability		35,090,463	31,137,864
Trade and other payables	13	3,110,243,446	3,447,012,295
Unclaimed dividend		21,659,825	21,659,825
Payable against trading of securities - net		45,679,444	198,721,206
Income tax payable	9	12,945,680	-
		<u>3,659,041,323</u>	<u>4,362,849,071</u>
Contingencies and commitments			
	14	-	-
		<u>5,094,975,760</u>	<u>5,679,897,459</u>

The annexed notes from 1 to 22 form an integral part of these unconsolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the quarter ended September 30, 2024 (unaudited)

		(Un-audited) September 30, 2024	Restated (Un-audited) September 30, 2023
	Note	Rupees	
Operating revenue	15	269,132,805	183,360,392
Realized gain / (loss) on disposal of investments		48,441,755	(305,776)
		<u>317,574,560</u>	<u>183,054,616</u>
Net change in unrealized (loss) / gain on investments		3,167,917	31,153,309
		<u>320,742,477</u>	<u>214,207,925</u>
Administrative and operating expenses		(179,718,715)	(138,898,642)
Other operating income		48,592,760	29,919,118
		<u>189,616,522</u>	<u>105,228,401</u>
Finance costs		(4,312,008)	(26,266,788)
Profit before levies and taxation		<u>185,304,514</u>	<u>78,961,613</u>
Levies	16	(506,881)	(904,194)
Profit before taxation		<u>184,797,633</u>	<u>78,057,419</u>
Taxation	17	(48,250,764)	(18,768,682)
Profit after taxation		<u><u>136,546,869</u></u>	<u><u>59,288,737</u></u>
Earnings per share - basic and diluted	18	<u>2.09</u>	<u>0.91</u>

The annexed notes from 1 to 22 form an integral part of these unconsolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the quarter ended September 30, 2024 (unaudited)

	(Un-audited) September 30, 2024	Restated (Un-audited) September 30, 2023
	----- Rupees -----	
Profit after taxation	136,546,869	59,288,737
Other comprehensive loss		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Net change in fair value of the investment in equity securities	-	-
Total comprehensive income for the year	<u>136,546,869</u>	<u>59,288,737</u>

The annexed notes from 1 to 22 form an integral part of these unconsolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the quarter ended September 30, 2024 (unaudited)

	Issued, subscribed and paid up capital	<u>Revenue reserve</u>	<u>Capital reserves</u>	Total
		Unappropriated profits	Surplus on revaluation of property	
Rupees				
Balance as at June 30, 2023	653,400,000	4,333,017,286	7,835,000	4,994,252,286
Total comprehensive income for quarter ended September 30, 2023 (Restated)	-	59,288,737	-	59,288,737
Transfer of Net Assets (Refer note no. 1.5)	-	(4,169,667,286)	-	(4,169,667,286)
	-	(4,169,667,286)	-	(4,169,667,286)
Balance as at September 30, 2023	653,400,000	222,638,737	7,835,000	883,873,737
Balance as at June 30, 2024	653,400,000	611,946,740	7,835,000	1,273,181,740
Total comprehensive income for quarter ended September 30, 2024	-	136,546,869	-	136,546,869
Balance as at September 30, 2024	653,400,000	748,493,609	7,835,000	1,409,728,609

The annexed notes from 1 to 22 form an integral part of these unconsolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CASH FLOWS

For the quarter ended September 30, 2024 (unaudited)

	(Un-audited) September 30, 2024	Restated (Un-audited) September 30, 2023
	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before levies and taxation	185,304,514	78,961,613
<i>Adjustments for:</i>		
- Depreciation on property and equipment	2,894,215	3,254,034
- Depreciation on right-of-use-assets	4,629,300	6,300,226
- Amortization of intangible assets	23,370	31,161
- Net change in unrealized loss on investments	(3,167,917)	(31,153,309)
- (Gain) / Loss on sale of short term investment	(48,441,755)	305,776
- Mark up on reverse repo transactions	(4,650,913)	(5,658,590)
- Profit on savings accounts	(41,849,899)	(22,927,277)
- Profit on exposure deposit	(2,091,948)	(1,333,251)
- Finance costs	4,312,008	26,266,788
	(88,343,539)	(24,914,442)
Cash generated from operating activities before working capital changes	96,960,975	54,047,171
Effect on cash flow due to working capital changes <i>(Increase)/decrease in current assets</i>		
- Short-term investments	14,629,530	(176,511,663)
- Trade debts	7,524,610	(323,004,309)
- Receivable / payable against sales / purchase of securities - net	(153,041,762)	67,524,165
- Receivable against margin financing	(109,561,445)	(98,422,996)
- Advances, deposits and prepayments	51,466,182	(19,154,241)
- Accrued markup on margin financing	(2,788,047)	(3,261,871)
- Other receivables	398,862,539	(556,745,836)
<i>Increase/(decrease) in current liabilities</i>		
- Trade and other payables	(336,768,849)	272,530,281
	(129,677,242)	(837,046,470)
Cash generated from operations	(32,716,267)	(782,999,299)
Taxes paid	(27,447,823)	(25,039,802)
Finance costs paid	(4,312,008)	(36,571,660)
Net cash generated from operating activities	(64,476,098)	(844,610,761)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(2,028,863)	(258,010)
Purchase of investment property	-	100,000
Proceed from disposal of property and equipment	-	7,500,000
Profit on savings accounts received during the year	41,849,899	
Profit on exposure deposit received during the year	2,091,948	
Long-term advances and deposits	(6,289,760)	2,201,989
Net cash generated from / (used in) investing activities	35,623,224	9,543,979
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liability (principal)	(13,708,221)	(4,097,582)
Net cash used in financing activities	(13,708,221)	(4,097,582)
Net increase / (decrease) in cash and cash equivalents	(42,561,095)	(839,164,364)
Cash and cash equivalents at the beginning of the year	2,527,843,741	(630,707,406)
Cash and cash equivalents at the end of the year	2,485,282,646	(1,469,871,770)

The annexed notes from 1 to 22 form an integral part of these unconsolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the quarter ended September 30, 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 September 30, 2024, the Parent Company held 76.49% shares of the Company (2024: 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 # 305, 3rd Floor, 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 (Formerly Arif Habib Commodities (Private) Limited)	100%
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1.5 On October 21, 2024, the High Court of Sindh sanctioned the Scheme of Arrangement (the ""Scheme"") approved by the shareholders of Arif Habib Limited (AHL) and Arif Habib Corporation Limited (AHCL). The Scheme involves the demerger of certain non-core businesses from AHL, with these businesses being merged into AHCL, effective from July 1, 2023. In consideration of this demerger, AHCL allotted 13,321,747 ordinary shares to AHL's shareholders (excluding AHCL itself) based on a swap ratio of 0.8673 shares of AHCL for every 1 share of AHL.

As AHL is a subsidiary of AHCL, this transaction qualifies as a common control transaction and has been accounted for using the predecessor method, as required by the Accounting Standard on Common Control Transactions. Under this method, the assets, liabilities, and reserves of the Demerged Undertaking have been derecognized from AHL's financial statements at their carrying values as of July 1, 2023, the effective date of the Scheme.

1.6 In accordance with the Accounting Standard on Common Control Transactions, the comparative information for the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows has been restated to reflect the removal of the Demerged Undertaking from AHL's operations, effective July 1, 2023.

The comparative balance sheet has not been restated, as the Scheme's impact was already incorporated into the balances reported as of June 30, 2024. The restatement ensures that financial performance and movements in equity are presented consistently as if the restructuring had occurred at the beginning of the earliest comparative period presented. Adjustments to comparatives reflect the removal of income, expenses, and cash flows related to the Demerged Undertaking.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the quarter ended September 30, 2024 (unaudited)

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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, 2024.

2.2 Basis of measurement of items in the unconsolidated financial statements.

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

- Long term investments in ISE Tower REIT Management Limited, LSE PropTech Limited and LSE Ventures Limited which are carried at fair value; and
- Short term investments in quoted equity securities and corporate debt securities which are carried at fair value.

2.3 Functional and presentation currency

Items included in these condensed interim financial statements are measured using the currency of the primary economic environment in which the Company operates. These condensed 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, 2024.

2.5 SIGNIFICANT ACCOUNTING POLICIES

- The accounting policies and the methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements are the same as those applied in the preparation of annual audited unconsolidated financial statements of the Company as at and for the year ended 30 June 2024.
- Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). Accordingly, in accordance with the Guidance, the Company has changed its accounting policy to recognise minimum and final taxes as 'Levy' under IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" which were previously being recognised as 'Income tax'.

The Company has accounted for the effects of these changes in accounting policy retrospectively under IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and the corresponding figures have been reclassified in these financial statements. The effects of reclassification are as follows:

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the quarter ended September 30, 2024 (unaudited)

Effect on statement of profit or loss	Note	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
(Rupees in '000)				
For the quarter ended September 30, 2023				
Profit before levies and taxation		78,961,613	-	78,961,613
Levies	16	-	(904,194)	(904,194)
Profit before taxation		78,961,613	(904,194)	78,057,419
Taxation	16			
- Current tax		19,672,876	904,194	(18,768,682)
		19,672,876	904,194	(18,768,682)
Profit after taxation		59,288,737	-	59,288,737

3. SUMMARY OF MATERIAL 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, 2024.

4. PROPERTY AND EQUIPMENT	Note	(Un-audited) September 30, 2024	(Audited) June 30, 2024
----- Rupees -----			
Owned assets	4.1	57,243,175	58,108,527
4.1	During the period ended September 30, 2024, additions made amounting to Rs. 2.03 million (30 June 2024: Rs. 5.37 million) which comprised of office equipment and computer and allied items. However, no disposals were made during the period.		

5. LONG TERM ADVANCES, DEPOSITS AND OTHER RECEIVABLE	Note	(Un-audited) September 30, 2024	(Audited) June 30, 2024
----- Rupees -----			
Advance against equity			
- Neem Exponential Technology Pte. Limited	5.1	37,000,000	37,000,000
		37,000,000	37,000,000
Deposits			
- Pakistan Stock Exchange Limited		500,461	500,461
- National Clearing Company of Pakistan Limited		4,673,117	1,500,000
- Other security deposits		819,911	819,911
		5,993,489	2,820,372
Other receivable			
- from employees	5.2	4,890,603	1,773,960
		47,884,092	41,594,332

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the quarter ended September 30, 2024 (unaudited)

5.1 In the year ended June 30, 2023, the Company gave advance against purchase of preference shares of Neem Exponential Technology Pte. Limited (company registered in Singapore) amounting to Rs. 37,000,000 (\$180,000) under the SAFE (Simple agreement for future equity). It is expected that the preference share will be issued in December, 2024.

5.2 This represents amount paid for the parental insurance of employees which will be recoverable at the time of their retirement and secured against their retirement benefits.

6. SHORT TERM INVESTMENTS - At fair value through profit or loss	(Un-audited) September 30, 2024	(Audited) June 30, 2024
	----- Rupees -----	
Equity securities: - quoted	521,808,075	484,827,933
Debt securities: - quoted	<u>65,877,709</u> <u>587,685,784</u>	<u>65,877,709</u> <u>550,705,642</u>

7. TRADE DEBTS	(Un-audited) September 30, 2024	(Audited) June 30, 2024
	----- Rupees -----	
<i>Gross receivables</i>		
Equity brokerage - secured	295,076,674	284,667,075
Equity brokerage - unsecured	<u>879,031,666</u>	<u>879,031,666</u>
	7.1 1,174,108,340	1,163,698,741
Inter bank brokerage - unsecured	40,622,907	33,566,485
Advisory and consultancy fee - unsecured	<u>84,503,116</u>	<u>109,493,747</u>
	1,299,234,363	1,306,758,973
Less: Provision for expected credit losses		
Equity brokerage - unsecured	<u>(879,031,666)</u>	<u>(879,031,666)</u>
Inter bank brokerage - unsecured	<u>(5,972,463)</u>	<u>(5,972,463)</u>
Advisory and consultancy fee - unsecured	<u>(77,255,993)</u>	<u>(77,255,993)</u>
	<u>(962,260,122)</u>	<u>(962,260,122)</u>
	<u>336,974,241</u>	<u>344,498,851</u>

7.1 Gross receivables - Equity brokerage

7.1.1 These receivables include Rs. 1.232 million (2024: Rs.10.380 million) due from the related parties. The maximum aggregate amount outstanding during the year from such parties (with reference to month-end balances) amounted to Rs. 0.587 million (2024: Rs. 15.738 million).

7.1.2 The Company holds capital securities having fair value of Rs. 137,692 million (2024: Rs. 146,942 million) owned by its clients, as collaterals against trade debts.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the quarter ended September 30, 2024 (unaudited)

	Note	(Un-audited) September 30, 2024	(Audited) June 30, 2024
----- Rupees -----			
8. OTHER RECEIVABLES			
Receivable from Arif Habib Corporation Limited	8.1	407,171,504	800,437,464
Receivable against reverse repo arrangements		195,591,109	190,940,196
Others		1,200,000	6,796,579
		<u>603,962,613</u>	<u>998,174,239</u>
8.1	This represents liabilities forming part of the Demerged undertaking, as on the balance sheet date.		
9. TAXATION PAYABLE / REFUNDABLE			
	Note	(Un-audited) September 30, 2024	(Audited) June 30, 2024
----- Rupees -----			
	9.1	(12,945,680)	2,594,059
9.1	Movement for the year		
	Note	(Un-audited) September 30, 2024	(Audited) June 30, 2024
----- Rupees -----			
		2,594,059	15,457,413
As at July 01,			
Charge for the year		(42,480,681)	(159,816,769)
- current year		-	3,464,521
- prior year		(42,480,681)	(156,352,248)
Levies	16	(506,881)	(2,953,850)
		(40,393,503)	(143,848,685)
Taxes paid during the year		27,447,823	146,442,744
As at June 30,		<u>(12,945,680)</u>	<u>2,594,059</u>
10. CASH AND BANK BALANCES			
	Note	(Un-audited) September 30, 2024	(Audited) June 30, 2024
----- Rupees -----			
Cash in hand		743,750	746,630
Cash held in central depository company		6,908,525	6,908,525
Cash at bank			
- current accounts	10.1	254,709,989	442,929,838
- savings accounts	10.2	2,656,342,847	2,741,576,629
		2,911,052,836	3,184,506,467
		<u>2,918,705,111</u>	<u>3,192,161,622</u>

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the quarter ended September 30, 2024 (unaudited)

- 10.1 The return on these balances is 6% to 19.5% (2024: 8% to 19.5%) per annum on daily product basis.
- 10.2 Bank balances include customers' bank balances held in designated bank accounts amounting to Rs. 2,821.043 million (2024: Rs. 3,107.776 million).

11. DEFERRED TAX - net	(Un-audited) September 30, 2024	(Audited) June 30, 2024
	----- Rupees -----	
<i>Deferred tax (asset) / liability in respect of:</i>		
- Capital loss on short term investments	(3,980,798)	(4,455,986)
- Other temporary differences	(3,171,102)	(8,941,185)
	(7,151,900)	(13,397,171)
- Capital loss on short term investments not recognised during the year	3,980,798	4,455,986
Net Deferred tax asset recognised	(3,171,102)	(8,941,185)

12. SHORT TERM BORROWINGS	(Un-audited) September 30, 2024	(Audited) June 30, 2024
	----- Rupees -----	
<i>From banking companies</i>		
- Running finance	433,422,465	664,317,881
	433,422,465	664,317,881

12.1 Running finance arrangements from banking companies - secured

12.1.1 Short term running finance facilities are available from various commercial banks, under mark-up arrangements, amounting to Rs. 5,000 million (2024: Rs. 5,000 million). These facilities have various maturity dates up to May 31, 2025 (2024: May 31, 2025). 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% (2024: 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.

12.1.2 Fair value of shares pledged with banking companies against various short term running finance facilities and bank guarantees as at September 30, 2024 amounted to Rs. 8,141.22 million (2024: Rs. 7,799.35 million). Total value of securities pledged with financial institutions, indicating separately securities belonging to customers, is as under:

	September 30, 2024		June 30, 2024	
	Number of securities	Amount (Rupees)	Number of securities	Amount (Rupees)
Clients	132,450,000	7,150,975,500	129,150,000	6,666,723,000
House	122,200,000	990,240,000	164,900,000	1,132,626,000
Total	254,650,000	8,141,215,500	294,050,000	7,799,349,000

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the quarter ended September 30, 2024 (unaudited)

13. TRADE AND OTHER PAYABLES	Note	(Un-audited)	(Audited)
		September 30, 2024	June 30, 2024
----- Rupees -----			
Creditors	13.1	2,821,043,402	3,023,733,425
Bonus/Commission payable	13.2	58,363,494	233,243,989
Advance from customers		1,589,434	899,847
Future profit withheld		107,858,106	21,123,253
Accrued expenses		59,215,811	16,897,421
Withholding tax payable		24,868,505	106,688,703
Sindh sales tax and federal excise duty payable		7,502,049	14,653,555
Advance against committed sale of investment property	13.3	25,390,545	25,390,545
Other liabilities		4,412,100	4,381,557
		<u>3,110,243,446</u>	<u>3,447,012,295</u>

13.1 This includes Rs. 152.76 million (2024: Rs. 249.33 million) payable to related parties.

13.2 This includes Rs. 30 million (2024: Rs. 118 million) payable to related parties.

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingent liability existing as at the reporting date

There were no change in contingencies at the period end as disclosed in the financial statements for the year ended June 30, 2024.

14.2 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 - net

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

(Un-audited)	(Audited)
September 30, 2024	June 30, 2024
----- Rupees -----	
<u>208,494,029</u>	<u>138,417,338</u>
<u>54,215,764</u>	<u>97,136,093</u>
<u>750,000,000</u>	<u>750,000,000</u>

15. 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)	Restated (Un-audited)
September 30, 2024	September 30, 2023
----- Rupees -----	
<u>158,295,827</u>	<u>105,390,255</u>
<u>44,488,675</u>	<u>37,522,183</u>
<u>52,495,150</u>	<u>22,000,868</u>
<u>13,571,558</u>	<u>10,642,327</u>
<u>30,749</u>	<u>5,017,500</u>
<u>250,846</u>	<u>2,787,259</u>
<u>269,132,805</u>	<u>183,360,392</u>

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the quarter ended September 30, 2024 (unaudited)

	(Un-audited) September 30, 2024	Restated (Un-audited) September 30, 2023
16. LEVIES		
	----- Rupees -----	
Income tax - Final tax regime	117,881	904,194
Income tax - Tax on deemed rental income u/s 7E	389,000	-
	<u>506,881</u>	<u>904,194</u>
17. TAXATION		
	----- Rupees -----	
Current tax		
- for the year	42,480,681	18,768,682
- for prior year	-	-
	<u>42,480,681</u>	<u>18,768,682</u>
Deferred	5,770,083	-
	<u>48,250,764</u>	<u>18,768,682</u>
18. EARNINGS PER SHARE - BASIC AND DILUTED		
18.1 Basic earnings per share		
	----- Rupees -----	
Profit after taxation	136,546,869	59,288,737
	----- Number of shares -----	
Weighted average number of ordinary shares outstanding during the year	65,340,000	65,340,000
	----- Rupees -----	
Earnings per share - basic	2.09	0.91
18.2 Diluted earnings per share		
There is no dilutive effect on the basic earnings per share of the Company, since there were no potential ordinary shares in issue as at September 30, 2024 and June 30, 2024.		

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the quarter ended September 30, 2024 (unaudited)

19. CASH AND CASH EQUIVALENTS

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

	Note	(Un-audited) September 30, 2024	Restated (Un-audited) September 30, 2023
----- Rupees -----			
Cash and bank balances	10	2,918,705,111	1,148,620,083
Short term borrowings from banking companies - running finance	12	(433,422,465) <u>2,485,282,646</u>	(2,618,491,853) <u>(1,469,871,770)</u>

20. RELATED PARTY TRANSACTIONS AND BALANCES

20.1 Related parties comprise of group companies (the Parent Company, fellow subsidiary and the subsidiaries), key management personnel and directors of the Company and their close family members, and the staff provident fund. Transactions entered into, and balances held with, related parties during the year, are as follows:

	(Un-audited) September 30, 2024	(Un-audited) September 30, 2023
----- Rupees -----		
<u>PARENT COMPANY</u>		
Arif Habib Corporation Limited		
<i>Transaction during the year</i>		
Brokerage commission earned on sale and purchase of securities	3,870,097	421,135
<u>SUBSIDIARY</u>		
Rayaan Commodities (Private) Limited		
<i>Transaction during the year</i>		
Brokerage commission earned on sale and purchase of securities	31,284	141,833
<u>KEY MANAGEMENT PERSONNEL</u>		
Zafar Alam (Chairman)		
<i>Transaction during the year</i>		
Brokerage commission earned on sale and purchase of securities	575,742	11,125
Muhammad Shahid Ali (CEO)		
<i>Transaction during the year</i>		
Brokerage commission earned on sale and purchase of securities	1,648,992	3,220,191

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the quarter ended September 30, 2024 (unaudited)

	(Un-audited) September 30, 2024	(Un-audited) September 30, 2023
	----- Rupees -----	
Muhammad Haroon (Director) <i>Transaction during the year</i> Brokerage commission earned on sale and purchase of securities	111,981	134,967
Sharmin Shahid (Director) <i>Transaction during the year</i> Brokerage commission earned on sale and purchase of securities	233,017	-
Nida Ahsan (Director) <i>Transaction during the year</i> Brokerage commission earned on sale and purchase of securities	934,823	19,769
Mohsin Madni (Director) <i>Transaction during the year</i> Brokerage commission earned on sale and purchase of securities	96,022	16,662
<u>CLOSE FAMILY MEMBERS OF KEY MANAGEMENT PERSONNEL</u>	(Un-audited) September 30, 2024	(Un-audited) September 30, 2023
	----- Rupees -----	
Arif Habib <i>Transaction during the year</i> Brokerage commission earned on sale and purchase of securities	123,946	1,747,450
Abdus Samad A. Habib <i>Transaction during the year</i> Brokerage commission earned on sale and purchase of securities	-	31,325
Muhammad Kashif A. Habib <i>Transaction during the year</i> Brokerage commission earned on sale and purchase of securities	-	6,500
<u>OTHER RELATED PARTIES</u>	(Un-audited) September 30, 2024	(Un-audited) September 30, 2023
	----- Rupees -----	
Rotocast Engineering Co. (Private) Limited <i>Transaction during the year</i> Rent paid	8,542,020	7,240,486
Arif Habib Equity (Private) Limited <i>Transaction during the year</i> Brokerage commission earned on sale and purchase of securities	500,000	857,821
Arif Habib Provident Fund Trust <i>Transaction during the year</i> Contribution paid during the year	2,541,134	2,622,664

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the quarter ended September 30, 2024 (unaudited)

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

PARENT COMPANY

Arif Habib Corporation Limited

Balances at the year end

Trade receivable at year end
Receivable against demerger

(Un-audited)
September 30,
2024

(Audited)
June 30,
2024

----- Rupees -----

-	50,666
407,171,504	800,437,464

SUBSIDIARY

Rayaan Commodities (Private) Limited

Balances at the year end

Advance received against sale of investment property
Trade payable at year end
Trade receivable at year end
Advances

(Un-audited)
September 30,
2024

(Audited)
June 30,
2024

----- Rupees -----

26,000,000	26,000,000
1,515,070	-
-	9,204,406
609,455	609,455

KEY MANAGEMENT PERSONNEL

Zafar Alam (Chairman)

Balances at the year end

Trade payable at year end

(Un-audited)
September 30,
2024

(Audited)
June 30,
2024

----- Rupees -----

19,644,120	51,359
------------	--------

Muhammad Shahid Ali (CEO)

Balances at the year end

Trade payable at year end

150,562,080

249,003,382

Muhammad Haroon (Director)

Balances at the year end

Trade payable at year end
Trade receivable at year end

-

17,055

79

-

Muhammad Sohail Salat (Director)

Balances at the year end

Trade receivable at year end

1,899

1,899

Sharmin Shahid (Director)

Balances at the year end

Trade receivable at year end

77,687

43,263

Nida Ahsan (Director)

Balances at the year end

Trade payable at year end
Trade receivable at year end

24,341

24,341

605,660

609,448

Mohsin Madni (Director)

Balances at the year end

Trade payable at year end

657,948

289,099

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the quarter ended September 30, 2024 (unaudited)

<u>CLOSE FAMILY MEMBERS OF KEY MANAGEMENT PERSONNEL</u>	(Un-audited) September 30, 2024	(Audited) June 30, 2024
	----- Rupees -----	
Arif Habib <i>Balances at the year end</i> Trade receivable at year end	98,908	30,318
Abdus Samad A. Habib <i>Balances at the year end</i> Trade receivable at year end	88,160	87,860
Muhammad Kashif A. Habib <i>Balances at the year end</i> Trade receivable at year end	244	244
<u>OTHER RELATED PARTIES</u>	(Un-audited) September 30, 2024	(Audited) June 30, 2024
	----- Rupees -----	
Javedan Corporation Limited <i>Balances at the year end</i> Trade receivable at year end	270,192	270,192
Arif Habib Dolmen REIT Management Limited <i>Balances at the year end</i> Trade receivable at year end	2,456	2,456
Rotocast Engineering Co. (Private) Limited <i>Balances at the year end</i> Trade receivable at year end	52,122	43,550
Arif Habib Equity (Private) Limited <i>Balances at the year end</i> Trade receivable at year end	34,426	35,464

21. NON-ADJUSTING EVENTS

In its meeting held on October 30, 2024, the Board of Directors of the Company has proposed a final cash dividend of Rs. 5/- per share amounting to Rs. 326.7 million (2023: a final cash divided of Rs. 2.5/- per share amounting to Rs. 163.35 million). The above proposed entitlements are to be approved by the members of the Company in their Annual General Meeting (AGM) scheduled to be held on November 27, 2024. These unconsolidated financial statements do not reflect the said appropriation.

22. GENERAL

22.1 Operating segment

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

All non-current assets of the Company as at September 30, 2024 are located in Pakistan.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the quarter ended September 30, 2024 (unaudited)

22.2 Date of authorization for issue

These unconsolidated financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on November 25, 2024.

22.3 Level of rounding off

Figures have been rounded off to the nearest rupee.


Chief Executive Officer


Director


Chief Financial Officer

CONSOLIDATED FINANCIAL STATEMENTS





CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at September 30, 2024

	Note	(Un-audited) September 30, 2024	(Audited) June 30, 2024
Rupees			
ASSETS			
Non-current assets			
Property and equipment	4	59,697,203	60,293,364
Right-of-use assets		58,696,407	63,325,707
Intangible assets		6,413,349	6,436,719
Long term investment		30,461,607	30,461,607
Investment property		38,900,000	38,900,000
Long-term advances, deposits and other receivable	5	56,784,092	50,494,333
Deferred tax - net	11	3,171,102	8,941,185
		<u>254,123,760</u>	<u>258,852,915</u>
Current assets			
Short term investments	6	587,685,784	550,705,642
Trade debts	7	336,974,241	335,294,445
Receivable against margin financing		226,948,448	117,387,003
Receivable under margin trading system		2,073,722	12,631,269
Advances, deposits and prepayments		139,753,025	186,809,177
Accrued markup on margin financing		7,314,338	4,526,291
Other receivables	8	603,962,613	998,174,239
Income tax refundable	9	-	1,790,619
Cash and bank balances	10	2,944,744,479	3,214,235,795
		<u>4,849,456,650</u>	<u>5,421,554,480</u>
		<u>5,103,580,410</u>	<u>5,680,407,395</u>
Total assets			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital		<u>750,000,000</u>	<u>750,000,000</u>
Issued, subscribed and paid-up capital		653,400,000	653,400,000
Capital reserves			
Surplus on revaluation of property		7,835,000	7,835,000
Revenue reserves			
Unappropriated profits		<u>772,409,617</u>	<u>632,189,798</u>
Total equity		<u>1,433,644,617</u>	<u>1,293,424,798</u>
Non-current liabilities			
Lease liability		<u>26,205,828</u>	<u>43,866,648</u>
		26,205,828	43,866,648
Current liabilities			
Short term borrowings - secured	12	433,422,465	664,317,881
Current portion of lease liability		35,090,463	31,137,864
Trade and other payables	13	3,092,807,024	3,427,279,173
Unclaimed dividend		21,659,825	21,659,825
Payable against trading of securities - net		45,679,444	198,721,206
Income tax payable		15,070,744	-
		<u>3,643,729,965</u>	<u>4,343,115,949</u>
Contingencies and commitments			
	14	-	-
		<u>5,103,580,410</u>	<u>5,680,407,395</u>
Total equity and liabilities			

The annexed notes from 1 to 22 form an integral part of these consolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the quarter ended September 30, 2024 (unaudited)

	Note	(Un-audited) September 30, 2024	Restated (Un-audited) September 30, 2023
Rupees			
Operating revenue	15	281,422,878	193,896,368
Realized gain / (loss) on disposal of investments		48,441,755	(305,776)
		329,864,633	193,590,592
Net change in unrealized (loss) / gain on investments		3,167,917	31,153,309
		333,032,550	224,743,901
Administrative and operating expenses		(192,827,175)	(150,112,732)
Other operating income		54,595,222	31,472,306
		194,800,597	106,103,475
Finance costs		(4,322,914)	(26,270,546)
Profit before levies and taxation		190,477,683	79,832,929
Levies	16	(506,881)	(904,194)
Profit before taxation		189,970,802	78,928,735
Taxation	17	(49,750,983)	(18,919,797)
Profit after taxation		140,219,819	60,008,938
Earnings per share - basic and diluted	18	2.15	0.92

The annexed notes from 1 to 22 form an integral part of these consolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the quarter ended September 30, 2024 (unaudited)

	(Un-audited) September 30, 2024	Restated (Un-audited) September 30, 2023
	----- Rupees -----	
Profit after taxation	140,219,819	60,008,938
Other comprehensive loss		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Net change in fair value of the investment in equity securities	-	-
Total comprehensive income for the year	<u>140,219,819</u>	<u>60,008,938</u>

The annexed notes from 1 to 22 form an integral part of these consolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the quarter ended September 30, 2024 (unaudited)

	Issued, subscribed and paid up capital	<u>Revenue reserve</u>	<u>Capital reserves</u>	Total
		Unappropriated profits	Surplus on revaluation of property	
Rupees				
Balance as at June 30, 2023	653,400,000	4,347,081,897	7,835,000	5,008,316,897
Total comprehensive income for quarter ended September 30, 2023 (Restated)	-	60,008,938	-	60,008,938
Transfer of Net Assets (Refer note no. 1.5)	-	(4,169,667,286)	-	(4,169,667,286)
	-	(4,169,667,286)	-	(4,169,667,286)
Balance as at September 30, 2023	653,400,000	237,423,549	7,835,000	898,658,549
Balance as at June 30, 2024	653,400,000	632,189,798	7,835,000	1,293,424,798
Total comprehensive income for quarter ended September 30, 2024	-	140,219,819	-	140,219,819
Balance as at September 30, 2024	653,400,000	772,409,617	7,835,000	1,433,644,617

The annexed notes from 1 to 22 form an integral part of these consolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

For the quarter ended September 30, 2024 (unaudited)

	Note	(Un-audited) September 30, 2024	Restated (Un-audited) September 30, 2023
----- Rupees -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before levies and taxation		190,477,683	79,832,929
<i>Adjustments for:</i>			
- Depreciation on property and equipment		3,075,023	3,386,761
- Depreciation on right-of-use-assets		4,629,300	6,300,226
- Amortization of intangible assets		23,370	31,161
- Net change in unrealized loss on investments		(3,167,917)	(31,153,309)
- (Gain) / Loss on sale of short term investment		(48,441,755)	305,776
- Mark up on reverse repo transactions		(4,650,913)	(5,658,590)
- Profit on savings accounts		(46,560,371)	(23,735,590)
- Profit on exposure deposit		(3,222,009)	(1,333,251)
- Finance costs		4,322,914	26,270,546
		(93,992,358)	(25,586,270)
Cash generated from operating activities before working capital changes		96,485,325	54,246,659
Effect on cash flow due to working capital changes (Increase)/decrease in current assets			
- Short-term investments		14,629,530	(176,511,663)
- Trade debts		(1,679,796)	(323,004,309)
- Receivable / payable against sales / purchase of securities - net		(153,041,762)	67,524,165
- Receivable against margin financing		(109,561,445)	(98,422,996)
- Receivable under margin trading system		10,557,547	(1,545,290)
- Advances, deposits and prepayments		47,056,152	(22,363,416)
- Accrued markup on margin financing		(2,788,047)	(3,261,871)
- Other receivables		398,862,539	(565,601,176)
Increase/(decrease) in current liabilities			
- Trade and other payables		(334,472,149)	283,290,890
		(130,437,431)	(839,895,666)
Cash generated from operations		(33,952,106)	(785,649,007)
Taxes paid	9.1	(27,626,418)	(37,320,700)
Finance costs paid		(4,322,914)	(37,316,999)
Net cash generated from operating activities		(65,901,438)	(860,286,706)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	4	(2,478,862)	(766,010)
Purchase of investment property		-	100,000
Proceed from disposal of property and equipment		-	7,500,000
Profit on savings accounts received during the year		46,560,371	129,990
Profit on exposure deposit received during the year		3,222,009	
Long-term advances and deposits		(6,289,759)	2,201,989
Net cash generated from / (used in) investing activities		41,013,759	9,165,969
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liability (principal)		(13,708,221)	(4,097,582)
Net cash used in financing activities		(13,708,221)	(4,097,582)
Net increase / (decrease) in cash and cash equivalents		(38,595,900)	(855,218,319)
Cash and cash equivalents at the beginning of the year		2,549,917,914	(614,653,451)
Cash and cash equivalents at the end of the year	19	2,511,322,014	(1,469,871,770)

The annexed notes from 1 to 22 form an integral part of these consolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the quarter ended September 30, 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 September 30, 2024, the Parent Company held 76.49% shares of the Company (2024: 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 # 305, 3rd Floor, 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 (Formerly Arif Habib Commodities (Private) Limited)	100%
--	------

1.5 On October 21, 2024, the High Court of Sindh sanctioned the Scheme of Arrangement (the ""Scheme"") approved by the shareholders of Arif Habib Limited (AHL) and Arif Habib Corporation Limited (AHCL). The Scheme involves the demerger of certain non-core businesses from AHL, with these businesses being merged into AHCL, effective from July 1, 2023. In consideration of this demerger, AHCL allotted 13,321,747 ordinary shares to AHL's shareholders (excluding AHCL itself) based on a swap ratio of 0.8673 shares of AHCL for every 1 share of AHL.

As AHL is a subsidiary of AHCL, this transaction qualifies as a common control transaction and has been accounted for using the predecessor method, as required by the Accounting Standard on Common Control Transactions. Under this method, the assets, liabilities, and reserves of the Demerged Undertaking have been derecognized from AHL's financial statements at their carrying values as of July 1, 2023, the effective date of the Scheme.

1.6 In accordance with the Accounting Standard on Common Control Transactions, the comparative information for the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows has been restated to reflect the removal of the Demerged Undertaking from AHL's operations, effective July 1, 2023.

The comparative balance sheet has not been restated, as the Scheme's impact was already incorporated into the balances reported as of June 30, 2024. The restatement ensures that financial performance and movements in equity are presented consistently as if the restructuring had occurred at the beginning of the earliest comparative period presented. Adjustments to comparatives reflect the removal of income, expenses, and cash flows related to the Demerged Undertaking.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the quarter ended September 30, 2024 (unaudited)

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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, 2024.

2.2 Basis of measurement of items in the condensed interim financial statements.

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

- Long term investments in ISE Tower REIT Management Limited, LSE PropTech Limited and LSE Ventures Limited which are carried at fair value; and
- Short term investments in quoted equity securities and corporate debt securities which are carried at fair value.

2.3 Functional and presentation currency

Items included in these condensed interim financial statements are measured using the currency of the primary economic environment in which the Company operates. These condensed 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, 2024.

2.5 SIGNIFICANT ACCOUNTING POLICIES

- The accounting policies and the methods of computation adopted in the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of annual audited consolidated financial statements of the Company as at and for the year ended 30 June 2024.
- Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). Accordingly, in accordance with the Guidance, the Company has changed its accounting policy to recognise minimum and final taxes as 'Levy' under IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" which were previously being recognised as 'Income tax'.

The Company has accounted for the effects of these changes in accounting policy retrospectively under IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and the corresponding figures have been reclassified in these financial statements. The effects of reclassification are as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the quarter ended September 30, 2024 (unaudited)

Effect on statement of profit or loss	Note	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
(Rupees in '000)				
For the quarter ended September 30, 2023				
Profit before levies and taxation		79,832,929	-	79,832,929
Levies	16	-	(904,194)	(904,194)
Profit before taxation		79,832,929	(904,194)	78,928,735
Taxation	16			
- Current tax		(19,823,991)	904,194	(18,919,797)
		(19,823,991)	904,194	(18,919,797)
Profit after taxation		60,008,938	-	60,008,938

3. SUMMARY OF MATERIAL 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, 2024.

4. PROPERTY AND EQUIPMENT

Note	(Un-audited) September 30, 2024	(Audited) June 30, 2024	
----- Rupees -----			
Owned assets	4.1	59,697,203	60,293,364

4.1 During the period ended September 30, 2024, additions made amounting to Rs. 2.48 million (30 June 2024: Rs. 6.6 million) which comprised of office equipment and computer and allied items. However, no disposals were made during the period.

5. LONG TERM ADVANCES, DEPOSITS AND OTHER RECEIVABLE

Advance against equity

- Neem Exponential Technology Pte. Limited

Note	(Un-audited) September 30, 2024	(Audited) June 30, 2024
----- Rupees -----		
5.1	37,000,000	37,000,000
	37,000,000	37,000,000
	500,461	500,461
	4,673,117	1,500,000
	8,900,000	8,900,001
	819,911	819,911
	14,893,489	11,720,373
5.2	4,890,603	1,773,960
	56,784,092	50,494,333

Deposits

- Pakistan Stock Exchange Limited
- National Clearing Company of Pakistan Limited
- Pakistan Mercantile Exchange Limited
- Other security deposits

Other receivable

- from employees

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the quarter ended September 30, 2024 (unaudited)

5.1 In the year ended June 30, 2023, the Company gave advance against purchase of preference shares of Neem Exponential Technology Pte. Limited (company registered in Singapore) amounting to Rs. 37,000,000 (\$180,000) under the SAFE (Simple agreement for future equity). It is expected that the preference share will be issued in December, 2024.

5.2 This represents amount paid for the parental insurance of employees which will be recoverable at the time of their retirement and secured against their retirement benefits.

6. **SHORT TERM INVESTMENTS - At fair value through profit or loss**

	(Un-audited) September 30, 2024	(Audited) June 30, 2024
----- Rupees -----		
Equity securities: - quoted	521,808,075	484,827,933
Debt securities: - quoted	<u>65,877,709</u>	<u>65,877,709</u>
	<u>587,685,784</u>	<u>550,705,642</u>

7. **TRADE DEBTS**

	(Un-audited) September 30, 2024	(Audited) June 30, 2024
----- Rupees -----		
<i>Gross receivables</i>		
Equity brokerage - secured	295,076,674	275,462,669
Equity brokerage - unsecured	<u>879,031,666</u>	<u>879,031,666</u>
	1,174,108,340	1,154,494,335
Inter bank brokerage - unsecured	40,622,907	33,566,485
Advisory and consultancy fee - unsecured	<u>84,503,116</u>	<u>109,493,747</u>
	1,299,234,363	1,297,554,567
Less: Provision for expected credit losses		
Equity brokerage - unsecured	<u>(879,031,666)</u>	<u>(879,031,666)</u>
Inter bank brokerage - unsecured	<u>(5,972,463)</u>	<u>(5,972,463)</u>
Advisory and consultancy fee - unsecured	<u>(77,255,993)</u>	<u>(77,255,993)</u>
	<u>(962,260,122)</u>	<u>(962,260,122)</u>
	<u>336,974,241</u>	<u>335,294,445</u>

7.1 **Gross receivables - Equity brokerage**

7.1.1 These receivables include Rs. 1.232 million (2024: Rs. 1.175 million) due from the related parties. The maximum aggregate amount outstanding during the year from such parties (with reference to month-end balances) amounted to Rs. 0.587 million (2024: Rs. 15.738 million).

7.1.2 The Company holds capital securities having fair value of Rs. 137,692 million (2024: Rs. 146,942 million) owned by its clients, as collaterals against trade debts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the quarter ended September 30, 2024 (unaudited)

		(Un-audited) September 30, 2024	(Audited) June 30, 2024
		----- Rupees -----	
8.	OTHER RECEIVABLES		
	Receivable from Arif Habib Corporation Limited	407,171,504	800,437,464
	Receivable against reverse repo arrangements	195,591,109	190,940,196
	Others	1,200,000	6,796,579
		<u>603,962,613</u>	<u>998,174,239</u>
8.1	This represents liabilities forming part of the Demerged undertaking, as on the balance sheet date.		
9.	TAXATION PAYABLE / REFUNDABLE		
		(15,070,744)	1,790,619
9.1	Movement for the year		
	As at July 01,	1,790,619	15,111,277
	Charge for the year		
	- current year	(43,980,900)	(161,082,234)
	- prior year	-	3,464,521
	Levies	(43,980,900)	(157,617,713)
		(506,881)	(2,953,850)
	Taxes paid during the year	(42,697,162)	(145,460,286)
	As at June 30,	27,626,418	147,250,905
		<u>(15,070,744)</u>	<u>1,790,619</u>
10.	CASH AND BANK BALANCES		
	Cash in hand	743,750	746,630
	Cash held in central depository company	6,908,525	6,908,525
	Cash at bank		
	- current accounts	255,055,007	443,212,503
	- savings accounts	2,682,037,197	2,763,368,137
		2,937,092,204	3,206,580,640
		<u>2,944,744,479</u>	<u>3,214,235,795</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the quarter ended September 30, 2024 (unaudited)

- 10.1 The return on these balances is 6% to 19.5% (2024: 8% to 19.5%) per annum on daily product basis.
- 10.2 Bank balances include customers' bank balances held in designated bank accounts amounting to Rs. 2,821.043 million (2024: Rs. 3,107.776 million).

11. DEFERRED TAX - net		(Un-audited) September 30, 2024	(Audited) June 30, 2024
<i>Deferred tax (asset) / liability in respect of:</i>		----- Rupees -----	
- Capital loss on short term investments		(3,980,798)	(4,455,986)
- Other temporary differences		(3,171,102)	(8,941,185)
		(7,151,900)	(13,397,171)
- Capital loss on short term investments not recognised during the year		3,980,798	4,455,986
Net Deferred tax asset recognised		(3,171,102)	(8,941,185)

12. SHORT TERM BORROWINGS	Note	(Un-audited) September 30, 2024	(Audited) June 30, 2024
		----- Rupees -----	
From banking companies			
- Running finance	12.1	433,422,465	664,317,881
		433,422,465	664,317,881

12.1 Running finance arrangements from banking companies - secured

12.1.1 Short term running finance facilities are available from various commercial banks, under mark-up arrangements, amounting to Rs. 5,000 million (2024: Rs. 5,000 million). These facilities have various maturity dates up to May 31, 2025 (2024: May 31, 2025). 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% (2024: 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.

12.1.2 Fair value of shares pledged with banking companies against various short term running finance facilities and bank guarantees as at September 30, 2024 amounted to Rs. 8,141.22 million (2024: Rs. 7,799.35 million). Total value of securities pledged with financial institutions, indicating separately securities belonging to customers, is as under:

	September 30, 2024		June 30, 2024	
	Number of securities	Amount (Rupees)	Number of securities	Amount (Rupees)
Clients	132,450,000	7,150,975,500	129,150,000	6,666,723,000
House	122,200,000	990,240,000	164,900,000	1,132,626,000
Total	254,650,000	8,141,215,500	294,050,000	7,799,349,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the quarter ended September 30, 2024 (unaudited)

13. TRADE AND OTHER PAYABLES	Note	(Un-audited)	(Audited)
		September 30, 2024	June 30, 2024
----- Rupees -----			
Creditors	13.1	2,819,528,332	3,023,733,425
Bonus/Commission payable	13.2	58,363,494	233,243,989
Advance from customers		1,589,434	899,847
Future profit withheld		107,858,106	21,123,253
Accrued expenses		59,625,081	19,853,515
Withholding tax payable		26,770,931	108,373,754
Sindh sales tax and federal excise duty payable		8,159,064	15,017,968
Other liabilities		10,912,582	5,033,422
		<u>3,092,807,024</u>	<u>3,427,279,173</u>

13.1 This includes Rs. 151.24 million (2024: Rs. 249.33 million) payable to related parties.

13.2 This includes Rs. 30 million (2024: Rs. 118 million) payable to related parties.

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingent liability existing as at the reporting date

There were no change in contingencies at the period end as disclosed in the financial statements for the year ended June 30, 2024.

14.2 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 - net

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

	(Un-audited)	(Audited)
	September 30, 2024	June 30, 2024
----- Rupees -----		
- Outstanding settlements against Margin Trading contracts	208,494,029	138,417,338
- Outstanding settlements against sale / purchase of securities in regular market - net	54,215,764	97,136,093
- Financial guarantees given by commercial banks on behalf of the Company	750,000,000	750,000,000

15. 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

15. OPERATING REVENUE	Note	(Un-audited)	Restated
		September 30, 2024	(Un-audited) September 30, 2023
----- Rupees -----			
Equity brokerage revenue		158,295,827	105,390,255
Inter bank brokerage revenue	4.1	44,488,675	37,522,183
Commodity brokerage revenue		12,290,073	10,535,976
Advisory and consultancy fee		52,495,150	22,000,868
Markup on margin financing		13,571,558	10,642,327
Dividend income on investment in equity securities		30,749	5,017,500
Markup on corporate debt securities		250,846	2,787,259
		<u>281,422,878</u>	<u>193,896,368</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the quarter ended September 30, 2024 (unaudited)

	(Un-audited) September 30, 2024	Restated (Un-audited) September 30, 2023
15.1 Break up - Inter bank brokerage revenue		
	----- Rupees -----	
Forex income	7,849,020	7,388,325
Money market income	36,639,655	108,677,929
	<u>44,488,675</u>	<u>116,066,254</u>
16. LEVIES		
	(Un-audited) September 30, 2024	Restated (Un-audited) September 30, 2023
	----- Rupees -----	
Income tax - Final tax regime	117,881	904,194
Income tax - Tax on deemed rental income u/s 7E	389,000	-
	<u>506,881</u>	<u>904,194</u>
17. TAXATION		
	(Un-audited) September 30, 2024	Restated (Un-audited) September 30, 2023
	----- Rupees -----	
Current tax - for the year	43,980,900	18,919,797
	<u>43,980,900</u>	<u>18,919,797</u>
Deferred	5,770,083	-
	<u>49,750,983</u>	<u>18,919,797</u>
18. EARNINGS PER SHARE - BASIC AND DILUTED		
18.1 Basic earnings per share		
	(Un-audited) September 30, 2024	Restated (Un-audited) September 30, 2023
	----- Rupees -----	
Profit after taxation	140,219,819	60,008,938
	<u>140,219,819</u>	<u>60,008,938</u>
	----- Number of shares -----	
Weighted average number of ordinary shares outstanding during the year	65,340,000	65,340,000
	<u>65,340,000</u>	<u>65,340,000</u>
	----- Rupees -----	
Earnings per share - basic	2.15	0.92
	<u>2.15</u>	<u>0.92</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the quarter ended September 30, 2024 (unaudited)

18.2 Diluted earnings per share

There is no dilutive effect on the basic earnings per share of the Company, since there were no potential ordinary shares in issue as at September 30, 2024 and June 30, 2024.

19. CASH AND CASH EQUIVALENTS

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

	Note	(Un-audited) September 30, 2024	Restated (Un-audited) September 30, 2023
----- Rupees -----			
Cash and bank balances	10	2,944,744,479	1,148,620,083
Short term borrowings from banking companies - running finance	12	<u>(433,422,465)</u> <u>2,511,322,014</u>	<u>(2,618,491,853)</u> <u>(1,469,871,770)</u>

20. RELATED PARTY TRANSACTIONS AND BALANCES

20.1 Related parties comprise of group companies (the Parent Company, fellow subsidiary and the subsidiaries), key management personnel and directors of the Company and their close family members, and the staff provident fund. Transactions entered into, and balances held with, related parties during the year, are as follows:

PARENT COMPANY

Arif Habib Corporation Limited

Transaction during the year

Brokerage commission earned on sale and purchase of securities

(Un-audited) September 30, 2024	(Un-audited) September 30, 2023
---------------------------------------	---------------------------------------

----- Rupees -----

3,870,097

421,135

KEY MANAGEMENT PERSONNEL

Zafar Alam (Chairman)

Transaction during the year

Brokerage commission earned on sale and purchase of securities

(Un-audited) September 30, 2024	(Un-audited) September 30, 2023
---------------------------------------	---------------------------------------

----- Rupees -----

575,742

11,125

Muhammad Shahid Ali (CEO)

Transaction during the year

Brokerage commission earned on sale and purchase of securities

1,648,992

3,220,191

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the quarter ended September 30, 2024 (unaudited)

	(Un-audited) September 30, 2024	(Un-audited) September 30, 2023
	----- Rupees -----	
Muhammad Haroon (Director) <i>Transaction during the year</i> Brokerage commission earned on sale and purchase of securities	111,981	134,967
Sharmin Shahid (Director) <i>Transaction during the year</i> Brokerage commission earned on sale and purchase of securities	233,017	-
Nida Ahsan (Director) <i>Transaction during the year</i> Brokerage commission earned on sale and purchase of securities	934,823	19,769
Mohsin Madni (Director) <i>Transaction during the year</i> Brokerage commission earned on sale and purchase of securities	96,022	16,662

CLOSE FAMILY MEMBERS OF KEY MANAGEMENT PERSONNEL

	(Un-audited) September 30, 2024	(Un-audited) September 30, 2023
	----- Rupees -----	
Arif Habib <i>Transaction during the year</i> Brokerage commission earned on sale and purchase of securities	123,946	1,747,450
Abdus Samad A. Habib <i>Transaction during the year</i> Brokerage commission earned on sale and purchase of securities	-	31,325
Muhammad Kashif A. Habib <i>Transaction during the year</i> Brokerage commission earned on sale and purchase of securities	-	6,500

OTHER RELATED PARTIES

	(Un-audited) September 30, 2024	(Un-audited) September 30, 2023
	----- Rupees -----	
Rotocast Engineering Co. (Private) Limited <i>Transaction during the year</i> Rent paid	8,542,020	7,240,486
Arif Habib Equity (Private) Limited <i>Transaction during the year</i> Brokerage commission earned on sale and purchase of securities	500,000	857,821
Arif Habib Provident Fund Trust <i>Transaction during the year</i> Contribution paid during the year	2,541,134	2,622,664

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the quarter ended September 30, 2024 (unaudited)

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

PARENT COMPANY

Arif Habib Corporation Limited

Balances at the year end

Trade receivable at year end
Receivable against demerger
Guarantee charges payable

(Un-audited) September 30, 2024	(Audited) June 30, 2024
----- Rupees -----	
-	50,666
407,171,504	800,437,464
-	-

KEY MANAGEMENT PERSONNEL

Zafar Alam (Chairman)

Balances at the year end

Trade payable at year end

Muhammad Shahid Ali (CEO)

Balances at the year end

Trade payable at year end

Muhammad Haroon (Director)

Balances at the year end

Trade payable at year end
Trade receivable at year end

Muhammad Sohail Salat (Director)

Balances at the year end

Trade receivable at year end

Sharmin Shahid (Director)

Balances at the year end

Trade receivable at year end

Nida Ahsan (Director)

Balances at the year end

Trade payable at year end
Trade receivable at year end

Mohsin Madni (Director)

Balances at the year end

Trade payable at year end

(Un-audited) September 30, 2024	(Audited) June 30, 2024
----- Rupees -----	
19,644,120	51,359
150,562,080	249,003,382
-	17,055
79	-
1,899	1,899
77,687	43,263
24,341	24,341
605,660	609,448
657,948	289,099

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the quarter ended September 30, 2024 (unaudited)

CLOSE FAMILY MEMBERS OF KEY MANAGEMENT PERSONNEL

	(Un-audited) September 30, 2024	(Audited) June 30, 2024
	----- Rupees -----	
Arif Habib <i>Balances at the year end</i> Trade receivable at year end	98,908	30,318
Abdus Samad A. Habib <i>Balances at the year end</i> Trade receivable at year end	88,160	87,860
Muhammad Kashif A. Habib <i>Balances at the year end</i> Trade receivable at year end	244	244

OTHER RELATED PARTIES

	(Un-audited) September 30, 2024	(Audited) June 30, 2024
	----- Rupees -----	
Javedan Corporation Limited <i>Balances at the year end</i> Trade receivable at year end	270,192	270,192
Arif Habib Dolmen REIT Management Limited <i>Balances at the year end</i> Trade receivable at year end	2,456	2,456
Rotocast Engineering Co. (Private) Limited <i>Balances at the year end</i> Trade receivable at year end	52,122	43,550
Arif Habib Equity (Private) Limited <i>Balances at the year end</i> Trade receivable at year end	34,426	35,464

21. NON-ADJUSTING EVENTS

In its meeting held on October 30, 2024, the Board of Directors of the Company has proposed a final cash dividend of Rs. 5/- per share amounting to Rs. 326.7 million (2023: a final cash divided of Rs. 2.5/- per share amounting to Rs. 163.35 million). The above proposed entitlements are to be approved by the members of the Company in their Annual General Meeting (AGM) scheduled to be held on November 27, 2024. These consolidated financial statements do not reflect the said appropriation.

22. GENERAL

22.1 Operating segment

These consolidated 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 September 30, 2024 are located in Pakistan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the quarter ended September 30, 2024 (unaudited)

22.2 Date of authorization for issue

These consolidated financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on November 25, 2024.

22.3 Level of rounding off

Figures have been rounded off to the nearest rupee.


Chief Executive Officer


Director


Chief Financial Officer

PATTERN OF SHAREHOLDING REPORT

As of September 30, 2024

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors, Chief Executive Director and their spouse(s) and minor children			
MUHAMMAD HAROON	1	1,712	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
SYED MUHAMMAD MANZOOR RAZA	1	1	0.00
Associated Companies, undertakings and related parties			
	4	50,069,819	76.63
NIT & ICP			
	-	-	-
Banks Development Financial Institutions, Non Banking Financial Institutions.			
	1	59	0.00
Insurance Companies			
	-	-	-
Modarabas and Mutual Funds			
	2	312,500	0.48
General Public			
a. Local	2,924	14,168,529	21.68
b. Foreign	30	99,634	0.15
Foreign Companies			
	-	-	-
Others			
	30	609,363	0.93
Totals	2,998	65,340,000	100.00

Share Holder Holding 10% or more	Shares Held	Percentage
M/S ARIF HABIB CORPORATION	49,979,978	76.49



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