



ARIF HABIB CENTRE

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UAN (92-21) 111-245-111
Group Website: www.arifhabib.com.pk

CONTINUING
THE LEGACY
LEADERSHIP



Quarterly Report
September 30, 2023

AWARDS & RECOGNITION



Best Investment Bank Country Awards – 2022
FinanceAsia

Best Brokerage House – 2022
International Finance



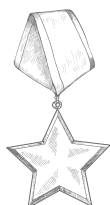
Pakistan's Best Investment Bank: 2022
EuroMoney

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 first quarter ended September 30, 2023.

Economic Review:

The onset of FY24 marked the beginning of a positive wave of economic indicators, infusing optimism into the broader economic landscape. Various high-frequency sectors, including auto, power, cement, and the fertilizer sector, displayed a strong recovery, setting a promising tone for the upcoming quarters. In addition to this positive outlook, there was a substantial reduction in the year-on-year current account deficit, with a decrease of more than 50% observed during the first two months of the previous quarter. Furthermore, the challenge of inflation, which had posed a significant obstacle, is believed to have peaked in Sep'23. Moreover, there was a substantial improvement in foreign exchange reserves to USD 13bn (end-June USD 9bn), following the successful signing of the IMF's Standby Agreement. As a result of these improvements, the Pakistani Rupee embarked on a steady path to recovery against the USD, showcasing an impressive appreciation of 6.2% in Sep'23 alone. An unchanged monetary policy stance throughout the quarter also provided a welcome respite from steep monetary tightening undertaken in FY23, potentially supporting the case for an economic recovery in FY24.

Stock Market Performance

During 1QFY24, PSX market witnessed a resurgence on account of i) Stand-by Arrangement (SBA) facility of USD 3bn secured from the IMF, ii) an upgrade in Pakistan's sovereign rating by Fitch from CCC- to CCC, iii) MoU was signed between five Pakistani state-owned enterprises and Saudi Arabia, paving the way for a substantial USD 10bn refinery project to be executed within Pakistan, iv) approval of the new refinery policy, v) sharp appreciation of Rupee against US\$ after a crackdown against foreign currency hoarders, illegal capital flight and smuggling was initiated. Moreover, SBP's foreign exchange reserves increased by USD 3.17bn in 1QFY24, settling at USD 7.6bn, due to the disbursement of USD 1.2bn from IMF and inflows from allied nations. Pak Rupee after witnessing an all-time low of PKR 307.10 against USD on 5th Sep'23, closed the quarter at PKR 287.74. Whereas the State Bank kept the policy rate unchanged at 22%.

The benchmark KSE-100 index during 1QFY24 closed at 46,233 points, up by 11.50% / 4,780 points YoY, which took the USD-based return to 10.9%. The average volumes and value increased by 29% (to 281mn shares) and 7% (to USD 33mn) YoY, respectively.

The upside to the index during 1QFY24 was led by the; i) Commercial Banks (2,214pts), ii) E&P (850pts), iii) Power (610pts), iv) Cement (178pts), and v) Food and Personal Care Products (160pts). Whereas negative index contributors were i) Fertilizers (82pts), ii) Technology (68pts), and iii) Misc (22pts).

During 1QFY24, foreign net inflows were seen from the local bourse at USD 22.0mn compared to a net inflow of USD 16.7mn in the same period last year. Buying was primarily witnessed in; i) Commercial Banks (USD 16.1mn), ii) Technology (USD 8.4mn), iii) E&P (USD 6.7mn), iv) Food (USD 3.4mn) and v) Textile (USD 0.1mn). Whereas selling was witnessed in; i) Cements (USD 2.1mn), ii) OGMs (USD 1.1mn), iii) Fertilizer (USD 1.1mn) and, v) Power (USD 0.7mn).

Your Company's Performance

During the period under review, your Company has performed well and achieved an after-tax profit of PKR 150.31 million, which translates into basic earnings per share of PKR 2.30.

During the three months ended September 30, 2023, the brokerage and investment banking divisions managed to perform well with revenues of PKR 164.91 million (1QFY23: PKR 250.13 million). We were engaged in multiple M&A advisory transactions during the quarter. However, these transactions will be materializing in upcoming quarters.

The short-term investment portfolio performed relatively well and resulted in a realized and unrealized gain of PKR 78.89 million.

AHL is continuously working to improve its services and has invested in technology and workforce to better serve its customers. This has resulted in higher fixed costs and an increase in operating expenses by 18%. Financial costs of the company decreased slightly and amounted to PKR 122.55 million (1QFY23: PKR 138.24 million) due to efficient utilization of borrowing.

The equity of your Company as at the balance sheet date is PKR 5.14 billion (June 2023: PKR 4.99 billion), which translates into book value per share of PKR 78.74 (June 30, 2023: PKR 76.43).

During the period under review, your Company has continued to be recognized and awarded by CFA Society Pakistan. AHL received Best Brokerage House, Best Corporate Finance House (Equity and Advisory), Best Corporate Finance House (Fixed Income), Best Economic Research House, Investment Ideas Competition (Winner) and Best Equity Sales Person (Runner-up), at their 20th Annual Excellence Awards for 2023.

Future Prospects

The 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 to increase the market participation of investors and avail ourselves of benefits from the attractive market opportunities on offer.

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

Acknowledgement

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

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



Zafar Alam
Chairman

Karachi.
Dated: October 25, 2023

CONDENSED INTERIM
UNCONSOLIDATED STATEMENT
OF **FINANCIAL POSITION**

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at September 30, 2023

	Note	(Un audited) September 30, 2023	(Audited) June 30, 2023
----- Rupees -----			
ASSETS			
NON- CURRENT ASSETS			
Property and equipment	3	64,122,400	67,118,424
Right-of-use assets	4	65,935,244	2,279,667
Intangible assets		5,684,465	5,715,626
Long term investments	5	1,254,333,040	1,123,254,068
Investment property	6	443,249,014	450,749,014
Long Term Advances and Deposits	7	366,903,607	500,184,567
		2,200,227,770	2,149,301,366
CURRENT ASSETS			
Short term investments	8	3,149,923,244	2,849,795,546
Trade debts	9	582,695,277	259,690,968
Receivable against margin financing	10	211,790,755	113,367,759
Advances, deposits and prepayments	11	57,704,170	38,549,929
Receivable against trading of securities-net		-	77,192,508
Accrued markup on margin financing		24,788,916	21,527,045
Other receivables	12	1,997,707,225	1,273,270,139
Income tax refundable	16	12,473,361	15,457,413
Cash and bank balances	13	1,148,620,083	987,078,274
		7,185,703,031	5,635,929,581
		9,385,930,801	7,785,230,947
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized Capital			
75,000,000 (June 2022: 75,000,000) ordinary shares of Rs.10/- each		750,000,000	750,000,000
Issued, subscribed and paid-up capital 65,340,000 (June 30, 2022: 65,340,000) ordinary shares of Rs. 10/each		653,400,000	653,400,000
<i>Capital reserves</i>			
Surplus on revaluation of property		7,835,000	7,835,000
<i>Revenue reserves</i>			
Unappropriated profits		4,483,323,262	4,333,017,286
Total equity		5,144,558,262	4,994,252,286
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liability		1,005,057	918,356
Deferred tax - net		69,149,530	69,149,530
		70,154,587	70,067,886
CURRENT LIABILITIES			
Short term borrowings- secured	14	2,618,491,853	1,617,785,680
Current portion of lease liability		67,880,500	2,108,980
Trade and other payables	15	1,268,268,075	995,737,794
Unclaimed dividend		21,425,487	21,425,487
Payable against trading of securities- net		76,925,613	-
Accrued Markup on Short Term Borrowings		118,226,424	83,852,834
Taxation- Net	16	-	-
		4,171,217,952	2,720,910,775
CONTINGENCIES AND COMMITMENTS			
	17		
TOTAL EQUITY AND LIABILITIES		9,385,930,801	7,785,230,947

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


Chief Executive Officer


Director


Chief Financial Officer

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

For the quarter ended September 30, 2023 (unaudited)

	Note	September 30, 2023	September 30, 2022
		----- Rupees -----	
Operating revenue	18	313,366,155	274,740,946
Realized (loss) / gain on disposal of investments		(9,823,401)	42,574,102
		<u>303,542,754</u>	<u>317,315,048</u>
Net change in unrealized gain / (loss) on investments	19	88,718,271	(212,466,239)
Net change in unrealized gain on investment property		-	233,700,000
		<u>392,261,025</u>	<u>338,548,809</u>
Administrative and operating expenses	20	(138,933,095)	(117,413,133)
Other charges		-	(264,817)
Other operating income	22	59,708,387	10,902,746
		<u>313,036,317</u>	<u>231,773,605</u>
Finance cost	21	(122,554,007)	(138,246,431)
Profit before taxation		<u>190,482,310</u>	<u>93,527,174</u>
Taxation	23	(40,176,334)	(22,671,052)
Profit after taxation		<u>150,305,976</u>	<u>70,856,122</u>
Earning per share - basic & diluted	24	<u>2.30</u>	<u>1.08</u>

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


Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

For the quarter ended September 30, 2023 (unaudited)

	September 30, 2023	September 30, 2022
	----- Rupees -----	
(Loss) / Profit after taxation	150,305,976	70,856,122
Other comprehensive income		
<i>Items that will not be reclassified subsequently to statement of profit or loss</i>		
Net Change in fair value of the investment in equity securities	-	-
Total comprehensive (loss) / income for the period	<u>150,305,976</u>	<u>70,856,122</u>

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


Chief Executive Officer


Director


Chief Financial Officer

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

For the quarter ended September 30, 2023 (unaudited)

	Issued, subscribed & paid up capital	Reserves			Sub-total	Total
		Unappropriated profits	Surplus on revaluation of property	Surplus on re-measurement of equity securities at FVOCI		
----- Rupees -----						
Balance as at June 30, 2022	653,400,000	4,532,787,684	15,432,500	-	4,548,220,184	5,201,620,184
Total comprehensive income for quarter ended September 30, 2022						
- Profit after taxation	-	70,856,122	-	-	70,856,122	70,856,122
- Other comprehensive loss	-	-	-	-	-	-
	-	70,856,122	-	-	70,856,122	70,856,122
Balance as at September 30, 2022	653,400,000	4,603,643,806	15,432,500	-	4,619,076,306	5,272,476,306
Balance as at June 30, 2023	653,400,000	4,333,017,286	7,835,000	-	4,340,852,286	4,994,252,286
Balance as at July 1, 2023	653,400,000	4,333,017,286	7,835,000	-	4,340,852,286	4,994,252,286
Total comprehensive income for the quarter ended September 30, 2023	-	150,305,976	-	-	150,305,976	150,305,976
Balance as at September 30, 2023	653,400,000	4,483,323,262	7,835,000	-	4,491,158,262	5,144,558,262

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


Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS

For the quarter ended September 30, 2023 (unaudited)

Note	September 30,	September 30,
	2023	2022
	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	190,482,310	93,527,174
Adjustments for:		
Depreciation on property and equipment	20 3,254,034	4,152,310
Depreciation on right-of-use-asset	20 6,300,226	7,438,948
Amortization of intangible asset	20 31,161	53,278
(Gain) / Loss on re-measurement of short term investments	19 (88,718,271)	212,466,239
(Gain) / Loss on sale of short term investment		(42,574,102)
Loss / (gain) on re-measurement of long term investments		-
Unrealized gain on re-measurement of investment property		(233,700,000)
Mark up on reverse repo transactions	22 (5,658,590)	-
Dividend income on investment in equity securities	18 (135,023,263)	(1,684,488)
Profit on savings accounts maintained with banks	22 (22,927,277)	-
Recovery of provision against doubtful debts		(95,730)
Finance costs	21 122,554,007	138,246,431
	(110,364,572)	84,302,886
Cash generated from operating activities before working capital changes	80,117,738	177,830,060
Effect on cash flow due to working capital changes		
(Increase)/decrease in current assets		
Short-term investments - net	(221,232,828)	(983,401,893)
Trade debts - consider good	(323,004,309)	(218,433,857)
Receivable against margin financing	(98,422,996)	112,952,308
Receivable against sale of securities-net	-	-
Short term loans	-	-
Receivable against sale of securities-net	77,192,508	-
Deposits and short-term prepayments	(19,154,241)	(31,613,272)
Accrued markup on margin financing	(3,261,871)	(2,790,508)
Loan to related party	-	-
Other receivables	(646,861,992)	(233,767,447)
Increase/(decrease) in current liabilities		
Trade and other payables	272,530,281	(64,556,553)
Payable against trading of securities- net	76,925,613	(14,216,439)
	(885,289,835)	(1,435,827,661)
Cash used in operations	(805,172,097)	(1,257,997,601)
Taxes paid	(37,192,282)	(9,181,447)
Finance costs paid	(88,180,417)	(75,553,580)
Net cash used in operating activities	(930,544,796)	(1,342,732,628)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(258,010)	(306,080)
Expenditure on investment property - net	-	(25,671,519)
Proceeds from disposal of investment property	7,500,000	-
Dividends received	86,034,036	1,684,488
Long term deposits - net	2,201,988	10,000
Net cash used in investing activities	95,478,014	(24,283,111)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease Rentals against finance lease liability	(4,097,582)	(333,325)
Net cash used in financing activities	(4,097,582)	(333,325)
Net (decrease) in cash and cash equivalents	(839,164,364)	(1,367,349,064)
Cash and cash equivalents at the beginning of the year	(630,707,406)	(1,363,636,625)
Cash and cash equivalents at the end of the year	25 (1,469,871,770)	(2,730,985,689)

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


Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the quarter ended September 30, 2023 (unaudited)

1. STATUS AND NATURE OF BUSINESS

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

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

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

- Karachi	Head office (Registered office)	Arif Habib Centre, 23 M.T. Khan Road, Karachi
- Lahore	Regional office	Office Nos. G-05 & G-06, Ground Floor, LSE Plaza, 19, Khayaban-e-Aiwan-e-Iqbal, Lahore
- Islamabad	Regional office	Office No. 506, 5th Floor, ISE Towers, Jinnah Avenue, Islamabad.
- Peshawar	Regional office	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.
- Rahim Yar Khan	Regional office	Shop No. 2, Basement, Basheer Plaza, Model Town, Rahim Yar Khan

1.4	The Company has following subsidiaries:	Holding %
-	Arif Habib Commodities (Private) Limited	100%

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

2.1 Statement of compliance with the applicable accounting and reporting standards

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

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

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.

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the quarter ended September 30, 2023 (unaudited)

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 (NRR) and Rahat Residency REIT (RRR) which are carried at fair value; and
- (b) Investment property which is carried at fair value except for residential flats which are under construction as disclosed under note 6.2;
- (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.

3. PROPERTY AND EQUIPMENT

Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
	----- Rupees -----	

Owned assets

3.1	64,122,400	67,118,424
-----	------------	------------

- 3.1 During the period ended September 30, 2023, additions made amounting to Rs. 0.26 million (30 June 2023: Rs. 0.48 million) which comprised of office equipment and computer and allied items. However, no disposals were made during the period.

4. RIGHT-OF-USE ASSETS

Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
	----- Rupees -----	

Opening net book value/cost

Add: Addition during the period / year

Less: Disposal during the period / year

Less: Depreciation charged during the period / year

Closing net book value

	2,279,667	32,555,873
	-	-
	(69,955,803)	(1,141,363)
	72,235,470	31,414,510
	(6,300,226)	(29,134,843)
4.1	65,935,244	2,279,667

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the quarter ended September 30, 2023 (unaudited)

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

	Principal Office (Karachi)	Regional Office (Peshawar)	Regional Office (Faisalabad)
Lessor name	Rotocast Engineering Co. (Pvt.) Ltd.	Mr. Azmat Hassan Khan	Mr. Ahsan Mahmood
Address of the leased property	Block-B, 2nd Floor, Arif Habib Centre, Plot No. 23, Off. M.T. Khan Road	35 Mall Tower, Peshawar Cantt	Office No. 04, 3rd Floor, Legacy Tower, Koh-e-Noor City
Lease agreement date	July 01, 2023	March 01, 2019	October 10, 2020
Lease commencement date	July 01, 2025	February 01, 2019	October 15, 2020
Initial contractual term of the lease	3 years	5 years	5 years
Availability of extension option?	No	Yes	Yes
No. of years for which the lease extension option is available	N/A	5 years	Indefinite
Estimated lease term (as on the date of commencement of the lease)	3 years	5 years	5 years

5. LONG TERM INVESTMENTS - unquoted

Investment in subsidiaries
Investment in other entities

Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- Rupees -----		
5.1	38,000,000	38,000,000
5.2	<u>1,216,333,040</u>	<u>1,085,254,068</u>
	<u>1,254,333,040</u>	<u>1,123,254,068</u>

5.1 Investment in subsidiaries - at cost less accumulated impairment

Rayaan Commodities (Private) Limited

	(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- Rupees -----		
	38,000,000	38,000,000
	<u>38,000,000</u>	<u>38,000,000</u>

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the quarter ended September 30, 2023 (unaudited)

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

Unquoted - Equity Instruments

ISE Towers REIT Management Company Limited

Quoted - Equity Instruments

LSE Proptech Limited

LSE Ventures Limited

Unquoted - Debt Instrument

Naya Nazimabad Apartment REIT (NRR)

Signature Residency REIT

Rahat Residency REIT (RRR)

Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- Rupees -----		
5.2.1	22,181,370	22,181,370
	5,604,687	7,585,290
	1,182,144	1,421,528
	6,786,830	9,006,818
	426,440,880	426,440,880
	133,298,960	-
	627,625,000	627,625,000
	1,187,364,840	1,054,065,880
	<u>1,216,333,040</u>	<u>1,085,254,068</u>

5.2.1 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.

6. INVESTMENT PROPERTY

Open plots of land / offices - at fair value

Residential flats under construction - at cost

Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- Rupees -----		
6.1	194,500,000	202,000,000
6.2	248,749,014	248,749,014
	<u>443,249,014</u>	<u>450,749,014</u>

6.1 Open plots of land / offices - at fair value

Opening carrying amount (at fair value)

Realized gain on disposal

Sale during the year

Less: Reversal of unrealized gain upon sale

Development charges incurred during the period / year

Net change in unrealized gain during the year

Closing carrying amount

Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- Rupees -----		
	202,000,000	1,576,836,333
	-	1,261,550,827
	202,000,000	2,838,387,160
6.1.2	(7,500,000)	(1,632,575,000)
	-	(1,270,875,827)
	-	12,957,220
	(7,500,000)	(2,890,493,607)
	194,500,000	(52,106,447)
	-	254,106,447
	<u>194,500,000</u>	<u>202,000,000</u>

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the quarter ended September 30, 2023 (unaudited)

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

Open plots of land: 8 residential plots situated at Naya Nazimabad, Deh Manghopir, Gadap Town, Karachi (a real estate project being managed by M/s. Javedan Corporation Limited, a related party)

Offices: Offices bearing no. 60, 61, 62, 63 and 64 situated at first floor of the building complex of PSX, office bearing no. 220 situated at Lahore Stock Exchange Plaza and office bearing no. 106 situated in the Lahore Stock Exchange - South Tower.

6.1.2 During the year, the Company also sold office no. 203 & 314 situated in the Lahore Stock Exchange - South Tower at sale consideration of Rs. 7.5 million.

6.2 Residential flats under construction - at cost

This represents the aggregate of the initial down payment and subsequent periodic payments made to M/s. Globe Residency REIT, a related party, in respect of the purchase of 20 residential flats in Globe Residency real estate project situated at Naya Nazimabad, Deh Manghopir, Gadap Town, Karachi. Initially, total agreed purchase consideration of these flats were Rs. 359.800 million which were to be settled in 55 unequal installments of varying frequency. However, during the year ended June 30, 2023, the Company paid lump sum amount of Rs. 146.091 million to avail an upfront payment discount amounting to Rs. 36.051 million.

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

For financial commitment relating to the above referred periodic payments yet to be made to M/s. Javedan Corporation Limited, please refer note 17.2 to these interim unconsolidated financial statements.

7. LONG TERM ADVANCES AND DEPOSITS

Advance against equity

- Rayaan Commodities (Private) Limited
- Rahat Residency REIT
- Signature Residency REIT
- Neem Exponential Technology Pte. Limited

Trading deposits

- Pakistan Stock Exchange Limited
- National Clearing Company of Pakistan Limited

Other security deposits

	(Un-audited) September 30, 2023	(Audited) June 30, 2023
	----- Rupees -----	
	2,000,000	2,000,000
	325,000,000	325,000,000
	-	133,298,960
	37,000,000	37,000,000
	<u>364,000,000</u>	<u>497,298,960</u>
	700,461	700,461
	1,250,000	1,250,000
	1,950,461	1,950,461
	953,146	935,146
	<u>366,903,607</u>	<u>500,184,567</u>

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the quarter ended September 30, 2023 (unaudited)

8. SHORT TERM INVESTMENTS

At fair value through profit or loss

Quoted equity securities
Quoted debt securities

Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- Rupees -----		
8.1	3,078,101,807	2,761,251,468
8.2	71,821,437	88,544,078
	<u>3,149,923,244</u>	<u>2,849,795,546</u>

8.1 Investment in quoted equity securities

Cost of investment

Unrealised loss:

Balance at start of the period / year
Unrealised gain / (loss) for the period

Balance at the end of period / year

	(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- Rupees -----		
Cost of investment	3,420,636,767	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	76,057,924	(926,008)
	(342,534,960)	(418,592,884)
Balance at the end of period / year	<u>3,078,101,807</u>	<u>2,761,251,468</u>

8.2 Investment in quoted debt securities

Cost of investment

Unrealised gain / (loss) :

Balance as at July 01
Unrealised gain for the period

Balance as at

Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- Rupees -----		
Cost of investment	69,926,454	91,607,707
Unrealised gain / (loss) :		
Balance as at July 01	(3,063,629)	(610,197)
Unrealised gain for the period	4,958,612	(2,453,432)
	1,894,983	(3,063,629)
Balance as at	<u>71,821,437</u>	<u>88,544,078</u>

8.2.1 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 quarter ended September 30, 2023 (unaudited)

9. TRADE DEBTS

Gross receivables

Equity brokerage - secured
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) September 30, 2023	(Audited) June 30, 2023
----- Rupees -----		
9.1	1,401,783,278	1,071,758,763
	45,184,735	27,816,750
	85,360,295	109,748,485
	<u>1,532,328,307</u>	<u>1,209,323,998</u>
9.2	(871,827,147)	(871,827,147)
	(5,695,935)	(5,695,935)
	(72,109,948)	(72,109,948)
	<u>(949,633,030)</u>	<u>(949,633,030)</u>
	<u>582,695,277</u>	<u>259,690,968</u>

9.1 Gross receivables - Equity brokerage

9.1.1 These receivables include Rs. 5.32 million (2023: Rs. 0.90 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. 6.6 million (2023: Rs. 275.32 million).

9.1.2 The Company holds capital securities having fair value of Rs. 90,645 million (2023: Rs. 75,027 million) owned by its clients, as collaterals against trade debts.

9.2 Movement in provision for expected credit losses

Balance at the beginning of the period / year
Charge for the period / year
Balance at the end of the period / year

(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- Rupees -----	
932,575,082	922,272,883
-	10,302,199
<u>932,575,082</u>	<u>932,575,082</u>

10. RECEIVABLE AGAINST MARGIN FINANCING

Considered good
Considered doubtful

Less: provision for doubtful receivables

Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- Rupees -----		
10.1	211,790,755	113,367,759
	-	-
	<u>211,790,755</u>	<u>113,367,759</u>
	-	-
	<u>211,790,755</u>	<u>113,367,759</u>

10.1 Margin financing facility is provided to clients on markup basis ranging from 25.00% to 28.50% (2023: 15.00% to 28.50%) per annum.

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the quarter ended September 30, 2023 (unaudited)

11. 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

Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- Rupees -----		
11.1	1,243,760	1,243,760
	3,860,201	3,273,801
	3,019,631	1,672,044
	<u>8,123,591</u>	<u>6,189,604</u>
11.2	43,285,028	31,400,253
	6,295,553	960,071
	<u>57,704,170</u>	<u>38,549,929</u>

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

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

12. OTHER RECEIVABLES

Receivable from Javedan Corporation Limited - a related party:

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

Amount Receivable as proceeds from sale of investment property to Rahat Residency REIT

Dividend Receivable

Receivable against reverse repo arrangements
Others

Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- Rupees -----		
	5,126,734	5,126,734
	992,000,000	352,000,000
	31,861,054	2,071,785
	<u>1,028,987,788</u>	<u>359,198,519</u>
	804,075,000	804,075,000
	48,989,227	-
	114,455,210	108,796,620
12.1	1,200,000	1,200,000
	<u>1,997,707,225</u>	<u>1,273,270,139</u>

12.1 It represents receivable against profit on saving accounts maintained by the Company, and the return on TFCs.

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the quarter ended September 30, 2023 (unaudited)

14.2	Financing facility from Javedan Corporation Limited - unsecured	(Un-audited)	(Audited)
		September 30, 2023	June 30, 2023
----- Rupees -----			
	Opening balance	-	800,000,000
	Add: Finance obtained during the period / year	-	750,000,000
	Less: Repayments made during the period / year	-	(1,550,000,000)
	Closing balance	<u>-</u>	<u>-</u>

14.2.1 Financing facility of Rs. 2 billion is available from M/s. Javedan Corporation Limited to finance its working capital requirements. The loan was repayable within 30 days of notice of demand and carries interest at the rate of 3 month KIBOR + 1.75% (payable quarterly).

14.3	Financing facility from the Sponsor	(Un-audited)	(Audited)
		September 30, 2023	June 30, 2023
----- Rupees -----			
	Opening balance	-	-
	Add: Finance obtained during the period / year	-	2,412,700,000
	Less: Repayments made during the period / year	-	(2,412,700,000)
	Closing balance	<u>-</u>	<u>-</u>

14.3.1 Financing facility of Rs. 2.2 billion is available from sponsor M/s. Arif Habib which was payable on demand. It carried interest at the rate of 3 month KIBOR + 1%.

15.	TRADE AND OTHER PAYABLES	Note	(Un-audited)	(Audited)
			September 30, 2023	June 30, 2023
----- Rupees -----				
	Creditors	15.1	1,093,469,345	877,099,730
	Commission payable	15.2	11,135,492	22,477,749
	Future profit withheld		86,777,559	6,566,721
	Accrued expenses		34,379,328	16,460,698
	Advance from customers		768,203	-
	Withholding tax payable		12,855,586	24,101,999
	Sindh sales tax and federal excise duty payable		2,353,445	934,324
	Advance against committed sale of investment property		26,384,240	26,510,555
	Payable against reverse repo transaction		-	17,629,267
	Other liabilities		144,877	3,956,751
			<u>1,268,268,075</u>	<u>995,737,794</u>

15.1 This includes Rs. 166.62 million (June 30, 2023: Rs. 61.3 million) payable to related parties.

15.2 This includes Rs. 10 million (June 30, 2023: Rs. 12.82 million) payable to related parties.

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the quarter ended September 30, 2023 (unaudited)

16. TAXATION - net

Income tax payable
Income tax refundable

Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- Rupees -----		
16.1	108,107,371 (120,580,732) <u>-12,473,361</u>	124,985,128 (140,442,541) <u>-15,457,413</u>

16.1 This includes provision for super tax amounting to Rs. 99.13 million (2023: Rs. 78.638 million). There has been no change in the status of the super tax as disclosed in note 22.1 to the annual unconsolidated financial statements of the Company for the year ended June 30, 2023.

17. CONTINGENCY AND COMMITMENTS

17.1 Contingency

There has been no change in the status of the contingent liability as reported in note 23.1 to the annual unconsolidated financial statements of the Company for the year ended June 30, 2023.

17.2 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) September 30, 2023	(Audited) June 30, 2023
----- Rupees -----	
<u>128,612,380</u>	<u>226,651,180</u>
<u>24,288,694</u>	<u>151,314,528</u>
<u>750,000,000</u>	<u>750,000,000</u>
<u>75,000,000</u>	<u>75,000,000</u>

18. 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) September 30, 2023	(Audited) June 30, 2023
----- Rupees -----	
105,390,255	82,973,938
37,522,183	23,272,266
22,000,868	143,886,378
10,642,327	17,310,926
135,023,263	1,684,488
2,787,259	5,612,951
<u>313,366,155</u>	<u>274,740,946</u>

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the quarter ended September 30, 2023 (unaudited)

19. NET CHANGE IN UNREALIZED LOSS ON INVESTMENTS

Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- Rupees -----		
	(2,219,988)	-
8.1 & 8.2	90,938,259	(212,466,239)
	<u>88,718,271</u>	<u>(212,466,239)</u>

Long term investments
Short term investments

20. ADMINISTRATIVE AND OPERATING EXPENSES

Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- Rupees -----		
20.1	78,087,524	55,964,683
	13,452,590	12,785,050
	5,549,228	5,076,263
	6,300,226	7,438,948
20.2	4,214,800	4,228,134
	6,231,781	5,622,133
	4,884,248	4,816,623
	3,254,034	4,152,310
	651,010	3,208,006
	2,953,508	1,689,679
	6,043,505	3,998,869
	-	3,182,000
	2,887,918	1,394,417
	1,479,194	920,450
	1,461,626	1,087,719
	849,906	1,212,931
	300,000	300,000
	121,326	218,615
	179,510	50,025
	-	13,000
	31,161	53,278
	<u>138,933,095</u>	<u>117,413,133</u>

Salaries and other benefits
Motor vehicle and travelling expense
Building maintenance
Depreciation on right-of-use assets
Man power services
Communication
CDC and clearing house charges
Depreciation on property and equipment
Fees and subscription
Insurance
Legal and professional charges
Donation
Others
Repairs and maintenance
Conveyance and meals
Business representation
Meeting expenses
Printing and stationery
Rent, rates and taxes
Advertisement and business promotion
Amortization on intangible assets

20.1 Salaries and other benefits

	(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- Rupees -----		
Salaries and other benefits	43,487,958	45,728,835
Commission	34,599,566	10,235,848
	<u>78,087,524</u>	<u>55,964,683</u>

20.2 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 quarter ended September 30, 2023 (unaudited)

21. FINANCE COSTS

Markup on short term borrowings
Other finance costs

Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- Rupees -----		
21.1	113,291,932	133,825,409
21.2	9,262,075	4,421,022
	<u>122,554,007</u>	<u>138,246,431</u>

21.1 Markup on short term borrowings

Markup on borrowing from banking companies

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

	(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- Rupees -----		
Markup on borrowing from banking companies	113,291,932	99,127,108
Markup on borrowing from related parties:		
- M/s. Javedan Corporation Limited	-	34,698,301
- M/s. Arif Habib Corporation Limited	-	-
- Mr. Arif Habib	-	-
	-	34,698,301
	<u>113,291,932</u>	<u>133,825,409</u>

21.2 Other finance costs

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

	(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- Rupees -----		
Finance cost on lease liability	3,469,303	413,045
Markup on MTS securities	428,540	543,654
Bank charges	4,622,651	2,748,456
Guarantee charges to Arif Habib Corporation	741,581	715,867
	<u>9,262,075</u>	<u>4,421,022</u>

22. OTHER INCOME

Markup on reverse repo transaction
Profit on savings accounts
Markup on loan to related party
Profit on exposure deposit
Other Income

	(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- Rupees -----		
Markup on reverse repo transaction	5,658,590	-
Profit on savings accounts	22,927,277	9,959,326
Markup on loan to related party	29,789,269	-
Profit on exposure deposit	1,333,251	786,927
Other Income	-	156,493
	<u>59,708,387</u>	<u>10,902,746</u>

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the quarter ended September 30, 2023 (unaudited)

23.	TAXATION		
		(Un-audited) September 30, 2023	(Audited) June 30, 2023
		----- Rupees -----	
	Current tax		
	- for the year	40,176,334	22,671,052
	- for prior year	-	-
		40,176,334	22,671,052
	Deferred	-	-
		<u>40,176,334</u>	<u>22,671,052</u>
24.	EARNINGS PER SHARE		
24.1	Basic earnings per share	(Un-audited) September 30, 2023	(Audited) June 30, 2023
		----- Rupees -----	
	Profit after taxation attributable to ordinary shareholders	<u>150,305,976</u>	<u>70,856,122</u>
		---- Number of shares ----	
	Weighted average number of ordinary shares outstanding during the period	<u>65,340,000</u>	<u>65,340,000</u>
		----- Rupees -----	
	Earnings per share - basic	<u>2.30</u>	<u>1.08</u>
24.2	Diluted earnings per share		
	There is no dilutive effect on the basic earnings per share of the Company, since there were no potential ordinary shares in issue as at the reporting dates.		
25.	CASH AND CASH EQUIVALENTS	(Un-audited) September 30, 2023	(Audited) June 30, 2023
		----- Rupees -----	
	Cash and bank balances	1,148,620,083	1,033,876,043
	Short term borrowings	<u>(2,618,491,853)</u>	<u>(3,764,861,732)</u>
		<u>(1,469,871,770)</u>	<u>(2,730,985,689)</u>

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

For the quarter ended September 30, 2023 (unaudited)

26. RELATED PARTY TRANSACTIONS AND BALANCES

Name of the related party, Relationship with Company
and Nature of Transaction

Period Ended
September 30, September 30,
2023 2022
----- Rupees -----

PARENT COMPANY

Arif Habib Corporation Limited
*Brokerage Commission earned during the period on sale and
purchase of Securities*
Guarantee Commission

421,135 1,191,489
741,581 715,867

SUBSIDIARY

Rayaan Commodities (Private) Limited (Formerly Arif Habib
Commodities (Private) Limited)
*Brokerage Commission earned during the period on sale and
purchase of Securities*

141,833 72,687

GROUP COMPANIES

Javedan Corporation Limited
Mark-up on loan paid / payable
Loan extended
Mark-up income on loan extended

- 34,698,301
470,000,000 -
29,789,269 -

Arif Habib Equity (Pvt) Ltd.
*Brokerage Commission earned during the period on sale and
purchase of Securities*

857,821 139,726

Rotocast Engineering Co. (Pvt) Limited
*Brokerage Commission earned during the period on sale and
purchase of Securities*
Rent paid

- 124,725
7,240,486 -

Globe Residency REIT
Dividend Income

48,989,227 -

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the quarter ended September 30, 2023 (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)

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

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

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

	Period Ended	
	September 30, 2023	September 30, 2022
	----- Rupees -----	
	11,125	10,556
	50,000	50,000
	3,220,191	2,307,565
	134,967	59,872
	75,000	75,000
	75,000	75,000
	-	-
	50,000	50,000
	19,769	125,000
	50,000	50,000
	16,662	-

	Period Ended	
	September 30, 2023	September 30, 2022
	----- Rupees -----	
	1,747,450	1,524,593
	31,325	170,874
	6,500	-
	2,622,664	2,721,146

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the quarter ended September 30, 2023 (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 (Formerly Arif Habib
Commodities (Private) Limited)

Advance against sale of investment property

Advance against equity

Balance payable at period end

Balance receivable at period end

GROUP COMPANIES

Javedan Corporation Limited

Balance receivable at period end

Receivable against sale of investment property

Loan receivable

Mark-up receivable

Arif Habib Dolmen REIT Management Ltd.

Balance payable at period end

OTHER RELATED PARTIES

Rotucast Engineering Co. (Pvt) Limited

Balance receivable at period end

Arif Habib Equity (Pvt) Ltd.

Balance receivable at period end

Balance payable at period end

Globe Residency REIT

Advance against committed sale of investment property

Dividend Receivable

Signature Residency REIT

Units receivable of REIT

Rahat Residency REIT

Units receivable of REIT

Amount receivable

	September 30, 2023	September 30, 2022
	----- Rupees -----	
	34,080	35,692
	741,581	688,306
	17,384,240	17,510,555
	2,000,000	2,000,000
	-	452,208
	348,207	-
	267,692	244,692
	5,126,734	5,126,734
	992,000,000	352,000,000
	31,861,054	2,071,785
	44	44
	19,626	13,978
	830,014	-
	-	7,895,397
	248,749,014	248,749,014
	48,989,227	-
	-	133,298,960
	325,000,000	325,000,000
	804,075,000	804,075,000

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the quarter ended September 30, 2023 (unaudited)

KEY MANAGEMENT PERSONNEL

Zafar Alam (Chairman)

Balance payable at period end

Balance receivable at period end

Meeting fee payable

Muhammad Shahid Ali (CEO)

Balance payable at period end

Sharmin Shahid (Director)

Balance receivable at period end

Meeting fee payable

Nida Ahsan (Director)

Balance receivable at period end

Balance payable at period end

Meeting fee payable

Muhammad Haroon (Director)

Balance payable at period end

Meeting fee payable

Muhammad Sohail Salat (Director)

Meeting fee payable

Balance receivable at period end

Mohsin Madni (Director)

Balance payable at period end

	September 30, 2023	September 30, 2022
	----- Rupees -----	
	-	3,726
	531	-
	50,000	50,000
	166,194,643	60,409,046
	14,399	4,186
	50,000	50,000
	-	684
	176,893	24,641
	50,000	50,000
	20,826	302,869
	75,000	75,000
	75,000	75,000
	1,199	1,199
	243,111	109,517

CLOSE FAMILY MEMBERS OF KEY MANAGEMENT PERSONNEL

Arif Habib

Balance receivable at period end

Mark-up payable

Abdus Samad A. Habib

Balance receivable at period end

Muhammad Kashif A. Habib

Balance payable at period end

	September 30, 2023	September 30, 2022
	----- Rupees -----	
	3,329,168	23,238
	4,723,973	4,723,973
	472,064	576,799
	438	1,879

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the quarter ended September 30, 2023 (unaudited)

27. FAIR VALUE HIERARCHY

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

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e.

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

	Level 1	Level 2	Level 3	Total
	Amount in Rupees			
As on September 30, 2023				
<i>Financial assets measured at fair value</i>				
Short term investments	3,149,923,244	-	-	3,149,923,244
Long term investments	6,786,830	-	1,209,546,210	1,216,333,040
<i>Non-financial assets measured at fair value</i>				
Investment properties	-	194,500,000	-	194,500,000
As on June 30, 2023				
<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

28. 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 September 30, 2023 were located in Pakistan.

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

For the quarter ended September 30, 2023 (unaudited)

29. GENERAL

29.1 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 October 25, 2023.

29.2 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 September 30, 2023

	Note	(Un audited) September 30, 2023	(Audited) June 30, 2023
----- Rupees -----			
ASSETS			
NON- CURRENT ASSETS			
Property and equipment	3	66,101,706	68,722,457
Right-of-use assets	4	65,935,244	2,279,667
Intangible assets		6,684,465	6,715,626
Long term investments	5	1,216,333,040	1,085,254,068
Investment property	6	443,249,014	450,749,014
Long Term Advances and Deposits	7	373,910,812	507,191,772
		2,172,214,281	2,120,912,604
CURRENT ASSETS			
Short term investments	8	3,149,923,244	2,849,795,546
Trade debts	9	582,347,070	259,690,968
Receivable against margin financing	10	211,790,755	113,367,759
Receivable under margin trading system		13,224,467	11,679,177
Advances, deposits and prepayments	11	63,353,763	40,990,347
Receivable against trading of securities-net		-	77,192,508
Accrued markup on margin financing		24,788,916	21,527,045
Other receivables	12	1,998,316,680	1,274,009,584
Income tax refundable	16	12,104,528	15,111,277
Cash and bank balances	13	1,162,384,172	1,003,132,229
		7,218,233,595	5,666,496,440
		<u>9,390,447,876</u>	<u>7,787,409,044</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized Capital			
75,000,000 (June 2022: 75,000,000) ordinary shares of Rs.10/- each		750,000,000	750,000,000
Issued, subscribed and paid-up capital 65,340,000 (June 30, 2022: 65,340,000) ordinary shares of Rs. 10/each		653,400,000	653,400,000
<i>Capital reserves</i>			
Surplus on revaluation of property		7,835,000	7,835,000
<i>Revenue reserves</i>			
Unappropriated profits		4,497,966,242	4,347,081,897
Total equity		<u>5,159,201,242</u>	<u>5,008,316,897</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liability		1,005,057	918,356
Deferred tax - net		69,149,530	69,149,530
		70,154,587	70,067,886
CURRENT LIABILITIES			
Short term borrowings- secured	14	2,618,491,853	1,617,785,680
Current portion of lease liability		67,880,500	2,108,980
Trade and other payables	15	1,258,142,170	983,851,280
Unclaimed dividend		21,425,487	21,425,487
Payable against trading of securities- net		76,925,613	-
Accrued Markup on Short Term Borrowings		118,226,424	83,852,834
		4,161,092,047	2,709,024,261
CONTINGENCIES AND COMMITMENTS			
	17		
TOTAL EQUITY AND LIABILITIES		<u>9,390,447,876</u>	<u>7,787,409,044</u>

The annexed notes from 1 to 31 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 quarter ended September 30, 2023 (unaudited)

	Note	September 30, 2023	September 30, 2022
		----- Rupees -----	
Operating revenue	18	323,760,299	287,607,528
Realized (loss) / gain on disposal of investments		(9,823,401)	42,574,102
		<u>313,936,898</u>	<u>330,181,630</u>
Net change in unrealized gain / (loss) on investments	19	88,718,271	(212,466,239)
Net change in unrealized gain on investment property		-	233,700,000
		<u>402,655,169</u>	<u>351,415,391</u>
Administrative and operating expenses	20	(150,147,185)	(124,452,478)
Other charges		-	(264,817)
Other operating income	22	61,261,575	12,008,684
		<u>313,769,559</u>	<u>238,706,780</u>
Finance cost	21	(122,557,765)	(138,251,166)
Profit before taxation		<u>191,211,794</u>	<u>100,455,614</u>
Taxation	23	(40,327,449)	(23,011,871)
Profit after taxation		<u>150,884,345</u>	<u>77,443,743</u>
Earning per share - basic & diluted	24	<u>2.31</u>	<u>1.19</u>

The annexed notes from 1 to 31 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 quarter ended September 30, 2023 (unaudited)

	September 30, 2023	September 30, 2022
	----- Rupees -----	
(Loss) / Profit after taxation	150,884,345	77,443,743
Other comprehensive income		
<i>Items that will not be reclassified subsequently to statement of profit or loss</i>		
Net Change in fair value of the investment in equity securities	-	-
Total comprehensive (loss) / income for the period	<u>150,884,345</u>	<u>77,443,743</u>

The annexed notes from 1 to 31 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 quarter ended September 30, 2023 (unaudited)

	Issued, subscribed & paid up capital	Reserves			Sub-total	Total
		Unappropriated profits	Surplus on revaluation of property	Surplus on re-measurement of equity securities at FVOCI		
----- Rupees -----						
Balance as at June 30, 2022 - restated	653,400,000	4,550,390,525	15,432,500	-	4,565,823,025	5,219,223,025
<i>Total comprehensive income for quarter ended September 30, 2022</i>						
- Profit after taxation	-	77,443,743	-	-	77,443,743	77,443,743
- Other comprehensive loss	-	-	-	-	-	-
	-	77,443,743	-	-	77,443,743	77,443,743
Balance as at September 30, 2022	653,400,000	4,627,834,268	15,432,500	-	4,643,266,768	5,296,666,768
Balance as at June 30, 2023	653,400,000	4,347,081,897	7,835,000	-	4,354,916,897	5,008,316,897
Balance as at July 1, 2023	653,400,000	4,347,081,897	7,835,000	-	4,354,916,897	5,008,316,897
Total comprehensive income for the quarter ended September 30, 2023	-	150,884,345	-	-	150,884,345	150,884,345
Balance as at September 30, 2023	653,400,000	4,497,966,242	7,835,000	-	4,505,801,242	5,159,201,242

The annexed notes from 1 to 31 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 quarter ended September 30, 2023 (unaudited)

	Note	September 30,	September 30,
		2023	2022
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		191,211,794	100,455,614
Adjustments for:			
Depreciation on property and equipment	20	3,386,761	4,223,712
Depreciation on right-of-use-asset	20	6,300,226	7,438,948
Amortization of intangible asset	20	31,161	53,278
(Gain) / Loss on re-measurement of short term investments	19	(88,718,271)	212,466,239
(Gain) / Loss on sale of short term investment		12,043,389	(42,574,102)
Loss / (gain) on re-measurement of long term investments		(2,219,988)	-
Unrealized gain on re-measurement of investment property		-	(233,700,000)
Mark up on reverse repo transactions	22	(5,658,590)	-
Dividend income on investment in equity securities	18	(135,023,263)	(1,684,488)
Profit on savings accounts maintained with banks	22	(23,735,590)	-
Recovery of provision against doubtful debts		-	(95,730)
Finance costs	21	122,557,765	138,251,166
		(111,036,400)	84,379,023
Cash generated from operating activities before working capital changes		80,175,394	184,834,637
Effect on cash flow due to working capital changes (Increase)/decrease in current assets			
Short-term investments - net		(221,232,828)	(983,401,895)
Trade debts - consider good		(322,656,102)	(218,433,857)
Receivable against margin financing		(98,422,996)	112,952,308
Receivable under margin trading system		(1,545,290)	(1,238,383)
Receivable against sale of securities-net		77,192,508	-
Deposits and short-term prepayments		(22,363,416)	(33,268,011)
Accrued markup on margin financing		(3,261,871)	(2,790,508)
Other receivables		(646,053,679)	(233,637,459)
Increase/(decrease) in current liabilities			
Trade and other payables		274,290,890	(61,416,055)
Payable against trading of securities- net		76,925,613	(14,216,439)
		(887,127,171)	(1,435,450,299)
Cash used in operations		(806,951,777)	(1,250,615,662)
Taxes paid		(37,320,700)	(10,001,848)
Finance costs paid		(88,184,175)	(75,558,315)
Net cash used in operating activities		(932,456,652)	(1,336,175,825)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		(766,010)	(510,073)
Expenditure on investment property - net		-	(25,671,519)
Proceeds from disposal of investment property		7,500,000	-
Dividends received		86,034,036	1,684,488
Interest received on savings accounts maintained with banks		129,990	-
Long term deposits - net		2,201,988	10,000
Net cash used in investing activities		95,100,004	(24,487,104)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease Rentals against finance lease liability		(4,097,582)	(333,325)
Net cash used in financing activities		(4,097,582)	(333,325)
Net (decrease) in cash and cash equivalents		(841,454,230)	(1,360,996,254)
Cash and cash equivalents at the beginning of the year		(614,653,451)	(1,337,811,951)
Cash and cash equivalents at the end of the year	25	(1,456,107,681)	(2,698,808,205)

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


Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the quarter ended September 30, 2023 (unaudited)

1. STATUS AND NATURE OF BUSINESS

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

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

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

- Karachi	Head office (Registered office)	Arif Habib Centre, 23 M.T. Khan Road, Karachi
- Lahore	Regional office	Office Nos. G-05 & G-06, Ground Floor, LSE Plaza, 19, Khayaban-e-Aiwan-e-Iqbal, Lahore
- Islamabad	Regional office	Office No. 506, 5th Floor, ISE Towers, Jinnah Avenue, Islamabad.
- Peshawar	Regional office	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.
- Rahim Yar Khan	Regional office	Shop No. 2, Basement, Basheer Plaza, Model Town, Rahim Yar Khan

1.4	The Company has following subsidiaries:	Holding %
-	Arif Habib Commodities (Private) Limited	100%

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.

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the quarter ended September 30, 2023 (unaudited)

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 (NRR) and Rahat Residency REIT (RRR) which are carried at fair value; and
- (b) Investment property which is carried at fair value except for residential flats which are under construction as disclosed under note 6.2;
- (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.

3. PROPERTY AND EQUIPMENT

Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- Rupees -----		

Owned assets

3.1 66,101,706 68,722,457

- 3.1 During the period ended September 30, 2023, additions made amounting to Rs. 0.77 million (30 June 2023: Rs. 1.081 million) which comprised of office equipment and computer and allied items. However, no disposals were made during the period.

4. RIGHT-OF-USE ASSETS

Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- Rupees -----		

Opening net book value/cost

2,279,667 32,555,873

Add: Addition during the period / year

- -

Less: Disposal during the period / year

(69,955,803) (1,141,363)

72,235,470 31,414,510

Less: Depreciation charged during the period / year

(6,300,226) (29,134,843)

Closing net book value

4.1 65,935,244 2,279,667

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the quarter ended September 30, 2023 (unaudited)

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

	Principal Office (Karachi)	Regional Office (Peshawar)	Regional Office (Faisalabad)
Lessor name	Rotocast Engineering Co. (Pvt.) Ltd.	Mr. Azmat Hassan Khan	Mr. Ahsan Mahmood
Address of the leased property	Block-B, 2nd Floor, Arif Habib Centre, Plot No. 23, Off. M.T. Khan Road	35 Mall Tower, Peshawar Cantt	Office No. 04, 3rd Floor, Legacy Tower, Koh-e-Noor City
Lease agreement date	July 01, 2023	March 01, 2019	October 10, 2020
Lease commencement date	July 01, 2025	February 01, 2019	October 15, 2020
Initial contractual term of the lease	3 years	5 years	5 years
Availability of extension option?	No	Yes	Yes
No. of years for which the lease extension option is available	N/A	5 years	Indefinite
Estimated lease term (as on the date of commencement of the lease)	3 years	5 years	5 years

5. LONG TERM INVESTMENTS - unquoted

Investment in other entities

Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- Rupees -----		
5.1	1,216,333,040	1,085,254,068
	<u>1,216,333,040</u>	<u>1,085,254,068</u>

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

Unquoted - Equity Instruments

ISE Towers REIT Management Company Limited

Quoted - Equity Instruments

LSE PropTech Limited

LSE Ventures Limited

Unquoted - Debt Instrument

Naya Nazimabad Apartment REIT (NRR)

Signature Residency REIT

Rahat Residency REIT (RRR)

Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- Rupees -----		
5.1.1	22,181,370	22,181,370
	5,604,687	7,585,290
	1,182,144	1,421,528
	6,786,830	9,006,818
	426,440,880	426,440,880
	133,298,960	-
	627,625,000	627,625,000
	1,187,364,840	1,054,065,880
	<u>1,216,333,040</u>	<u>1,085,254,068</u>

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the quarter ended September 30, 2023 (unaudited)

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.

6. INVESTMENT PROPERTY

Open plots of land / offices - at fair value
Residential flats under construction - at cost

Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- Rupees -----		
6.1	194,500,000	202,000,000
6.2	248,749,014	248,749,014
	<u>443,249,014</u>	<u>450,749,014</u>

6.1 Open plots of land / offices - at fair value

Opening carrying amount (at fair value)
Realized gain on disposal

Sale during the year
Less: Reversal of unrealized gain upon sale
Development charges incurred during the period / year

Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- Rupees -----		
	202,000,000	1,576,836,333
	-	1,261,550,827
	<u>202,000,000</u>	<u>2,838,387,160</u>
6.1.2	(7,500,000)	(1,632,575,000)
	-	(1,270,875,827)
	-	12,957,220
	<u>(7,500,000)</u>	<u>(2,890,493,607)</u>
	194,500,000	(52,106,447)
	-	254,106,447
	<u>194,500,000</u>	<u>202,000,000</u>

Net change in unrealized gain during the year

Closing carrying amount

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

Open plots of land:

8 residential plots situated at Naya Nazimabad, Deh Manghopir, Gadap Town, Karachi (a real estate project being managed by M/s. Javedan Corporation Limited, a related party)

Offices:

Offices bearing no. 60, 61, 62, 63 and 64 situated at first floor of the building complex of PSX, office bearing no. 220 situated at Lahore Stock Exchange Plaza and office bearing no. 106 situated in the Lahore Stock Exchange - South Tower.

6.1.2 During the year, the Company also sold office no. 203 & 314 situated in the Lahore Stock Exchange - South Tower at sale consideration of Rs. 7.5 million.

6.2 Residential flats under construction - at cost

This represents the aggregate of the initial down payment and subsequent periodic payments made to M/s. Globe Residency REIT, a related party, in respect of the purchase of 20 residential flats in Globe Residency real estate project situated at Naya Nazimabad, Deh Manghopir, Gadap Town, Karachi. Initially, total agreed purchase consideration of these flats were Rs. 359.800 million which were to be settled in 55 unequal installments of varying frequency. However, during the year ended June 30, 2023, the Company paid lump sum amount of Rs. 146.091 million to avail an upfront payment discount amounting to Rs. 36.051 million.

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

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the quarter ended September 30, 2023 (unaudited)

For financial commitment relating to the above referred periodic payments yet to be made to M/s. Javedan Corporation Limited, please refer note 17.2 to these interim consolidated financial statements.

7. LONG TERM ADVANCES AND DEPOSITS

Advance against equity

- Rayaan Commodities (Private) Limited
- Rahat Residency REIT
- Signature Residency REIT
- Neem Exponential Technology Pte. Limited

Trading deposits

- Pakistan Stock Exchange Limited
- Pakistan Mercantile Exchange Limited
- National Clearing Company of Pakistan Limited

Other security deposits

	(Un-audited) September 30, 2023	(Audited) June 30, 2023
	----- Rupees -----	
	-	-
	325,000,000	325,000,000
	-	133,298,960
	37,000,000	37,000,000
	<u>362,000,000</u>	<u>495,298,960</u>
	700,461	700,461
	9,007,205	9,007,205
	1,250,000	1,250,000
	10,957,666	10,957,666
	953,146	935,146
	<u>373,910,812</u>	<u>507,191,772</u>

8. SHORT TERM INVESTMENTS

At fair value through profit or loss

- Quoted equity securities
- Quoted debt securities

Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
	----- Rupees -----	
8.1	3,078,101,807	2,761,251,468
8.2	71,821,437	88,544,078
	<u>3,149,923,244</u>	<u>2,849,795,546</u>

8.1 Investment in quoted equity securities

Cost of investment

Unrealised loss:

Balance at start of the period / year
Unrealised gain / (loss) for the period

Balance at the end of period / year

	(Un-audited) September 30, 2023	(Audited) June 30, 2023
	----- Rupees -----	
	3,420,636,767	3,179,844,352
	(418,592,884)	(417,666,876)
	76,057,924	(926,008)
	(342,534,960)	(418,592,884)
	<u>3,078,101,807</u>	<u>2,761,251,468</u>

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the quarter ended September 30, 2023 (unaudited)

8.2 Investment in quoted debt securities

Cost of investment

Unrealised gain / (loss) :

Balance as at July 01

Unrealised gain for the period

Balance as at

Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- Rupees -----		
	69,926,454	91,607,707
	(3,063,629)	(610,197)
	4,958,612	(2,453,432)
	1,894,983	(3,063,629)
8.2.1	71,821,437	88,544,078

8.2.1 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.

9. TRADE DEBTS

Gross receivables

Equity brokerage - secured

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) September 30, 2023	(Audited) June 30, 2023
----- Rupees -----		
9.1	1,401,435,070	1,071,758,763
	45,184,735	27,816,750
	85,360,295	109,748,485
	1,531,980,100	1,209,323,998
	(871,827,147)	(871,827,147)
	(5,695,935)	(5,695,935)
	(72,109,948)	(72,109,948)
9.2	(949,633,030)	(949,633,030)
	582,347,070	259,690,968

9.1 Gross receivables - Equity brokerage

9.1.1 These receivables include Rs. 5.32 million (2023: Rs. 0.90 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. 6.6 million (2023: Rs. 275.32 million).

9.1.2 The Company holds capital securities having fair value of Rs. 90,645 million (2023: Rs. 75,027 million) owned by its clients, as collaterals against trade debts.

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the quarter ended September 30, 2023 (unaudited)

9.2 Movement in provision for expected credit losses

Balance at the beginning of the period / year
Charge for the period / year
Balance at the end of the period / year

	(Un-audited) September 30, 2023	(Audited) June 30, 2023
	----- Rupees -----	
	932,575,082	922,272,883
	-	10,302,199
	<u>932,575,082</u>	<u>932,575,082</u>

10. RECEIVABLE AGAINST MARGIN FINANCING

Considered good
Considered doubtful

Less: provision for doubtful receivables

Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
	----- Rupees -----	
	211,790,755	113,367,759
	-	-
10.1	<u>211,790,755</u>	<u>113,367,759</u>
	-	-
	<u>211,790,755</u>	<u>113,367,759</u>

10.1 Margin financing facility is provided to clients on markup basis ranging from 25.00% to 28.50% (2023: 15.00% to 28.50%) per annum.

11. 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

Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
	----- Rupees -----	
11.1	1,243,760	1,243,760
	3,930,201	3,037,496
	3,019,631	1,672,044
	<u>8,193,591</u>	<u>5,953,300</u>
11.2	43,285,028	31,400,253
	5,579,590	2,676,723
	6,295,553	960,071
	<u>63,353,763</u>	<u>40,990,347</u>

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

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

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the quarter ended September 30, 2023 (unaudited)

12. OTHER RECEIVABLES

Receivable from Javedan Corporation Limited - a related party:

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

Amount Receivable as proceeds from sale of investment property to Rahat Residency REIT

Dividend Receivable

Receivable against reverse repo arrangements
Others

Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- Rupees -----		
	5,126,734	5,126,734
	992,000,000	352,000,000
	31,861,054	2,071,785
	<u>1,028,987,788</u>	<u>359,198,519</u>
	804,075,000	804,075,000
	48,989,227	-
	114,455,210	108,796,620
12.1	1,809,455	1,939,445
	<u>1,998,316,680</u>	<u>1,274,009,584</u>

12.1 It represents receivable against profit on saving accounts maintained by the Company, and the return on TFCs.

13. CASH AND BANK BALANCES

Cash in hand
Cash held in central depository company

Cash at bank

- current accounts
- savings accounts

Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- Rupees -----		
	738,285	733,779
	6,674,187	6,674,187
	105,082,921	146,349,940
13.1	<u>1,049,888,779</u>	<u>849,374,323</u>
13.2	1,154,971,700	995,724,263
	<u>1,162,384,172</u>	<u>1,003,132,229</u>

13.1 The return on these balances is 10% to 20% (June 30, 2023: 10% to 19%) per annum on daily product basis.

13.2 Bank balances include customers' bank balances held in designated bank accounts amounting to Rs. 1,093.47 million (June 30, 2023: Rs.946.286 million).

14. SHORT TERM BORROWINGS

From banking companies

- Running finance

From related parties

- Financing facility from Javedan Corporation Limited
- Financing facility from the Sponsor

Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- Rupees -----		
14.1	2,618,491,853	1,617,785,680
14.2	-	-
14.3	-	-
	<u>2,618,491,853</u>	<u>1,617,785,680</u>

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the quarter ended September 30, 2023 (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 (2023: Rs. 6,250 million). These facilities have various maturity dates up to April 22, 2024 (2023: 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% (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 September 30, 2023 amounted to Rs. 7,290.54 million (2023: Rs. 6,602.82 million). Total value of securities pledged with financial institutions, indicating separately securities belonging to customers, is as under:

	September 30, 2023		June 30, 2023	
	Number of securities	Amount (Rupees)	Number of securities	Amount (Rupees)
Clients	134,150,000	3,820,985,000	118,700,000	4,730,847,000
House	127,585,500	3,469,552,210	134,088,000	1,871,972,795
Total	261,735,500	7,290,537,210	252,788,000	6,602,819,795

14.2 Financing facility from Javedan Corporation Limited - unsecured

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

	(Un-audited) September 30, 2023	(Audited) June 30, 2023
	----- Rupees -----	
	-	800,000,000
	-	750,000,000
	-	(1,550,000,000)
	-	-

14.2.1 Financing facility of Rs. 2 billion is available from M/s. Javedan Corporation Limited to finance its working capital requirements. The loan was repayable within 30 days of notice of demand and carries interest at the rate of 3 month KIBOR + 1.75% (payable quarterly).

14.3 Financing facility from the Sponsor

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

	(Un-audited) September 30, 2023	(Audited) June 30, 2023
	----- Rupees -----	
	-	-
	-	2,412,700,000
	-	(2,412,700,000)
	-	-

14.3.1 Financing facility of Rs. 2.2 billion is available from sponsor M/s. Arif Habib which was payable on demand. It carried interest at the rate of 3 month KIBOR + 1%.

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the quarter ended September 30, 2023 (unaudited)

15. TRADE AND OTHER PAYABLES	Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- Rupees -----			
Creditors	15.1	1,093,469,345	876,647,522
Commission payable	15.2	11,135,492	22,477,749
Future profit withheld		86,777,559	6,566,721
Accrued expenses		39,394,001	20,359,414
Advance from customers		768,203	-
Withholding tax payable		14,703,176	24,101,999
Sindh sales tax and federal excise duty payable		2,749,517	934,324
Advance against committed sale of investment property		9,000,000	9,000,000
Payable against reverse repo transaction		-	17,629,267
Other liabilities		144,877	6,134,284
		<u>1,258,142,170</u>	<u>983,851,280</u>

15.1 This includes Rs. 166.62 million (June 30, 2023: Rs. 60.85 million) payable to related parties.

15.2 This includes Rs. 10 million (June 30, 2023: Rs. 12.82 million) payable to related parties.

16. TAXATION - net	Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- Rupees -----			
Income tax payable	16.1	108,476,204	125,523,521
Income tax refundable		<u>(120,580,732)</u>	<u>(140,634,798)</u>
		<u>-12,104,528</u>	<u>-15,111,277</u>

16.1 This includes provision for super tax amounting to Rs. 99.13 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.

17. CONTINGENCY AND COMMITMENTS

17.1 Contingency

There has been no change in the status of the contingent liability as reported in note 23.1 to 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 quarter ended September 30, 2023 (unaudited)

17.2 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) September 30, 2023	(Audited) June 30, 2023
	----- Rupees -----	
	128,612,380	226,651,180
	24,288,694	151,314,528
	750,000,000	750,000,000
	75,000,000	75,000,000

18. 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) September 30, 2023	(Audited) June 30, 2023
	----- Rupees -----	
	105,248,423	82,901,251
	37,522,183	23,272,266
	10,535,976	11,578,912
	22,000,868	143,886,378
	10,642,327	17,674,356
	135,023,263	1,684,488
	2,787,259	6,609,878
	323,760,299	287,607,528

19. NET CHANGE IN UNREALIZED LOSS ON INVESTMENTS

- Long term investments
- Short term investments

Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
	----- Rupees -----	
	(2,219,988)	-
8.1 & 8.2	90,938,259	(212,466,239)
	88,718,271	(212,466,239)

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the quarter ended September 30, 2023 (unaudited)

20. ADMINISTRATIVE AND OPERATING EXPENSES

Salaries and other benefits
Motor vehicle and travelling expense
Building maintenance
Depreciation on right-of-use assets
Man power services
Communication
CDC and clearing house charges
Depreciation on property and equipment
Fees and subscription
Insurance
Legal and professional charges
Donation
Others
Repairs and maintenance
Conveyance and meals
Business representation
Meeting expenses
Printing and stationery
Rent, rates and taxes
Auditors' remuneration
Advertisement and business promotion
Amortization on intangible assets

Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- Rupees -----		
20.1	83,422,408	60,064,897
	13,829,113	13,345,226
	5,549,228	5,076,263
	6,300,226	7,438,948
20.2	4,214,800	4,228,134
	6,354,229	5,622,133
	4,884,248	4,816,623
	3,386,761	4,223,712
	667,992	3,208,006
	2,953,508	1,689,679
	6,043,505	5,905,206
	-	3,182,000
	5,073,225	1,795,633
	1,539,194	920,450
	1,461,626	1,087,719
	849,906	1,212,931
	300,000	300,000
	2,084,545	218,615
	191,510	50,025
	1,010,000	-
	-	13,000
	31,161	53,278
	<u>150,147,185</u>	<u>124,452,478</u>

20.1 Salaries and other benefits

Salaries and other benefits
Commission

	(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- Rupees -----		
	46,027,064	47,885,568
	37,395,344	12,179,329
	<u>83,422,408</u>	<u>60,064,897</u>

20.2 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 quarter ended September 30, 2023 (unaudited)

21.	FINANCE COSTS	Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
		----- Rupees -----		
	Markup on short term borrowings	21.1	113,291,932	133,825,409
	Other finance costs	21.2	9,262,075	4,425,757
			<u>122,554,007</u>	<u>138,251,166</u>
21.1	Markup on short term borrowings		(Un-audited) September 30, 2023	(Audited) June 30, 2023
		----- Rupees -----		
	Markup on borrowing from banking companies		113,291,932	99,127,108
	Markup on borrowing from related parties:			
	- M/s. Javedan Corporation Limited		-	34,698,301
	- M/s. Arif Habib Corporation Limited		-	-
	- Mr. Arif Habib		-	-
			-	34,698,301
			<u>113,291,932</u>	<u>133,825,409</u>
21.2	Other finance costs		(Un-audited) September 30, 2023	(Audited) June 30, 2023
		----- Rupees -----		
	Finance cost on lease liability		3,469,303	413,045
	Markup on MTS securities		428,540	543,654
	Bank charges		4,626,409	2,753,191
	Guarantee charges to Arif Habib Corporation		741,581	715,867
			<u>9,265,833</u>	<u>4,425,757</u>
22.	OTHER INCOME		(Un-audited) September 30, 2023	(Audited) June 30, 2023
		----- Rupees -----		
	Markup on reverse repo transaction		5,658,590	-
	Profit on savings accounts		23,735,590	11,065,264
	Markup on loan to related party		29,789,269	-
	Markup on margin trading deposits		744,875	-
	Profit on exposure deposit		1,333,251	786,927
	Other Income		-	156,493
			<u>61,261,575</u>	<u>12,008,684</u>

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the quarter ended September 30, 2023 (unaudited)

23. TAXATION	(Un-audited) September 30, 2023	(Audited) June 30, 2023
	----- Rupees -----	
Current tax	40,327,449	23,011,871
- for the year	-	-
- for prior year	40,327,449	23,011,871
Deferred	-	-
	<u>40,327,449</u>	<u>23,011,871</u>

24. EARNINGS PER SHARE	(Un-audited) September 30, 2023	(Audited) June 30, 2023
	----- Rupees -----	
24.1 Basic earnings per share		
Profit after taxation attributable to ordinary shareholders	<u>150,884,345</u>	<u>77,443,743</u>
	---- Number of shares ----	
Weighted average number of ordinary shares outstanding during the period	<u>65,340,000</u>	<u>65,340,000</u>
	----- Rupees -----	
Earnings per share - basic	<u>2.31</u>	<u>1.19</u>
24.2 Diluted earnings per share		
There is no dilutive effect on the basic earnings per share of the Company, since there were no potential ordinary shares in issue as at the reporting dates.		

25. CASH AND CASH EQUIVALENTS	(Un-audited) September 30, 2023	(Audited) June 30, 2023
	----- Rupees -----	
Cash and bank balances	1,162,384,172	1,045,137,486
Bank balance included in the disposal group held for sale	-	20,916,041
Short term borrowings	<u>(2,618,491,853)</u>	<u>(3,764,861,732)</u>
	<u>(1,456,107,681)</u>	<u>(2,698,808,205)</u>

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

For the quarter ended September 30, 2023 (unaudited)

26. RELATED PARTY TRANSACTIONS AND BALANCES

Name of the related party, Relationship with Company
and Nature of Transaction

Period Ended
September 30, September 30,
2023 2022
----- Rupees -----

PARENT COMPANY

Arif Habib Corporation Limited
*Brokerage Commission earned during the period on sale and
purchase of Securities*
Guarantee Commission

421,135 1,191,489
741,581 715,867

GROUP COMPANIES

Javedan Corporation Limited
Mark-up on loan paid / payable
Loan extended
Mark-up income on loan extended

- 34,698,301
470,000,000 -
29,789,269 -

Arif Habib Equity (Pvt) Ltd.
*Brokerage Commission earned during the period on sale and
purchase of Securities*

857,821 139,726

Rotocast Engineering Co. (Pvt) Limited
*Brokerage Commission earned during the period on sale and
purchase of Securities*
Rent paid

- 124,725
7,240,486 -

Globe Residency REIT
Dividend Income

48,989,227 -

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the quarter ended September 30, 2023 (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)

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

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

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

	Period Ended	
	September 30, 2023	September 30, 2022
	----- Rupees -----	
	11,125	10,556
	50,000	50,000
	3,220,191	2,307,565
	134,967	59,872
	75,000	75,000
	75,000	75,000
	-	-
	50,000	50,000
	19,769	125,000
	50,000	50,000
	16,662	-
	1,747,450	1,524,593
	31,325	170,874
	6,500	-
	2,622,664	2,721,146

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

For the quarter ended September 30, 2023 (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

GROUP COMPANIES

Javedan Corporation Limited

Balance receivable at period end

Receivable against sale of investment property

Loan receivable

Mark-up receivable

Arif Habib Dolmen REIT Management Ltd.

Balance payable at period end

OTHER RELATED PARTIES

Rotucast Engineering Co. (Pvt) Limited

Balance receivable at period end

Arif Habib Equity (Pvt) Ltd.

Balance receivable at period end

Balance payable at period end

Globe Residency REIT

Advance against committed sale of investment property

Dividend Receivable

Signature Residency REIT

Units receivable of REIT

Rahat Residency REIT

Units receivable of REIT

Amount receivable

	September 30, 2023	September 30, 2022
	----- Rupees -----	
	34,080	35,692
	741,581	688,306
	267,692	244,692
	5,126,734	5,126,734
	992,000,000	352,000,000
	31,861,054	2,071,785
	44	44
	19,626	13,978
	830,014	-
	-	7,895,397
	248,749,014	248,749,014
	48,989,227	-
	-	133,298,960
	325,000,000	325,000,000
	804,075,000	804,075,000

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the quarter ended September 30, 2023 (unaudited)

KEY MANAGEMENT PERSONNEL

Zafar Alam (Chairman)

Balance payable at period end

Balance receivable at period end

Meeting fee payable

Muhammad Shahid Ali (CEO)

Balance payable at period end

Sharmin Shahid (Director)

Balance receivable at period end

Meeting fee payable

Nida Ahsan (Director)

Balance receivable at period end

Balance payable at period end

Meeting fee payable

Muhammad Haroon (Director)

Balance payable at period end

Meeting fee payable

Muhammad Sohail Salat (Director)

Meeting fee payable

Balance receivable at period end

Mohsin Madni (Director)

Balance payable at period end

September 30,
2023

September 30,
2022

----- Rupees -----

-

3,726

531

-

50,000

50,000

166,194,643

60,409,046

14,399

4,186

50,000

50,000

-

684

176,893

24,641

50,000

50,000

20,826

302,869

75,000

75,000

75,000

75,000

1,199

1,199

243,111

109,517

CLOSE FAMILY MEMBERS OF KEY MANAGEMENT PERSONNEL

Arif Habib

Balance receivable at period end

Mark-up payable

Abdus Samad A. Habib

Balance receivable at period end

Muhammad Kashif A. Habib

Balance payable at period end

September 30,
2023

September 30,
2022

----- Rupees -----

3,329,168

23,238

4,723,973

4,723,973

472,064

576,799

438

1,879

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the quarter ended September 30, 2023 (unaudited)

27. FAIR VALUE HIERARCHY

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

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e.

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

	Level 1	Level 2	Level 3	Total
	----- Amount in Rupees -----			
As on September 30, 2023				
<i>Financial assets measured at fair value</i>				
Short term investments	3,149,923,244	-	-	3,149,923,244
Long term investments	6,786,830	-	1,209,546,210	1,216,333,040
<i>Non-financial assets measured at fair value</i>				
Investment properties	-	194,500,000	-	194,500,000
As on June 30, 2023				
<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

28. 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 September 30, 2023 were located in Pakistan.

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

For the quarter ended September 30, 2023 (unaudited)

29. GENERAL

29.1 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 October 25, 2023.

29.2 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 September 30, 2023

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
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			
	1	23,916	0.04
Modarabas and Mutual Funds			
	1	3,850	0.01
General Public			
a) Local	3,359	15,589,432	23.86
a) Foreign	48	173,611	0.27
Foreign Companies	-	-	-
Others	43	1,819,307	2.78
Totals	3,560	65,340,000	100.00

Share Holder Holding 10% or more	Shares Held	Percentage
M/S ARIF HABIB CORPORATION	47,648,522	72.92