

CONTINUING
THE LEGACY
LEADERSHIP



Half Yearly Report
December 31, 2023

AWARDS & RECOGNITION



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 Brokerage House – 2023
International Finance

Best Securities House – 2022
AsiaMoney



Best Investment Bank – 2022
AsiaMoney



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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 second quarter and half year ended December 31, 2023.

Economic Review:

In the second quarter of the fiscal year 2024, Pakistan's economy staged a recovery and growth trajectory. Bolstered by a 2.13% increase in the GDP in first quarter of current fiscal year, a substantial improvement from the previous year's 0.96%, the performance was particularly pronounced in agriculture (5.06%), industry (2.48%), and services (0.82%). Despite a contraction of 0.80% in the Large-Scale Manufacturing sector during the first five months, the standout achievement was the transformation of the current account, swinging from a billion-dollar deficit to a surplus of USD 198mn in the outgoing quarter of FY24. This marked only the fourth instance of a quarterly current account surplus in the last four years. The positive shift was attributed to domestic demand compression and lower commodity prices, leading to an impressive reduction in the current account deficit to USD 831mn 1HFY24, showcasing a remarkable USD 2.8bn improvement. On the international front, a staff-level agreement with the International Monetary Fund (IMF) under Pakistan's Stand-By Arrangement (SBA) was reached, promising access to around USD 700mn. Meanwhile, the Pakistani Rupee appreciated by 2.1% against the USD in 2QFY24, supported by the State Bank of Pakistan's improved reserves, which rose from USD 7.6bn to USD 8.23bn. However, persistent challenges surfaced in the form of elevated headline inflation, averaging 28.8% in 1HFY24, prompting the State Bank of Pakistan to maintain the interest rate at a substantial 22% by the end of the same period. Despite challenges, the overall economic narrative for the outgoing quarter paints a picture of resilience and positive growth, setting the stage for continued economic vibrancy.

Stock Market Performance

During 1HFY24, the PSX market reached unprecedented heights (KSE-100 creating a new high of 66,427 points) on account of i) Stand-by Arrangement (SBA) facility of USD 3bn secured from the IMF, ii) inflows/roll-overs from friendly countries and international financial institutions, iii) the establishment of the SIFC to attract foreign direct investment, iv) hike in electricity and gas tariff by Govt. to curtail the circular debt, v) administrative measures by the authorities aimed at curbing illegal foreign currency and preventing further depreciation of PKR, and vi) anticipation of inflation and interest rate peeking out. The Pak Rupee after witnessing an all-time low of PKR 307.10 against USD on 5th Sep'23, closed the period at PKR 281.86. Whereas the State Bank kept the policy rate unchanged at 22%.

During 1HFY24, the benchmark KSE-100 index closed at 62,451 points, up by 54.50% / 22,031 points YoY, which took the USD-based return to 24.12%. The average volumes and value increased by 118% (478mn shares) and 69.9% (USD 60mn) YoY, respectively.

The upside to the index during 1HFY24 was led by the; i) Commercial Banks (5,574pts), ii) E&P (2,161pts), iii) Power (2,110pts), iv) Fertilizer (1831pts), and v) Cement (1600pts).

During 1HFY24, foreign net inflows were seen in the local bourse at USD 71.0mn (2QFY24: net inflows of USD 49.1mn) compared to a net outflow of USD 0.93mn (2QFY23: Net outflow USD 17.6mn) during same period last year. Buying was primarily witnessed in; i) Commercial Banks (USD 24.1mn), ii) Power Generation (USD 15.1mn), iii) Cements (USD 14.8mn), iv) Fertilizer (USD 7.0mn), and v) OMC's (USD 6.74mn).

Your Company's Performance

During the period under review, your Company has performed exceptionally well and achieved strong profitability during the 1HFY24. During the period under review, your Company has posted after tax profit 973.70 million (1HFY23: loss of PKR 33.44 million) due to a gain in investment portfolio owing to favorable market conditions. The equity of your Company as at the balance sheet date is PKR 5.80 billion (June 2023: PKR 4.99 billion), which translates into book value per share of PKR 88.84 (June 30, 2023: PKR 76.43)

During the half year ended December 31, 2023, the brokerage division revenue increased by 69% from the same period last year and posted a total brokerage revenue of PKR 300.93 million (1HFY23: PKR 178.52 million). The investment banking division faced a decline in revenues, as there were no IPOs and low price earnings multiples.

The short term investment portfolio posted an exceptional performance and has recorded massive realized and unrealized gains of PKR 756.46 million (1HFY23: Loss of PK 156.84 million) resulting in an overall increase of 582% from the same period last year.

AHL is continuously working to improve its services and has invested in technology and workforce to better serve its customers which has resulted in higher fixed cost. In addition, due to rising inflationary pressures, cost of running the business have increased resulting in 8.9% rise in operating expenses. Further, some of the compensation for the brokerage team is also linked to the revenues generated for the Company, this variable compensation has increased in view of the increase in related revenues. During the said period, our financing costs have decreased due to effective management of funds by the Company and amounted to PKR 225 million (1HFY23: PKR 321 million).

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

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

Acknowledgement

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

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

For and on behalf of the Board of Directors,



Muhammad Shahid Ali Habib
Chief Executive Officer and Director



Zafar Alam
Chairman

Karachi.
Dated: January 22, 2024

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARIF HABIB LIMITED

Report on Review of Condensed Interim Unconsolidated Financial Statements

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of M/s. Arif Habib Limited ("the Company") as at December 31, 2023 and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity, and condensed interim unconsolidated statement of cash flows and notes thereto for the six-month period then ended (here-in-after referred to as the "unconsolidated interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated interim financial statements based on our review.

Scope of review

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

As part of our engagement, we were only required to review the cumulative figures for the six-month period ended December 31, 2023. Accordingly, we have not reviewed the figures in the condensed interim unconsolidated statement of profit or loss and the condensed interim unconsolidated statement of comprehensive income for the three-month period ended December 31, 2023.

Emphasis of Matter – Scheme of Arrangement

Without modifying our conclusion, we draw attention to note 1.5 to the unconsolidated interim financial statements which states that the members of the Company and those of its parent concern, M/s. Arif Habib Corporation Limited ('AHCL'), have, in their respective Extraordinary General Meetings (EGMs) held on December 26, 2023, approved a Scheme of Arrangement which entails the separation of the Company into two distinct segments (referred to as the 'Demerged Undertaking' and the 'Retained Undertaking' in the said Scheme) and the merger of the Demerged Undertaking into AHCL with effect from July 01, 2023. As further disclosed in the said note, the implementation of the Scheme is, however, contingent upon obtaining the necessary approvals from various parties, including the Company's creditors, the Securities and Exchange Commission of Pakistan, and the High Court having jurisdiction and, accordingly, the potential financial effects of the Scheme have not yet been incorporated in the unconsolidated interim financial statements.

Conclusion

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

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



RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi

Date: January 24, 2024

UDIN: RR2023102133GuUheJR

CONDENSED INTERIM
UNCONSOLIDATED STATEMENT
OF **FINANCIAL POSITION**

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2023

	(Un audited) December 31, 2023	(Audited) June 30, 2023
Note	----- Rupees -----	
ASSETS		
NON- CURRENT ASSETS		
Property and equipment	3 62,650,923	67,118,424
Right-of-use assets	4 76,358,526	2,279,667
Intangible assets	5,653,304	5,715,626
Long term investments	5 1,251,708,833	1,123,254,068
Investment property	6 443,149,014	450,749,014
Long term advances and deposits	366,907,607	500,184,567
	<u>2,206,428,207</u>	<u>2,149,301,366</u>
CURRENT ASSETS		
Short term investments	7 3,407,746,023	2,849,795,546
Trade debts	8 277,202,558	259,690,968
Receivable against margin financing - secured, considered good	145,780,066	113,367,759
Advances, deposits and prepayments	9 242,770,811	38,549,929
Receivable against trading of securities-net	4,125,819	77,192,508
Accrued markup on margin financing	15,584,368	21,527,045
Other receivables	10 811,056,589	1,273,270,139
Income tax refundable	11 31,987,980	15,457,413
Cash and bank balances	12 2,023,073,042	987,078,274
	<u>6,959,327,256</u>	<u>5,635,929,581</u>
TOTAL ASSETS	<u>9,165,755,463</u>	<u>7,785,230,947</u>
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorized Capital		
75,000,000 (June 2023: 75,000,000) ordinary shares of Rs.10/- each	<u>750,000,000</u>	<u>750,000,000</u>
Issued, subscribed and paid-up capital	653,400,000	653,400,000
65,340,000 (June 30, 2023: 65,340,000) ordinary shares of Rs. 10/- each		
<i>Capital reserves</i>		
Surplus on revaluation of property	7,835,000	7,835,000
<i>Revenue reserves</i>		
Unappropriated profits	5,143,371,631	4,333,017,286
Total equity	<u>5,804,606,631</u>	<u>4,994,252,286</u>
LIABILITIES		
NON-CURRENT LIABILITIES		
Lease liability	61,389,919	918,356
Deferred tax - net	13 32,765,840	69,149,530
	94,155,759	70,067,886
CURRENT LIABILITIES		
Short term borrowings- secured	14 1,076,766,155	1,617,785,680
Current portion of lease liability	22,803,982	2,108,980
Trade and other payables	15 2,048,296,136	995,737,794
Unclaimed dividend	22,156,214	21,425,487
Accrued markup on short term borrowings	96,970,586	83,852,834
	3,266,993,073	2,720,910,775
CONTINGENCIES AND COMMITMENTS	16	
TOTAL EQUITY AND LIABILITIES	<u>9,165,755,463</u>	<u>7,785,230,947</u>

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


Chief Executive Officer


Director


Chief Financial Officer

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

For the six months and quarter ended December 31, 2023 (unaudited)

	Note	Quarter ended			
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
		----- Rupees -----		----- Rupees -----	
Operating revenue	17	679,285,240	831,254,054	365,919,085	556,513,108
Realized (loss) / gain on disposal of investments		(7,738,735)	(268,777,938)	2,084,666	(311,352,040)
Realized gain on disposal of investment property		649,029	-	-	-
		<u>672,195,534</u>	<u>562,476,116</u>	<u>368,003,751</u>	<u>245,161,068</u>
Net change in unrealized gain / loss on investments	18	764,296,657	(121,762,318)	675,578,386	90,703,921
Net change in unrealized (loss) / gain on investment property		(749,029)	233,700,000	(749,029)	-
		<u>1,435,743,162</u>	<u>674,413,798</u>	<u>1,042,833,108</u>	<u>335,864,989</u>
Administrative and operating expenses	19	(335,452,885)	(308,145,834)	(196,519,790)	(190,467,884)
Other charges		(1,854,955)	(19,265,018)	(1,854,955)	(19,265,018)
Other operating income	21	121,611,434	43,002,924	61,903,047	32,100,178
		<u>1,220,046,756</u>	<u>390,005,870</u>	<u>906,361,410</u>	<u>158,232,265</u>
Finance costs	20	(225,573,050)	(321,608,815)	(103,019,043)	(183,362,384)
Profit / (loss) before taxation		<u>994,473,706</u>	<u>68,397,055</u>	<u>803,342,367</u>	<u>(25,130,119)</u>
Taxation	22	(20,769,361)	(101,835,392)	19,406,973	(79,164,340)
Profit / (loss) after taxation		<u>973,704,345</u>	<u>(33,438,337)</u>	<u>822,749,340</u>	<u>(104,294,459)</u>
Earnings / (loss) per share - basic & diluted	23	<u>14.90</u>	<u>(0.51)</u>	<u>12.59</u>	<u>(1.60)</u>

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


Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

For the six months and quarter ended December 31, 2023 (unaudited)

	Six Months ended		Quarter ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	----- Rupees -----		----- Rupees -----	
Profit / (loss) after taxation	973,704,345	(33,438,337)	822,749,340	(104,294,459)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	<u>973,704,345</u>	<u>(33,438,337)</u>	<u>822,749,340</u>	<u>(104,294,459)</u>

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


Chief Executive Officer


Director


Chief Financial Officer

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

For the six months and quarter ended December 31, 2023 (unaudited)

	Issued, subscribed & paid up capital	Reserves			Total
		Unappropriated profits	Surplus on revaluation of property	Sub-total	
----- Rupees -----					
Balance as at June 30, 2022	653,400,000	4,532,787,684	15,432,500	4,548,220,184	5,201,620,184
<i>Total comprehensive income for the six months ended December 31, 2022</i>					
- Loss after taxation	-	(33,438,337)	-	(33,438,337)	(33,438,337)
- Other comprehensive income	-	-	-	-	-
	-	(33,438,337)	-	(33,438,337)	(33,438,337)
<i>Transaction with owners</i>					
- Cash dividend paid @ 60% for the year ended June 30, 2022	-	(392,040,000)	-	(392,040,000)	(392,040,000)
	-	(392,040,000)	-	(392,040,000)	(392,040,000)
Balance as at December 31, 2022	653,400,000	4,107,309,347	15,432,500	4,122,741,847	4,776,141,847
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
<i>Total comprehensive income for the six months ended December 31, 2023</i>					
- Profit after taxation	-	973,704,345	-	973,704,345	973,704,345
- Other comprehensive income	-	-	-	-	-
	-	973,704,345	-	973,704,345	973,704,345
<i>Transaction with owners</i>					
- Cash dividend paid @ 25% for the year ended June 30, 2023	-	(163,350,000)	-	(163,350,000)	(163,350,000)
	-	(163,350,000)	-	(163,350,000)	(163,350,000)
Balance as at December 31, 2023	653,400,000	5,143,371,631	7,835,000	5,151,206,631	5,804,606,631

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


Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS

For the six months and quarter ended December 31, 2023 (unaudited)

	Note	December 31, 2023	December 31, 2022
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		994,473,706	68,397,055
Adjustments for:			
Depreciation on property and equipment	19	6,642,960	8,473,356
Depreciation on right-of-use-asset	19	13,444,486	14,801,017
Amortization of intangible asset	19	62,322	108,806
Gain on Termination of lease	21	-	(229,512)
Loss on disposal of property and equipment		302,588	-
(Gain) / loss on re-measurement of short term investments	18	(769,140,852)	121,762,318
(Gain) / loss on sale of short term investment		7,738,735	268,777,938
Loss / (gain) on re-measurement of long term investments		4,844,195	-
Provision for expected credit losses		1,854,955	19,265,018
Unrealized gain on re-measurement of investment property		749,029	(233,700,000)
Realized gain on disposal of investment property		(649,029)	-
Mark up on reverse repo transactions	21	(7,921,244)	(6,441,240)
Dividend income on investment in equity securities	17	(190,380,649)	(179,021,385)
Profit on savings accounts maintained with banks	21	(73,617,633)	(33,975,420)
Finance costs	20	225,573,050	321,608,815
		<u>(780,497,087)</u>	<u>301,429,711</u>
Cash generated from operating activities before working capital changes		213,976,619	369,826,766
Effect on cash flow due to working capital changes			
(Increase) / decrease in current assets			
Short-term investments - net		203,451,640	57,841,851
Trade debts - consider good		(17,511,590)	(130,983,763)
Receivable against margin financing		(32,412,307)	166,395,300
Receivable against sale of securities-net		73,066,689	(263,401,786)
Receivable under margin trading system		(204,220,882)	3,758,832
Deposits and short-term prepayments		5,942,677	(6,146,977)
Accrued markup on margin financing		540,480,541	5,148,470
Other receivables			
Increase/(decrease) in current liabilities		1,052,558,342	531,380,784
Trade and other payables		-	(21,078,278)
Payable against trading of securities- net			
		<u>1,621,355,110</u>	<u>342,914,433</u>
Cash used in operations		1,835,331,729	712,741,199
Taxes paid		(73,683,618)	(89,662,968)
Finance costs paid		(203,500,258)	(277,217,308)
Net cash used in operating activities		<u>1,558,147,853</u>	<u>345,860,923</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		(2,798,047)	(371,730)
Proceeds from disposal of investment property		7,500,000	-
Expenditure on investment property - net		-	(31,548,011)
Proceed from disposal of property and equipment		320,000	-
Dividends received		190,380,649	179,021,385
Interest received on savings accounts maintained with banks		1,416,931	10,192,861
Long term deposits - net		(22,000)	(1,889,242)
Net cash used in investing activities		<u>196,797,533</u>	<u>155,405,263</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease Rentals against finance lease liability		(15,311,820)	(15,718,797)
Dividend paid		(162,619,273)	(389,323,677)
Net cash used in from financing activities		<u>(177,931,093)</u>	<u>(405,042,474)</u>
Net increase in cash and cash equivalents		1,577,014,293	96,223,712
Cash and cash equivalents at the beginning of the year		(630,707,406)	(1,363,636,627)
Cash and cash equivalents at the end of the year	24	<u>946,306,887</u>	<u>(1,267,412,915)</u>

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


Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the six months ended December 31, 2023 (Un-audited)

1. STATUS AND NATURE OF BUSINESS

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

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

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

- Karachi Head office (Registered office)	Arif Habib Centre, 23 M.T. Khan Road, Karachi
- Lahore Regional office	Office Nos. G-05 & G-06, Ground Floor, LSE Plaza, 19, Khayaban-e-Aiwan-e-Iqbal, Lahore
- Islamabad Regional office	Office No. 506, 5th Floor, ISE Towers, Jinnah Avenue, Islamabad.
- Peshawar Regional office	Shops No. F16, and F17, 1st Floor, The Mall Tower, Peshawar Cantt.
- Multan Regional office	Office # 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 %

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

1.5 The shareholders of Arif Habib Limited (the Company) and its holding company, Arif Habib Corporation Limited (AHCL), in their respective Extraordinary General Meetings (EGMs) convened on December 26, 2023, overwhelmingly approved The Scheme of Arrangement dated November 17, 2023 (Scheme). This Scheme was meticulously crafted in compliance with the provisions outlined in Sections 279 to 283 and 285 of the Companies Act, 2017. The primary objective of the scheme is to effectuate the bifurcation and separation of the Company, into two distinct segments, namely the Demerged Undertaking and the Retained Undertaking (as defined under the Scheme of Arrangement). Simultaneously, it entails the merger, through amalgamation, of the Demerged Undertaking into AHCL, effective from July 1, 2023.

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

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

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the six months ended December 31, 2023 (Un-audited)

Had the Scheme of Arrangement being implemented successfully as mentioned above, the condensed interim unconsolidated statement of financial position and condensed interim unconsolidated statement of profit or loss would have following changes:

Changes in condensed interim unconsolidated statement of financial position

	(Un-audited) December 31, 2023
<i>Decrease / (Increase) in assets</i>	
Long term investment	1,187,364,840
Investment property	404,249,014
Long term advances and deposits	325,000,000
Short term investments	2,909,986,327
Receivable against trading of securities - net	(43,785,224)
Other receivables	804,729,856
Income tax refundable	(8,516,606)
	<u>5,579,028,207</u>
<i>Increase / (Decrease) in liabilities</i>	
Deferred tax - net	29,842,031
Short term borrowings	551,893,875
Trade and other payables	9,000,000
Accrued markup on short term borrowings	45,855,967
	<u>636,591,873</u>
Decrease in equity - unappropriated profit	<u>(4,942,436,334)</u>
	<u>-</u>
<i>Changes in condensed interim unconsolidated statement of profit or loss</i>	
<i>Decrease in operating revenue</i>	
Dividend income on investment in equity securities	185,362,349
<i>Decrease in realized loss on disposal of investments</i>	
<i>Decrease in unrealized gain on investments</i>	(59,457,511)
	<u>770,138,780</u>
	<u>710,681,269</u>
	896,043,618
	<u>(19,341,440)</u>
<i>Decrease in administrative and operating expenses</i>	
<i>Decrease in other operating income</i>	
Markup on loan to Javedan Corporation Limited	37,320,099
<i>Decrease in finance cost</i>	
Markup on short term borrowings	(152,283,310)
	<u>761,738,967</u>
<i>Decrease in taxation</i>	
Current	(31,241,357)
Deferred	42,271,438
	<u>11,030,081</u>
	<u>772,769,048</u>
<i>Decrease in earnings per share - basic & diluted</i>	<u>11.83</u>

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

For the six months ended December 31, 2023 (Un-audited)

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

2.1 Statement of compliance with the applicable accounting and reporting standards

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

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

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

These interim financial statements do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2023.

2.2 Basis of measurement of items in these interim financial statements

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

- (a) Long term investments in ISE Tower REIT Management Limited, LSE Proptech Limited, LSE Ventures Limited, Naya Nazimabad Apartment REIT, Rahat Residency REIT and Signature Residency REIT which are carried at fair value;
- (b) Investment property which is carried at fair value (except for residential flats which are under construction as disclosed under note 6.2); and
- (c) Short term investments in quoted equity securities and corporate debt securities which are carried at fair value.

2.3 Functional and presentation currency

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

2.4 Judgments and sources of estimation uncertainty

In preparing these interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied in the annual unconsolidated financial statements of the Company as at and for the year ended June 30, 2023.

2.5 Significant accounting policies

The significant accounting policies applied in the preparation of these interim financial statements are the same as those applied in the preparation of the annual unconsolidated financial statements of the Company for the year ended June 30, 2023.

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the six months ended December 31, 2023 (Un-audited)

3. PROPERTY AND EQUIPMENT

Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
----- Rupees -----		
3.1	<u>62,650,923</u>	<u>67,118,424</u>

Owned assets

3.1 During the period ended December 31, 2023, additions made amounting to Rs. 2.8 million (30 June 2023: Rs. 0.48 million) which mainly comprised of office equipment and computer and allied items and disposal amounting to Rs. 0.63 million (written down value) which comprises of office equipments.

4. RIGHT-OF-USE ASSETS

Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
----- Rupees -----		
	2,279,667	32,555,873
4.1	87,523,345	-
	-	(1,141,363)
	<u>89,803,012</u>	<u>31,414,510</u>
	(13,444,486)	(29,134,843)
	<u>76,358,526</u>	<u>2,279,667</u>

Opening net book value

Add: Addition during the period / year

Less: Disposal during the period / year

Less: Depreciation charged during the period / year

Closing net book value

4.1 During the period, the Company made new agreement with Rotocast Engineering Co. (Private) Limited for the lease of Principal office in Karachi for the lease period of 3.5 year. The lease period commence from July 01, 2023.

5. LONG TERM INVESTMENTS - unquoted

Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
----- Rupees -----		
	38,000,000	38,000,000
5.1	<u>1,213,708,833</u>	<u>1,085,254,068</u>
	<u>1,251,708,833</u>	<u>1,123,254,068</u>

Investment in subsidiaries

- Rayaan Commodities (Private) Limited

Investment in other entities

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the six months ended December 31, 2023 (Un-audited)

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)

Rahat Residency REIT (RRR)

Signature Residency REIT (SRR)

Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
----- Rupees -----		
5.1.1	21,256,899	22,181,370
5.1.2	1,066,885	1,421,528
5.1.2	4,020,208	7,585,290
5.1.3	426,440,880	426,440,880
5.1.3	627,625,000	627,625,000
5.1.3	133,298,960	-
	<u>1,213,708,833</u>	<u>1,085,254,068</u>

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

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

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

6. INVESTMENT PROPERTY

Open plots of land / offices - at fair value

Residential flats under construction - at cost

Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
----- Rupees -----		
6.1	194,400,000	202,000,000
6.2	248,749,014	248,749,014
	<u>443,149,014</u>	<u>450,749,014</u>

6.1 Open plots of land / offices - at fair value

Opening carrying amount (at fair value)

Development charges incurred during the period / year

Sale during the year

Realized gain on disposal

Less: Reversal of unrealized gain upon sale

Net change in unrealized gain during the year

Closing carrying amount

(Un-audited) December 31, 2023	(Audited) June 30, 2023
----- Rupees -----	
202,000,000	1,576,836,333
-	12,957,220
<u>202,000,000</u>	<u>1,589,793,553</u>
(7,500,000)	(1,632,575,000)
649,029	1,261,550,827
(749,029)	(1,270,875,827)
<u>(7,600,000)</u>	<u>(1,641,900,000)</u>
-	254,106,447
<u>194,400,000</u>	<u>202,000,000</u>

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the six months ended December 31, 2023 (Un-audited)

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

<i>Open plots of land:</i>	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)
<i>Offices:</i>	Offices bearing no. 60, 61, 62, 63 and 64 situated at first floor of the building complex of PSX, office bearing no. 220 situated at Lahore Stock Exchange Plaza and offices bearing no. 106 situated in the Lahore Stock Exchange - South Tower.

6.1.2 The valuation of the investment property was carried out on July 18, 2023 by an independent external property valuer having appropriate recognised qualification and relevant experience and according to which the aggregate fair value and forced sale value of the properties are stated below:

	Fair Value		Forced Sale Value	
	2023	2022	2023	2022
	----- Rupees -----			
<i>- at fair value</i>				
Residential plots	155,500,000	155,500,000	124,400,000	124,400,000
Offices	13,000,000	20,500,000	11,050,000	17,425,000
<i>- at committed sale price</i>				
Committed to sale office	26,000,000	26,000,000	N/A	N/A
	<u>194,500,000</u>	<u>202,000,000</u>	<u>135,450,000</u>	<u>141,825,000</u>

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 financial statements.

7. SHORT TERM INVESTMENTS

At fair value through profit or loss

	Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
		----- Rupees -----	
Quoted equity securities	7.1	3,239,172,466	2,761,251,468
Quoted debt securities	7.2	68,573,557	88,544,078
Unquoted debt securities	7.3	100,000,000	-
		<u>168,573,557</u>	<u>88,544,078</u>
		<u>3,407,746,023</u>	<u>2,849,795,546</u>

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the six months ended December 31, 2023 (Un-audited)

7.1 Investment in quoted equity securities

	(Un-audited) December 31, 2023	(Audited) June 30, 2023
	----- Rupees -----	
Cost of investment	2,893,226,106	3,179,844,352
Unrealised loss:		
Balance at start of the period / year	(418,592,884)	(417,666,876)
Unrealised gain / (loss) for the period / year	764,539,244	(926,008)
	345,946,360	(418,592,884)
Balance at the end of period / year	<u>3,239,172,466</u>	<u>2,761,251,468</u>

7.2 Investment in quoted debt securities

	(Un-audited) December 31, 2023	(Audited) June 30, 2023
	----- Rupees -----	
Cost of investment	67,035,578	91,607,707
Unrealised gain / (loss) :		
Balance at start of the period / year	(3,063,629)	(610,197)
Unrealised gain / (loss) for the period / year	4,601,608	(2,453,432)
	1,537,979	(3,063,629)
Balance at the end of period / year	<u>7.2.1</u> <u>68,573,557</u>	<u>88,544,078</u>

7.2.1 These represent the investments in Term Finance (TFC) and Sukuk Certificates made under Market Making arrangements. The Company has entered into such arrangements in accordance with Chapter 12 of PSX Rule Book with various Financial and Corporate Institution. Under the arrangements, the Company has to maintain minimum inventory of TFCs and Sukuks to place bid & offer on daily basis. These TFCs and Sukuks carry coupon rate ranging from 3 month KIBOR + 1.5% to 2.5%, 6 month KIBOR + 0.50% to 2% (2023: 3 month KIBOR + 1.5% to 2.5%, 6 month KIBOR + 0.50% to 2%) calculated on the face value of the respective TFCs or Sukuks that is payable quarterly / semi annually.

7.3 This represents the investment in 1,000 Term Finance Certificates (TFCs) having face value of Rs. 100,000/- each. These TFCs have been issued by the Kashf Foundation as redeemable capital and carry interest at the rate of 3 month KIBOR + 1.5% per annum (payable quarterly).

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the six months ended December 31, 2023 (Un-audited)

8. TRADE DEBTS

Gross receivables

Equity brokerage - secured
Equity brokerage - unsecured
Inter bank brokerage - unsecured
Advisory and consultancy fee - unsecured
Less: Provision for expected credit losses
Equity brokerage - secured
Inter bank brokerage - unsecured
Advisory and consultancy fee - unsecured

Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
----- Rupees -----		
8.1	229,485,050	199,931,616
	874,805,088	871,827,147
	<u>1,104,290,138</u>	<u>1,071,758,763</u>
	46,561,721	27,816,750
	77,436,096	109,748,485
	<u>1,228,287,955</u>	<u>1,209,323,998</u>
	(874,805,088)	(871,827,147)
	(7,261,444)	(5,695,935)
	(69,018,865)	(72,109,948)
	<u>(951,085,397)</u>	<u>(949,633,030)</u>
	<u>277,202,558</u>	<u>259,690,968</u>

8.1 Gross receivables - Equity brokerage

8.1.1 These receivables include Rs. 0.9 million (June 30, 2023 : Rs. 0.9 million) due from the related parties. The maximum aggregate amount outstanding during the period from such parties (with reference to month-end balances) amounted to Rs. 120.066 million (June 30, 2023: Rs. 275.32 million).

8.1.2 As of the reporting date, the Company had capital securities having fair value of Rs. 111,672 million (June 30, 2023: Rs. 75,027 million) owned by its clients, as collaterals against trade debts.

9. ADVANCES, DEPOSITS AND PREPAYMENTS

Advances

Advance to consultant
Advance against expenses
Advance against salary

Trade deposits

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

Prepayments

Insurance

(Un-audited) December 31, 2023	(Audited) June 30, 2023
----- Rupees -----	
1,243,760	1,243,760
3,273,801	3,273,801
1,947,621	1,672,044
<u>6,465,181</u>	<u>6,189,605</u>
232,244,869	31,400,253
4,060,760	960,071
<u>242,770,811</u>	<u>38,549,929</u>

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the six months ended December 31, 2023 (Un-audited)

10. OTHER RECEIVABLES

Receivable from Javedan Corporation Limited - a related party:

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

Receivable from Rahat Residency REIT - a related party:

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

	(Un-audited) December 31, 2023	(Audited) June 30, 2023
----- Rupees -----		
	5,126,734	5,126,734
	-	352,000,000
	654,854	2,071,785
	<u>5,781,588</u>	<u>359,198,519</u>
	804,075,000	804,075,000
	-	108,796,620
	1,200,000	1,200,000
	<u>811,056,589</u>	<u>1,273,270,139</u>

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

11. INCOME TAX REFUNDABLE

11.1 Movement for the year

As at July 01,

Charge for the period / year

- current
- prior

Taxes paid during the period / year

As at June 30,

	(Un-audited) December 31, 2023	(Audited) June 30, 2023
----- Rupees -----		
	15,457,413	(70,302,865)
	(57,153,051)	(133,078,720)
	-	8,093,592
	(57,153,051)	(124,985,128)
	73,683,618	210,745,406
	<u>31,987,980</u>	<u>15,457,413</u>

- 11.1.2 This includes provision for super tax amounting to Rs. 78.047 million (2023: Rs. 78.638 million). There has been no change in the status of the super tax as disclosed in note 22.2 to the annual unconsolidated financial statements of the Company for the year ended June 30, 2023.

12. CASH AND BANK BALANCES

Cash in hand
Cash held in central depository company

Cash at bank

- current accounts
- savings accounts

Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
----- Rupees -----		
	738,793	733,779
	7,404,914	6,674,187
	206,959,756	146,095,936
12.1	1,807,969,579	833,574,372
12.2	2,014,929,335	979,670,308
	<u>2,023,073,042</u>	<u>987,078,274</u>

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the six months ended December 31, 2023 (Un-audited)

- 12.1 The return on these balances is 10% to 19% (June 30, 2023: 10% to 19%) per annum on daily product basis.
- 12.2 Bank balances include customers' bank balances held in designated bank accounts amounting to Rs. 1,932.005 million (June 30, 2023: Rs. 946.286 million).

13. DEFERRED TAX - net

Deferred tax liability / (asset) in respect of:

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

- Other temporary differences

Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
----- Rupees -----		
13.1	-	-
13.2	29,842,031	72,113,469
	<u>29,842,031</u>	<u>72,113,469</u>
13.3	2,923,809	(2,963,939)
	<u>32,765,840</u>	<u>69,149,530</u>

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

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

Realized capital losses on sale of investments
(including brought forward losses from prior periods)

Unrealized capital (gain) / loss on remeasurement of
investments to fair value

Net capital loss position

Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
----- Rupees -----		
	505,631,557	497,892,822
	(347,484,339)	421,656,513
13.1.1	<u>158,147,218</u>	<u>919,549,335</u>

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

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

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

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the six months ended December 31, 2023 (Un-audited)

13.1.3 Deferred tax in respect of other temporary differences

Deferred tax liabilities

Right-of-use assets
Accelerated depreciation

Deferred tax assets

Lease liability
Intangible assets
Minimum tax carryforward

Net deferred tax liability / (asset)

	(Un-audited) December 31, 2023	(Audited) June 30, 2023
	----- Rupees -----	
	22,143,973	661,103
	5,397,913	6,437,721
	<u>27,541,886</u>	<u>7,098,824</u>
	17,803,077	877,927
	6,815,000	6,491,468
	-	2,693,368
	<u>24,618,076</u>	<u>10,062,763</u>
	<u>2,923,809</u>	<u>(2,963,939)</u>

14. SHORT TERM BORROWINGS

From banking companies
- Running finance

	(Un-audited) December 31, 2023	(Audited) June 30, 2023
	----- Rupees -----	
	<u>1,076,766,155</u>	<u>1,617,785,680</u>

14.1 Running finance arrangements from banking companies - secured

14.1.1 Short term running finance facilities are available from various commercial banks, under mark-up arrangements, amounting to Rs. 6,250 million (June 30, 2023: Rs. 6,250 million). These facilities have various maturity dates up to April 22, 2024. These arrangements are secured against pledge of marketable securities. These running finance facilities carry mark-up ranging from 1 month KIBOR + 0.5% to 1.0%, 3 month KIBOR + 0.50% to 1.5% (June 30, 2023: 1 month KIBOR + 0.5% to 1.0%, 3 month KIBOR + 0.50% to 1.5%) calculated on a daily product basis that is payable quarterly.

14.1.2 Fair value of shares pledged with banking companies against various short term running finance facilities and bank guarantees as at December 31, 2023 amounted to Rs. 7,473.37 million (June 30, 2023: Rs. 6,602.82 million). Total value of securities pledged with financial institutions, indicating separately securities belonging to customers, is as under:

	December 31, 2023		June 30, 2023	
	Number of securities	Amount (Rupees)	Number of securities	Amount (Rupees)
Clients	174,150,000	6,002,683,500	118,700,000	4,730,847,000
House	43,485,000	1,470,373,350	134,088,000	1,871,972,795
Total		<u>7,473,056,850</u>		<u>6,602,819,795</u>

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the six months ended December 31, 2023 (Un-audited)

15. TRADE AND OTHER PAYABLES

Creditors	
Commission payable	
Accrued expenses	
Advance from customers	
Withholding tax payable	
Sindh sales tax and federal excise duty payable	
Advance against committed sale of investment property	
Future profit withheld	
Payable against reverse repo transaction	
Other liabilities	

Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
----- Rupees -----		
15.1	1,859,338,962	877,099,730
15.2	27,045,266	22,477,749
	31,197,049	16,460,698
	792,963	-
	16,585,336	24,101,999
	8,460,692	934,324
	26,384,240	26,510,555
	54,366,821	6,566,721
15.3	24,033,886	17,629,267
	90,921	3,956,751
	<u>2,048,296,136</u>	<u>995,737,794</u>

15.1 This includes Rs. 149.35 million (2023: Rs. 61.3 million) payable to related parties.

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

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

16. CONTINGENCY AND COMMITMENTS

16.1 Contingency

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

16.2 Commitments

Following commitments were outstanding as at the reporting date:

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

	(Un-audited) December 31, 2023	(Audited) June 30, 2023
----- Rupees -----		
	<u>22,516,600</u>	<u>226,651,180</u>
	<u>128,260,989</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>

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the six months ended December 31, 2023 (Un-audited)

17. OPERATING REVENUE

	(Un-audited) December 31, 2023	(Un-audited) December 31, 2022
	----- Rupees -----	
Equity brokerage revenue	300,926,250	178,522,576
Inter bank brokerage revenue	88,583,025	53,332,874
Advisory and consultancy fee	48,095,648	277,934,929
	<u>437,604,923</u>	<u>509,790,379</u>
Markup on margin financing	27,431,909	29,369,546
Dividend income on investment in equity securities	190,380,649	179,021,385
Markup on corporate debt securities	23,867,759	113,072,744
	<u>241,680,317</u>	<u>321,463,675</u>
	<u>679,285,240</u>	<u>831,254,054</u>

18. NET CHANGE IN UNREALIZED LOSS ON INVESTMENTS

	(Un-audited) December 31, 2023	(Un-audited) December 31, 2022
	----- Rupees -----	
Long term investments	(4,844,195)	-
Short term investments	769,140,852	(121,762,318)
	<u>764,296,657</u>	<u>(121,762,318)</u>

19. ADMINISTRATIVE AND OPERATING EXPENSES

	(Un-audited) December 31, 2023	(Un-audited) December 31, 2022
	----- Rupees -----	
Salaries and other benefits	204,070,660	179,621,751
Motor vehicle and travelling expense	28,493,925	24,820,980
Building maintenance	14,690,608	15,364,004
Depreciation on right-of-use assets	13,444,486	14,801,017
Man power services	12,614,800	12,592,644
Communication	12,030,663	11,248,336
CDC and clearing house charges	9,450,282	11,015,559
Depreciation on property and equipment	6,642,960	8,473,356
Fees and subscription	11,381,669	9,730,463
Insurance	5,276,423	5,161,650
Legal and professional charges	1,049,625	629,000
Donation	1,250,000	3,182,000
Repairs and maintenance	2,247,651	2,261,833
Conveyance and meals	2,558,042	2,214,825
Business representation	2,397,442	2,018,632
Meeting expenses	850,000	600,000
Printing and stationery	689,251	545,413
Rent, rates and taxes	497,402	435,166
Auditors' remuneration	500,000	400,000
Advertisement and business promotion	766,875	193,810
Amortization on intangible assets	62,322	108,806
Others	4,487,799	2,726,589
	<u>335,452,885</u>	<u>308,145,834</u>

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the six months ended December 31, 2023 (Un-audited)

19.1	Salaries and other benefits		(Un-audited) December 31, 2023	(Un-audited) December 31, 2022
		----- Rupees -----		
	Salaries and other benefits		95,080,235	90,872,784
	Commission / Bonus		108,990,425	88,748,967
			<u>204,070,660</u>	<u>179,621,751</u>
19.2	These represent charges paid to M/s. Arif Habib Consultancy (Private) Limited, a related party, in respect of recruitment services obtained for providing senior and highly qualified consultants to lead the Company's investment banking department.			
20.	FINANCE COSTS	Note	(Un-audited) December 31, 2023	(Un-audited) December 31, 2022
		----- Rupees -----		
	Markup on short term borrowings	20.1	205,706,703	309,000,769
	Other finance costs	20.2	19,866,347	12,608,046
			<u>225,573,050</u>	<u>321,608,815</u>
20.1	Markup on short term borrowings			
		Note	(Un-audited) December 31, 2023	(Un-audited) December 31, 2022
		----- Rupees -----		
	Markup on borrowing from banking companies	28.2	205,706,703	200,093,624
	Markup on borrowing from related parties:			
	- M/s. Javedan Corporation Limited		-	92,981,499
	- Mr. Arif Habib		-	15,925,646
			-	108,907,145
			<u>205,706,703</u>	<u>309,000,769</u>
20.2	Other finance costs			
		Note	(Un-audited) December 31, 2023	(Un-audited) December 31, 2022
		----- Rupees -----		
	Finance cost on lease liability	28.2	8,955,040	1,411,275
	Markup on MTS securities		851,859	1,041,565
	Bank charges		8,728,840	8,571,718
	Guarantee charges to Arif Habib Corporation		1,330,608	1,583,488
			<u>19,866,347</u>	<u>12,608,046</u>

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the six months ended December 31, 2023 (Un-audited)

21. OTHER INCOME

Markup on reverse repo transaction
 Markup on loan to Javedan Corporation Limited
 Profit on savings accounts
 Profit on exposure deposit
 Gain on termination of lease
 Other income

(Un-audited)
 December 31,
 2023

(Un-audited)
 December 31,
 2022

----- Rupees -----

7,921,244	6,441,240
37,320,099	-
73,617,633	33,975,420
2,480,914	2,261,022
-	229,512
271,544	95,730
<u>121,611,434</u>	<u>43,002,924</u>

22. TAXATION

Current tax
 - for the period
 - for prior period

Deferred

(Un-audited)
 December 31,
 2023

(Un-audited)
 December 31,
 2022

----- Rupees -----

57,153,051	89,502,950
-	2,966,511
<u>57,153,051</u>	<u>92,469,461</u>
(36,383,690)	9,365,931
<u>20,769,361</u>	<u>101,835,392</u>

23. EARNINGS PER SHARE

23.1 Basic earnings per share

Profit / (loss) after taxation attributable to ordinary shareholders

(Un-audited)
 December 31,
 2023

(Un-audited)
 December 31,
 2022

----- Rupees -----

<u>973,704,345</u>	<u>(33,438,337)</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 / (loss) per share - basic

<u>14.90</u>	<u>(0.51)</u>
--------------	---------------

23.2 Diluted earnings / (loss) per share

There is no dilutive effect on the basic earnings per share of the Company, since there were no potential ordinary shares in issue as at the reporting dates.

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the six months ended December 31, 2023 (Un-audited)

24. CASH AND CASH EQUIVALENTS

Cash and bank balances
Short term borrowings

(Un-audited)
December 31,
2023

(Un-audited)
December 31,
2022

----- Rupees -----

2,023,073,042	1,608,754,988
(1,076,766,155)	(2,876,167,903)
<u>946,306,887</u>	<u>(1,267,412,915)</u>

25. RELATED PARTY TRANSACTIONS AND BALANCES

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

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

(Un-audited)
December 31,
2023

(Un-audited)
December 31,
2022

----- Rupees -----

1,368,865	2,241,749
1,330,608	1,583,488

SUBSIDIARY

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

262,778	144,121
---------	---------

OTHER RELATED PARTIES

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

-	92,981,499
-	750,000,000
640,000,000	-
992,000,000	-
37,320,099	-

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

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

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

-	284,286
---	---------

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

For the six months ended December 31, 2023 (Un-audited)

KEY MANAGEMENT PERSONNEL

Zafar Alam (Chairman)

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

Muhammad Shahid Ali (CEO)

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

Muhammad Haroon (Director)

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

Muhammad Sohail Salat (Director)

Meeting Fee Paid

Sharmin Shahid (Director)

Meeting Fee Paid

Nida Ahsan (Director)

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

Mohsin Madni (Director)

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

	(Un-audited) December 31, 2023	(Un-audited) December 31, 2022
	----- Rupees -----	
	159,388	53,215
	100,000	50,000
	7,414,745	4,446,557
	288,942	160,732
	100,000	50,000
	100,000	50,000
	100,000	50,000
	39,294	125,300
	100,000	50,000
	70,576	1,331

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

	(Un-audited) December 31, 2023	(Un-audited) December 31, 2022
	----- Rupees -----	
	3,981,495	2,061,341
	31,325	376,987
	6,500	-

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the six months ended December 31, 2023 (Un-audited)

POST EMPLOYMENT BENEFIT PLAN

Provident fund trust - Contribution paid during the period

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

Trade payable

Advances

OTHER RELATED PARTIES

Javedan Corporation Limited

Trade receivable

Receivable against sale of investment property

Loan receivable

Mark-up receivable

Rotocast Engineering Co. (Pvt) Limited

Trade receivable

Arif Habib Equity (Pvt) Ltd.

Trade receivable

Trade payable

Rahat Residency REIT

Advance against issuance of units

Receivable against sale of investment property

Signature Residency REIT

Advance against issuance of units

Globe Residency REIT

Advance against committed purchase of investment property

	(Un-audited) December 31, 2023	(Un-audited) December 31, 2022
	----- Rupees -----	
<i>Provident fund trust - Contribution paid during the period</i>	5,111,235	5,366,744
<i>Balances with related parties at the end of the period are as follows: period are as follows:</i>		
PARENT COMPANY		
Arif Habib Corporation Limited		
<i>Balance Receivable at period end</i>	40,492	35,692
<i>Guarantee Commission Payable</i>	-	688,306
SUBSIDIARY		
Rayaan Commodities (Private) Limited (Formerly Arif Habib Commodities (Private) Limited)		
<i>Advance against sale of investment property</i>	18,000,000	17,510,555
<i>Advance against equity</i>	2,000,000	2,000,000
<i>Trade payable</i>	382,231	452,208
<i>Advances</i>	615,760	256,305
OTHER RELATED PARTIES		
Javedan Corporation Limited		
<i>Trade receivable</i>	267,692	244,692
<i>Receivable against sale of investment property</i>	5,126,734	5,126,734
<i>Loan receivable</i>	-	352,000,000
<i>Mark-up receivable</i>	654,854	2,071,785
Rotocast Engineering Co. (Pvt) Limited		
<i>Trade receivable</i>	26,475	13,978
Arif Habib Equity (Pvt) Ltd.		
<i>Trade receivable</i>	47,386	-
<i>Trade payable</i>	-	7,895,397
Rahat Residency REIT		
<i>Advance against issuance of units</i>	325,000,000	325,000,000
<i>Receivable against sale of investment property</i>	804,075,000	804,075,000
Signature Residency REIT		
<i>Advance against issuance of units</i>	-	133,298,960
Globe Residency REIT		
<i>Advance against committed purchase of investment property</i>	248,749,014	248,749,014

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

For the six months ended December 31, 2023 (Un-audited)

KEY MANAGEMENT PERSONNEL

Zafar Alam (Chairman)

Trade payable

Muhammad Shahid Ali (CEO)

Trade payable

Sharmin Shahid (Director)

Trade receivable

Nida Ahsan (Director)

Trade receivable

Trade payable

Muhammad Haroon (Director)

Trade payable

Muhammad Sohail Salat (Director)

Trade receivable

Mohsin Madni (Director)

Trade payable

	(Un-audited) December 31, 2023	(Un-audited) December 31, 2022
	----- Rupees -----	
	2,023	3,726
	148,553,855	60,409,046
	18,360	4,186
	1,692	684
	-	24,641
	173,725	302,869
	1,199	1,199
	235,421	109,517

CLOSE FAMILY MEMBERS OF KEY MANAGEMENT PERSONNEL

Arif Habib

Trade receivable

Mark-up payable

Abdus Samad A. Habib

Trade receivable

Muhammad Kashif A. Habib

Trade payable

	(Un-audited) December 31, 2023	(Un-audited) December 31, 2022
	----- Rupees -----	
	29,813	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 six months ended December 31, 2023 (Un-audited)

26. FAIR VALUE OF ASSETS AND LIABILITIES

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

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

Level 2: Valuation techniques based on observable inputs..

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

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

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

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

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

	Level 1	Level 2	Level 3	Total
	Amount in Rupees			
As on December 31, 2023				
<i>Financial assets measured at fair value</i>				
Short term investments	3,307,746,023	-	100,000,000	3,407,746,023
Long term investments	5,087,093	-	1,208,621,739	1,213,708,833
<i>Non-financial assets measured at fair value</i>				
Investment properties	-	194,400,000	-	194,400,000

	Level 1	Level 2	Level 3	Total
	Amount in Rupees			
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

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

	2023	2022
	Rupees	
Balance as at July 01	22,181,370	42,745,423
Shares swapped with quoted securities	-	(15,251,920)
Unrealised (loss) / gain for the year	(924,471)	(5,312,133)
Balance as at June 30	21,256,899	22,181,370

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the six months ended December 31, 2023 (Un-audited)

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

	Effect on profit or loss	
	Favourable	(Unfavourable)
	----- Rupees -----	
December 31, 2023		
Unquoted equity securities	38,000,000	(38,000,000)
June 30, 2023		
Unquoted equity securities	38,000,000	(38,000,000)

27. OPERATING SEGMENT

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

All non current assets of the Company as at December 31, 2023 were located in Pakistan.

28. GENERAL

28.1 Date of authorization for issue of these interim financial statements

These interim financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on January 22, 2024.

28.2 Reclassification of corresponding figures

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

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

28.3 Level of rounding

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


Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF **FINANCIAL POSITION**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2023

	Note	(Un audited) December 31, 2023	(Audited) June 30, 2023
----- Rupees -----			
ASSETS			
NON- CURRENT ASSETS			
Property and equipment	3	64,487,631	68,722,457
Right-of-use assets	4	76,358,526	2,279,667
Intangible assets		6,653,304	6,715,626
Long term investments	5	1,213,708,833	1,085,254,068
Investment property	6	443,149,014	450,749,014
Long Term Advances and Deposits		373,914,812	507,191,772
		2,178,272,120	2,120,912,604
CURRENT ASSETS			
Short term investments	7	3,407,746,023	2,849,795,546
Trade debts	8	277,202,558	259,690,968
Receivable against margin financing		145,780,066	113,367,759
Receivable under margin trading system		13,343,357	11,679,177
Advances, deposits and prepayments	9	246,486,105	40,990,347
Receivable against trading of securities-net		4,125,819	77,192,508
Accrued markup on margin financing		15,584,368	21,527,045
Other receivables	10	811,056,589	1,274,009,584
Income tax refundable	11	31,375,633	15,111,277
Cash and bank balances	12	2,037,364,524	1,003,132,229
		6,990,065,042	5,666,496,440
TOTAL ASSETS		9,168,337,162	7,787,409,044
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		5,159,342,777	4,347,081,897
Total equity		5,820,577,777	5,008,316,897
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liability		61,389,919	918,356
Deferred tax - net	13	33,298,485	69,149,530
		94,688,404	70,067,886
CURRENT LIABILITIES			
Short term borrowings- secured	14	1,076,766,155	1,617,785,680
Current portion of lease liability		22,803,982	2,108,980
Trade and other payables	15	2,034,374,044	983,851,280
Unclaimed dividend		22,156,214	21,425,487
Payable against trading of securities- net		96,970,586	83,852,834
Accrued Markup on Short Term Borrowings	16	3,253,070,981	2,709,024,261
TOTAL EQUITY AND LIABILITIES		9,168,337,162	7,787,409,044

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


Chief Executive Officer


Director


Chief Financial Officer

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

For the six months and quarter ended December 31, 2023 (unaudited)

	Note	Quarter ended			
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
		Rupees		Rupees	
Operating revenue	17	697,454,647	853,847,415	373,694,348	566,239,886
Realized gain / (loss) on disposal of investments		(7,738,735)	(268,777,938)	2,084,666	(311,352,040)
Realized gain on disposal of investment property		649,029	-	-	-
		<u>690,364,941</u>	<u>585,069,477</u>	<u>375,779,014</u>	<u>254,887,846</u>
Net change in unrealized gain / (loss) on investments	18	764,296,657	(121,762,318)	675,578,386	90,703,921
Net change in unrealized gain on investment property		(749,029)	233,700,000	(749,029)	-
		<u>1,453,912,569</u>	<u>697,007,159</u>	<u>1,050,608,371</u>	<u>345,591,767</u>
Administrative and operating expenses	19	(353,177,637)	(322,126,990)	(203,030,452)	(197,409,695)
Other charges		(1,854,955)	(19,265,018)	(1,854,955)	(19,265,018)
Other operating income	21	124,418,490	46,042,349	63,156,915	34,033,665
		<u>1,223,298,467</u>	<u>401,657,500</u>	<u>908,879,879</u>	<u>162,950,719</u>
Finance cost	20	(225,582,333)	(321,617,165)	(103,024,568)	(183,366,000)
Profit before taxation		<u>997,716,134</u>	<u>80,040,335</u>	<u>805,855,311</u>	<u>(20,415,281)</u>
Taxation	22	(22,105,254)	(103,314,197)	18,222,195	(80,643,145)
Profit after taxation		<u>975,610,880</u>	<u>(23,273,862)</u>	<u>824,077,506</u>	<u>(101,058,426)</u>
Earning per share - basic & diluted	23	<u>14.93</u>	<u>(0.36)</u>	<u>12.61</u>	<u>(1.55)</u>

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


Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

For the quarter ended September 30, 2023 (unaudited)

	Six Months ended		Quarter ended	
	December 31, 2023	December 31, 2023	December 31, 2023	December 31, 2022
	----- Rupees -----		----- Rupees -----	
Profit / (loss) after taxation	975,610,880	(23,273,862)	824,077,506	(101,058,426)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	<u>975,610,880</u>	<u>(23,273,862)</u>	<u>824,077,506</u>	<u>(101,058,426)</u>

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


Chief Executive Officer


Director


Chief Financial Officer

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

For the six months and quarter ended December 31, 2023 (unaudited)

	Issued, subscribed & paid up capital	Reserves			Total
		Unappropriated profits	Surplus on revaluation of property	Sub-total	
----- Rupees -----					
Balance as at June 30, 2022	653,400,000	4,550,390,525	15,432,500	4,565,823,025	5,219,223,025
Total comprehensive income for quarter ended December 31, 2022					
- Loss after taxation	-	(23,273,862)	-	(23,273,862)	(23,273,862)
- Other comprehensive loss	-	-	-	-	-
	-	(23,273,862)	-	(23,273,862)	(23,273,862)
Transaction with owners					
- Cash dividend paid @ 60% for the year ended June 30, 2022	-	(392,040,000)	-	(392,040,000)	(392,040,000)
	-	(392,040,000)	-	(392,040,000)	(392,040,000)
Balance as at December 31, 2022	<u>653,400,000</u>	<u>4,135,076,663</u>	<u>15,432,500</u>	<u>4,150,509,163</u>	<u>4,803,909,163</u>
Balance as at June 30, 2023	<u>653,400,000</u>	<u>4,347,081,897</u>	<u>7,835,000</u>	<u>4,354,916,897</u>	<u>5,008,316,897</u>
Balance as at July 1, 2023	653,400,000	4,347,081,897	7,835,000	4,354,916,897	5,008,316,897
Total comprehensive income for the six months ended December 31, 2023					
- Profit after Tax	-	975,610,880	-	975,610,880	975,610,880
- Other comprehensive income	-	-	-	-	-
	-	975,610,880	-	975,610,880	975,610,880
Transaction with owners					
- Cash dividend paid @ 25% for the year ended June 30, 2023	-	(163,350,000)	-	(163,350,000)	(163,350,000)
Balance as at December 31, 2023	<u>653,400,000</u>	<u>5,159,342,777</u>	<u>7,835,000</u>	<u>5,167,177,777</u>	<u>5,820,577,777</u>

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


Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months and quarter ended December 31, 2023 (unaudited)

	December 31, 2023	December 31, 2022
Note	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	997,716,134	80,040,335
Adjustments for:		
Depreciation on property and equipment	19 6,918,285	8,686,603
Depreciation on right-of-use-asset	19 13,444,486	14,801,017
Amortization of intangible asset	19 62,322	108,806
Gain on Termination of lease	21 -	(229,512)
Loss on disposal of property and equipment	302,588	-
(Gain) / Loss on re-measurement of short term investments	18 (769,140,852)	121,762,318
(Gain) / Loss on sale of short term investment	7,738,735	268,777,938
Loss / (gain) on re-measurement of long term investments	4,844,195	-
Provision for expected credit losses	1,854,955	19,265,018
Unrealized gain on re-measurement of investment property	749,029	(233,700,000)
Realized gain on disposal of investment property	(649,029)	-
Mark up on reverse repo transactions	21 (7,921,244)	(6,441,240)
Dividend income on investment in equity securities	17 (190,380,649)	(179,021,385)
Profit on savings accounts maintained with banks	21 (76,424,689)	(36,294,240)
Finance costs	20 225,582,333	321,617,165
	(783,019,535)	299,332,488
Cash generated from operating activities before working capital changes	214,696,599	379,372,823
Effect on cash flow due to working capital changes		
(Increase)/decrease in current assets		
Short-term investments - net	203,451,640	57,841,851
Trade debts - consider good	(17,511,590)	(130,112,347)
Receivable against margin financing	(32,412,307)	166,395,300
Receivable against sale of securities-net	73,066,689	(263,401,786)
Receivable under margin trading system	(1,664,180)	(3,104,792)
Deposits and short-term prepayments	(205,495,758)	(5,572,844)
Accrued markup on margin financing	5,942,677	(6,146,977)
Other receivables	544,027,042	7,604,791
Increase/(decrease) in current liabilities		
Trade and other payables	1,050,522,764	541,693,832
Payable against trading of securities- net	-	(21,078,278)
	1,619,926,977	344,118,750
Cash used in operations	1,834,623,576	723,491,573
Taxes paid	(74,220,655)	(90,914,432)
Finance costs paid	(203,509,541)	(278,636,933)
Net cash used in operating activities	1,556,893,380	353,940,208
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(2,798,047)	(609,730)
Proceeds from disposal of investment property	7,500,000	-
Expenditure on investment property - net	-	(31,548,011)
Proceed from disposal of property and equipment	320,000	-
Dividends received	190,380,649	179,021,385
Interest received on savings accounts maintained with banks	1,416,931	10,192,861
Long term deposits - net	(22,000)	(1,962,337)
Net cash used in investing activities	196,797,533	155,094,168
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease Rentals against finance lease liability	(15,311,820)	(14,537,035)
Dividend paid	(162,619,273)	(389,323,677)
Net cash used in financing activities	(177,931,093)	(403,860,712)
	24	
Net increase in cash and cash equivalents	1,575,759,820	105,173,664
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	961,106,369	(1,232,638,287)

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


Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended December 31, 2023 (Un-audited)

1. STATUS AND NATURE OF BUSINESS

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

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

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

- Karachi	Head office (Registered office)	Arif Habib Centre, 23 M.T. Khan Road, Karachi
- Lahore	Regional office	Office Nos. G-05 & G-06, Ground Floor, LSE Plaza, 19, Khayaban-e-Aiwan-e-Iqbal, Lahore
- Islamabad	Regional office	Office No. 506, 5th Floor, ISE Towers, Jinnah Avenue, Islamabad.
- Peshawar	Regional office	Shops No. F16, and F17, 1st Floor, The Mall Tower, Peshawar Cantt.
- Faisalabad	Regional office	Office No. 04, 3rd Floor at Legacy Tower, Koh-e-noor City, Faisalabad.
- Multan	Regional office	Office No. 305, 3rd Floor at United Mall, Abdali Road, Multan.
- Rahim Yar Khan	Regional office	Shop No. 2, Basement, Basheer Plaza, Model Town, Rahim Yar Khan

1.4 The Company has following subsidiaries: Holding %

- Rayaan Commodities (Private) Limited	100%
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1.5 The shareholders of Arif Habib Limited (the Company) and its holding company, Arif Habib Corporation Limited (AHCL), in their respective Extraordinary General Meetings (EGMs) convened on December 26, 2023, overwhelmingly approved The Scheme of Arrangement dated November 17, 2023 (Scheme). This Scheme was meticulously crafted in compliance with the provisions outlined in Sections 279 to 283 and 285 of the Companies Act, 2017. The primary objective of the scheme is to effectuate the bifurcation and separation of the Company, into two distinct segments, namely the Demerged Undertaking and the Retained Undertaking (as defined under the Scheme of Arrangement). Simultaneously, it entails the merger, through amalgamation, of the Demerged Undertaking into AHCL, effective from July 1, 2023.

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

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

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended December 31, 2023 (Un-audited)

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.

Basis of measurement of items in these interim financial statements

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.

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended December 31, 2023 (Un-audited)

3 PROPERTY AND EQUIPMENT

Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
----- Rupees -----		
3.1	64,487,631	68,722,457

Owned assets

3.1 During the period ended December 31, 2023, additions made amounting to Rs. 2.8 million (30 June 2023: Rs. 0.48 million) which mainly comprised of office equipment and computer and allied items and disposal amounting to Rs. 0.63 million (written down value) which comprises of office equipments.

4. RIGHT-OF-USE-ASSETS

Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
----- Rupees -----		
4.1	2,279,667	32,555,873
	87,523,345	-
	-	(1,141,363)
	89,803,012	31,414,510
	(13,444,486)	(29,134,843)
	76,358,526	2,279,667

Opening net book value

Add: Addition during the period / year

Less: Disposal during the period / year

Less: Depreciation charged during the period / year

Closing net book value

4.1 During the period, the Company made new agreement with Rotocast Engineering Co. (Private) Limited for the lease of Principal office in Karachi for the lease period of 3.5 year. The lease period commence from July 01, 2023.

5 LONG TERM INVESTMENTS - unquoted

Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
----- Rupees -----		
	-	-
5.1	1,213,708,833	1,085,254,068
	1,213,708,833	1,085,254,068

Investment in subsidiaries

- Rayaan Commodities (Private) Limited

Investment in other entities

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

Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
----- Rupees -----		
5.1.1	21,256,899	22,181,370
5.1.2	1,066,885	1,421,528
5.1.2	4,020,208	7,585,290
5.1.3	426,440,880	426,440,880
5.1.3	627,625,000	627,625,000
5.1.3	133,298,960	-
	1,213,708,833	1,085,254,068

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)

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended December 31, 2023 (Un-audited)

- 5.1.1 This represents the investment in 3,034,604 (June 2023: 3,034,604) unquoted ordinary shares of M/s. ISE Towers REIT Management Company Limited.
- 5.1.2 This represents the investment in 295,536 (June 2023: 295,536) quoted ordinary shares of M/s. LSE Proptech Limited and 842,810 (June 2023: 842,810) quoted ordinary shares of M/s. LSE Financial Services Limited
- 5.1.3 This represents the investment in 27,800,000 (June 2023: 27,800,000) units of Naya Nazimabad Apartment REIT (NNR), 50,000,000 (June 2023: 50,000,000) units of Rahat Residency REIT (RRR) and 13,329,896 (June 2023: nil) units of Signature Residency REIT (SRR).

6. INVESTMENT PROPERTY

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

Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
----- Rupees -----		
6.1	194,400,000	202,000,000
6.2	248,749,014	248,749,014
	<u>443,149,014</u>	<u>450,749,014</u>

6.1 Open plots of land / offices - at fair value

Opening carrying amount (at fair value)
Development charges incurred during the period / year

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

(Un-audited) December 31, 2023	(Audited) June 30, 2023
----- Rupees -----	
202,000,000	1,576,836,333
-	12,957,220
<u>202,000,000</u>	<u>1,589,793,553</u>
(7,500,000)	(1,632,575,000)
649,029	1,261,550,827
(749,029)	(1,270,875,827)
(7,600,000)	(1,641,900,000)
-	254,106,447
<u>194,400,000</u>	<u>202,000,000</u>

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 The valuation of the investment property was carried out on July 18, 2023 by an independent external property valuer having appropriate recognised qualification and relevant experience and according to which the aggregate fair value and forced sale value of the properties are stated below:

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended December 31, 2023 (Un-audited)

- 6.1.2 The valuation of the investment property was carried out on July 18, 2023 by an independent external property valuer having appropriate recognised qualification and relevant experience and according to which the aggregate fair value and forced sale value of the properties are stated below:

	Fair Value		Forced Sale Value	
	Dec 2023	June 2023	Dec 2023	June 2023
	Rupees		Rupees	
<i>at fair value</i>				
- Residential Plots	155,500,500	155,500,000	124,400,000	124,400,000
- Offices	13,000,000	20,500,000	11,050,000	17,425,000
<i>at committed sale price</i>				
Committed to sale office	26,000,000	26,000,000	N/A	N/A
	<u>194,500,000</u>	<u>202,000,000</u>	<u>135,450,000</u>	<u>141,825,000</u>

- 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 financial statements.

- 7 SHORT TERM INVESTMENTS

At fair value through profit or loss

	Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
		Rupees	
Quoted equity securities	7.1	3,239,172,466	2,761,251,468
Quoted debt securities	7.2	68,573,557	88,544,078
Unquoted debt securities	7.3	100,000,000	-
		168,573,557	88,544,078
		<u>3,407,746,023</u>	<u>2,849,795,546</u>

- 7.1 Investment in quoted equity securities

	Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
		Rupees	
Cost of investments		2,893,226,106	3,179,844,352
Unrealised loss:			
Balance at start of the period / year		(418,592,884)	(417,666,876)
Unrealised gain / (loss) for the period / year		764,539,244	(926,008)
		345,946,360	(418,592,884)
Balance at the end of period / year		<u>3,239,172,466</u>	<u>2,761,251,468</u>

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended December 31, 2023 (Un-audited)

7.2 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) December 31, 2023	(Audited) June 30, 2023
----- Rupees -----		
	67,035,578	91,607,707
	(3,063,629)	(610,197)
	4,601,608	(2,453,432)
	1,537,979	(3,063,629)
7.2.1	68,573,557	88,544,078

7.2.1 These represent the investments in Term Finance (TFC) and Sukuk Certificates made under Market Making arrangements. The Company has entered into such arrangements in accordance with Chapter 12 of PSX Rule Book with various Financial and Corporate Institution. Under the arrangements, the Company has to maintain minimum inventory of TFCs and Sukuks to place bid & offer on daily basis. These TFCs and Sukuks carry coupon rate ranging from 3 month KIBOR + 1.5% to 2.5%, 6 month KIBOR + 0.50% to 2% (2023: 3 month KIBOR + 1.5% to 2.5%, 6 month KIBOR + 0.50% to 2%) calculated on the face value of the respective TFCs or Sukuks that is payable quarterly / semi annually.

7.3 This represents the investment in 1,000 Term Finance Certificates (TFCs) having face value of Rs. 100,000/- each. These TFCs have been issued by the Kashf Foundation as redeemable capital and carry interest at the rate of 3 month KIBOR + 1.5% per annum (payable quarterly).

8 TRADE DEBTS

Gross receivables

Equity brokerage - secured

Inter bank brokerage - unsecured

Inter bank brokerage - unsecured

Advisory and consultancy fee - unsecured

Less: Provision for expected credit losses

Equity brokerage - secured

Inter bank brokerage - unsecured

Advisory and consultancy fee - unsecured

Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
----- Rupees -----		
8.1	229,485,050	199,931,616
	874,805,088	871,827,147
	1,104,290,138	1,071,758,763
	46,561,721	27,816,750
	77,436,096	109,748,485
	1,228,287,955	1,209,323,998
	(874,805,088)	(871,827,147)
	(7,261,444)	(5,695,935)
	(69,018,865)	(72,109,948)
	(951,085,397)	(949,633,030)
	277,202,558	259,690,968

8.1 Gross receivables - Equity brokerage

8.1.1 These receivables include Rs. 0.9 million (June 30, 2023 : Rs. 0.9 million) due from the related parties. The maximum aggregate amount outstanding during the period from such parties (with reference to month-end balances) amounted to Rs. 120.066 million (June 30, 2023: Rs. 275.32 million).

8.1.2 As of the reporting date, the Company had capital securities having fair value of Rs. 111,672 million (June 30, 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 six months ended December 31, 2023 (Un-audited)

9 ADVANCES, DEPOSITS AND PREPAYMENTS

Advances

Advance to consultant
Advance against expenses
Advance against salary

Trade deposits

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

Prepayments

Insurance

Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
----- Rupees -----		
	1,243,760	1,243,760
	3,883,256	3,037,496
	2,017,621	1,672,044
	<u>7,144,636</u>	<u>5,953,300</u>
	232,244,869	31,400,253
	3,035,839	2,676,723
	<u>4,060,760</u>	<u>960,071</u>
	<u>246,486,105</u>	<u>40,990,347</u>

10. OTHER RECEIVABLES

Receivable from Javedan Corporation Limited - a related party:

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

Receivable from Rahat Residency REIT - a related party

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

	(Un-audited) December 31, 2023	(Audited) June 30, 2023
----- Rupees -----		
	5,126,734	5,126,734
	-	352,000,000
	654,854	2,071,785
	<u>5,781,588</u>	<u>359,198,519</u>
	804,075,000	804,075,000
	-	108,796,620
	1,200,000	1,939,445
	<u>811,056,589</u>	<u>1,274,009,584</u>

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

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended December 31, 2023 (Un-audited)

11. INCOME TAX REFUNDABLE

11.1 Movement for the year

As at July 01,

Charge for the year

- current year

- prior year

Taxes paid during the year

As at June 30,

	(Un-audited) December 31, 2023	(Audited) June 30, 2023
	----- Rupees -----	
	15,111,277	(70,702,735)
	(57,956,299)	(133,617,113)
	-	8,093,592
	(57,956,299)	(125,523,521)
	74,220,656	211,337,533
	<u>31,375,633</u>	<u>15,111,277</u>

11.1 This includes provision for super tax amounting to Rs. 78.047 million (2023: Rs. 78.638 million). There has been no change in the status of the super tax as disclosed in note 22.2 to the annual unconsolidated financial statements of the Company for the year ended June 30, 2023.

12. CASH AND BANK BALANCES

Cash in hand

Cash held in central depository company

Cash at bank

- current accounts

- savings accounts

Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
	----- Rupees -----	
	738,793	733,779
	7,404,914	6,674,187
	207,265,259	146,349,940
12.1	1,821,955,558	849,374,323
12.2	2,029,220,817	995,724,263
	<u>2,037,364,524</u>	<u>1,003,132,229</u>

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

12.2 Bank balances include customers' bank balances held in designated bank accounts amounting to Rs. 1,932.005 million (June 30, 2023: Rs. 946.286 million).

13. DEFERRED TAX - net

Deferred tax liability / (asset) in respect of:

- Capital loss on short term investments

- Capital gain on long term investments

- Other temporary differences

Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
	----- Rupees -----	
13.1	-	-
13.2	29,842,031	72,113,469
	<u>29,842,031</u>	<u>72,113,469</u>
13.3	3,456,454	(2,963,939)
	<u>33,298,485</u>	<u>69,149,530</u>

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended December 31, 2023 (Un-audited)

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

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

Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
----- Rupees -----		
Realized capital losses on sale of investments (including brought forward losses from prior periods)	505,631,557	497,892,822
Unrealized capital (gain) / loss on remeasurement of investments to fair value	(347,484,339)	421,656,513
Net capital loss position	<u>13.1.1</u> <u>158,147,218</u>	<u>919,549,335</u>

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

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

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

13.3 Deferred tax in respect of other temporary differences

Deferred tax liabilities

Right-of-use assets
Accelerated depreciation

Deferred tax assets

Lease liability
Intangible assets
Minimum tax carryforward

Net deferred tax liability / (asset)

	(Un-audited) December 31, 2023	(Audited) June 30, 2023
----- Rupees -----		
Right-of-use assets	22,143,973	661,103
Accelerated depreciation	5,930,558	6,437,721
	<u>28,074,531</u>	<u>7,098,824</u>
Lease liability	17,803,077	877,927
Intangible assets	6,815,000	6,491,468
Minimum tax carryforward	-	2,693,368
	<u>24,618,076</u>	<u>10,062,763</u>
Net deferred tax liability / (asset)	<u>3,456,454</u>	<u>(2,963,939)</u>

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended December 31, 2023 (Un-audited)

14.	SHORT TERM BORROWINGS	Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
----- Rupees -----				
	From banking companies			
	- Running finance	14.1	<u>1,076,766,155</u>	<u>1,617,785,680</u>

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 December 31, 2023 amounted to Rs. 7,473.37 million (June 30, 2023: Rs. 6,602.82 million). Total value of securities pledged with financial institutions, indicating separately securities belonging to customers, is as under:

	December 31, 2023		June 30, 2023	
	Number of securities	Amount (Rupees)	Number of securities	Amount (Rupees)
Client	174,150,000	6,002,683,500	118,700,000	4,730,847,000
House	43,485,000	1,470,373,350	134,088,000	1,871,972,795
Total	<u>217,635,500</u>	<u>7,473,056,850</u>	<u>252,788,000</u>	<u>6,602,819,795</u>

15.	TRADE AND OTHER PAYABLES	Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
----- Rupees -----				
	Creditors	15.1	1,859,338,962	876,647,522
	Commission payable	15.2	27,045,266	22,477,749
	Accrued expenses		31,197,049	20,359,414
	Advance from customers		792,963	-
	Withholding tax payable		18,513,489	24,101,999
	Sindh sales tax and federal excise duty payable		8,721,355	934,324
	Advance against committed sale of investment property	15.3	9,000,000	9,000,000
	Future profit withheld		54,366,821	6,566,721
	Payable against reverse repo transaction	15.4	24,033,886	17,629,267
	Other liabilities		1,364,253	6,134,284
			<u>2,034,374,044</u>	<u>983,851,280</u>

15.1 This includes Rs. 149.35 million (2023: Rs. 61.3 million) payable to related parties.

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

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended December 31, 2023 (Un-audited)

15.3 Advance for committed sale of investment property

Advance received from:
- Mr. Safi Ullah

Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
----- Rupees -----		
15.3.1	9,000,000	9,000,000
	<u>9,000,000</u>	<u>9,000,000</u>

15.3.1 This represents advance received from Mr. Safi Ullah against sale of two residential plots located at Block A, Naya Nazimabad, Deh Manghopir, Gadap Town, Karachi at the total sum of Rs. 43.688 million. The sale will be executed after receiving of total amount of Rs. 43.688 million. Since the Company is committed to sell the plots at Rs. 43.688 million, the fair value of these plots as at December 31, 2023 should be recognized equal to the said sale consideration. However, the sale agreement expired on March 31, 2023 and no further amount received by the Company as per the agreement therefore these plots are revalued as per the independent valuer report as mentioned in note no.6.1.2.

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

16. CONTINGENCY AND COMMITMENTS

16.1 Contingency

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

16.2 Commitments

Following commitments were outstanding as at the reporting date:

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

	(Un-audited) December 31, 2023	(Audited) June 30, 2023
----- Rupees -----		
	22,516,600	226,651,180
	<u>128,260,989</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>

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended December 31, 2023 (Un-audited)

17. OPERATING REVENUE		(Un-audited) December 31, 2023	(Un-audited) December 31, 2022
		----- Rupees -----	
Equity brokerage revenue		317,883,685	199,061,117
Inter bank brokerage revenue		88,583,025	53,332,874
Advisory and consultancy fee		48,095,648	277,934,929
Markup on margin financing		28,643,881	29,369,546
Dividend income on investment in equity securities		190,380,649	179,021,385
Markup on corporate debt securities		23,867,759	115,127,564
		<u>697,454,647</u>	<u>853,847,415</u>

18. NET CHANGE IN UNREALIZED GAIN / (LOSS) ON INVESTMENTS		(Un-audited) December 31, 2023	(Un-audited) December 31, 2022
		----- Rupees -----	
Long term investments		(4,844,195)	-
Short term investments		769,140,852	(121,762,318)
	7.1 & 7.2	<u>764,296,657</u>	<u>(121,762,318)</u>

19. ADMINISTRATIVE AND OPERATING EXPENSES		(Un-audited) December 31, 2023	(Un-audited) December 31, 2022
		----- Rupees -----	
Salaries and other benefits	19.1	211,576,204	186,931,858
Motor vehicle and travelling expense		29,418,911	25,723,140
Building maintenance		14,690,608	15,364,004
Depreciation on right-of-use assets		13,444,486	14,801,017
Man power services	19.2	12,614,800	12,592,644
Communication		12,276,213	11,531,236
CDC and clearing house charges		9,450,282	11,015,559
Depreciation on property and equipment		6,918,285	8,686,603
Fees and subscription		11,478,091	10,018,195
Insurance		5,276,423	5,173,531
Legal and professional charges		1,049,625	749,000
Donation		1,250,000	3,182,000
Repairs and maintenance		2,247,651	2,261,833
Conveyance and meals		2,558,042	2,214,825
Business representation		2,397,442	2,018,632
Meeting expenses		850,000	600,000
Printing and stationery		689,251	545,413
Rent, rates and taxes		704,902	435,166
Auditors' remuneration		500,000	400,000
Advertisement and business promotion		4,717,921	2,226,012
Amortization on intangible assets		62,322	108,806
Others		9,006,178	5,547,517
		<u>353,177,637</u>	<u>322,126,990</u>

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended December 31, 2023 (Un-audited)

19.1	Salaries and other benefits		(Un-audited) December 31, 2023	(Un-audited) December 31, 2022
			----- Rupees -----	
	Salaries and other benefits		100,072,567	95,083,369
	Commission / Bonus		111,503,637	91,848,489
			<u>211,576,204</u>	<u>186,931,858</u>
19.2	These represent charges paid to M/s. Arif Habib Consultancy (Private) Limited, a related party, in respect of recruitment services obtained for providing senior and highly qualified consultants to lead the Company's investment banking department.			
20.	FINANCE COSTS		(Un-audited) December 31, 2023	(Un-audited) December 31, 2022
			----- Rupees -----	
	Markup on short term borrowings	20.1	205,706,703	309,000,769
	Other finance costs	20.2	19,875,630	12,616,396
			<u>225,582,333</u>	<u>321,617,165</u>
20.1	Markup on short term borrowings		(Un-audited) December 31, 2023	(Un-audited) December 31, 2022
			----- Rupees -----	
	Markup on borrowing from banking companies		205,706,703	200,093,624
	Markup on borrowing from related parties:			
	- M/s. Javedan Corporation Limited		-	92,981,499
	- M/s. Arif Habib Corporation Limited		-	-
	- Mr. Arif Habib		-	15,925,646
			-	108,907,145
			<u>205,706,703</u>	<u>309,000,769</u>
20.2	Other finance costs		(Un-audited) December 31, 2023	(Un-audited) December 31, 2022
			----- Rupees -----	
	Finance cost on lease liability		8,955,040	1,411,275
	Markup on MTS securities		851,859	1,041,565
	Bank charges		8,738,123	8,580,068
	Guarantee charges to Arif Habib Corporation		1,330,608	1,583,488
			<u>19,875,630</u>	<u>12,616,396</u>

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended December 31, 2023 (Un-audited)

21. OTHER INCOME

Markup on reverse repo transaction
 Markup on borrowing to Javedan Corporation Limited
 Profit on savings accounts
 Profit on exposure deposit
 Gain on termination of lease
 Other income

(Un-audited)
December 31,
2023

(Un-audited)
December 31,
2022

----- Rupees -----

7,921,244	6,441,240
37,320,099	-
76,424,689	36,294,240
2,480,914	2,261,022
-	229,512
271,544	816,335
<u>124,418,490</u>	<u>46,042,349</u>

22. TAXATION

Current tax
 - for the year
 - for prior year
 Deferred

(Un-audited)
December 31,
2023

(Un-audited)
December 31,
2022

----- Rupees -----

57,956,299	90,981,755
-	2,966,511
<u>57,956,299</u>	<u>93,948,266</u>
<u>(35,851,045)</u>	<u>9,365,931</u>
<u>22,105,254</u>	<u>103,314,197</u>

23. EARNINGS / (LOSS) PER SHARE

23.1 Basic earnings per share

Profit after taxation attributable to ordinary shareholders

(Un-audited)
December 31,
2023

(Un-audited)
December 31,
2022

----- Rupees -----

<u>975,610,880</u>	<u>(23,273,862)</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>14.93</u>	<u>(0.36)</u>
--------------	---------------

23.2 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.

CASH AND CASH EQUIVALENTS

Cash and bank balances
 Bank balance included in the disposal group held for sale
 Short term borrowings

(Un-audited)
December 31,
2023

(Un-audited)
December 31,
2022

----- Rupees -----

2,037,364,524	1,620,707,379
	22,165,048
<u>(1,076,766,155)</u>	<u>(2,875,281,205)</u>
<u>960,598,369</u>	<u>(1,232,408,778)</u>

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

For the six months ended December 31, 2023 (Un-audited)

25. RELATED PARTY TRANSACTIONS AND BALANCES

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

Period Ended
(Unaudited) (Unaudited)
December 31, December 31,
2023 2022
----- Rupees -----

Arif Habib Corporation Limited

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

1,368,865 2,241,749
1,330,608 1,583,488

SUBSIDIARY

Arif Habib Commodities (Private) Limited

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

262,778 144,121

GROUP COMPANIES

Javedan Corporation Limited

Mark-up on loan paid / payable

Loan received

Loan extended

Loan settled

Mark-up income on loan extended

- 92,981,499
- 750,000,000
640,000,000 -
992,000,000 -
37,320,099 -

Arif Habib Equity (Pvt) Ltd.

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

857,821 197,716

Rotocast Engineering Co. (Pvt) Limited

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

- 284,286

Rent Paid

14,480,972 13,907,779

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended December 31, 2023 (Un-audited)

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	
	(Unaudited) December 31, 2023	(Unaudited) December 31, 2022
	----- Rupees -----	
	159,388	53,215
	100,000	50,000
	7,414,745	4,446,557
	288,942	160,732
	100,000	50,000
	100,000	50,000
	-	-
	100,000	50,000
	39,294	125,300
	100,000	50,000
	70,576	1,331

	Period Ended	
	September 30, 2023	September 30, 2022
	----- Rupees -----	
	3,981,495	2,061,341
	31,325	376,987
	6,500	-
	5,111,235	5,366,744

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended December 31, 2023 (Un-audited)

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

Globe Residency REIT

Advance against committed sale of investment property

Signature Residency REIT

Units receivable of REIT

Rahat Residency REIT

Units receivable of REIT

Amount receivable

	(Unaudited) December 31, 2023	(Audited) June 30, 2023
	----- Rupees -----	
	40,492	35,692
	-	688,306
	267,692	244,692
	5,126,734	5,126,734
	-	352,000,000
	654,854	2,071,785
	44	44
	26,475	13,978
	47,386	20,208
	248,749,014	248,749,014
	-	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 six months ended December 31, 2023 (Un-audited)

KEY MANAGEMENT PERSONNEL

Zafar Alam (Chairman)

Balance payable at period end

(Unaudited)
December 31,
2023

(Audited)
June 30,
2022

----- Rupees -----

2,023

3,726

Muhammad Shahid Ali (CEO)

Balance payable at period end

148,553,855

60,409,046

Sharmin Shahid (Director)

Balance receivable at period end

18,360

4,186

Nida Ahsan (Director)

Balance receivable at period end

1,692

684

Balance payable at period end

-

24,641

Muhammad Haroon (Director)

Balance payable at period end

173,725

302,869

Muhammad Sohail Salat (Director)

Balance receivable at period end

1,199

1,199

Mohsin Madni (Director)

Balance payable at period end

235,421

109,517

CLOSE FAMILY MEMBERS OF KEY MANAGEMENT PERSONNEL

Arif Habib

Trade receivable at year end

Mark-up payable

(Unaudited)
December 31,
2023

(Audited)
June 30,
2022

----- Rupees -----

29,813

23,238

4,723,973

4,723,973

Abdus Samad A. Habib

Balance receivable at period end

472,064

576,799

Muhammad Kashif A. Habib

Balance payable at period end

438

1,879

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended December 31, 2023 (Un-audited)

26. 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
As on December 31, 2023	Amount in Rupees			
<i>Financial assets measured at fair value</i>				
Short term investments	3,407,746,023	-	-	3,407,746,023
Long term investments	5,087,093	-	1,208,621,739	1,213,708,833
<i>Non-financial assets measured at fair value</i>				
Investment properties	-	194,400,000	-	194,400,000
As on June 30, 2023	Amount in Rupees			
<i>Financial assets measured at fair value</i>				
Short term investments	2,849,795,546	-	-	2,849,795,546
Long term investments	9,006,818	-	1,076,247,250	1,085,254,068
<i>Non-financial assets measured at fair value</i>				
Investment properties	-	202,000,000	-	202,000,000

27. OPERATING SEGMENT

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

All non current assets of the Company as at December 31, 2023 were located in Pakistan.

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended December 31, 2023 (Un-audited)

28. GENERAL

28.1 Date of authorization for issue of these interim financial statements

These interim financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on January 22, 2024.

28.2 Corresponding figures

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

Reclassified from component	Reclassified to component	Amount Rupees
Legal & Professional Charges (Administrative and Operating expenses)	Fees & Subscription (Administrative and Operating expenses)	<u>4,284,514</u>

28.3 Level of rounding

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



Chief Executive Officer



Director



Chief Financial Officer

PATTERN OF SHAREHOLDING REPORT

As of December 31, 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			
	-	-	-
Modarabas and Mutual Funds			
	2	609,500	0.93
General Public			
a) Local	3,235	15,892,423	24.32
a) Foreign	40	157,046	0.24
Foreign Companies	-	-	-
Others	39	951,147	1.46
Totals	3,325	65,340,000	100.00

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



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