

The background of the cover features a hand holding a glowing white arrow that points diagonally upwards and to the right. The background is a dark blue gradient with a blurred bar chart and bokeh light effects. The text is positioned in the lower right quadrant.

**UNLOCKING EXCEPTIONAL  
RETURNS:**  
**INNOVATION & GROWTH**



## WE ARE ARIF HABIB LIMITED

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

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

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

# AWARDS & ACCOLADES

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

# COLLABORATION WITH HABIB BANK LIMITED



**Our partnership with Habib Bank Limited (HBL),** aimed at enhancing the trading experience for our clients. Through this collaboration, clients can seamlessly transfer funds from their HBL accounts directly to their Arif Habib Limited (AHL) trading accounts using the HBL app or digital banking services. This partnership provides a faster, more convenient, and secure way for clients to fund their trading activities.

# COLLABORATION WITH UNITED BANK LIMITED



Our partnership with **United Bank Limited (UBL)**, designed to deliver swift and seamless digital payment solutions for our clients' capital market transactions. This collaboration enables clients to effortlessly transfer funds directly into their Arif Habib Limited trading accounts through the UBL App or UBL's digital banking platform. By streamlining fund transfers, this partnership offers enhanced convenience, speed, and security for clients managing their investments in the capital markets.

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# COMPANY INFORMATION

## Board of Directors

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

## Audit Committee

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

## Human Resource & Remuneration Committee

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

## Company Secretary & Chief Financial Officer

Mr. Muhammad Taha Siddiqui

## Auditors

M/s. Rahman Sarfaraz Rahim Iqbal Rafiq  
Chartered Accountants

## Credit Rating

JCR-VIS Credit Rating Company Limited

## Management Rating

The Pakistan Credit Rating Agency

## Legal Advisors

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  
Bank Makramah Limited  
The Bank of Khyber  
The Bank of Punjab  
United Bank Limited

## Registrar & Share Transfer Office

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

## Registered Office

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

## Lahore Branch

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

## Islamabad Branch

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

## Peshawar Branch

Shops No. F16 & F17, 1st Floor, The Mall Tower,  
Peshawar Cantt.  
Tel: +92 91 5253910-13

## Faisalabad Branch

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

## Multan Branch

Office No. 5, 3rd Floor, United Mall, Plot No. 74,  
Abdali Road, Multan  
Tel: +92 61 4514413  
+ 92 61 4514412



# EMBRACING GROWTH & INNOVATION



# 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.





# CODE OF CONDUCT

Arif Habib Limited strongly believes in running its business progressively without compromising on the best ethical standards as guided by the “CODE OF ETHICS AND BUSINESS PRACTICES”

## OUR VALUES



### Integrity

We conduct ourselves with compromising integrity and honest as individuals, as teams and as a company



### Efficiency

We provide ourselves on our efficiency which plays a major in identifying and capitalizing opportunities in all aspects of our businesses and operations



### Credibility

We strive to earn enduring credibility which we believe is essential to long-term business relationships



### Social Responsibility

We hold sound governance values and a responsible approach to social and environment risks which begins with our people and communities



# CORPORATE STRATEGY

- Strive continuously to maximize value for our client
- Control credit, market and operational risk to mitigate overall risk
- Provide Pro-active and effective services to our client
- Expand the range of our product and services
- Continue exercising high level of ethical standards



# CORPORATE SUSTAINABILITY REPORT

Arif Habib Limited (AHL) is a firm believer in sustainable development. At AHL, we pride ourselves in contributing to the betterment of the lives of our communities and the people of Pakistan. Corporate philanthropy and development are means to this, which allows us to give back to the people around us.

# CORPORATE DEVELOPMENT

PKR 1,025,000: 20th Annual Excellence Awards Ceremony: Organized by CFA Association of Pakistan, the event recognized the excellence achieved by financial institutions and professionals in different categories.

THE COMPANY HAS ALSO CONTRIBUTED TO THE EXCHEQUER BY PAYING AN AMOUNT OF PKR 185,169,080.00 IN TERMS OF DIRECT AND INDIRECT TAXES DURING THE YEAR.

# SOCIAL DEVELOPMENT

PKR 300,000: Million Smiles Foundation: Is a not-for-profit organization which aims to end poverty in all its forms everywhere, pledges to end hunger, achieve food security, improve nutrition and promote sustainable agriculture, aims to ensure good health and wellbeing, aims to ensure inclusive and equitable education, gender equality, clean water and sanitation supports. Foundation also focuses on taking action to combat climate change and its impacts.



# DIVERSITY, EQUITY, AND INCLUSION

At Arif Habib Limited (AHL), Diversity, Equity, and Inclusion (DE&I) are integral to our mission, with a special focus on advancing gender equality. Through targeted initiatives, we are committed to empowering women and fostering a diverse workforce that spans generations. We believe diversity drives innovation and leads to smarter decision-making, and we actively seek candidates whose skills, experience, and growth potential align with our strategic vision.

In recent years, AHL has made significant progress in building an inclusive environment where women are empowered to thrive at every level. Our commitment to gender equality is evident in the increase of female representation from 10% to 24%, a reflection of our dedication to equal opportunities and a culture that values long-term success and advancement for all.

We continue to prioritize diversity in all roles, focusing on enhancing female representation and supporting the economic independence and well-being of our employees. In 2024, we ensured fair and transparent performance evaluations for all eligible employees. Our policies provide parental leave for female employees, and we have implemented a robust Anti-Harassment Policy alongside a confidential whistleblower system to maintain a respectful and supportive workplace, fostering both professional and personal growth.

Our progress in DE&I was recognized by **Euromoney**, which awarded us **Best Diversity & Inclusion in Pakistan**. AHL's culture is evolving, shaped by adaptability, collaboration, and a shared commitment to DE&I. In 2024, we celebrated a unique blend of innovation and inclusivity that forms the core of our organization. We are proud of our journey and remain dedicated to fostering an environment where every individual can thrive, contribute, and share in our collective success.



# SOCIAL AND RELATIONSHIP CAPITAL

## CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS (SDGS)

At Arif Habib Limited, our HR department plays a crucial role in embedding sustainability practices across multiple facets of our operations. This integration encompasses recruitment, employee engagement, benefits, training, and diversity initiatives, all aimed at fostering a positive and inclusive workplace environment. To support this vision, we have implemented several key policies:



# KEY INPUTS

To achieve our sustainability goals, we focus on several vital inputs:



AHL adheres to the Security Exchange Commission of Pakistan (SECP) Guidelines for CSR-2013, which recognize the vital role of corporations in national development. These guidelines ensure that our CSR activities are conducted with transparency and accountability, reinforcing our commitment to ethical practices. Our dedication to the well-being of people and the planet drives our initiatives to improve lives and protect the environment through innovative outreach and tailored solutions that address community needs.

Our CSR program is rooted in the belief that every citizen deserves access to fundamental necessities such as health, nutrition, education, and economic opportunity. We strive to achieve these goals through collaborative efforts that utilize scientific research and data to create impactful solutions. By challenging existing norms, we aim to pave the way for a resilient future that benefits all stakeholders committed to sustainable development.

## ENTERPRISE RISK MANAGEMENT

AHL upholds an independent risk governance structure overseen by the CEO and senior management. We actively identify and assess risks and opportunities arising from our operating environment, taking into account industry-specific challenges and their significance.

# BOARD OF DIRECTORS

**SHAHID ALI HABIB**  
Chief Executive Officer  
& Executive Director

**MOHSIN MADNI**  
Non-Executive Director



**SHARMEEN SHAHID**  
Non-Executive Director

**ZAFAR ALAM**  
Chairman &  
Independent Director

**MUHAMMAD SOHAIL SALAT**  
Independent Director

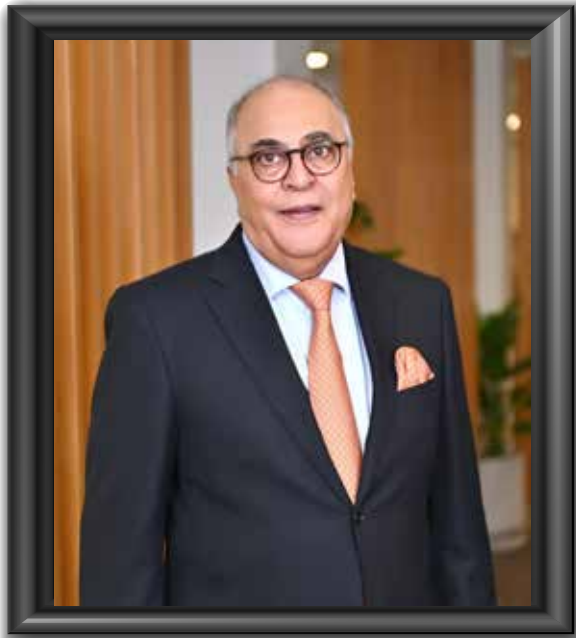
**HAROON USMAN**  
Non-Executive Director



**SYED MANZOOR RAZA**  
Non-Executive Director

# DIRECTOR'S PROFILE





# MR. ZAFAR ALAM

## Chairman & Independent Director

With decades of experience in financial markets, Zafar Alam brings a unique blend of global leadership, innovative vision and in-depth financial knowledge. As a business leader in investment banking encompassing Origination, Trading, Sales and Asset Management he has lead teams of over 400 people and delivered revenues of over a billion dollars. He has been a key member of the Top Executive Group - TEG at ABN AMRO and RBS Bank.

Holding a master's degree in Nuclear Physics, Zafar joined ABN AMRO as Investment Manager in Dubai. In 1988 he moved to Hong Kong as Head of ABN AMRO Securities & Finance Co., focusing on fixed income trading and sales. In 1990 he started the brokerage and origination business for Asian equities. In 1995, he was asked by the bank's senior leadership to move to Singapore, to lead and build the local markets business, as Head of Local Markets and Credit Trading.

As a passionate innovator, Zafar Alam had the vision to enter into Fixed Income and Derivatives markets. The bank was only active in FX sphere however his input gave the direction to add Fixed Income and Derivatives as the market was set to take off in the aftermath of the Asian crisis. The activities included origination, trading and sales in thirteen Asian countries.

In 2002, he was appointed Managing Director and moved to London as Global Head of Emerging Markets responsible for origination, trading and sales, before taking on his new role in Equities.

As Global Head of Equity Derivatives Sales in the enlarged RBS Global Banking & Markets Group. In this role Zafar was responsible for combining the successful Private Investor Products (PIP) and Institutional/Corporate business of ABN AMRO and RBS. He was responsible for developing, manufacturing and distributing structured products consisting of multi-assets. In one year, he turned a USD 150 million business into a USD 1 billion business.

In 2010, he became Head of Equities and Structured Retail Sales for Middle East and Africa, based in Dubai focused on building an Equities platform. He also managed the Structured Equities Solution team which provided equity financing with an overlay of derivative solutions.

Zafar Alam has always had a strong belief in technology and been a visionary for a digital future. Zafar Alam is a chairman and founder of ELIGIBLE.ai, an award winning Fin-Tech company in the UK loan servicing market. Eligible is a digital servicing solution using behavioral segmentation to personalize every consumer's journey. Allowing financial institutions to instantly educate, empower and retain their customer base. The Fin-Tech services over GBP 15 billion in mortgages making it the 5th largest consumer database in the UK.

With the combination of his extensive experience across sectors and markets, Zafar Alam has also been entrusted as a Partner at Silver Tree HK LTD., an asset management fund based in Hong Kong with over USD 250 million assets under management (AUM).



# MR. SHAHID ALI HABIB

## Chief Executive Officer & Executive Director

Shahid has a proven track record of establishing successful business organizations and turning around ventures into vibrant units. He has over 25 years of experience in the fields of Securities Brokerage, Banking, Corporate Finance and Investment Banking.

He joined AHL in 2013, as Chief Executive, responsible for all investment banking and Securities brokerage activities. Shahid has worked on over 50 transactions and raised more than PKR 350 billion across equity, structured equity and bonds for both corporate and sovereign clients. He was the Domestic Team Leader of Pakistan's largest equity market transaction, "The HBL Secondary offering" worth PKR 107 bn and others significant transactions including UBL secondary offering of PKR 41 bn and Engro Fertilizers offering of PKR 20 bn. He has also originated several M&A transactions over the years.

During his tenure, AHL was awarded 'Best Equity Brokerage House' multiple times by the CFA Association of Pakistan (CFAP) and Best Investment Banking House by Asiamoney and The Asset. The company also has the distinction of being awarded Best Investment Banking House for 9 consecutive years by CFAP and multiple times by Asiamoney, FinanceAsia and The Asset during Shahid's tenure as CEO. The growth and progress made under his guidance has also been acknowledged by Pakistan Stock Exchange (PSX) with AHL the only brokerage house to be a multiple recipient of the 'Top 25 listed companies award'.

Shahid has previously served as Executive Director and Chairman of a few local equity brokerage and financial services institutions and also worked at leading banks in Saudi Arabia and Canada. He regular serves as member of various committees at the PSX including Development and Trading Affairs Committee, New Product Committee, Companies Affairs and Corporate Governance Committee.

He holds an MBA in Finance from the Institute of Business & Administration (IBA) and has a Certification in Finance from London School of Economics (LSE) as well as a Bachelor's degree in Computer Science from FAST ICS.



# MR. MUHAMMAD SOHAIL SALAT

## Independent Director

Dr. Muhammad Sohail Salat is a qualified and highly reputed Pediatrician and Neonatologist who has a Bachelor of Medicine and Bachelor of Surgery from Dow Medical College Karachi. He has a certification in General Pediatrics from United States of America and Fellowship in Neonatology, holding a Foreign Medical Graduate Examination in Medicine from the US and is licensed from Pakistan Medical and Dental College.

He completed his Residency in Pediatrics from Maimonides Medical Center and Interfaith Medical Center, Downstate University of New York and Fellowship in Neonatal Perinatal Medicine from Westchester Medical Center, New York Medical College, USA.

Sohail is associated with the Pakistan's top medical health care services provider, The Aga Khan University Hospital (AKUH) Karachi (Department of Pediatrics and Child Health) and is currently working as an Associate Professor. He holds director posts in undergraduate and post graduate medical education, Ambulatory clinical areas and chaired various administration posts in AKUH. He was previously associated with Ziauddin Medical University, Karachi.

Sohail is regarded as an expert in the fields of Pediatrics, Child Health and Neonatal Perinatal Medicine and has had numerous publications on those subjects and presented his work at various leading local and international conferences. He is actively involved in Pakistan Pediatric Association (PPA) a non-political organization for the better care of Pediatric patients in Pakistan. He is currently associated with PPA including Advisor to Neonatology group of PPA and currently holds the post of Chairman Neonatology group of Pakistan Pediatrics Association and general secretary Pakistan Society of Inherited Metabolic disorders (PSIMD).



## MR. HAROON USMAN

### Non - Executive Director

Mr. Haroon Usman is a Commerce Graduate and a Fellow Member of the Institute of Cost and Management Accountants of Pakistan. He has over 50 years' experience in the fields of commerce, finance and industry. He has served a number of local and foreign organizations of repute in different executive positions related to accounts, finance, general management and consultancy, both in Pakistan and abroad.

Haroon serves as member of the Human Resource & Remuneration Committee and as a member of the Audit Committee of the Company.



## MR. SYED MANZOOR RAZA

### Non - Executive Director

Mr. Manzoor Raza is the Company Secretary of Aisha Steel Mills Limited and Arif Habib Corporation Limited. His role encompasses a wide range of matters ranging from corporate law to compliance.

He is a member of Institute of Chartered Secretaries and Managers and has been associated with the Arif Habib Group since 2003.

He worked with Arif Habib Investments Limited (now MCB-Arif Habib Savings) before moving to Arif Habib Corporation Limited in 2011.

Prior to his joining Aisha Steels as a company secretary, he was looking after the secretarial function of Arif Habib Dolmen REIT Management Limited as well.



# SHARMIN SHAHID

## Non - Executive Director

Ms. Sharmin Shahid has over 23 years of experience in the field of Securities Brokerage and Portfolio Management. She was awarded the top position in her Bachelor's Degree in Commerce and has also participated in the Directors' Training Program. She has been awarded the Top 25 Companies Award on behalf of AHL for several years.

Sharmin actively participates in welfare activities and remains one of the trustees of Memon Health and Education Foundation (MHEF). Under her patronage & direction AHL has continued to excel and become a leading name in the industry.



# MR. MOHSIN MADNI

## Non - Executive Director

Mohsin Madni serves as a Non-Executive Director on the board of Arif Habib Limited, nominated by Arif Habib Corporation Limited, the holding company. A fellow member of the Institute of Chartered Accountants of Pakistan, Mohsin brings extensive expertise in financial strategy, corporate governance, and regulatory compliance, contributing significantly to the Company.

In addition to his directorship at Arif Habib Limited, he holds the roles of Chief Financial Officer and Chief Operating Officer at Holding Company, where he ensures cohesive strategic alignment across the Group. Mohsin's oversight includes critical functions such as finance, tax, and legal, along with strengthening key stakeholder relationships. His non-executive role allows him to provide independent perspectives while supporting the long-term growth and sustainability of Arif Habib Limited.

With a robust background that includes tenure at Taseer Hadi & Co., Chartered Accountants, Mohsin has honed skills in statutory audits, advisory services, and financial governance, enabling him to add depth and strategic insight to his board contributions at Arif Habib Limited.



## CHAIRMAN REVIEW

*Review Report by the Chairman on the overall performance of Board and effectiveness of the role played by the Board in achieving the Company's objectives:*

The Board of Directors ("the Board") of Arif Habib Limited ("AHL") has performed their duties diligently in upholding the best interest of shareholders' of the Company and has managed the affairs of the Company in an effective and efficient manner. The Board has exercised its powers and has performed its duties as stated in the repealed Companies Act 2017 and the Code of Corporate Governance ("the Code") contained in the Rule Book of the Pakistan Stock Exchange (the Rule Book) where the Company is listed.

The Board during the year ended 30 June 2024 played an effective role in managing the affairs of the Company and achieving its objectives in the following manner;

- The Board has ensured that there is adequate representation of non-executive and independent directors on the Board and its committees as required under the Code and that members of the Board and its respective committees has adequate skill experience and knowledge to manage the affairs of the Company;
- The Board has formed an Audit and Human Resource and Remuneration Committee and has approved their respective terms of references and has assigned adequate resources so that the committees perform their responsibilities diligently;
- The Board has developed and put in place the rigorous mechanism for an annual evaluation of its own performance and that of its committees and individual directors. The findings of the annual evaluation are assessed and re-evaluated by the Board periodically;
- The Board has ensured that the directors are provided with orientation courses to enable them to perform their duties in an effective manner and that the five directors on the Board have already taken certification under the Directors Training Program (DTP) and the remaining directors meet the qualification and experience criteria of the Code;
- The Board has ensured that the meetings of the Board and that of its committee were held with the requisite quorum, all the decision making were taken through Board resolution and that the minutes of all the meetings (including committees) are appropriately recorded and maintained;
- The Board has developed a code of conduct setting forth the professional standards and corporate values adhered through the Company and has developed significant policies for smooth functioning;
- The Board has actively participated in strategic planning process enterprise risk management system, policy development, and financial structure, monitoring and approval;
- All the significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decision making process and particularly all the related party transactions executed by the Company were approved by the Board on the recommendation of the Audit Committee;
- The Board has ensured that the adequate system of internal control is in place and its regular assessment through self-assessment mechanism and /or internal audit activities;
- The Board has prepared and approved the director's report and has ensured that the directors report is published with the quarterly and annual financial statement of the Company and the content of the director's report are in accordance with the requirement of applicable laws and regulation;
- The Board has ensured the hiring, evaluation and compensation of the Chief Executive and other key executives including Chief Financial Officer, Company Secretary, and Head of Internal Audit;
- The Board has ensured that adequate information is shared among its members in a timely manner and the Board members are kept abreast of developments between meetings; and
- The Board has exercised its powers in light of the power assigned to the Board in accordance with the relevant laws and regulation applicable on the Company and the Board has always prioritized the Compliance with all the applicable laws and regulation in terms of their conduct as directors and exercising their powers and decision making.
- The board has prioritized creating value for shareholders since the announcement of the scheme. Their main focus has been to secure the best possible swap ratio while minimizing volatility and enhancing the overall risk profile of the company. Additionally, the board has ensured that shareholders will receive a substantial earnings payout, thereby improving capital appreciation in share value.
- The board continues to explore opportunities to deploy innovative technologies into the financial markets. Emerging Fintechs will allow us to reduce the cost/income ratios of our products and services – particularly in retail markets. Mirroring the innovation seen around the world; Pakistan can provide greater accessibility for retail investors - while the self-serve nature of these journeys provides attractive unit economics for the product and service providers.

The evaluation of the Board's performance is assessed based on those key areas where the Board requires clarity in order to provide high level oversight, including the strategic process; key business drivers and performing milestones, the global economic environment and competitive context in which the Company operates; the risk faced by the Company's business; Board dynamics; capability and information flows. Based on the aforementioned, it can reasonably be stated that the Board of AHL has played a key role in ensuring that the Company objectives' are not only achieved, but exceeded expectations through a joint effort with the management team and guidance and oversight by the Board and its members.



**Zafar Alam**  
Chairman  
October 30, 2024



## DIRECTOR'S REPORT

On behalf of the Board of Directors of the Company, it gives me immense pleasure to present the Annual Report of the Company for the year ended June 30th, 2024 together with the audited financial statements for the year in accordance with the accounting, regulatory and legal standards and requirements.

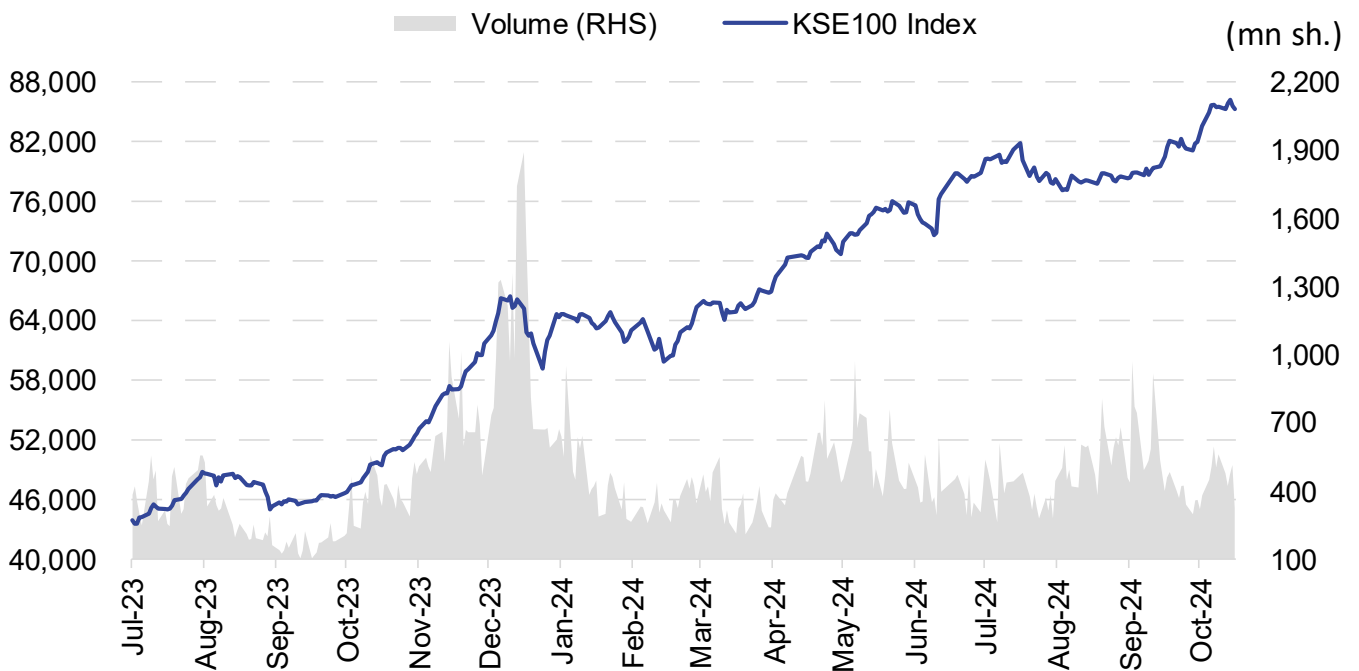
### Economic outlook:

The economic landscape of Pakistan has shown significant improvement, registering a growth rate of 2.5% in the fiscal year 2024, a notable recovery from the contraction experienced in FY23. This positive trajectory coincided with the general elections held toward the end of the year, representing a critical step towards political stability. The resilience of the economy is evident as it rebounded from the previous year's downturn, supported by government initiatives that resulted in the first primary surplus in two decades. A robust fiscal consolidation plan aimed at reducing the fiscal deficit played a pivotal role in this achievement.

Inflationary pressures have subsided, aided by effective monetary policies, culminating in a 150 basis points rate cut in the final month of the fiscal year. The current account deficit has narrowed significantly, decreasing by 48% year-on-year, while foreign exchange reserves reached a two-year high of USD 14 billion, bolstered by the successful execution of the IMF Standby Agreement and enhanced international financial support. Foreign direct investment also showed promising signs, with net inflows increasing by 17% year-on-year. Furthermore, the Pakistani Rupee appreciated by 2.7% against the USD in FY24, driven by strategic policy measures. The positive developments of FY24 lay a solid foundation for continued economic recovery, fostering investor confidence and paving the way for sustainable growth.

### Stock performance:

The benchmark KSE-100 index experienced an extraordinary bull run, surging by an impressive 89% (36,992 points) year-on-year, closing FY24 at 78,445 points. In USD terms, the market emerged as the best performer globally, delivering a remarkable 94% return, a stark contrast to the negative 28% return recorded in FY23. This robust performance was driven by several key factors, including the new IMF agreement, the establishment of the Special Investment Facilitation Council (SIFC), and improving macroeconomic indicators such as the appreciation of the PKR, easing inflation, declining international oil prices, and the successful conduct of elections.



Investor sentiment remained strong, with market participation witnessing a significant increase. Average trading volumes surged by 2.1 times year-on-year to 461 million shares, while the average traded value rose by 2.2 times to USD 55 million. Key sectors that outperformed included Leather (+268%), Automobile Parts (+209%), Cable & Electrical Goods (+173%), Power (+166%), and Banks (+163%). Conversely, Textile Spinning (-29%) and Technology (-2%) faced notable challenges.

Foreign investment also surged in FY24, with inflows totaling USD 141 million, the highest since FY14. Significant inflows were directed towards Banks (USD 60 million), Other Sectors (USD 36 million), Fertilizer (USD 18 million), Power (USD 16 million), and Cement (USD 13 million). Notably, foreigners were net sellers only in debt securities, with outflows amounting to USD 17 million.

## Financial Performance

We are pleased to report that AHL has demonstrated robust financial performance for FY24. The company recorded an unconsolidated profit after tax of PKR 611.94 million, translating to earnings per share (EPS) of PKR 9.37. Additionally, our consolidated profit after tax reached PKR 618.12 million, with an EPS of PKR 9.46. The company achieved impressive brokerage revenue of PKR 782 million and investment banking revenue of PKR 250 million. Overall operating revenue from brokerage and investment banking and advisory services reached PKR 1,082 million, reflecting a notable 23.25% increase from PKR 878.0 million in FY23. This growth can be largely attributed to our successful expansion of the digital and retail client base across major cities, significant block transactions, and an increase in advisory transactions, particularly in IPOs, M&A, and debt advisory.

Our fixed income investment portfolio has also performed exceptionally well, yielding substantial realized and unrealized gains of PKR 359 million. This performance underscores our strategic investment decisions and effective portfolio management.

We have consistently prioritized investments in technology and human resources to enhance our service offerings, which has resulted in higher fixed costs. Additionally, inflationary pressures have impacted operational expenses, which increased by 59% over the year. Despite these challenges, we remain committed to delivering value to our clients and stakeholders.

Our dedication to rewarding performance is clearly reflected in the increase in variable compensation for our brokerage team, which aligns with our revenue growth. Moreover, our effective fund management and the transfer of our equity and property investment portfolio to Arif Habib Corporation Limited under the scheme of arrangement have substantially lowered our financing costs. These costs decreased to PKR 98 million, down from PKR 638 million in the previous year. This significant reduction underscores our strategic emphasis on efficiency and cost management.

AHL's financial performance in FY24 showcases our resilience and commitment to growth, driven by strategic initiatives and a focus on delivering exceptional service. We look forward to building on this momentum in the coming year, ensuring continued success for our clients and stakeholders alike.

## Exceptional Shareholder Value

Arif Habib Limited (AHL) has generated substantial value for its shareholders, posting an impressive total return of 233% since FY23TD. This exceptional performance is primarily driven by the successful execution of a strategic initiative to carve out its investment portfolio while retaining its core operations in brokerage and investment banking. This bold move has not only strengthened market sentiment but also provided greater strategic clarity, reinforcing investor confidence in

AHL's long-term growth potential. Additionally, AHL's attractive payout ratio has positioned the company as a compelling choice for income-focused investors, further solidifying its market standing and appeal.

In addition to these achievements, AHL has outperformed the KSE-100 index by 128%. This impressive growth is underpinned by a 3.4x year-over-year increase in profitability, driven by operational efficiencies and revenue-boosting strategies. This stellar performance firmly establishes AHL as a market leader, highlighting its resilience and ability to generate substantial shareholder value, even in the face of a challenging economic environment.

## Brokerage Operations

The brokerage division has emerged as a cornerstone of our financial performance, achieving an extraordinary revenue increase of 66%, culminating in PKR 782 million. This remarkable growth not only highlights our expertise but also reinforces our leadership position within the sector. The most significant percentage increase in brokerage revenue has been attributed to digital trading, with notable contributions from high-net-worth individuals (HNWIs) and retail investors across key cities including Karachi, Lahore, Islamabad, Faisalabad, Multan, and Peshawar. Among institutional investors, banks and insurance clients have demonstrated the highest growth, while mutual funds and other corporate investors have also contributed positively.

The Treasury department, encompassing both the money market and foreign exchange desks, has delivered exceptional results, recording brokerage revenues of PKR 163 million—a 41% year-on-year increase. This achievement marks the highest revenue performance since the department's inception in 2013. The consistency of our performance is underscored by a compound annual growth rate (CAGR) of 30% over the past five years, a feat unmatched by our competitors. This outstanding performance has earned us the prestigious Best Interbank Brokerage Award from the Money Market Association of Pakistan. To further capitalize on this success, we have expanded our team by adding additional traders to both the money market and FX departments, significantly enhancing our market share.

Our IT department has played a pivotal role in ensuring a robust operational environment for our trading and settlement desks, consistently upgrading our back-office software solutions to enhance efficiency. The Sales and Retail/Online teams have excelled in maintaining momentum in new account openings, achieving a record number of Resident Foreign Accounts (RDA) for non-resident Pakistanis and actively engaging them with capital market opportunities. Our research team has provided invaluable insights, delivering comprehensive fundamental research notes on listed companies and the broader economy. We also commend our compliance team for their diligent work in KYC/AML processes amid the increasing volume of account openings, as well as our settlement department for their swift and efficient transaction handling.

By the grace of the Almighty, AHL has received numerous accolades from prestigious global and local institutions. Notable awards in FY24 include 'Best for Research in Pakistan' and 'Best for Diversity & Inclusion in Pakistan' by Euromoney, the Best Equity Brokerage House award from the CFA Society, the Best Economic Research House award from the CFA Society, Best Trader and Best Analyst category awards from CFA Society, and the 'Best Interbank Brokerage Award' from Financial Market Association of Pakistan.

Our brokerage operations have not only achieved remarkable financial milestones but have also set a benchmark for excellence in service delivery, innovation, and compliance. We remain committed to sustaining this growth trajectory and continuing to provide unparalleled value to our clients and stakeholders.

## Investment Banking Operations

In FY24, our Investment Banking division achieved a robust total revenue of PKR 250 million, reflecting our commitment to delivering exceptional financial services. This year, we successfully executed two Initial Public Offerings (IPOs), including International Packaging Films Limited, which raised PKR 1.77 billion, and Secure Logistics Group Limited, which raised PKR 600 million.

Our involvement in the Sukuk advisory space has been particularly noteworthy, with significant contributions to Air Link Communications Limited and Ismail Industries. Additionally, we provided advisory services for Term Finance Certificates (TFCs) for Kashf Foundation and Karachi Electric, and engaged in various Mergers and Acquisitions, including the notable transaction involving Wall Street Exchange Company. Other key activities included the delisting of Pak Suzuki Motor Company, buy-back advisory for Unity Foods, and rights share advisory for The Searle Company Ltd, Mirpurkhas Sugar, and Gatron Industries, among numerous short-term TFCs and additional ongoing transactions.

These activities have not only bolstered our confidence but have also reinforced our reputation as a trusted advisor in the market. We are committed to exploring complex transactions and executing them with precision to deliver optimal outcomes for our clients.

We take pride in AHL's sustained position as a market leader in investment banking. Looking ahead, management anticipates a surge in activity driven by new equity and debt listings, as well as expanded opportunities in Mergers & Acquisitions, Debt Advisory, and private equity investments. We remain optimistic about our potential to increase market share by consistently providing exceptional service to our valued clients.

We extend our deepest gratitude to our shareholders, clients, and employees for their unwavering support and dedication. Together, we look forward to navigating the opportunities and challenges that lie ahead, reaffirming our commitment to excellence and innovation in all our endeavors.

## Post Balance Sheet Events

We are delighted to announce that the Scheme of Arrangement, dated November 17, 2023, as approved by the overwhelming shareholders of the Company and Arif Habib Corporation Limited, the Parent Company (AHCL) on December 26, 2023, has been sanctioned by the Honorable High Court of Sindh on October 21, 2024. This Scheme effectively bifurcate the Company into two distinct segments: the Demerged Undertaking and the Retained Undertaking.

As per the Scheme, the Demerged Undertaking, comprising certain non-core business including assets, liabilities, rights, and obligations as outlined in the Scheme, has been transferred to AHCL effective July 1, 2023. The Retained Undertaking, focusing on Securities Brokerage and Investment Banking, will continue to operate under Arif Habib Limited. As explained in detail in Note 1.5 of the audited financial statements, the Scheme has an effect of transfer of net assets of Rs. 4,169.67 million to AHCL, reducing Company's net assets to Rs. 653 million as of the effective date of July 01, 2023. In consideration of this transfer, AHCL will issue shares to the Shareholders of the Company (excluding AHCL itself) at a swap ratio of 0.8673 AHCL shares per AHL share.

We believe this strategic bifurcation will enhance operational efficiencies and create value for our shareholders, positioning both entities for future growth and success.

## Awards and Recognition

We take immense pride in announcing that the company's performance has been recognized by internationally renowned organizations such as Euromoney for FY24 and very respected locally renowned organization CFA Society Pakistan in FY24. AHL received following awards:

1. Best Diversity & Inclusion in Pakistan - 2024 - [Euromoney](#)
2. Best for Research in Pakistan - 2024 - [Euromoney](#)
3. Best Equity Brokerage House award - [CFA Society Pakistan](#)
4. Best Economic Research House award - [CFA Society Pakistan](#)
5. Best Interbank Brokerage Award - [Financial Market Association of Pakistan](#)
6. Best Brokerage House - [International Finance](#)
7. Best Equity Analyst award - [CFA Society Pakistan](#)
8. Best Corporate Finance House 2022 - [CFA Society Pakistan](#)

## Credit Rating

The Company has been re-assigned entity ratings of 'AA-/A-1' (Double A Minus/A-One) by JCR-VIS Credit Rating Company Ltd. (JCR-VIS). The outlook on the assigned ratings is 'Stable'. This certification has further underscored the management's vision for continuous growth and is expected to provide further confidence to the company's clientele with regards to the credibility and stability of the brand "Arif Habib".

## Management Rating

The Company has been assigned a management rating of BMR1 by the Pakistan Credit Rating Agency Limited (PACRA). The outlook on the assigned ratings is 'Stable'. This certification has endorsed the Company's capability in upholding strong control and governance framework, continuing update of client servicing tools, and careful monitoring of risks mainly liquidity and conflict of interest emanating from investment activities.

## Risk Management

Risks are unavoidable in our business and include liquidity, market, credit, operational, legal, regulatory, and reputational risks. AHL's risk management governance starts with our Board, which plays an integral role in reviewing and approving risk management policies and practices.

Our risk management framework and systems are longstanding, standardized, and very robust. We believe that effective risk management is of primary importance to the success of the Company. Accordingly, we have initiated comprehensive risk management processes through which we monitor, evaluate and manage the risks we assume in conducting our activities. A rigorous framework of limits is applied to control risk across multiple transactions, products, businesses, and markets in which we deal. This includes setting credit and market risk limits at a variety of levels and monitoring these limits regularly.

## Materiality Approach Adopted

The Board of Directors closely monitor all material matters of the Company. In general, matters are considered to be material if, individually or in aggregate, they are expected to significantly affect the performance and profitability of the Company in accordance with the policy.

## Corporate Social Responsibility

Your Company continued its contribution to society and the business community as a socially responsible organization through numerous philanthropic activities. AHL is committed to the fulfilment of its Corporate Social Responsibility and continues its involvement in projects focusing on healthcare, education, environment, and community welfare. We aim to continue our involvement and contribution to such noble causes in the future as well.

The details of the contribution made by the Company are presented on Page No. 15.

## Code of Corporate Governance

The Board and Management of the Company are committed to ensuring that requirements of the Code of Corporate Governance are fully met. The Company has adopted strong Corporate Governance practices with an aim to enhance the accuracy, comprehensiveness and transparency of financial and non-financial information.

The Directors are pleased to report that:

- a. The financial statements prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity;
- b. Proper books of account of the Company have been maintained;
- c. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- d. International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements;
- e. The system of internal control is sound in design and has been effectively implemented and monitored;
- f. There are no significant doubts upon the Company's ability to continue as a going concern;
- g. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations;
- h. The Company has on account of statutory payment of taxes, duties, levies and charges has no outstanding liability as at the balance sheet date;
- i. There are no transactions entered into by the broker during the year which are fraudulent, illegal or in violation of any securities market laws;
- j. The Company has paid amount of Rs. 10,065,774 in the Provident Fund of the employees of the Company and the Company has no outstanding liability as at the year-end as the Provident Fund is managed by a separate trust.

## Changes in the Board

During the year under review, there was no change in structure of the Board.

## Directors Remuneration Policy

Those non-executive directors including independent directors of Arif Habib Limited who do not hold a senior executive or management position or directorship in any group company may claim meeting fee for attending Board of Directors meeting or any of Boards' sub-committee meeting at the rate approved by the Board of Directors from time to time. Payment of remuneration against assignment of extra services by any director shall be determined by the Board of Directors on the basis of standards in the market and scope of the work, and shall be in line as allowed by the Articles of Association of the Company. Levels of remuneration shall also be appropriate and commensurate

with the level of responsibility and expertise. However, for an Independent Director, it shall not be at a level that could be perceived to compromise the independence.

### Board and Audit Committee Meetings and Attendance

During the year under review, four meetings of the Board of Directors and four meetings of the Audit Committee were held from July 01, 2023 to June 30, 2024. The attendance of the Board and Audit Committee members was as follows:

Name of Director	Board Meeting	Audit Committee Meeting
Mr. Zafar Alam	4	N/A
Ms. Sharmin Shahid	4	N/A
Ms. Nida Ahsan	4	N/A
Mr. Muhammad Haroon	4	4
Mr. Mohsin Madni	4	4
Mr. Muhammad Shahid Ali	4	N/A
Mr. Muhammad Sohail Salat	4	4

Leave of absence was granted to members who did not attend the Board and Committee meetings.

### Trading in Shares of the Company by Directors and Executives

During the year following trades in the shares of the Company were carried out by the Directors, CEO, CFO, Company Secretary and their spouses and minor children:

Name of Director	Designation	Shares Bought	Shares Sold	Remarks
Mr. Zafar Alam	Chairman	-	110	-
Mr. Muhammad Sohail Salat	Director	-	-	-
Ms. Sharmin Shahid	Director	-	-	-
Mr. Mohsin Madni	Director	-	-	-
Mr. Muhammad Haroon	Director	-	-	-
Ms. Nida Ahsan	Director	-	-	-
Mr. Muhammad Shahid Ali	Chief Executive Officer	-	-	-
Mr. Muhammad Taha Siddiqui	Chief Financial Officer & Company Secretary	-	-	-
Spouses	-	-	-	-
Minor Children	-	-	-	-

### Audit Committee

The Audit Committee of the Board continued to perform its duties and responsibilities in an effective manner as per its terms of reference duly approved by the Board. The committee composition has also been attached with this report.

### Corporate and Secretarial Compliance

The Company Secretary has furnished a Secretarial Compliance Certificate as part of the annual return filed with the registrar of Companies to certify that the secretarial and corporate requirements of the Companies Act, 2017, Memorandum and Articles of Association of the Company, the listing regulations and Listed Companies (Code of Corporate Governance) Regulations, 2019 have been duly complied with.

## Ethics and Business Practices

As per the Corporate Governance guidelines, the Company has circulated a “Code of Ethics” for compliance. It has been signed by all directors and employees of the Company acknowledging their understanding and acceptance of the Code.

## Pattern of Shareholding

The detailed pattern of the shareholding and categories of shareholders of the Company as at June 30, 2024, as required under the listing regulations, have been appended to this Annual Report.

## Information to Stakeholders

Key operating and financial data of previous years has been summarized and is presented on page No. 45.

## Post Balance Sheet Dividend

The Board of Directors has proposed a final cash dividend of Rs. 5/- per share amounting to Rs. 326.7 million at its meeting held on October 30, 2024 for the approval of the members at the annual general meeting to be held on November 27, 2024. These unconsolidated financial statements do not reflect the said appropriation.

## Related party transaction

In order to comply with the requirements of listing regulations, the Company has presented all related party transactions before the Audit Committee and Board for their review and approval. These transactions have been approved by the Audit Committee and Board in their respective meetings. The details of all related party transactions have been provided in note 34 & 35 of the annexed audited financial statements.

## Auditors

The retiring auditors M/s. Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, have offered themselves for reappointment. The Board recommends their reappointment and a resolution proposing the appointment of M/s. Rehman Sarfaraz Rahim Iqbal Rafiq as auditors of the Company for the financial year 2024-25 will be submitted at the forthcoming Annual General Meeting for approval.

## Future Prospects

The future prospects for AHL are exceptionally promising, fueled by management’s strategic initiatives aimed at expanding market share and enhancing participation across all business segments, particularly in digital brokerage, IPOs, and M&A advisory. Our newly launched app and web-based trading system are set to significantly broaden our client base while enhancing the trading experience for our users.

We are committed to increasing trading volumes from both existing and potential domestic and international clients by strengthening relationships through our premium suite of services. This strategy includes the introduction of innovative products and services, bolstered by our high-quality research capabilities that provide clients with valuable insights and guidance.

Looking ahead, management anticipates a surge in activity driven by new equity and debt listings, Mergers & Acquisitions, privately placed TFCs and Sukuks, as well as advisory and underwriting services for equity raising through rights issues. Our Investment Banking Division is well-prepared to capitalize on these opportunities, leveraging our expertise and resources to deliver exceptional results.

Furthermore, the demerger of AHL is likely to stabilize the company's profitability, improve its risk profile by reducing market volatility of the investment portfolio, and allow management to sharpen its focus on core business activities.

As we navigate the opportunities and challenges that lie ahead, we remain steadfast in our commitment to excellence and innovation in all our endeavors. We are excited about the potential for growth and look forward to creating lasting value for our clients and stakeholders in the coming years.

### Acknowledgement

We are grateful to the Company's shareholders for their continuing confidence and patronage. We record our sincere appreciation to all Stakeholders, 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 all the team members of the Company during the period. We also acknowledge the valuable contribution and active role of the members of the Board Committees in supporting and guiding the management on matters of great importance.

For and on behalf of the Board of Directors,



Muhammad Shahid Ali  
Chief Executive Officer and Executive Director

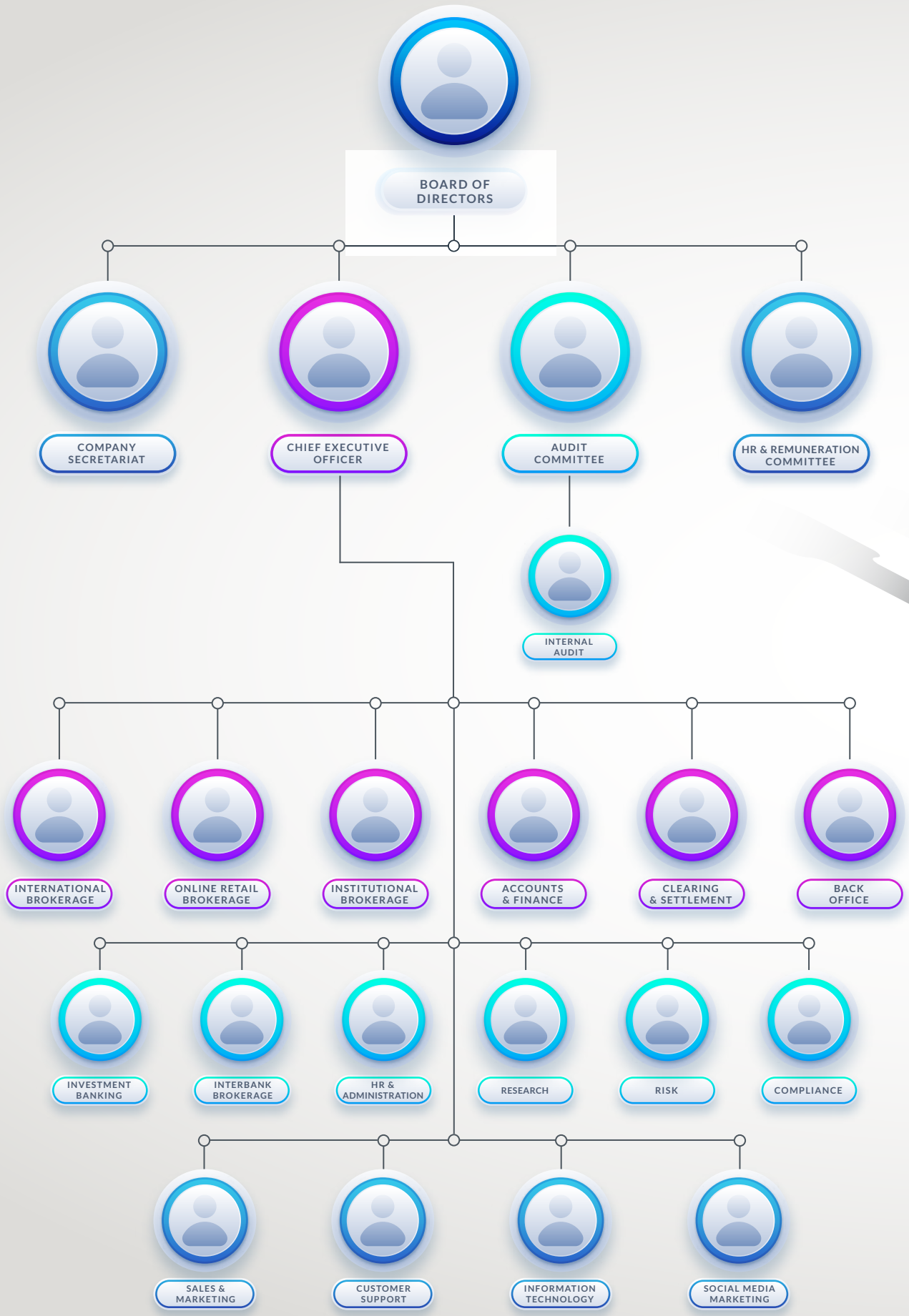


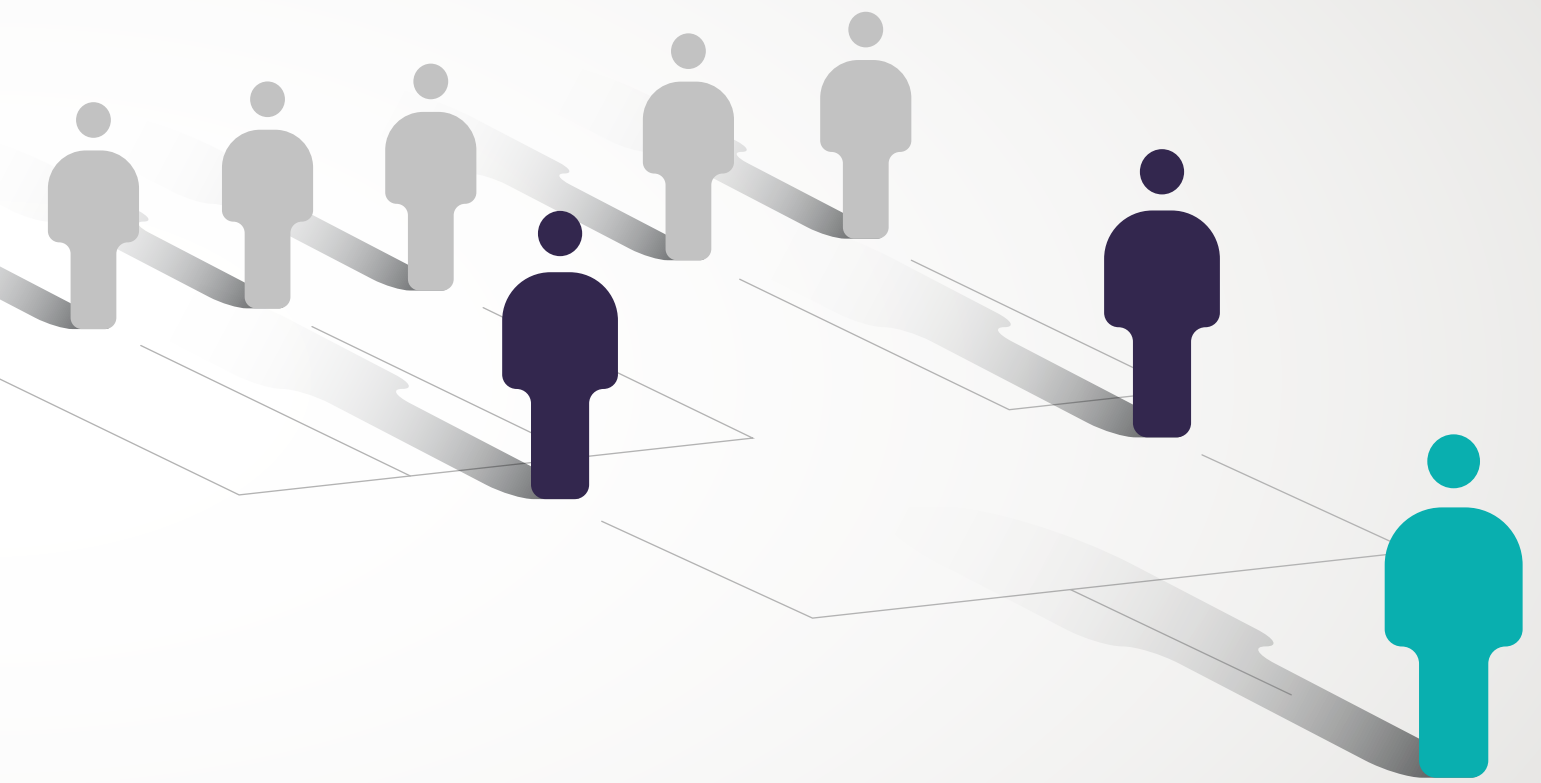
Zafar Alam  
Chairman

Karachi.

Dated: October 30, 2024

# ORGANIZATIONAL STRUCTURE





# FINANCIAL & BUSINESS HIGHLIGHTS

## FIVE YEAR AT A GLANCE

Year ended 30 June

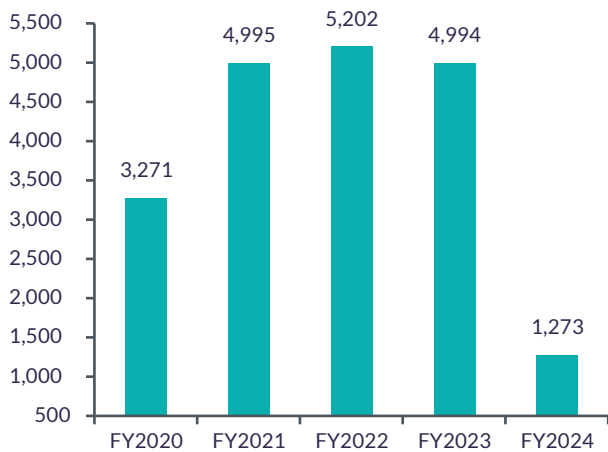
	2024	2023	2022	2021	2020
	----- Rupees in million -----				
<b>PROFIT AND LOSS ACCOUNT</b>					
Operating Revenue	1,120	1,495	1,132	1,544	645
Investment gains - net	355	(237)	(473)	1,276	(70)
Other	406	120	88	71	140
Total turnover	<b>1,881</b>	<b>1,622</b>	<b>1,758</b>	<b>3,181</b>	847
Operating & administrative expenses	(1,017)	(632)	(591)	(656)	(344)
Finance Cost	(98)	(638)	(197)	(132)	(362)
Profit / (loss) before taxation	765	352	970	2,393	129
Profit / (loss) after taxation	<b>612</b>	<b>185</b>	<b>827</b>	<b>2,084</b>	60
EBITDA	<b>904</b>	<b>1,037</b>	<b>1,209</b>	<b>2,560</b>	519
<b>BALANCE SHEET</b>					
Share Capital	653	653	653	594	594
Reserves	612	4,333	4,533	4,386	2,662
Share holders equity	1,273	4,994	5,202	4,995	3,271
Long term investment	68	1,123	81	136	127
Investment property	39	451	1,642	1,969	1,678
Current assets	5,395	5,636	7,119	6,250	4,944
Current liabilities	4,363	2,721	3,754	3,473	3,239
Total assets	5,680	7,785	8,986	8,472	6,869
Total liability	4,407	2,791	3,784	3,477	3,598

	2024	2023	2022	2021	2020
----- Rupees in million -----					
<b>RATIOS</b>					
<b>Performance</b>					
Profit before tax (%)	41%	22%	55%	75%	15%
Expense / income (%)	54%	39%	34%	21%	41%
Return on Equity	20%	4%	16%	50%	2%
Return on capital Employed	24%	7%	19%	55%	4%
<b>Leverage</b>					
Financial Leverage Ratio (x)	11.70	20.78	27.06	16.16	26.73
Debt to Equity (%)	52%	32%	47%	27%	56%
Interest cover ratio (x)	7.81	0.55	4.92	18.17	0.36
<b>Liquidity</b>					
Current ratio (x)	1.24	2.07	1.90	1.80	1.53
Quick / acid test (x)	0.94	1.51	1.73	1.63	1.45
<b>Valuation</b>					
EPS(PKR)	9.37	2.83	12.65	31.89	1.00
Price earning ratio (%)	6.30	9.42	3.51	2.54	32.60
Price to book ration(%)	3.03	0.35	0.56	0.96	0.59
Dividend Yield Ratio	8%	9%	14%	12%	8%
Dividend Payout Ratio	53%	88%	47%	31%	251%
Cash dividend per share (PKR)	5.00	2.50	6.00	10.00	2.50
Stock Dividend Per Share	0%	0%	0%	10%	0%
Market Value at the end of Each Year (PKR)	59.01	26.68	44.39	81.12	32.53
High (during the year) (PKR)	59.01	48.24	88.99	85.53	64.12
Low (during the year) (PKR)	25.21	23.52	38.48	32.60	23.05

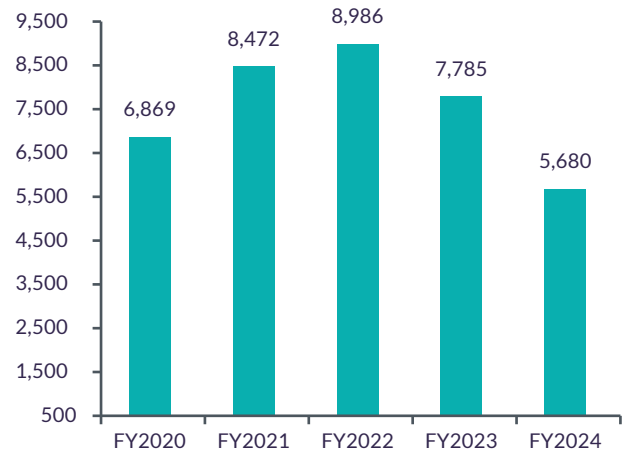


# GRAPHICAL REPRESENTATION

SHARE HOLDERS EQUITY  
RUPEES IN MILLION



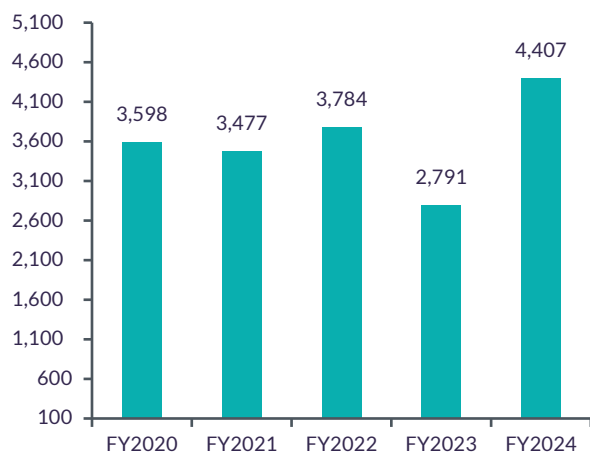
TOTAL ASSETS  
RUPEES IN MILLION





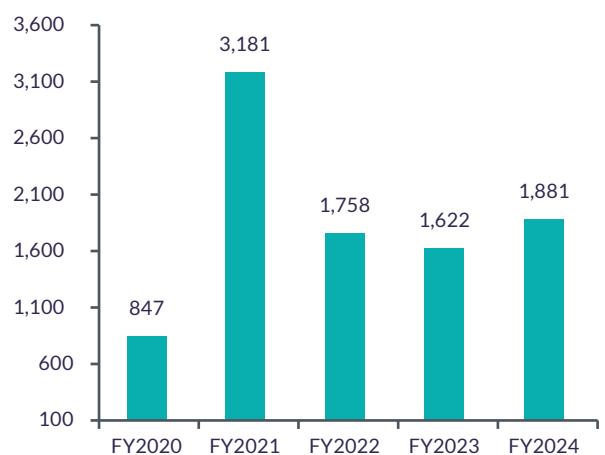
## TOTAL LIABILITIES

RUPEES IN MILLION



## TOTAL REVENUE

RUPEES IN MILLION



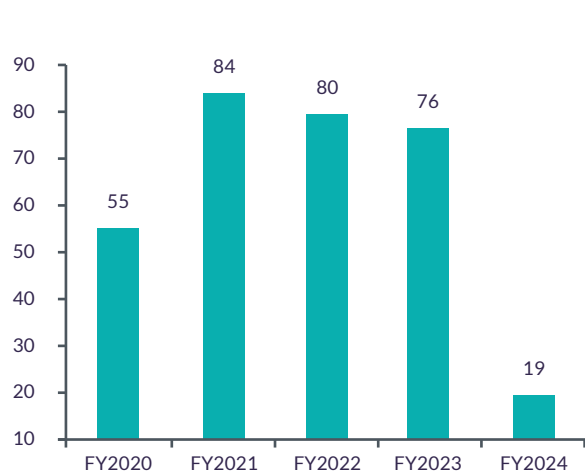
## EARNINGS PER SHARE

IN RUPEES



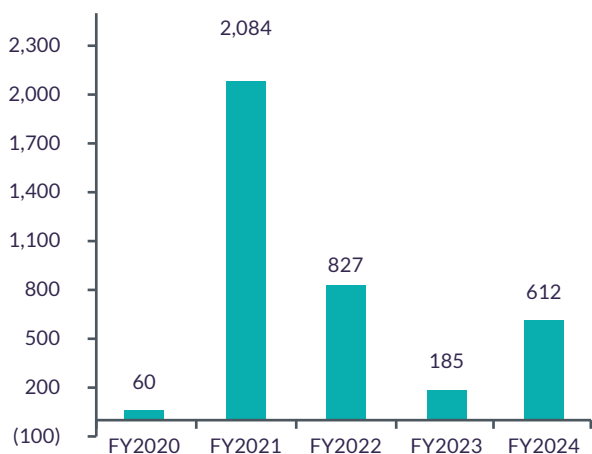
## BREAK-UP VALUE PER SHARE

IN RUPEES



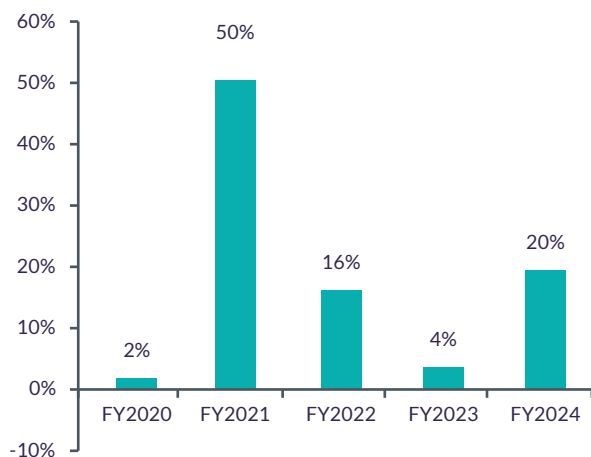
## PROFIT AFTER TAX

RUPEES IN MILLION



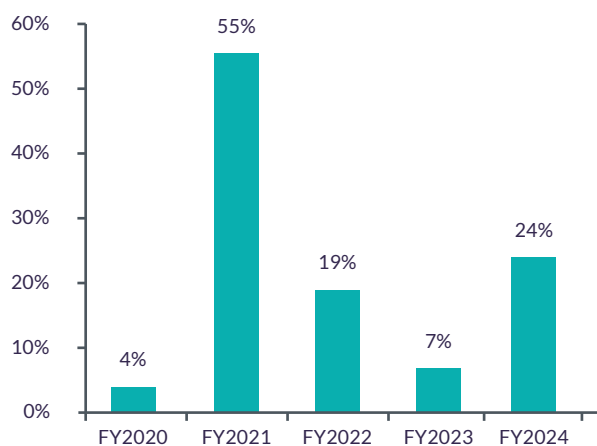
## RETURN ON EQUITY

RUPEES IN MILLION



## RETURN ON CAPITAL EMPLOYED

RUPEES IN MILLION



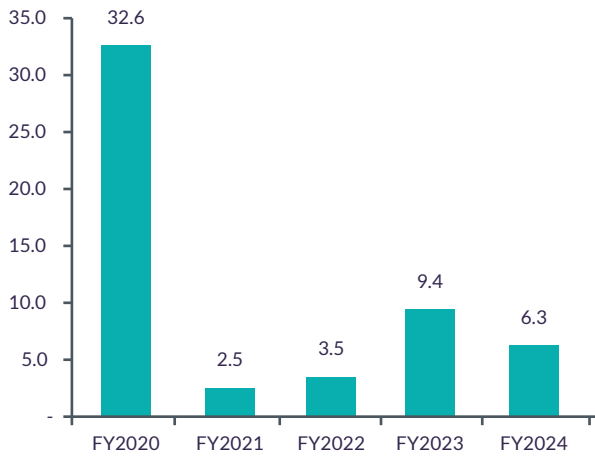
## MARKET VALUE

IN RUPEES



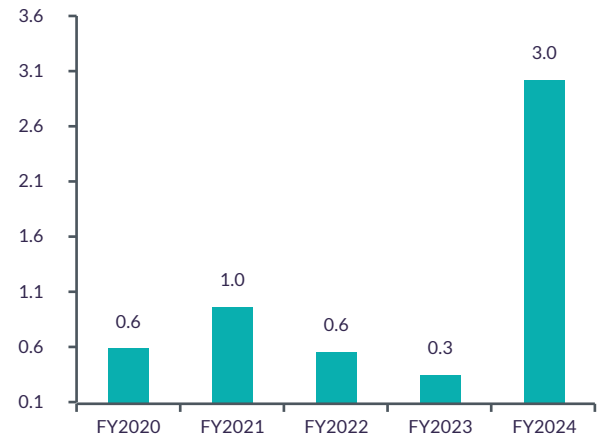
## PRICE TO EARNING

RUPEES IN MILLION



## PRICE TO BOOK

RUPEES IN MILLION



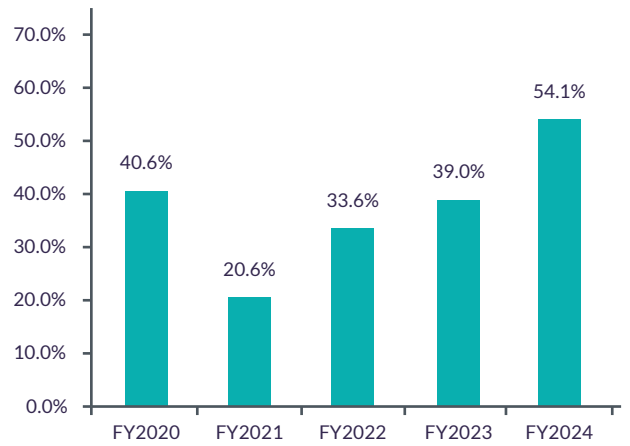
## DIVIDEND YIELD

RUPEES IN MILLION



## COST TO INCOME RATIO

RUPEES IN MILLION



# VERTICAL ANALYSIS OF FINANCIAL STATEMENTS

Year ended 30 June

	2024		2023		2022	
	Rs. in million	%	Rs. in million	%	Rs. in million	%
<b>Balance Sheet</b>						
Total equity and minority interest	1,273	22	4,994	64	5,202	58
Total non-current liabilities	44	1	70	1	30	0
Total current liabilities	4,363	77	2,721	35	3,754	42
Total equity and liabilities	<u>5,680</u>	<u>100</u>	<u>7,785</u>	<u>100</u>	<u>8,986</u>	<u>100</u>
Total non-current assets	285	5	2,149	28	1,865	21
Total current assets	5,395	95	5,636	72	7,120	79
Total assets	<u>5,680</u>	<u>100</u>	<u>7,785</u>	<u>100</u>	<u>8,986</u>	<u>100</u>
<b>Profit and Loss Accounts</b>						
Net operating revenue	1,881	100	1,622	100	1,758	100
Operating and administrative expenses	(1,002)	(53)	(605)	(37)	(579)	(33)
Operating profit / (loss)	<u>879</u>	<u>47</u>	<u>1,017</u>	<u>63</u>	<u>1,179</u>	<u>67</u>
Other charges	(15)	(1)	(27)	(2)	(12)	(1)
	<u>864</u>	<u>46</u>	<u>990</u>	<u>61</u>	<u>1,167</u>	<u>66</u>
Finance cost	(98)	(5)	(638)	(39)	(197)	(11)
Profit / (loss) before tax	<u>766</u>	<u>41</u>	<u>352</u>	<u>22</u>	<u>970</u>	<u>55</u>
Taxation	(153)	(8)	(167)	(10)	(144)	(8)
(Loss) / profit after tax	<u>613</u>	<u>33</u>	<u>185</u>	<u>11</u>	<u>826</u>	<u>47</u>

	2021		2020	
	Rs. in million	%	Rs. in million	%
<b>Balance Sheet</b>				
Total equity and minority interest	4,995	59	3,271	48
Total non-current liabilities	5	0	358	5
Total current liabilities	3,473	41	3,239	47
Total equity and liabilities	<u>8,473</u>	<u>100</u>	<u>6,869</u>	<u>100</u>
Total non-current assets	2,222	26	1,901	28
Total current assets	6,250	74	4,968	72
Total assets	<u>8,472</u>	<u>100</u>	<u>6,869</u>	<u>100</u>
<b>Profit and Loss Accounts</b>				
Net operating revenue	3,181	100	847	100
Operating and administrative expenses	<u>(637)</u>	<u>(20)</u>	<u>(344)</u>	<u>(41)</u>
Operating profit / (loss)	2,544	80	503	59
Other charges	<u>(19)</u>	<u>(1)</u>	<u>(12)</u>	<u>(1)</u>
	2,525	79	491	58
Finance cost	<u>(132)</u>	<u>(4)</u>	<u>(362)</u>	<u>(43)</u>
Profit / (loss) before tax	2,393	75	129	15
Taxation	<u>(309)</u>	<u>(10)</u>	<u>(69)</u>	<u>(8)</u>
(Loss) / profit after tax	<u>2,084</u>	<u>66</u>	<u>60</u>	<u>7</u>

# HORIZONTAL ANALYSIS OF FINANCIAL STATEMENTS

Year ended 30 June

	2024		2023		2022	
	Rs. in million	%	Rs. in million	%	Rs. in million	%
<b>Balance Sheet</b>						
Total equity and minority interest	1,273	(75)	4,994	(4)	5,202	4
Total non-current liabilities	44	(37)	70	131	30	571
Total current liabilities	4,363	60	2,721	(28)	3,754	8
Total equity and liabilities	<u>5,680</u>	<u>(27)</u>	<u>7,785</u>	<u>(13)</u>	<u>8,986</u>	<u>6</u>
Total non-current assets	285	(87)	2,149	15	1,865	(16)
Total current assets	5,395	(4)	5,636	(21)	7,120	14
Total assets	<u>5,680</u>	<u>(27)</u>	<u>7,785</u>	<u>(13)</u>	<u>8,986</u>	<u>6</u>
<b>Profit and Loss Accounts</b>						
Net operating revenue	1,881	16	1,622	(8)	1,758	(45)
Operating and administrative expenses	<u>(1,002)</u>	<u>66</u>	<u>(605)</u>	<u>5</u>	<u>(579)</u>	<u>(9)</u>
Operating profit / (loss)	879	(14)	1,017	(14)	1,179	(54)
Other income / (charges) - net	<u>(15)</u>	<u>(45)</u>	<u>(27)</u>	<u>119</u>	<u>(12)</u>	<u>(34)</u>
	864	(13)	990	(15)	1,167	(54)
Finance cost	<u>(98)</u>	<u>(85)</u>	<u>(638)</u>	<u>224</u>	<u>(197)</u>	<u>49</u>
Profit / (loss) before tax	766	118	352	(64)	970	(59)
Taxation	<u>(153)</u>	<u>(8)</u>	<u>(167)</u>	<u>16</u>	<u>(144)</u>	<u>(54)</u>
Profit / (loss) after tax	<u>613</u>	<u>231</u>	<u>185</u>	<u>(78)</u>	<u>826</u>	<u>(60)</u>

	2021		2020	
	Rs. in million	%	Rs. in million	%
<b>Balance Sheet</b>				
Total equity and minority interest	4,995	53	3,271	12
Total non-current liabilities	5	(99)	358	100
Total current liabilities	3,473	7	3,239	19
Total equity and liabilities	<u>8,473</u>	<u>23</u>	<u>6,869</u>	<u>22</u>
Total non-current assets	2,222	17	1,901	1
Total current assets	6,250	26	4,968	32
Total assets	<u>8,472</u>	<u>23</u>	<u>6,869</u>	<u>22</u>
<b>Profit and Loss Accounts</b>				
Net operating revenue	3,181	276	847	34
Operating and administrative expenses	(637)	85	(344)	(13)
Operating profit / (loss)	2,544	406	503	111
Other income / (charges) - net	(19)	55	(12)	82
	2,525	414	491	112
Finance cost	(132)	(64)	(362)	66
Profit / (loss) before tax	2,393	1,755	129	863
Taxation	(309)	348	(69)	(8)
Profit / (loss) after tax	<u>2,084</u>	<u>3,373</u>	<u>60</u>	<u>(198)</u>

# STATEMENT OF COMPLIANCE WITH LISTED COMPANIES

## (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

M/s. Arif Habib Limited ('the company') has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 ('the Regulations') in the following manner:

1. The total number of directors are 7 as per the following:

- a. Male: 6 members
- b. Female: 1 member

2. The composition of board is as follows:

Category	Names
a) Non-Executive Directors:	Mr. Zafar Alam Dr. Muhammad Sohail Salat Mr. Muhammad Haroon Mr. Mohsin Madni Ms. Sharmin Shahid Mr. Syed Muhammad Manzoor Raza (incoming Director) Ms. Nida Ahsan (Outgoing Director)
b) Executive Director:	Mr. Muhammad Shahid Ali Habib
c) Female Director:	Ms. Sharmin Shahid

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.

4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or updated / amended has been maintained by the company.

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 ('the Act') and the Regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.

8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. The company stands complied with the requirement of having all the directors of the board Director's Training Program (DTP) certified as prescribed under the sub clause 1(i) of regulation no. 19 of the Regulations as out of total seven (7) directors, the total number of certified directors of the Company stands five (5) and one (1) of the director meets the exemption requirement of the DTP and the remaining one (1) newly appointed director will attain DTP certification in the year FY2025 well before the period of one year from date of his appointment as director.

10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. CFO and CEO duly endorsed the financial statements before approval of the board.

12. The board has formed committees comprising of members given below:

a) Audit Committee	
Dr. Muhammad Sohail Salat	Chairman
Mr. Muhammad Haroon	Member
Mr. Mohsin Madni	Member

b) **HR and Remuneration Committee**

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

c) **Risk and Compliance Committee**

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

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings of the committee were as per following:

- |                                  |                                                                                  |
|----------------------------------|----------------------------------------------------------------------------------|
| a) Audit Committee               | Four quarterly meetings were held during the financial year ended June 30, 2023. |
| b) HR and Remuneration Committee | Three meetings were held during the financial year ended June 30, 2023.          |
| c) Risk and Compliance Committee | Two biannual meetings were held during the financial year ended June 30, 2024.   |

15. The board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of the Regulations 3, 6 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with except as stated below:

The company currently has two elected independent directors out of a total of seven directors on the Board. Both independent directors possess the requisite competencies, skills, knowledge, and experience to competently discharge their duties in accordance with applicable laws and regulations, thereby fulfilling the necessary requirements for their roles. However, following the completion of their three consecutive terms, their independence has been impaired and therefore, Audit Committee is not being chaired by an independent director. In light of this, the company intends to elect new independent directors by the end of December 2024.

19. We confirm that all other requirements of the Regulations have been complied with except as explained below:

- As per the Regulation 10A, the Board is responsible for governance and oversight of sustainability risks and opportunities and, for this purpose, is required / encouraged to take a number of measures including, in particular, implementation of policies to promote diversity, equity and inclusion (DE&I); taking steps to proactively understand and address the principal as well as emerging sustainability risks and opportunities; ensuring that the Company's sustainability and DE&I related strategies, priorities and targets as well as performance against these targets are periodically reviewed and monitored; and establishment of dedicated sustainability committee having at least one female director, or assignment of additional responsibilities to an existing board committee.
- Since the said requirements have been recently introduced vide S.R.O. 920 (I)/2024 dated June 12, 2024, as of the reporting date, the Company was yet in the process of setting up the requisite policies, procedures and processes to address the sustainability risks and opportunities and, accordingly, expects to ensure compliance with all of the above new requirements in due course of time.

- For the requirement that the position of Chief financial officer and Company secretary has been held by the same person, as the Listed Companies (Code of Corporate Governance) Regulations, 2019 ('Regulations') allowed the Companies to either comply or explain the reason otherwise. Therefore, the Company has adopted explanation approach as the management is of the view, that the current CFO & Company Secretary is suitably qualified and professionally capable to act and fulfill the duties and responsibilities of both the roles. In addition, it is also a cost-effective measure that is in the better interest of the shareholders of the Company, therefore hiring a separate person for both position is not feasible. However, the Company shall create a separate position of a Secretary as soon as such a demand appears in our operations.
- The company currently has two elected independent directors out of a total of seven directors on the Board. Both independent directors possess the requisite competencies, skills, knowledge, and experience to competently discharge their duties in accordance with applicable laws and regulations, thereby fulfilling the necessary requirements for their roles. However, following the completion of their three consecutive terms, their independence has been impaired and therefore, Human Resource Committee is not being chaired by an independent director. In light of this, the company intends to elect new independent directors by the end of December 2024.
- The board currently includes individuals with extensive expertise in the areas of nominations. As such, the immediate formation of separate committees is not deemed necessary at this stage, as the board is fully capable of managing these matters effectively without a formalized committee structure. However, recognizing the increasing need for a dedicated sub-committee in the future, we intend to establish this committee when the governance framework evolves and the demand for more structured oversight grows.

On behalf of the Board of Directors



Zafar Alam  
Chairman

October 30, 2024  
Karachi

# INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of M/s. Arif Habib Limited

## REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES

(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Arif Habib Limited (the Company) for the year ended June 30, 2024 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.

Further, we highlight below the instances of non-compliance made by the Company with certain requirements of the Code as stated in paragraphs no. 2, 18 and 19 of the Statement of Compliance:

S. No.	Nature of the Requirement	Paragraph No.	Description of the Non-Compliance
(1)	Mandatory	18	<p>As per Regulation no. 06 of the Regulations, a listed company shall have at least two or one-third members of the Board of Directors ('the Board'), whichever is higher, as independent directors. In this relation, the proviso to Section 166(2) of the Companies Act, 2017 lists down the various circumstances in which a director is not considered as independent and goes on to state that, if a director has served on the Board for more than three consecutive terms from the date of his first appointment, he shall not be regarded as an independent director.</p> <p>In its last elections of directors held on October 28, 2023, Mr. Zafar Alam and Dr. Muhammad Sohail Salat were elected as independent directors notwithstanding the fact that they had already served on the Board for three consecutive terms though they were no longer eligible for election as independent.</p> <p>Furthermore, in terms of the Regulation no. 27(1) of the Regulations, the Audit Committee shall comprise of three members at least one of whom shall be an independent director. In addition, the said committee shall also be chaired by an independent director. However, since the Audit Committee of the Company is chaired by Dr. Muhammad Sohail Salat, this was hence also in contravention of the requirements of the Regulation 27(1).</p> <p>In this relation, as stated in paragraph 18 of the Statement of Compliance, the Company intends to rectify the above non-compliances by appointing new independent directors on the Board by the end of December 2024.</p>
(2)	Explanation for non-compliance is required	19	<p>As per the Regulation 10A, the Board is responsible for governance and oversight of sustainability risks and opportunities and, for this purpose, is required / encouraged to take a number of measures including, in particular, implementation of policies to promote diversity, equity and inclusion (DE&amp;I); taking steps to proactively understand and address the principal as well as emerging sustainability risks and opportunities; ensuring that the Company's sustainability and DE&amp;I related strategies, priorities and targets as well as performance against these targets are periodically reviewed and monitored; and establishment of dedicated sustainability committee having at least one female director, or assignment of additional responsibilities to an existing board committee.</p> <p>Since the said requirements have been recently introduced vide S.R.O. 920 (I)/2024 dated June 12, 2024, as of the reporting date, the Company was yet in the process of setting up the requisite policies, procedures and processes to address the sustainability risks and opportunities and, accordingly, expects to ensure compliance with all of the above new requirements in due course of time.</p>

S. No.	Nature of the Requirement	Paragraph No.	Description of the Non-Compliance
(3)	Explanation for non-compliance is required	19	As per the proviso to Regulation 24 of the Regulations, the same person shall not simultaneously hold office of the Chief Financial Officer and the Company Secretary of a listed company. However, the said two positions in the Company are currently being held by Mr. Muhammad Taha Siddiqui. In this relation, in paragraph 19 of the Statement of Compliance, the Company considers that the said individual is suitably qualified, experienced to fulfill all the duties and responsibilities of both the roles and, as such, the appointment of a separate individual is not considered necessary at this stage.
(4)	Explanation for non-compliance is required	19	In terms of the Regulation no. 28(1) and 28(2) of the Regulations, the Human Resource and Remuneration Committee ('HR&R Committee') shall comprise of three members at least one of whom shall be an independent director. In addition, the said committee shall also be chaired by an independent director. However, since the HR&R Committee of the Company is chaired by Dr. Muhammad Sohail Salat, this was hence also in contravention of the requirements of the Regulation 28.
(5)	Explanation for non-compliance is required	19	As per the Regulation no. 29 of the Regulations, the Board may constitute a separate committee, designated as the Nomination Committee, of such number and class of directors, as it may deem appropriate in the circumstances.  As stated in paragraph 19 of the Statement of Compliance, the Company has not setup a separate Nomination Committee and is of the view that the Board currently includes individuals with extensive expertise in the areas for which a Nomination Committee is responsible in terms of Regulation 29(2) and, as such, the immediate formation of a separate Nomination Committee is not deemed necessary at this stage.

Karachi.

Date: October 30, 2024

UDIN: CR2024102133B8qiA1y



Rahman Sarfaraz Rahim Iqbal Rafiq  
Chartered Accountants

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARIF HABIB LIMITED

## REPORT ON THE AUDIT OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

### Opinion

We have audited the annexed unconsolidated financial statements of [Arif Habib Limited](#) (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2024, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the profit, total comprehensive income, the changes in equity and its cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters are addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. However, we have determined that there are no key audit matters to communicate in our report.

### Information Other than the Unconsolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the unconsolidated and consolidated financial statements and our auditor's reports thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Based on our audit, we further report that in our opinion:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business;
- zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance;
- the Company was in compliance with the requirement of section 78 of the Securities Act, 2015 and section 62 of the Futures Market Act, 2016, and the relevant requirements of the Securities Brokers (Licencing and Operations) Regulations, 2016 as at the date on which the statement of financial position was prepared; and
- The Company was in compliance with the relevant requirements of Futures Brokers (Licensing and Operations Regulations), 2018 as at the date on which the statement of financial position was prepared.

The engagement partner on the audit resulting in this independent auditor's report is [Mr. Muhammad Waseem](#).



**RAHMAN SARFARAZ RAHIM IQBAL RAFIQ**  
Chartered Accountants

Karachi

Date: **October 30, 2024**

UDIN: AR202410213VGYUyjKg



# UNCONSOLIDATED FINANCIAL STATEMENTS

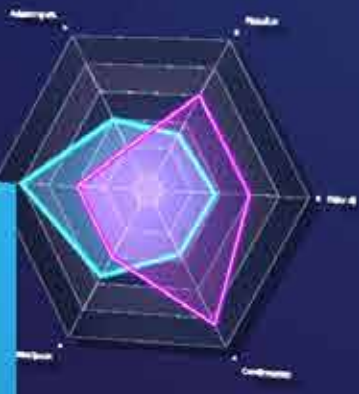
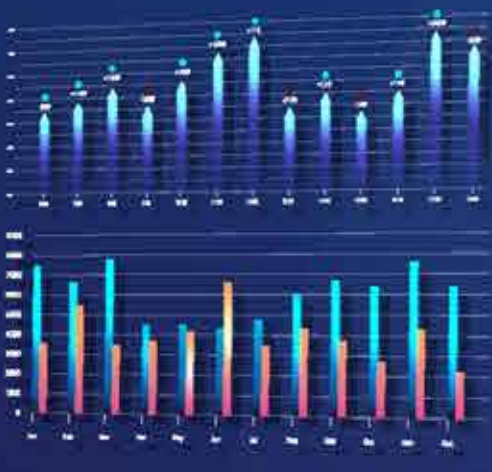




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# UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2024

	Note	2024	2023
Rupees			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	4	58,108,527	67,118,424
Right-of-use assets	5	63,325,707	2,279,667
Intangible assets	6	5,436,719	5,715,626
Long term investment	7	68,461,607	1,123,254,068
Investment property	8	38,900,000	450,749,014
Long-term advances, deposits and other receivable	9	41,594,332	500,505,340
Deferred tax - net	19	8,941,185	-
		<u>284,768,077</u>	<u>2,149,622,139</u>
<b>Current assets</b>			
Short term investments	10	550,705,642	2,849,795,546
Trade debts	11	344,498,851	259,690,968
Receivable against margin financing	12	117,387,003	113,367,759
Advances, deposits and prepayments	13	185,081,675	38,549,929
Accrued markup on margin financing		4,526,291	21,527,045
Receivable against trading of securities - net		-	77,192,508
Other receivables	14	998,174,239	1,273,270,139
Income tax refundable	15	2,594,059	15,457,413
Cash and bank balances	16	3,192,161,622	987,078,274
		<u>5,395,129,382</u>	<u>5,635,929,581</u>
<b>Total assets</b>		<u><b>5,679,897,459</b></u>	<u><b>7,785,551,720</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized capital	17	750,000,000	750,000,000
Issued, subscribed and paid-up capital	17	653,400,000	653,400,000
<b>Capital reserves</b>			
Surplus on revaluation of property	18	7,835,000	7,835,000
<b>Revenue reserves</b>			
Unappropriated profits		611,946,740	4,333,017,286
<b>Total equity</b>		<u>1,273,181,740</u>	<u>4,994,252,286</u>
<b>Non-current liabilities</b>			
Lease liability		43,866,648	918,356
Deferred tax - net	19	-	69,149,530
		<u>43,866,648</u>	<u>70,067,886</u>
<b>Current liabilities</b>			
Short term borrowings - secured	20	664,317,881	1,617,785,680
Current portion of lease liability		31,137,864	2,108,980
Trade and other payables	21	3,447,012,295	996,058,567
Unclaimed dividend		21,659,825	21,425,487
Payable against trading of securities - net		198,721,206	-
Accrued markup on short term borrowings		-	83,852,834
Income tax payable		-	-
		<u>4,362,849,071</u>	<u>2,721,231,548</u>
<b>Contingencies and commitments</b>	22	-	-
<b>Total equity and liabilities</b>		<u><b>5,679,897,459</b></u>	<u><b>7,785,551,720</b></u>

The annexed notes from 1 to 39 form an integral part of these unconsolidated financial statements.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended June 30, 2024

	Note	2024	2023
		Rupees	
Operating revenue	23	1,119,720,065	1,494,524,342
Realized gain / (loss) on disposal of investments		374,397,144	(497,892,822)
Realized gain on sale of investment property		749,029	1,261,550,827
		1,494,866,238	2,258,182,347
Net change in unrealized (loss) / gain on investments	24	(19,677,661)	261,129,204
Net change in unrealized loss on investment property	25	(849,029)	(1,016,769,380)
		1,474,339,548	1,502,542,171
Administrative and operating expenses	26	(1,002,573,665)	(605,278,782)
Other charges	27	(14,692,878)	(26,859,893)
Other operating income	28	406,182,623	119,567,789
		863,255,628	989,971,285
Finance costs	29	(97,980,036)	(637,869,174)
<b>Profit before levies and taxation</b>		765,275,592	352,102,111
Levies	30	(2,953,850)	(98,455,019)
<b>Profit before taxation</b>		762,321,742	253,647,092
Taxation	31	(150,375,002)	(68,974,990)
<b>Profit after taxation</b>		611,946,740	184,672,102
<b>Earnings per share - basic and diluted</b>	32	9.37	2.83

The annexed notes from 1 to 39 form an integral part of these unconsolidated financial statements.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2024

	2024	2023
	----- Rupees -----	
Profit after taxation	611,946,740	184,672,102
Other comprehensive loss		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Net change in fair value of the investment in equity securities	-	-
<b>Total comprehensive income for the year</b>	<u>611,946,740</u>	<u>184,672,102</u>

The annexed notes from 1 to 39 form an integral part of these unconsolidated financial statements.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2024

	Issued, subscribed and paid up capital	<u>Revenue reserve</u>	<u>Capital reserves</u>	Total
		Unappropriated profits	Surplus on revaluation of property	
<b>Rupees</b>				
Balance as at June 30, 2022	653,400,000	4,532,787,684	15,432,500	5,201,620,184
<b>Total comprehensive income for the year ended June 30, 2023</b>				
- Profit for the year	-	184,672,102	-	184,672,102
- Other comprehensive loss for the year	-	-	-	-
	-	184,672,102	-	184,672,102
Gain realized on disposal of investment in equity instruments at FVOCI	-	-	-	-
Surplus on revaluation transferred to retained earning (Refer note no. 18)	-	7,597,500	(7,597,500)	-
<b>Transactions with owners</b>				
Cash dividend paid @ 60% for the year ended June 30, 2022	-	(392,040,000)	-	(392,040,000)
<b>Balance as at June 30, 2023</b>	<b>653,400,000</b>	<b>4,333,017,286</b>	<b>7,835,000</b>	<b>4,994,252,286</b>
<b>Total comprehensive income for the year ended June 30, 2024</b>				
- Profit for the year	-	611,946,740	-	611,946,740
- Other comprehensive loss for the year	-	-	-	-
	-	611,946,740	-	611,946,740
<b>Transactions with owners</b>				
Cash dividend paid @ 25% for the year ended June 30, 2023	-	(163,350,000)	-	(163,350,000)
Transfer of Net Assets (Refer note no. 1.5)	-	(4,169,667,286)	-	(4,169,667,286)
	-	(4,333,017,286)	-	(4,333,017,286)
<b>Balance as at June 30, 2024</b>	<b>653,400,000</b>	<b>611,946,740</b>	<b>7,835,000</b>	<b>1,273,181,740</b>

The annexed notes from 1 to 39 form an integral part of these unconsolidated financial statements.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# UNCONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended June 30, 2024

	Note	2024	2023
Rupees			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before levies and taxation		765,275,592	352,102,111
<i>Adjustments for:</i>			
- Depreciation on property and equipment	4	13,758,476	17,341,489
- Depreciation on right-of-use-assets	5	26,477,305	29,134,843
- Amortization of intangible assets	6.1	278,907	371,876
- Provision for expected credit losses on trade debts	11.2	12,627,092	24,688,276
- Net change in unrealized loss on investments	24	19,677,661	(261,129,204)
- Irrecoverable trade debt written off	27	-	271,544
- Other receivable written off	27	-	1,900,073
- Loss on disposal of property and equipment		302,588	-
- Realized gain on sale of investment property		(749,029)	(1,261,550,827)
- Net change in unrealized gain on investment property	25	849,029	1,016,769,380
- Mark up on reverse repo transactions	28	(32,144,885)	(13,524,000)
- Markup on loan to related party	28	-	(2,071,785)
- Profit on savings accounts	28	(338,585,959)	(82,995,188)
- Profit on exposure deposit	28	(35,451,779)	(4,842,542)
- Gain on disposal of subsidiary	28	-	(6,441,895)
- Reversal of provision of margin financing	28	-	(1,917,749)
- Reversal of provision of bad debt	28	-	(7,630,328)
- Gain on termination of lease	28	-	(144,302)
- Finance costs	29	97,980,036	637,869,174
		(234,980,558)	86,098,835
<b>Cash generated from operating activities before working capital changes</b>		530,295,034	438,200,946
<b>Effect on cash flow due to working capital changes (Increase)/decrease in current assets</b>			
- Short-term investments		(446,885,416)	2,419,330,417
- Trade debts		(97,434,975)	(110,882,242)
- Receivable / payable against sales / purchase of securities - net		266,245,371	(98,270,786)
- Receivable against margin financing		(4,019,244)	283,930,649
- Advances, deposits and prepayments		(146,531,746)	(18,941,477)
- Accrued markup on margin financing		17,000,754	(46,086)
- Other receivables		(800,907,309)	(15,002)
<b>Increase/(decrease) in current liabilities</b>			
- Trade and other payables		2,469,703,005	(146,149,462)
		1,257,170,440	2,328,956,011
<b>Cash generated from operations</b>		1,787,465,474	2,767,156,957
Taxes paid	15.1	(146,442,744)	(210,745,406)
Finance costs paid		(130,965,693)	(629,080,684)
<b>Net cash generated from operating activities</b>		1,510,057,037	1,927,330,867
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property and equipment	4	(5,371,167)	(481,024)
Purchase of investment property		-	(183,806,134)
Development charges incurred in relation to investment property	8.1	-	(12,957,220)
Proceeds from disposal of investment property	8.1	7,500,000	3,500,000
Proceed from disposal of property and equipment		320,000	-
Investment in Naya Nazimabad REIT		-	(278,000,000)
Profit on savings accounts received during the year	28	338,585,959	82,995,188
Profit on exposure deposit received during the year	28	35,451,779	4,842,542
Short term loan given to Javedan Corporation Limited	14	-	(352,000,000)
Markup recovered from Javedan Corporation Limited		-	10,192,861
Proceeds from reverse repo receivable		(49,998,691)	19,816,988
Amount paid against reverse repo payable		(17,629,267)	16,000,000
Proceeds from disposal of subsidiary		-	50,000,000
Advance against committed sale received during the year		7,879,990	4,266,830
Advance given against purchase of units / shares		-	(170,298,960)
Advance recovered / (given) against purchase of units / shares		-	15,552,128
Long-term advances and deposits		612,048	1,018,800
<b>Net cash generated from / (used in) investing activities</b>		317,350,651	(789,358,001)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of lease liability (principal)		(15,546,169)	(15,264,428)
Short term loan received from Javedan Corporation Limited	20.2	-	750,000,000
Short term loan repaid to Javedan Corporation Limited	20.2	-	(1,550,000,000)
Short term loan received from sponsor		-	2,412,700,000
Short term loan repaid to sponsor		-	(2,412,700,000)
Dividend paid		(163,115,662)	(389,779,219)
<b>Net cash used in financing activities</b>		(178,661,831)	(1,205,043,647)
Net increase / (decrease) in cash and cash equivalents		1,648,745,857	(67,070,781)
Cash and cash equivalents at the beginning of the year		879,097,884	(563,636,625)
<b>Cash and cash equivalents at the end of the year</b>	33	2,527,843,741	(630,707,406)

The annexed notes from 1 to 39 form an integral part of these unconsolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2024

## 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, 2024, the Parent Company held 72.92% shares of the Company (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.

1.4 The Company has following subsidiaries: Holding %

- Rayaan Commodities (Private) Limited (Formerly Arif Habib Commodities (Private) Limited)	100%
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1.5 On December 26, 2023, the shareholders of Arif Habib Limited (the "Company") and Arif Habib Corporation Limited (AHCL), in their respective Extraordinary General Meetings (EGMs), approved a Scheme of Arrangement dated November 17, 2023. The Scheme was subsequently sanctioned by the Honorable High Court of Sindh on October 21, 2024. The purpose of the Scheme is to bifurcate the Company into two distinct segments: the Demerged Undertaking and the Retained Undertaking.

Under the Scheme of Arrangement, the Demerged Undertaking was transferred to AHCL with effect from July 1, 2023 (the "Effective Date"). The Demerged Undertaking comprises specific assets, liabilities, rights, and obligations as detailed in the Scheme. The Retained Undertaking remains with the Company.

The Scheme was executed as a common control transaction, and accordingly, the assets and liabilities of the Demerged Undertaking were transferred to AHCL at their carrying values, with no gain or loss recognized in the Company's financial statements.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

The following are the assets and liabilities that were derecognized from the Company's books as part of the Scheme:

Assets	Note	Amount (PKR)
<b>Non-current assets</b>		
Long-term investment	7.2	1,054,065,880
Investment property	8 & 8.1	404,249,014
Long-term advances and deposits	9	458,298,960
		<u>1,916,613,854</u>
<b>Current assets</b>		
Short-term investments		2,727,024,239
Receivable against trading of securities – net		9,668,343
Other receivables	14	1,158,146,785
		<u>3,894,839,367</u>
<b>Total assets</b>		<u><u>5,811,453,221</u></u>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Deferred tax – net	19.1.1	72,113,469
<b>Current liabilities</b>		
Short-term borrowings – secured		1,509,805,290
Trade and other payables	21.3	9,000,000
Accrued markup on short-term borrowings		50,867,176
<b>Total current liabilities</b>		<u>1,569,672,466</u>
<b>Total liabilities</b>		<u><u>1,641,785,935</u></u>

The transfer of the net assets (total assets less liabilities) amounting to PKR 4,169,667,286 is recognized as a reduction in the Company's unappropriated profits. The share capital of the Company remained unchanged, as no shares were issued or cancelled as a result of the Scheme.

As the transaction was a common control transaction, it has been accounted for using the predecessor method of accounting, where assets and liabilities were transferred at their carrying amounts. Consequently, no gain or loss has been recognized in the profit or loss statement in relation to this demerger.

Following the demerger, the Company continues to operate the Retained Undertaking, which comprises the remaining assets, liabilities, business operations, and contracts that were not transferred to AHCL as part of the Scheme.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

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

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

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

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

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

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

- Investment property which is carried at fair value except for residential flats which are under construction as disclosed under note 8.2
- Long term investments in ISE Tower REIT Management Limited, LSE Proptech Limited and LSE Ventures Limited which are carried at fair value; and
- Short term investments in quoted equity securities and corporate debt securities which are carried at fair value.

## 2.3 Functional and presentation currency

Items included in these unconsolidated financial statements are measured using the currency of the primary economic environment in which the Company operates. These unconsolidated 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 unconsolidated financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

### (a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in these unconsolidated financial statements is included in the following notes:

Area of judgement	Brief description of the judgement applied
Deferred tax assets	Whether deferred tax assets should be recorded on realized and unrealized losses on short term investments in securities - availability of future taxable profit on securities with in next three tax years against which such losses can be utilised
Timing of revenue recognition	<i>Advisory and consultancy services:</i> Whether performance obligation is satisfied at a point in time or over time that is whether the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs

### (b) Assumptions and other major sources of estimation uncertainty

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Area of estimation uncertainty	Brief description of the assumption or the source of estimation uncertainty
Long term investment	Estimation of fair value of investment in ordinary shares of ISE Towers REIT Management Limited
Investment Property	Estimation of fair value of investment property
Trade debts	Estimation of expected credited losses

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## 2.5 CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

### 2.5.1 Amendments to existing standards that became effective during the year

- The following new or amended standards and interpretations became effective during the period which are not considered to be relevant to the Company's consolidated financial statements:
  - Classification of liabilities as current or non-current (Amendments to IAS 1)
  - Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
  - Definition of Accounting Estimates (Amendments to IAS 8)
  - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

The above amendments / interpretations do not likely have an effect on the consolidated financial statements of the Company.

The Company adopted disclosure of Accounting Policies (Amendments to IAS 1 and IFRS practice statements 2 'Making Materiality Judgments') from 01 July, 2023. Although amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the financial statements.

The amendments require disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful entity specific accounting policy information that user need to understand other information in the financial statements.

- During the year, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). Accordingly, in accordance with the Guidance, the Company has changed its accounting policy to recognise minimum and final taxes as 'Levy' under IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" which were previously being recognised as 'Income tax'.

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

Effect on statement of profit or loss	Note	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
<b>For the year ended June 30, 2024</b>				
Profit before levies and taxation		764,896,916	-	764,896,916
Levies	30	-	(2,953,850)	(2,953,850)
<b>Profit before taxation</b>		<u>764,896,916</u>	<u>(2,953,850)</u>	<u>761,943,066</u>
Taxation				
- Current tax		(162,630,509)	2,953,850	(159,676,659)
- Prior year		3,464,521	-	3,464,521
- Deferred tax		5,977,246	-	5,977,246
		<u>(153,188,742)</u>	<u>2,953,850</u>	<u>(150,234,892)</u>
<b>Profit after taxation</b>		<u>611,708,174</u>	<u>-</u>	<u>611,708,174</u>
<b>For the year ended June 30, 2023</b>				
Profit before levies and taxation		352,102,111	-	352,102,111
Levies	30	-	(98,455,019)	(98,455,019)
<b>Profit before taxation</b>		<u>352,102,111</u>	<u>(98,455,019)</u>	<u>253,647,092</u>
Taxation	30			
- Current tax		(133,078,720)	98,455,019	(34,623,701)
- Prior year		8,093,592	-	8,093,592
- Deferred tax		(42,444,881)	-	(42,444,881)
		<u>(167,430,009)</u>	<u>98,455,019</u>	<u>(68,974,990)</u>
<b>Profit after taxation</b>		<u>184,672,102</u>	<u>-</u>	<u>184,672,102</u>

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## 2.5.2. Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following International Financial Reporting Standards (IFRS) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 July 2023:

- Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).
- Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted. Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the entity shall disclose that fact.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.
- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for accompany to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.
- Amendment in IAS 21 'The Effects of Changes in Foreign Exchange Rates', - lack of exchangeability (effective for annual reporting periods beginning on or after January 1, 2025) a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.
- IFRS 17 Insurance Contracts establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. SECP vide its SRO 1715(I)/2023 dated November 21, 2023 has directed that IFRS 17 shall be followed for the period commencing January 1, 2026 by companies engaged in insurance / takaful and re-insurance / re-takaful business.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

- The International Accounting Standards (the IASB or the Board) issued Amendments to IFRS 9 and IFRS 7. Amendments to the Classification and Measurement of Financial Instruments. The amendments:
  - Clarify that a financial liability is derecognised on the 'settlement date', i.e, when the related obligation is discharged or concealed or expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.
  - Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-Linked features and other similar contingent features
  - Clarify the treatment of non-recourse assets and contractually linked instruments (CLI)
  - Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income (FVTOCI).
- Annual Improvements - Volume Eleven:
  - Hedge Accounting by a First-time Adopter (Amendments to IFRS 1) - Paragraphs B5 and B6 of IFRS 1 have been amended to include cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of IFRS 9. The amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.
  - Gain or Loss on Derecognition (Amendments to IFRS 7) - Paragraph B38 of IFRS 7 has been amended to update the language on unobservable inputs and to include a cross reference to paragraphs 72 and 73 of IFRS 13 Fair Value Measurement
  - Introduction (Amendments to Guidance on implementing IFRS 7) - Paragraph IG1 of the Guidance on implementing IFRS 7 has been amended to clarify that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7, nor does it create additional requirements.
  - Disclosure of Deferred Difference between Fair Value and Transaction Price (Amendments to Guidance on implementing IFRS 7) - Paragraph IG14 of the Guidance on implementing IFRS 7 has been amended mainly to make the wording consistent with the requirements in paragraph 28 of IFRS 7 and with the concepts and terminology used in IFRS 9 and IFRS 13.
  - Credit Risk Disclosures (Amendments to Guidance on implementing IFRS 7) - Paragraph IG20B of the Guidance on implementing IFRS 7 has been amended to simplify the explanation of which aspects of the IFRS requirements are not illustrated in the example.
  - Lessee Derecognition of Lease Liabilities (Amendments to IFRS 9) - Paragraph 2.1 of IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 and recognise any resulting gain or loss in profit or loss. However, the amendment does not address how a lessee distinguishes between a lease modification as defined in IFRS 16 Leases and an extinguishment of a lease liability in accordance with IFRS 9.
  - Transaction Price (Amendments to IFRS 9) - Paragraph 5.1.3 of IFRS 9 has been amended to replace the reference to 'transaction price as defined by IFRS 15 Revenue from Contracts with Customers' with 'the amount determined by applying IFRS 15'. The use of the term "transaction price" in relation to IFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of IFRS 9.
  - Determination of a 'De Facto Agent' (Amendments to IFRS 10) - Paragraph B74 of IFRS 10 has been amended to clarify that the relationship described in 874 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor. The amendment is intended to remove the inconsistency with the requirement in paragraph B73 for an entity to use judgement to determine whether other parties are acting as de facto agents.
  - Cost Method (Amendments to IAS 7) - Paragraph 37 of IAS 7 has been amended to replace the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method'.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

The above standards, amendments to approved accounting standards and interpretations have not been early adopted by the Company and are not likely to have any material impact on the Company's financial statements.

Other than the aforesaid standards, interpretations and amendments, IASB has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the SECP as at June 30, 2024:

- IFRS 1 (First-time Adoption of International Financial Reporting Standards)
- IFRS 18 (Presentation and Disclosure in Financial Statements)
- IFRS 19 (Subsidiaries without Public Accountability: Disclosures)

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these unconsolidated financial statements are set out below. These policies have been consistently applied to all the years presented.

### 3.1 Property and equipment

#### *Owned*

These are stated at cost less accumulated depreciation and impairment losses, if any. Cost include expenditures that are directly attributable to the acquisition of the asset.

Subsequent costs are included in the carrying amount as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of profit or loss during the year in which they are incurred.

Depreciation is charged to statement of profit or loss applying the reducing balance method at the rates specified in note 4. Depreciation is charged when the asset is available for use till the asset is disposed off. Further, when the written down value of the item of assets falls below Rs.10,000, the same is charged directly to the statement of profit or loss.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year in which the asset is derecognized.

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each financial year end. The Company's estimate of residual value of property and equipment as at June 30, 2024 did not require any adjustment.

### 3.2 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### A - Leases other than short-term leases and leases of low-value assets

##### (a) *Right-of-use assets*

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

## (b) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

## B - Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to those leases where the nature of the underlying asset is such that, when new, the asset is typically of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

## 3.3 Intangible assets

### Computer software

These are stated at cost less accumulated amortization and impairment losses, if any. Amortization is computed using the reducing balance method over assets estimated useful life at the rates stated in note 6.1, after taking into accounts residual value, if any. The residual values, useful life and amortization methods are reviewed and adjusted, if appropriate, at each reporting date.

Amortization is charged from the date the assets are put to use while no amortization is charged after the date when the assets are disposed off.

Gain and losses on disposal of such assets, if any, are included in the statement of profit or loss.

### Trading Right Entitlement Certificate (TREC) and Offices

These are stated at cost less impairment, if any. The carrying amount is reviewed at each reporting date to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds estimated recoverable amount, it is written down to its estimated recoverable amount.

## 3.4 Investment in subsidiaries

Investments in subsidiary companies are accounted for using the cost method. Under this method, the investments are stated at cost less any impairment in the value of individual investments.

## 3.5 Investment properties

Investment properties are held for capital appreciation and is measured initially at their cost, including transaction costs.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

Subsequent to initial recognition, investment properties are measured at fair value at each reporting date. The changes in fair value is recognised in the statement of profit or loss.

When the Company determines that the fair value of an investment property under construction is not reliably measurable but expects the fair value of the property to be reliably measurable when construction is complete, the Company measures that investment property at cost until either its fair value becomes reliably measurable or construction is completed (whichever is earlier).

## 3.6 Financial instruments

### 3.6.1 Initial recognition, classification and measurement

The Company recognizes a financial asset when and only when it becomes a party to the contractual provisions of the instrument evidencing investment.

Regular way purchase of investments are recognized using settlement date accounting i.e. on the date on which settlement of the purchase transaction takes place. However, the Company follows trade date accounting for its own (the house) investments. Trade date is the date on which the Company commits to purchase or sell its asset.

Transactions of purchase under resale (reverse-repo) of marketable securities including the securities purchased under margin trading system are entered into at contracted rates for specified periods of time. Amounts paid under these agreements in respect of reverse repurchase transactions are recognized as a receivable. The difference between purchase and resale price is treated as income from reverse repurchase transactions in marketable transactions / margin trading system and accrued on a time proportion basis over the life of the reverse repo agreement.

The Company classifies its financial assets into either of following three categories:

- (a) financial assets measured at amortized cost.
- (b) fair value through other comprehensive income (FVOCI); and
- (c) fair value through profit or loss (FVTPL)

#### (a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it is held within business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

#### (b) Financial assets at FVOCI

A financial asset is classified as at fair value through other comprehensive income when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

#### (c) Financial assets at FVTPL

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income, as aforesaid. However, for an investment in equity instrument which is not held for trading, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment.

Such financial assets are initially measured at fair value.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## 3.6.2 Subsequent measurement

### (a) Financial assets measured at amortized cost

These assets are subsequently measured at amortized cost (determined using the effective interest method) less accumulated impairment losses.

Interest / markup income, foreign exchange gains and losses and impairment losses arising from such financial assets are recognized in the statement of profit or loss.

### (b) Financial assets at FVOCI

These are subsequently measured at fair value less accumulated impairment losses.

A gain or loss on a financial asset measured at fair value through other comprehensive income is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognised or reclassified. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Interest is calculated using the effective interest method and is recognised in profit or loss.

### (c) Financial assets at FVTPL

These assets are subsequently measured at fair value.

Net gains or losses arising from remeasurement of such financial assets as well as any interest income accruing thereon are recognized in the statement of profit or loss. However, for an investment in equity instrument which is not held for trading and for which the Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment, such gains or losses are recognized in other comprehensive income. Further, when such investment is disposed off, the cumulative gain or loss previously recognised in other comprehensive income is not reclassified from equity to profit or loss.

## 3.6.3 Impairment

The Company recognises a loss allowance for expected credit losses in respect of financial assets measured at amortised cost.

For trade debts and receivables from margin financing, the Company applies the IFRS 9 'Simplified Approach' to measuring expected credit losses which uses a lifetime expected loss allowance.

For other financial assets, the Company applies the IFRS 9 'General Approach' to measuring expected credit losses whereby the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. However, if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Company measures expected credit losses on financial assets in a way that reflects an unbiased and probability-weighted amount, time value of money and reasonable and supportable information at the reporting date about the past events, current conditions and forecast of future economic conditions. The Company recognises in profit or loss, as an impairment loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

## 3.6.4 De-recognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## 3.7 Financial liabilities

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.

## 3.8 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle liability simultaneously.

## 3.9 Trade debts and receivables against margin financing

These are carried at their transaction price less any allowance for lifetime expected credit losses. A receivable is recognized on the settlement date as this is the point in time that the payment of the consideration by the customer becomes due.

## 3.10 Cash and cash equivalents

Cash and cash equivalent are carried in the statement of financial position at amortized cost. For the purpose of the statement of cash flows, cash and cash equivalents comprise cash and bank balances and short term running finance.

## 3.11 Staff retirement benefits - Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. As a consequence, actuarial risk (that benefits will be less than expected) and investment risk (that assets will be insufficient to meet expected benefits) fall, in substance, on the employee.

The Company operates a defined contribution plan i.e. recognized provident fund ("the Fund") for all of its eligible employees in accordance with trust deed and rules made thereunder. Monthly contributions at the rate 12.50% of basic salary are made to the Fund by the Company and the employees.

When an employee has rendered service to the Company during a period, the Company recognises the contribution payable to a defined contribution plan in exchange for that service as an expense in profit or loss and as a liability in the statement of financial position (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, the Company recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

When contributions to a defined contribution plan are not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service, they are discounted using the discount rate determined by reference to market yields at the end of the reporting period on high quality corporate bonds (or when there is no deep market in such bonds, the government bonds) having term consistent with the estimated term of the post-employment benefit obligations.

## 3.12 Levies and Taxation

### Levies

A levy is an outflow of resources embodying economic benefits imposed by the government that does not meet the definition of income tax provided in the International Accounting Standard (IAS) 12 'Income Taxes' because it is not based on taxable profit.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

In these financial statements, levy includes minimum tax under section 113 or other sections of Income tax ordinance, Income tax under final tax regime, workers' welfare fund expense and workers' profit participation. The corresponding effect of levy other than worker's welfare fund expense and workers' profit participation, advance tax paid has been netted off and the net position is shown in the statement of financial position.

## *Current tax*

In these financial statements, minimum tax on local sales revenue is recognized as levy under section 113 of the Income Tax Ordinance and other sections of the said ordinance. Any excess charged under the normal tax regime is recognized as current tax.

In these financial statements, Income tax under final tax regime is recognized as levy and the excess amount charged is recognized as current tax.

## *Deferred tax*

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income taxes are not accounted for if they arise from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is measured using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

A deferred tax asset is recognised only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that the sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilized by the entity. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

## *Judgment and estimates*

Significant judgment is required in determining the income tax expenses and corresponding provision for tax. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

Further, the carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. If required, carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits to allow the benefit of part or all of that recognised deferred tax asset to be utilised. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

## *Offsetting*

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### 3.13 Provisions and contingent liabilities

#### *Provisions*

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

## *Contingent liabilities*

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

## 3.14 Operating revenue

### *Revenue from trading activities - brokerage commission*

Commission revenue arising from sales / purchase of securities on clients' behalf is recognized on the date of settlement of the transaction by the clearing house.

### *Revenue from advisory and consultancy services*

Revenue is recognized when the performance obligation is satisfied i.e. when services are provided.

'The Company does not expect to have contracts where the period between the services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

### *Dividend income*

Dividends received from investments measured at fair value through profit or loss and at fair value through other comprehensive income are recognized in the statement of profit or loss when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of a part of the cost of an investment. In this case, dividend is recognized in other comprehensive income if it relates to an investment measured at fair value through other comprehensive income.

### *Mark up / interest income*

Mark-up / interest income is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable.

## 3.15 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

To the extent that the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

To the extent that the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Company determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to all borrowings of the Company that are outstanding during the period. However, the Company excludes from this calculation borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset until substantially all the activities necessary to prepare that asset for its intended use or sale are complete. The amount of borrowing costs that the Company capitalises during a period does not exceed the amount of borrowing costs it incurs during that period.

The Company begins capitalising borrowing costs as part of the cost of a qualifying asset on the 'commencement date' which is the date when the Company first meets all of the following conditions: (a) it incurs expenditures for the asset; (b) it incurs borrowing costs; and (c) it undertakes activities that are necessary to prepare the asset for its intended use or sale.

The Company suspends capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

The Company ceases capitalising borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

## 4. PROPERTY AND EQUIPMENT - owned assets

	Leasehold Offices	Leasehold Improvements	Office Equipment	Furniture & Fixtures	Computers & Allied Items	Vehicles	Total
----- Rupees -----							
<b>As at June 30, 2022</b>							
Cost	32,473,333	102,485,179	8,116,043	18,403,021	58,975,716	5,427,000	225,880,292
Accumulated depreciation	(8,738,234)	(88,805,841)	(2,637,230)	(4,614,841)	(36,673,308)	(431,949)	(141,901,403)
Net book value	<u>23,735,099</u>	<u>13,679,338</u>	<u>5,478,813</u>	<u>13,788,180</u>	<u>22,302,408</u>	<u>4,995,051</u>	<u>83,978,889</u>
<i>Movement during the year ended June 30, 2023</i>							
Opening net book value	23,735,099	13,679,338	5,478,813	13,788,180	22,302,408	4,995,051	83,978,889
Additions during the year	-	-	41,000	-	440,024	-	481,024
Depreciation for the year	(3,560,267)	(2,051,903)	(827,462)	(2,114,921)	(7,787,925)	(999,011)	(17,341,489)
Closing net book value	<u>20,174,832</u>	<u>11,627,435</u>	<u>4,692,351</u>	<u>11,673,259</u>	<u>14,954,507</u>	<u>3,996,040</u>	<u>67,118,424</u>
<b>As at June 30, 2023</b>							
Cost	32,473,333	102,485,179	8,157,043	18,403,021	59,415,740	5,427,000	226,361,316
Accumulated depreciation	(12,298,501)	(90,857,744)	(3,464,692)	(6,729,762)	(44,461,233)	(1,430,960)	(159,242,892)
Net book value	<u>20,174,832</u>	<u>11,627,435</u>	<u>4,692,351</u>	<u>11,673,259</u>	<u>14,954,507</u>	<u>3,996,040</u>	<u>67,118,424</u>
<i>Movement during the year ended June 30, 2024</i>							
Opening net book value	20,174,832	11,627,435	4,692,351	11,673,259	14,954,507	3,996,040	67,118,424
Additions during the year	-	-	2,380,877	-	2,990,290	-	5,371,167
<i>Disposals</i>							
- Cost	-	-	(864,000)	-	-	-	(864,000)
- Accumulated depreciation	-	-	241,412	-	-	-	241,412
	-	-	(622,588)	-	-	-	(622,588)
Depreciation for the year	(3,026,222)	(1,744,116)	(889,176)	(1,779,526)	(5,520,226)	(799,210)	(13,758,476)
Closing net book value	<u>17,148,610</u>	<u>9,883,319</u>	<u>5,561,464</u>	<u>9,893,733</u>	<u>12,424,571</u>	<u>3,196,830</u>	<u>58,108,527</u>
<b>As at June 30, 2024</b>							
Cost	32,473,333	102,485,179	9,673,920	18,403,021	62,406,030	5,427,000	230,868,483
Accumulated depreciation	(15,324,723)	(92,601,860)	(4,112,456)	(8,509,288)	(49,981,459)	(2,230,170)	(172,759,956)
Net book value	<u>17,148,610</u>	<u>9,883,319</u>	<u>5,561,464</u>	<u>9,893,733</u>	<u>12,424,571</u>	<u>3,196,830</u>	<u>58,108,527</u>
Annual rates of depreciation	15%	15%	15%	15%	33%	20%	

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## 5. RIGHT-OF-USE ASSETS

	2024	2023
	----- Rupees -----	
Opening net book value	2,279,667	32,555,873
Add: Additions during the year	87,523,345	-
	-	(1,141,363)
Less: Disposal during the year	89,803,012	31,414,510
Less: Depreciation charged during the year	(26,477,305)	(29,134,843)
<b>Closing net book value</b>	<b>63,325,707</b>	<b>2,279,667</b>
<b>Depreciation rate (per annum)</b>	<b>20% to 33%</b>	<b>20% to 33%</b>

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

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

## 6. INTANGIBLES ASSETS

	2024	2023
	----- Rupees -----	
Computer software	836,719	1,115,626
Trading Right Entitlement Certificate and offices	4,600,000	4,600,000
	5,436,719	5,715,626

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## 6.1 Computer software

	2024	2023
	----- Rupees -----	
<b>Net carrying amount</b>		
Opening net book value	1,115,626	1,487,502
Amortisation charge	(278,907)	(371,876)
Closing net book value	<u>836,719</u>	<u>1,115,626</u>
<b>Gross carrying amount</b>		
Cost	7,949,132	7,949,132
Accumulated amortisation	(7,112,413)	(6,833,506)
Net book value	<u>836,719</u>	<u>1,115,626</u>
<b>Amortisation rate</b>	<u>25%</u>	<u>25%</u>

## 6.2 Trading Right Entitlement Certificate (TREC) and offices

	2024	2023
	----- Rupees -----	
Trading Right Entitlement Certificate		
- Cost	26,000,000	26,000,000
- Accumulated impairment	(23,500,000)	(23,500,000)
Offices- booths - Pakistan Stock Exchange Limited	<u>2,500,000</u>	<u>2,500,000</u>
	<u>2,100,000</u>	<u>2,100,000</u>
	<u>4,600,000</u>	<u>4,600,000</u>

6.2.1 This represents TREC received by the Company in accordance with the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 as amended by the Stock Exchanges (Corporatization, Demutualization and Integration) (Amendment) Act, 2015. These have been carried at cost less accumulated impairment losses.

6.2.2 PSX vide notice no. PSX/N - 225 dated February 16, 2021 have notified the notional fees of a Trading Right Entitlement Certificate which amounts to Rs. 2.5 million.

## 7. LONG TERM INVESTMENTS

	2024	2023
	----- Rupees -----	
Investment in subsidiaries	38,000,000	38,000,000
Investment in other entities	30,461,607	1,085,254,068
	<u>68,461,607</u>	<u>1,123,254,068</u>

### 7.1 Investment in subsidiaries - at cost less accumulated impairment

2024	2023		2024	2023
----- Number of Shares -----			----- Rupees -----	
<u>38,000,000</u>	<u>38,000,000</u>	Rayaan Commodities (Private) Limited	<u>38,000,000</u>	<u>38,000,000</u>
<u>38,000,000</u>	<u>38,000,000</u>		<u>38,000,000</u>	<u>38,000,000</u>

7.1.1 This represents paid up share capital comprising of 100% ownership in Rayaan Commodities (Private) Limited, formerly named as Arif Habib Commodities (Private) Limited, which was incorporated on April 02, 2012 as wholly owned subsidiary for the purpose of expanding non-core revenue system of the commodity brokerage. The total amount of investment approved by the shareholders of the Company in the extra-ordinary general meeting held on June 16, 2012 is Rs. 100 million. As of reporting date, the Company had invested a total sum of Rs. 38 million.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

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

### Unquoted - Equity Instruments

ISE Towers REIT Management Company Limited

Note	2024	2023
	----- Rupees -----	
7.2.1	24,850,127	22,181,370
	<u>24,850,127</u>	<u>22,181,370</u>

### Quoted - Equity Instruments

LSE Capital Limited

LSE Ventures Limited

7.2.2	765,317	1,421,528
	4,846,163	7,585,290
	<u>5,611,480</u>	<u>9,006,818</u>

### Unquoted - Debt Instrument

Naya Nazimabad Apartment REIT (NRR)

Rahat Residency REIT (RRR)

Signature Residency REIT (SRR)

1.5	-	426,440,880
	-	627,625,000
	-	-
	<u>-</u>	<u>1,054,065,880</u>
	<u>30,461,607</u>	<u>1,085,254,068</u>

## 7.2.1 Investment in ISE Towers REIT Management Company Limited

This represents the investment in 3,034,604 (2023: 3,034,604) unquoted ordinary shares of M/s. ISE Towers REIT Management Company Limited. The reconciliation of the opening and closing carrying amount of the investment is presented below:

	2024	2023
	----- Rupees -----	
<i>Cost of the investment</i>		
ISE Tower REIT Management Company Limited	33,380,639	33,380,639
<i>Unrealised gain / (loss):</i>		
Balance as at July 01	(11,199,269)	(5,887,136)
Unrealised (loss) / gain for the year	2,668,757	(5,312,133)
	<u>(8,530,512)</u>	<u>(11,199,269)</u>
<b>Balance as at June 30</b>	<b>24,850,127</b>	<b>22,181,370</b>

The Company as per its policy, carried out the valuation of the above investment. In this connection, the valuation technique used by the Company was Discounted Free Cash Flow to Equity model for business valuation. 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.

Principal assumptions used in the valuation of the above unquoted investments are as under:

	2024	2023
Long term growth rate	5.00%	5.00%
Cost of equity	17.50%	17.50%
Projection period	5	5
Value per share (Rs.)	8.19	7.31
Valuation technique used	Discounted Free Cash Flow to Equity	Discounted Free Cash Flow to Equity

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

7.2.2 During the year, M/s LSE Proptech Limited merged into M/s. Modaraba Al-Mali, to become M/s. LSE Capital Limited and the Company received 245,295 of M/s. LSE Capital Limited, as per the merger scheme against 295,536 quoted ordinary shares of LSE Proptech Limited. The said new shares have been measured at their fair value (i.e. quoted price) at the reporting date, along with 842,811 quoted ordinary shares of LSE Ventures Limited.

## 8. INVESTMENT PROPERTY

Note	2024	2023
	----- Rupees -----	
Open plots of land / offices - at fair value	38,900,000	202,000,000
Residential flats under construction - at cost	-	248,749,014
	<u>38,900,000</u>	<u>450,749,014</u>

### 8.1 Open plots of land / offices - at fair value

Note	2024	2023
	----- Rupees -----	
Opening carrying amount (at fair value)	202,000,000	1,576,836,333
Development charges incurred during the year (subsequent expenditure)	-	12,957,220
	<u>202,000,000</u>	<u>1,589,793,553</u>
Elimination as a result of demerger scheme	(155,500,000)	-
<i>Disposal during the year:</i>		
Sale proceeds during the year	(7,500,000)	(1,632,575,000)
Realized gain on disposal - net	749,029	1,261,550,827
Less: Reversal of unrealized gain upon sale	(749,029)	(1,270,875,827)
	<u>(7,500,000)</u>	<u>(1,641,900,000)</u>
Fair value gain on remeasurement	(100,000)	254,106,447
	<u>38,900,000</u>	<u>202,000,000</u>

8.1.1 As of June 30, 2024, the offices comprised of the following:

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

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

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

	Fair Value		Forced Sale Value	
	2024	2023	2024	2023
	----- Rupees -----			
<i>- at fair value</i>				
Residential plots	-	155,500,000	-	124,400,000
Commercial plots				
Offices	12,900,000	20,500,000	10,965,000	17,425,000
<i>- at committed sale price</i>				
Committed to sale office	26,000,000	26,000,000	N/A	N/A
	<u>38,900,000</u>	<u>202,000,000</u>	<u>10,965,000</u>	<u>141,825,000</u>

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## 9. LONG TERM ADVANCES, DEPOSITS AND OTHER RECEIVABLE

### Advance against equity

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

### Deposits

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

### Other receivable

- from employees

Note	2024	2023
	----- Rupees -----	
9.1	-	2,000,000
1.5	-	325,000,000
1.5	-	133,298,960
9.2	37,000,000	37,000,000
	<u>37,000,000</u>	<u>497,298,960</u>
	500,461	700,461
	1,500,000	1,250,000
	819,911	935,146
	<u>2,820,372</u>	<u>2,885,607</u>
9.3	1,773,960	320,773
	<u>41,594,332</u>	<u>500,505,340</u>

9.1 This was advance given against issuance of ordinary shares given to M/s. Rayaan Commodities (Private) Limited which is recovered during the year ended instead of issuance of shares.

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

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

## 10. SHORT TERM INVESTMENTS - At fair value through profit or loss

### Equity securities:

- quoted

### Debt securities:

- quoted

Note	2024	2023
	----- Rupees -----	
10.1	484,827,933	2,761,251,468
10.2	65,877,709	88,544,078
	<u>550,705,642</u>	<u>2,849,795,546</u>

### 10.1 Investment in quoted equity securities

Cost of the investments

### Unrealised gain / (loss):

Balance as at July 01  
Unrealised gain / (loss) for the year

Balance as at June 30

	2024	2023
	----- Rupees -----	
Cost of the investments	513,845,829	3,179,844,352
Unrealised gain / (loss):		
Balance as at July 01	(7,691,860)	(417,666,876)
Unrealised gain / (loss) for the year	(21,326,036)	(926,008)
	<u>(29,017,896)</u>	<u>(418,592,884)</u>
Balance as at June 30	<u>484,827,933</u>	<u>2,761,251,468</u>

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## 10.2 Investment in quoted debt securities

	Note	2024 ----- Rupees -----	2023 ----- Rupees -----
Cost of investment		66,566,383	91,607,707
Unrealised gain / (loss):			
Balance as at July 01		(3,063,629)	(610,197)
Unrealised gain / (loss) for the year		2,374,955	(2,453,432)
		(688,674)	(3,063,629)
Balance as at June 30	10.2.1	65,877,709	88,544,078

10.2.1 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 1.7% (2023: 3 month KIBOR + 1.5% to 2.25%), 6 month KIBOR + 1.4% to 2.25% (6 month KIBOR + 0.50% to 2.25%) calculated on the face value of the respective TFCs or Sukuks that is payable quarterly / semi annually.

## 11. TRADE DEBTS

	Note	2024 ----- Rupees -----	2023 ----- Rupees -----
Gross receivables			
Equity brokerage - secured		284,667,075	199,931,616
- unsecured		879,031,666	871,827,147
	11.1	1,163,698,741	1,071,758,763
Inter bank brokerage - unsecured		33,566,485	27,816,750
Advisory and consultancy fee - unsecured		109,493,747	109,748,485
		1,306,758,973	1,209,323,998
Less: Provision for expected credit losses			
Equity brokerage - unsecured		(879,031,666)	(871,827,147)
Inter bank brokerage - unsecured		(5,972,463)	(5,695,935)
Advisory and consultancy fee - unsecured		(77,255,993)	(72,109,948)
	11.2	(962,260,122)	(949,633,030)
		344,498,851	259,690,968

### 11.1 Gross receivables - Equity brokerage

11.1.1 These receivables include Rs.10.380 million (2023: Rs. 0.90 million) due from the related parties. The maximum aggregate amount outstanding during the year from such parties (with reference to month-end balances) amounted to Rs. 15.738 million (2023: Rs. 275.32 million).

11.1.2 The Company holds capital securities having fair value of Rs. 146,942 million (2023: Rs. 75,027 million) owned by its clients, as collaterals against trade debts.

### 11.2 Movement in provision for expected credit losses

	Note	2024 ----- Rupees -----	2023 ----- Rupees -----
Balance at the beginning of the year		949,633,030	932,575,082
Charge for the year	27	12,627,092	24,688,276
Reversal during the year	28	-	(7,630,328)
Balance at the end of the year		962,260,122	949,633,030

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## 12. RECEIVABLE AGAINST MARGIN FINANCING

	2024	2023
	----- Rupees -----	
Considered good	117,387,003	113,367,759
	<u>117,387,003</u>	<u>113,367,759</u>

12.1 Margin financing facility is provided to clients on markup basis ranging from 25.00% to 29.50% (2023: 15.00% to 28.50%) per annum.

## 13. ADVANCES, DEPOSITS AND PREPAYMENTS

	2024	2023
	----- Rupees -----	
<i>Advances</i>		
Advance to consultant	99,760	1,243,760
Advance against expenses	3,273,801	3,273,801
Advance against salary	1,558,349	1,672,044
	<u>4,931,910</u>	<u>6,189,605</u>
<i>Trade deposits</i>		
Exposure deposit with National Clearing Company of Pakistan Limited (NCCPL)	179,308,766	31,400,253
<i>Prepayments</i>		
Insurance	840,999	960,071
	<u>185,081,675</u>	<u>38,549,929</u>

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

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

## 14. OTHER RECEIVABLES

	2024	2023
	----- Rupees -----	
Receivable from Javedan Corporation Limited - a related party:		
- Proceeds from sale of investment property	-	5,126,734
- Outstanding loan	-	352,000,000
- Mark-up on loan	-	2,071,785
	<u>-</u>	<u>359,198,519</u>
Receivable from Arif Habib Corporation Limited	800,437,464	-
Receivable from Rahat Residency REIT -		
- Amount Receivable as proceeds from sale of investment property to REIT Scheme	-	804,075,000
Receivable against reverse repo arrangements	190,940,196	108,796,620
Others	6,796,579	1,200,000
	<u>998,174,239</u>	<u>1,273,270,139</u>

14.1 This represents liabilities forming part of the Demerged undertaking, as on the balance sheet date.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

14.2 This represents receivable against reverse repo arrangement, of 27,618,000 shares of M/s. Hum Network Limited (HUMNL), carrying interest at the rate of 1-month KIBOR plus 2% per annum. The corresponding party has agreed to repurchase the shares on or before the year ending 30th June 2025.

## 15. TAXATION - net

Note	2024	2023
	----- Rupees -----	
15.1	2,594,059	15,457,413

### 15.1 Movement for the year

Note	2024	2023
	----- Rupees -----	
As at July 01,	15,457,413	(70,302,865)
Charge for the year		
- current year	(159,816,769)	(34,623,701)
- prior year	3,464,521	8,093,592
	(156,352,248)	(26,530,109)
Levies	(2,953,850)	(98,455,019)
	(143,848,685)	(195,287,993)
Taxes paid during the year	146,442,744	210,745,406
As at June 30,	2,594,059	15,457,413

15.2 This includes a provision for Super Tax under sections 4B and 4C of the Income Tax Ordinance, 2001 (ITO, 2001) as under:

Note	2024	2023
	----- Rupees -----	
Super Tax u/s 4B of ITO, 2001	47,391,331	47,391,331
Super Tax u/s 4C of ITO, 2001	58,715,955	23,152,759
	106,107,286	70,544,090

15.2.1 The Company has been contesting Civil Suit No. 2596 of 2015 against levy of "Super Tax" u/s 4B of the Income Tax Ordinance, 2001 introduced through Finance Act, 2015 in the High Court of Sindh. The High Court has granted stay and directed that no coercive action be taken for recovery from the Company. The said stay is still in force and the Company has recorded a provision till tax year 2018.

15.2.2 This includes a provision for Super Tax under section 4C of the Income Tax Ordinance, 2001 in respect of tax years 2023 and 2024 amounting to Rs. 23.153 million and Rs. 35.563 million, respectively.

## 16. CASH AND BANK BALANCES

Note	2024	2023
	----- Rupees -----	
Cash in hand	746,630	733,779
Cash held in central depository company	6,908,525	6,674,187
Cash at bank		
- current accounts	442,929,838	146,095,936
- savings accounts	2,741,576,629	833,574,372
	3,184,506,467	979,670,308
	3,192,161,622	987,078,274

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

- 16.1 The return on these balances is 8% to 19.5% (2023: 10% to 19%) per annum on daily product basis.
- 16.2 Bank balances include customers' bank balances held in designated bank accounts amounting to Rs. 3,107.776 million (2023: Rs. 946.286 million).

## 17. AUTHORIZED, ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2024 ----- (Number of shares) -----		2023 ----- (Number of shares) -----	
75,000,000	75,000,000	750,000,000	750,000,000
<b>Authorized capital</b> Ordinary shares of Rs. 10/- each			
<b>Issued, subscribed and paid up capital</b> Ordinary shares of Rs. 10/- each			
10,800,000	10,800,000	108,000,000	108,000,000
54,540,000	54,540,000	545,400,000	545,400,000
65,340,000	65,340,000	653,400,000	653,400,000
Issued for cash			
Issued as bonus shares			

- 17.1 As of June 30, 2024, the Parent Company held 47,648,522 (2023: 47,648,522) ordinary shares of Rs. 10 each.
- 17.2 There is only one class of ordinary shares.
- 17.3 There are no agreements among shareholders in respect of voting rights, board selection, rights of first refusal, and block voting.

## 18. SURPLUS ON REVALUATION OF PROPERTY

In the year 2015, the Company reclassified leasehold offices to investment property. Accordingly, surplus on revaluation of properties was recognized in accordance with IAS 40 "Investment Property".

## 19. DEFERRED TAX - net

<i>Deferred tax (asset) / liability in respect of:</i>	Note	2024 ----- Rupees -----	2023 ----- Rupees -----
- Capital loss on short term investments		(4,455,986)	(125,485,080)
- Other temporary differences	19.1	(8,941,185)	69,149,530
		(13,397,171)	(56,335,550)
- Capital loss on short term investments not recognised during the year	19.2	4,455,986	125,485,080
Net Deferred tax asset recognised		(8,941,185)	69,149,530

### 19.1 Deferred tax in respect of other temporary differences

	Note	2024 ----- Rupees -----	2023 ----- Rupees -----
Deferred tax liabilities recognized	19.1.1	23,599,575	79,212,293
Deferred tax asset recognized	19.1.2	(32,540,760)	(10,062,763)
		(8,941,185)	69,149,530

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## 19.1.1 Deferred tax liabilities

	Note	2024 ----- Rupees -----	2023 ----- Rupees -----
Accelerated depreciation		5,235,120	6,437,721
Right-of-use assets		18,364,455	661,103
Long term investment	1.5	-	72,113,469
Investment property		-	-
		<u>23,599,575</u>	<u>79,212,293</u>

## 19.1.2 Deferred tax assets

		2024 ----- Rupees -----	2023 ----- Rupees -----
Intangible assets		6,572,351	6,491,468
Long term investment		4,217,101	-
Provision for doubtful debts and other receivables		-	-
Turnover tax		-	2,693,368
Lease liability		21,751,308	877,927
Deferred tax assets available for recognition		<u>32,540,760</u>	<u>10,062,763</u>

## 19.2 Deferred tax in respect of capital loss on short term investments

'Deferred tax asset amounting to Rs. 4.456 million (2023: Rs. 125.485 million) has not been recognized in respect of the realized and unrealized capital losses on short term investments amounting to Rs. 29.707 (2023: Rs. 919.549 million) million because it is not probable that future capital gain on securities will be available against which the Company can use the benefits therefrom.

## 20. SHORT TERM BORROWINGS

	Note	2024 ----- Rupees -----	2023 ----- Rupees -----
From banking companies			
- Running finance	20.1	664,317,881	1,617,785,680
		<u>664,317,881</u>	<u>1,617,785,680</u>

### 20.1 Running finance arrangements from banking companies - secured

20.1.1 Short term running finance facilities are available from various commercial banks, under mark-up arrangements, amounting to Rs. 5,000 million (2023: Rs. 6,250 million). These facilities have various maturity dates up to May 31, 2025 (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.

20.1.2 Fair value of shares pledged with banking companies against various short term running finance facilities and bank guarantees as at June 30, 2024 amounted to Rs. 7,799.35 million (2023: Rs. 6,602.82 million). Total value of securities pledged with financial institutions, indicating separately securities belonging to customers, is as under:

	June 30, 2024		June 30, 2023	
	Number of securities	Amount (Rupees)	Number of securities	Amount (Rupees)
Clients	129,150,000	6,666,723,000	118,700,000	4,730,847,000
House	164,900,000	1,132,626,000	134,088,000	1,871,972,795
Total	<u>294,050,000</u>	<u>7,799,349,000</u>	<u>252,788,000</u>	<u>6,602,819,795</u>

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2023

## 21. TRADE AND OTHER PAYABLES

	Note	2024 ----- Rupees -----	2023 ----- Rupees -----
Creditors	21.1	3,023,733,425	877,099,730
Bonus / Commission payable	21.2	233,243,989	22,477,749
Advance from customers		899,847	-
Future profit withheld		21,123,253	6,566,721
Accrued expenses		16,897,421	16,351,627
Withholding tax payable		106,688,703	24,211,070
Sindh sales tax and federal excise duty payable		14,653,555	934,324
Advance against committed sale of investment property	21.3	25,390,545	26,510,555
Payable against reverse repo transaction		-	17,629,267
Other liabilities		4,381,557	4,277,524
		<u>3,447,012,295</u>	<u>996,058,567</u>

21.1 This includes Rs. 249.33 million (2023: Rs. 61.3 million) payable to related parties.

21.2 This includes Rs. 102 million (2023: Rs. 12.82 million) payable to related parties.

### 21.3 Advance for committed sale of investment property

	Note	2024 ----- Rupees -----	2023 ----- Rupees -----
Advance received from:			
- M/s. Rayaan Commodities (Private) Limited	21.3.1	25,390,545	17,510,555
- Mr. Safi Ullah	1.5	-	9,000,000
		<u>25,390,545</u>	<u>26,510,555</u>

21.3.1 This represents an advance received from M/s. Rayaan (Private) Limited, a subsidiary company, against an agreed sale of four offices located at 1st floor of Stock Exchange Building against consideration amounting to Rs. 26 million (agreed in July 2019). The Company received Rs 1.5 million as token money at the time of agreement and the remaining amount is being received in 49 equal monthly installments. The sale will be executed after receiving of total amount of Rs. 26 million. Since the Company is committed to sell the offices at Rs. 26 million, the fair value of the offices as at June 30, 2024 has been recognized equal to the said sale consideration.

## 22. CONTINGENCIES AND COMMITMENTS

### 22.1 Contingent liability existing as at the reporting date

The Company has been contesting a demand of Rs. 45.42 million raised against its non-taxable services vide order issued on September 12, 2014 by the Assistant Commissioner, Sindh Revenue Board. The Company filed an appeal against the impugned order in the appropriate forums and, accordingly, a stay was granted to the Company against the impugned order. During the year 2018, the Appellate Tribunal Sindh Revenue Board remanded the case to the learned Commissioner (Appeals) for decision denovo on merits in terms of note / opinion recorded by the Member Technical. The Company's legal counsel is of the view that the Company has a favorable case based on merit. Accordingly, the Company has not made any provision of the said amount in these unconsolidated financial statements.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## 22.2 Commitments

Following commitments were outstanding as at the reporting date:

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

	2024	2023
	----- Rupees -----	
	138,417,338	226,651,180
	97,136,093	151,314,528
	750,000,000	750,000,000
	-	75,000,000

## 23. OPERATING REVENUE

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

Note	2024	2023
	----- Rupees -----	
	618,811,486	355,142,707
23.1	163,171,183	116,066,254
	250,218,507	343,499,284
	49,928,245	63,294,214
	11,811,378	340,651,522
	25,779,266	275,870,361
	1,119,720,065	1,494,524,342

## 23.1 Break up - Inter bank brokerage revenue

- Forex income
- Money market income

	2024	2023
	----- Rupees -----	
	7,849,020	7,388,325
	155,322,163	108,677,929
	163,171,183	116,066,254

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

- Long term investments
- Short term investments

Note	2024	2023
	----- Rupees -----	
	(726,580)	264,508,644
10.1 & 10.2	(18,951,081)	(3,379,440)
	(19,677,661)	261,129,204

## 25. NET CHANGE IN UNREALIZED LOSS ON INVESTMENT PROPERTY

- (Decrease) / Increase in fair value of open plots / offices held at year end
- Less: Decrease in unrealized gain upon sale

Note	2024	2023
	----- Rupees -----	
	(100,000)	254,106,447
26.1	(749,029)	(1,270,875,827)
	(849,029)	(1,016,769,380)

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## 26. ADMINISTRATIVE AND OPERATING EXPENSES

	Note	2024 ----- Rupees -----	2023 ----- Rupees -----
Salaries and other benefits	26.1	708,527,779	318,800,653
Motor vehicle and travelling expense		59,247,405	49,963,699
CDC and clearing house charges		25,169,842	22,729,016
Building maintenance		36,541,579	43,783,047
Depreciation on right-of-use assets	5	26,477,305	29,134,843
Depreciation on property and equipment	4	13,819,696	17,341,489
Man power services	26.2	20,714,800	25,192,644
Communication		23,953,435	24,847,033
Legal and professional charges		7,582,664	2,486,540
Insurance		12,040,185	11,001,963
Repairs and maintenance		9,694,615	7,262,623
Fees and subscription		30,093,000	20,529,857
Printing and stationery		3,278,051	4,462,462
Business representation		5,237,246	6,197,559
Rent, rates and taxes		1,250,960	867,191
Auditors' remuneration	26.3	2,100,000	2,100,000
Advertisement and business promotion		1,667,675	453,810
Conveyance and meals		5,289,306	4,201,893
Meeting expenses		1,650,000	1,500,000
Amortization on intangible assets	6.1	278,907	371,876
Donation	26.4	-	3,382,000
Others		7,959,215	8,668,584
		<u>1,002,573,665</u>	<u>605,278,782</u>

### 26.1 Salaries and other benefits

	Note	2024 ----- Rupees -----	2023 ----- Rupees -----
Salaries and other benefits	26.1.1	221,677,519	189,391,327
Commission / bonus		486,850,260	129,409,326
		<u>708,527,779</u>	<u>318,800,653</u>

26.1.1 Salaries and benefits include Rs. 10.05 million (2023: Rs. 10.66 million) in respect of provident fund contribution.

26.2 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.

### 26.3 Auditors' remuneration

	2024 ----- Rupees -----	2023 ----- Rupees -----
Annual audit fee	1,200,000	1,200,000
Half yearly review	400,000	400,000
Review of compliance with Code of Corporate Governance	200,000	200,000
Other certifications	300,000	300,000
	<u>2,100,000</u>	<u>2,100,000</u>

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## 26.4 Donation

None of the directors or their spouse had any interest in the donees. Further, the particulars of the parties to whom donation paid exceeds Rs. 1 million or 10% of the total donation, whichever is higher, are as follows:

	2024	2023
	----- Rupees -----	
Momina & Duraid Foundation	-	1,500,000
Ali Afzal & Mian Muhammad Afzal	-	1,000,000
Ali Hassan Mangi Memorial Trust	-	500,000
Others	-	382,000
	<u>-</u>	<u>3,382,000</u>

## 27. OTHER CHARGES

	2024	2023
Note	----- Rupees -----	
Provision for expected credit losses on trade debts	12,627,092	24,688,276
Loss on Sale of asset	402,588	-
Irrecoverable trade debt written off	-	271,544
Other receivable written off	-	1,900,073
Other	1,663,198	-
	<u>14,692,878</u>	<u>26,859,893</u>

27.1 This represents tax u/s 161 of Income Tax Ordinance, 2001 along with penalties and default surcharge.

## 28. OTHER INCOME

	2024	2023
Note	----- Rupees -----	
Markup on reverse repo transaction	32,144,885	13,524,000
Markup on loan to related party	-	2,071,785
Profit on savings accounts	338,585,959	82,995,188
Profit on exposure deposit	35,451,779	4,842,542
Gain on disposal of subsidiary	-	6,441,895
Gain on termination of lease	-	144,302
Reversal of provision of bad debt	-	7,630,328
Reversal of provision of margin financing	-	1,917,749
	<u>406,182,623</u>	<u>119,567,789</u>

## 29. FINANCE COSTS

	2024	2023
Note	----- Rupees -----	
Markup on short term borrowings	66,811,214	617,158,325
Other finance costs	31,168,822	20,710,849
	<u>97,980,036</u>	<u>637,869,174</u>

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## 29.1 Markup on short term borrowings

	2024	2023
	----- Rupees -----	
Markup on borrowing from banking companies	66,811,214	349,760,306
Markup on borrowing from related parties:		
- M/s. Javedan Corporation Limited	-	246,267,157
- Mr. Arif Habib	-	21,130,862
	-	267,398,019
	<u>66,811,214</u>	<u>617,158,325</u>

29.2 Markup on short term borrowing from banking companies, amounted to Rs. 236.071 million, out of which, Rs. 66.811 million related to the Company has been recorded, whereas, the remaining is shown as Receivable from M/s. Arif Habib Corporation Limited, as disclosed in note 14 to these unconsolidated financial statements.

## 29.3 Other finance costs

	2024	2023
	----- Rupees -----	
Finance cost on lease liability	17,245,125	916,144
Markup on MTS securities	1,721,732	1,715,421
Bank charges	12,201,965	15,198,369
Guarantee charges to Parent Company	-	2,880,915
	<u>31,168,822</u>	<u>20,710,849</u>

## 30. LEVIES

	2024	2023
	----- Rupees -----	
Excess of minimum tax over normal tax	-	46,925,872
Income tax - Final tax regime	2,564,850	49,509,147
Income tax - Tax on deemed rental income u/s 7E	389,000	2,020,000
	<u>2,953,850</u>	<u>98,455,019</u>

## 31. TAXATION

	2024	2023
	----- Rupees -----	
Current tax		
- for the year	159,816,769	34,623,701
- for prior year	(3,464,521)	(8,093,592)
	<u>156,352,248</u>	<u>26,530,109</u>
Deferred	(5,977,246)	42,444,881
	<u>150,375,002</u>	<u>68,974,990</u>

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## 31.1 Relationship between tax expense and accounting profit

	2024	2023
	----- Rupees -----	
Profit before taxation	765,275,592	352,102,111
Tax at the applicable rate of 29% (2023: 29%)	221,929,922	102,109,612
Tax effect of:		
- income under Presumptive Tax Regime	(1,323,777)	(51,000,161)
- income under Minimum Tax Regime	-	46,925,872
- income under Final Tax Regime	(3,495,897)	-
- exempt income / permanent differences	(217,217)	(365,849,740)
- realized and unrealized capital losses on short term investments	(103,079,358)	145,368,956
- unrealized capital loss on long term investment	(4,006,393)	-
- unrealized capital gain on investment property	246,218	269,079,304
- prior year charge	(3,464,521)	(8,093,592)
- super tax under section 4C of Income Tax Ordinance, 2001	35,563,196	23,152,759
- tax on deemed income under section 7E of Income Tax Ordinance, 2001	389,000	2,020,000
- amount transferred to levies	(2,953,850)	(98,455,019)
- other miscellaneous items	10,787,679	3,716,998
	<u>150,375,002</u>	<u>68,974,989</u>

31.2 Except for the matters disclosed in note 23.1, income tax assessments of the Company are deemed to be finalized as per tax returns file up to tax year 2023. Tax returns are subject to further assessment under provisions of the Income Tax Ordinance, 2001 ("the Ordinance") unless selected for an audit by the taxation authorities. The Commissioner of Income Tax may, at any time during a period of five years from date of filing of return, select a deemed assessment order for audit.

## 32. EARNINGS PER SHARE - BASIC AND DILUTED

### 32.1 Basic earnings per share

	2024	2023
	----- Rupees -----	
Profit after taxation	611,708,174	184,672,102
	----- Number of shares -----	
Weighted average number of ordinary shares outstanding during the year	65,340,000	65,340,000
	----- Rupees -----	
Earnings per share - basic	9.36	2.83

### 32.2 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 June 30, 2024 and June 30, 2023.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## 33. CASH AND CASH EQUIVALENTS

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

	Note	2024 ----- Rupees -----	2023 ----- Rupees -----
Cash and bank balances	16	3,192,161,622	987,078,274
Short term borrowings from banking companies - running finance	20	(664,317,881) <u>2,527,843,741</u>	(1,617,785,680) <u>(630,707,406)</u>

## 34. RELATED PARTY TRANSACTIONS AND BALANCES

34.1 Related parties comprise of group companies (the Parent Company, fellow subsidiary and the subsidiaries), key management personnel and directors of the Company and their close family members, and the staff provident fund. Remuneration of the Chief Executive and Directors is disclosed in note 35 to these unconsolidated financial statements. Transactions entered into, and balances held with, related parties during the year, are as follows:

### PARENT COMPANY

	2024 ----- Rupees -----	2023 ----- Rupees -----
<b>Arif Habib Corporation Limited</b>		
<i>Transaction during the year</i>		
Brokerage commission earned on sale and purchase of securities	2,805,169	5,217,272
Guarantee charges	-	2,880,915
<i>Balances at the year end</i>		
Trade receivable at year end	50,666	35,692
Guarantee charges payable	-	688,306

### SUBSIDIARY

	2024 ----- Rupees -----	2023 ----- Rupees -----
<b>Rayaan Commodities (Private) Limited</b>		
<i>Transaction during the year</i>		
Brokerage commission earned on sale and purchase of securities	529,471	338,394
Amount received against sale of investment property	8,489,445	4,266,830
Advance recovered	2,000,000	-
<i>Balances at the year end</i>		
Advance received against sale of investment property	26,000,000	17,510,555
Advance paid for subscription of shares	-	2,000,000
Trade payable at year end	-	452,208
Trade receivable at year end	9,204,406	-
Advances	609,455	-

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## KEY MANAGEMENT PERSONNEL

	2024	2023
	----- Rupees -----	
<b>Zafar Alam (Chairman)</b>		
<i>Transaction during the year</i>		
Brokerage commission earned on sale and purchase of securities	412,257	77,818
<i>Balances at the year end</i>		
Trade payable at year end	51,359	3,726
<b>Muhammad Shahid Ali (CEO)</b>		
<i>Transaction during the year</i>		
Brokerage commission earned on sale and purchase of securities	12,062,351	9,867,252
<i>Balances at the year end</i>		
Trade payable at year end	249,003,382	60,409,046
<b>Muhammad Haroon (Director)</b>		
<i>Transaction during the year</i>		
Brokerage commission earned on sale and purchase of securities	464,832	283,438
<i>Balances at the year end</i>		
Trade payable at year end	17,055	302,869
<b>Muhammad Sohail Salat (Director)</b>		
<i>Balances at the year end</i>		
Trade receivable at year end	1,899	1,199
<b>Sharmin Shahid (Director)</b>		
<i>Transaction during the year</i>		
Brokerage commission earned on sale and purchase of securities	500,000	102,551
<i>Balances at the year end</i>		
Trade receivable at year end	43,263	4,186
<b>Nida Ahsan (Director)</b>		
<i>Transaction during the year</i>		
Brokerage commission earned on sale and purchase of securities	1,012,821	1,040,280
<i>Balances at the year end</i>		
Trade payable at year end	24,341	24,641
Trade receivable at year end	609,448	684
<b>Mohsin Madni (Director)</b>		
<i>Transaction during the year</i>		
Brokerage commission earned on sale and purchase of securities	160,166	15,652
<i>Balances at the year end</i>		
Trade payable at year end	289,099	109,517

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## CLOSE FAMILY MEMBERS OF KEY MANAGEMENT PERSONNEL

	2024	2023
	----- Rupees -----	
<b>Arif Habib</b>		
<i>Transaction during the year</i>		
Brokerage commission earned on sale and purchase of securities	7,590,190	2,891,069
Loan obtained	-	2,412,700,000
Loan repaid	-	2,412,700,000
Markup on loan charged during the year	-	21,130,862
<i>Balances at the year end</i>		
Trade receivable at year end	30,318	23,238
Mark-up payable	-	4,723,973
<b>Abdus Samad A. Habib</b>		
<i>Transaction during the year</i>		
Brokerage commission earned on sale and purchase of securities	630,889	666,540
<i>Balances at the year end</i>		
Trade receivable at year end	87,860	576,799
<b>Muhammad Kashif A. Habib</b>		
<i>Transaction during the year</i>		
Brokerage commission earned on sale and purchase of securities	6,500	54,876
<i>Balances at the year end</i>		
Trade receivable at year end	244	-
Trade payable at year end	-	1,879

## OTHER RELATED PARTIES

	2024	2023
	----- Rupees -----	
<b>Javedan Corporation Limited</b>		
<i>Transaction during the year</i>		
Brokerage commission earned on sale and purchase of securities	-	566,918
Loan provided	-	352,000,000
Mark-up recovered	-	10,192,861
Loan obtained	-	750,000,000
Loan repaid	-	1,550,000,000
Received against sale of investment property	5,126,734	-
Markup income on loan provided during the year	-	2,071,785
Markup expense on loan received during the year	-	246,267,157
<i>Balances at the year end</i>		
Trade receivable at year end	270,192	244,692
Receivable against sale of investment property	-	5,126,734
Loan receivable	-	352,000,000
Mark-up receivable	-	2,071,785
<b>Arif Habib Dolmen REIT Management Limited</b>		
<i>Balances at the year end</i>		
Trade receivable at year end	2,456	-
Trade payable at year end	-	44

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

	2024	2023
	----- Rupees -----	
<b>Rotocast Engineering Co. (Private) Limited</b>		
<i>Transaction during the year</i>		
Rent paid	30,263,478	27,815,558
Brokerage commission earned on sale and purchase of securities	-	284,286
<i>Balances at the year end</i>		
Trade receivable at year end	43,550	13,978
<b>Globe Residency REIT</b>		
<i>Transaction during the year</i>		
Units purchased during the year	-	37,328,140
Amount paid against purchase of residential flats	-	183,806,134
Revenue earned	-	829,829
<i>Balances at the year end</i>		
Advance against committed sale of investment property	-	248,749,014
<b>Signature Residency REIT</b>		
<i>Transaction during the year</i>		
Advance given for the purchase of units	-	133,298,960
<i>Balances at the year end</i>		
Units receivable of REIT	-	133,298,960
<b>Rahat Residency REIT</b>		
<i>Transaction during the year</i>		
Sale of plots	-	1,629,075,000
Units received of REIT	-	500,000,000
<i>Balances at the year end</i>		
Units receivable of REIT	-	325,000,000
Amount receivable	-	804,075,000
<b>Naya Nazimabad Appartment REIT</b>		
<i>Transaction during the year</i>		
Units purchased during the year	-	278,000,000
<b>Arif Habib Equity (Private) Limited</b>		
<i>Transaction during the year</i>		
Brokerage commission earned on sale and purchase of securities	857,821	1,882,801
<i>Balances at the year end</i>		
Trade receivable at year end	35,464	-
Trade payable at year end	-	7,895,397
<b>Arif Habib Provident Fund Trust</b>		
<i>Transaction during the year</i>		
Contribution paid during the year	10,065,774	10,658,679

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## 35. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these unconsolidated financial statements for remuneration, including certain benefits to Chief Executive, Directors and executives of the Company, are as follows:

	Chief Executive		Directors		Other Executives	
	2024	2023	2024	2023	2024	2023
	----- Rupees -----					
Managerial remuneration	12,593,844	8,668,824	-	-	83,325,874	92,863,729
Contribution to provident fund	641,670	600,000	-	-	3,870,844	4,774,066
Medical allowance	513,330	480,000	-	-	3,466,650	4,030,316
Commission / Bonus	118,208,056	18,728,240	-	-	305,779,446	48,992,121
Meeting fees	-	-	1,200,000	1,200,000	-	-
	<u>131,956,900</u>	<u>28,477,064</u>	<u>1,200,000</u>	<u>1,200,000</u>	<u>396,442,814</u>	<u>150,660,232</u>
Number of persons	<u>1</u>	<u>1</u>	<u>5</u>	<u>5</u>	<u>20</u>	<u>25</u>

## 36. FINANCIAL INSTRUMENTS

### 36.1 Financial risk analysis

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (foreign currency risk, price risk and interest/mark-up rate risk). The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. The Company consistently manages its exposure to financial risk without any material change from previous periods in the manner described in notes below.

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. All treasury related transactions are carried out within the parameters of these policies.

#### 36.1.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

#### Exposure to credit risk

Credit risk of the Company mainly arises from deposits with banks and financial institutions, trade debts, receivable against margin financing, short term loans, deposits and other receivables. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk, the Company has developed its own risk management policies and guidelines whereby clients are provided trading limits according to their net worth and proper margins are collected and maintained from the clients. The management continuously monitors the credit exposure towards the clients and makes provision against those balances considered doubtful of recovery.

The Company's management, as part of risk management policies and guidelines, reviews clients' financial position, considers past experience, obtain authorized approvals and arrange for necessary collaterals in the form of equity securities to reduce credit risks and other factors. These collaterals are subject to market risk which ultimately affects the recoverability of debts. Further, credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

The Company's policy is to enter into financial contracts in accordance with the internal risk management policies, investment and operational guidelines approved by the Board of Directors.

The carrying amount of financial assets represent the maximum credit exposure at the reporting date, are detailed as follows:

	Note	2024	2023
		----- Rupees -----	
Long term investment (Debt instrument - at fair value through profit or loss)		-	1,054,065,880
Long-term advances, deposits and other receivable		41,594,332	500,505,340
Short term investment in corporate debt securities		65,877,709	88,544,078
Trade debts	(a) & (b)	344,498,851	259,690,968
Receivable against margin financing		117,387,003	113,367,759
Short term deposits		179,308,766	31,400,253
Accrued markup on margin financing		4,526,291	21,527,045
Other receivables		998,174,239	1,273,270,139
Receivable against trading of securities - net		-	77,192,508
Bank balances		<u>3,184,506,467</u> <u>4,935,873,658</u>	<u>979,670,308</u> <u>4,399,234,278</u>

(a) Trade debts were due from local clients.

(b) The Company held equity securities having fair value of Rs. 146,942 million (2023: Rs. 75,027 million) owned by its clients, as collaterals against trade debts - brokerage and operating.

	2024		2023	
	Gross carrying amount	Provision for expected credit losses	Gross carrying amount	Provision for expected credit losses
	----- Rupees -----			
Not past due	159,964	-	6,487,822	-
Past due 1 day - 30 days	13,027,356	3,642,942	67,877,119	31,132
Past due 31 days - 180 days	132,533,086	5,181,696	82,659,599	3,875,011
Past due 181 days - 365 days	176,356,134	5,899,030	114,801,087	2,072,503
More than one year	<u>984,682,433</u> <u>1,306,758,973</u>	<u>947,536,454</u> <u>962,260,122</u>	<u>937,498,371</u> <u>1,209,323,998</u>	<u>943,654,384</u> <u>949,633,030</u>

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

No impairment has been recognized except as disclosed in respect of these debts as the security against the same is adequate or counter parties have sound financial standing.

The credit quality of Company's liquid funds can be assessed with reference to external credit ratings as follows:

Banks / other institutions	Short term rating	Credit rating agency	2024	2023
			----- Rupees -----	
Allied Bank Limited	A1+	PACRA	22,638,634	13,959,448
Askari Bank Limited	A-1+	PACRA	7,311,548	71,013,407
Bank Al-Falah Limited	A1+	PACRA	94,680,152	12,211,260
Bank Al-Habib Limited	A-1+	PACRA	969,323,978	281,504,567
Bank Islami Pakistan Limited	A1	PACRA	84,565	31,312
Bank of Khyber	A-1	JCR-VIS	19,416	2,187,652
Bank of Punjab	A1+	PACRA	1,633,433	1,397,745
Dubai Islamic Bank Limited	A-1+	VIS	41,796,955	56,905,607
Faysal Bank Limited	A1+	PACRA	4,375,978	1,099,736
Habib Bank Limited	A-1+	VIS	329,872,006	19,893,653
Habib Metropolitan Bank Limited	A-1+	PACRA	1,251,478,011	118,221,456
JS Bank Limited	A1+	PACRA	4,402,143	4,864,748
MCB Bank Limited	A-1+	PACRA	47,669,561	32,473,439
Meezan Bank Limited	A-1+	JCR-VIS	217,758,988	268,457,021
National Bank of Pakistan	A-1+	JCR-VIS	3,803,318	8,476,648
Silk Bank Limited	A-2	VIS	14,932	14,209
Sindh Bank Limited	A-1+	VIS	57,539,320	53,154,420
Soneri Bank Limited	A1+	PACRA	11,499,829	8,128,443
Standard Chartered Bank	A1+	PACRA	9,331,332	-
Bank Makramah Limited	-	-	75,749,661	11,433,734
United Bank Limited	A-1+	VIS	33,522,707	14,241,803
Central Depository Company	A-1	VIS	6,908,525	6,674,187
			<u>3,191,414,992</u>	<u>986,344,495</u>

Due to the Company's long standing business relationships with these counter parties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

The Company writes off a defaulted financial asset when there remains no reasonable probability of recovering the carrying amount of the asset through available means.

## 36.1.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of adequate funds through committed credit facilities and the ability to close out market positions due to dynamic nature of the business. The Company finances its operations through equity and borrowings with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management aims to maintain flexibility in funding by keeping regular committed credit lines.

On the reporting date, the Company had cash and bank balance amounting to Rs. 3,192.161 million (2023: Rs. 979.67 million) unutilized credit lines Rs. 10,536 million (2023: Rs. 10,332 million) and liquid assets in the form of short term securities amounting to Rs. 484.827 million (2023: Rs. 2,423.355 million)



# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

The carrying value of investments subject to price risk is based on quoted market prices as of the reporting date. Market prices are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Fluctuation in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions. Furthermore, the amount realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

The Company's portfolio of short term investments is broadly diversified so as to mitigate the significant risk of decline in prices of securities in particular sectors of the market.

Analysis of short term investment in quoted equity securities by business sector is as follows:

	June 30, 2024		June 30, 2023	
	(Rupees)	%	(Rupees)	%
Engineering	1,272,115	0.26%	4,089,500	0.15%
Food & Personal Care Products	31,732,897	6.55%	5,312,700	0.19%
Oil & Gas Exploration Companies	31,217,945	6.44%	-	0.00%
Sugar & Allied Industries	-	0.00%	5,766,425	0.21%
Textile Composite	8,217,600	1.69%	-	0.00%
Fertilizer	1,780,240	0.37%	1,378,427,153	49.92%
Commercial Banks	58,786,372	12.13%	621,724,657	22.52%
Cement	43,322,575	8.94%	105,893,878	3.83%
Property	7,079,400	1.46%	-	0.00%
Technology & Communication	43,844,525	9.04%	3,337,100	0.12%
Real Estate Investment Trust	-	0.00%	-	0.00%
Refinery	154,672,405	31.90%	-	0.00%
Cable & Electrical Goods	3,249,365	0.67%	-	0.00%
Miscellaneous	99,652,494	20.55%	636,700,055	23.06%
	<u>484,827,933</u>	<u>100.00</u>	<u>2,761,251,468</u>	<u>100.00</u>

## Sensitivity analysis:

The table below summarizes Company's price risk as of June 30, 2024 and 2023 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the year end reporting dates. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worse because of the nature of markets and the aforementioned concentrations existing in Company's investment portfolio.

	Fair value	Hypothetical price change	Estimated fair value after hypothetical change in prices	Hypothetical increase/ (decrease) in shareholders' equity	Hypothetical increase/ (decrease) in profit/ (loss) after tax	Hypothetical increase/ (decrease) in Other comprehensive income
June 30, 2024 Rupees	550,705,642	10% increase	605,776,206	46,809,979	46,809,979	-
		10% decrease	495,635,078	(46,809,979)	(46,809,979)	-
June 30, 2023 Rupees	2,849,795,546	10% increase	3,134,775,101	242,232,622	242,232,622	-
		10% decrease	2,564,815,991	(242,232,622)	(242,232,622)	-

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## iii) Interest rate risk

Interest / mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest / mark-up rates. Sensitivity to interest / mark up rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The short term borrowing arrangements have variable rate pricing that is dependent on the Karachi Inter Bank Offer Rate (KIBOR) as indicated in note 20 to these unconsolidated financial statements.

Financial assets and liabilities include balances of Rs. 3,115.782 million (2023: Rs. 1,496.283 million) and Rs. 664.318 million (2023: Rs. 1,617.786 million) respectively, which are subject to interest / markup rate risk. Applicable interest / mark-up rates for financial assets and liabilities have been indicated in respective notes.

At the reporting date, the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

	2024	2023	2024	2023
	Effective interest rate (%)		Carrying amounts (Rs.)	
<b>Financial assets - variable rate instruments</b>				
Receivable against margin financing	25% to 29.5%	10% to 28.75%	117,387,003	113,367,759
Receivable against reverse repo arrangement	24.37% to 24.02%	15%	190,940,196	108,796,620
Loan receivable from JCL	N/A	23.87%	-	352,000,000
Corporate debt securities - at FVTPL	21.84% to 24.5%	7.9% to 14.5%	65,877,709	88,544,078
Bank deposits - pls account	10% to 19%	10% to 19%	2,741,576,629	833,574,372
<b>Financial liabilities - variable rate instruments</b>				
Running finance arrangements from banking companies - secured	22.52% to 24.16%	7.9% to 13.4%	664,317,881	1,617,785,680

## Sensitivity analysis

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate would not affect the carrying amount of any financial instrument. For cash flow sensitivity analysis of variable rate instruments it is observed that interest / mark-up rate in terms of KIBOR has decreased by 239 bps during the year.

The following information summarizes the estimated effects of 1% hypothetical increases and decreases in interest rates on cash flows from financial assets and financial liabilities that are subject to interest rate risk. It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. The hypothetical changes in market rates do not reflect what could be deemed best or worst case scenarios. Variations in market interest rates could produce significant changes at the time of early repayments. For these reasons, actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

	Effect on profit after tax	
	1% increase	1% (decrease)
	----- Rupees -----	
As at June 30, 2024	18,655,638	(18,655,638)
Cash flow sensitivity-Variable rate financial instruments		
As at June 30, 2023	(924,637)	924,637
Cash flow sensitivity-Variable rate financial instruments		

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## 36.2 Financial instruments by categories

Financial assets	June 30, 2024			
	At fair value through profit or loss	At fair value through other comprehensive income	At Amortized cost	Total
	----- Rupees -----			
Long term investment	30,461,607	-	-	30,461,607
Long-term advances, deposits and other receivable	-	-	41,594,332	41,594,332
Short term investments	550,705,642	-	-	550,705,642
Trade debts	-	-	344,498,851	344,498,851
Receivable against margin financing	-	-	117,387,003	117,387,003
Accrued markup on margin financing	-	-	4,526,291	4,526,291
Short term deposits	-	-	179,308,766	179,308,766
Other receivables	-	-	998,174,239	998,174,239
Cash and bank balances	-	-	3,192,161,622	3,192,161,622
	<u>581,167,249</u>	<u>-</u>	<u>4,877,651,104</u>	<u>5,458,818,353</u>

## Financial liabilities

Financial liabilities	Financial liabilities at amortized cost	
	----- Rupees -----	
Lease liability		75,004,512
Running finance arrangements from banking companies (including accrued markup)		664,317,881
Financing facility from the Sponsor		-
Trade and other payables		3,300,279,492
Payable against trading of securities - net		198,721,206
Unclaimed dividend		21,659,825
		<u>4,259,982,916</u>

Financial assets	June 30, 2023			
	At fair value through profit or loss	At fair value through other comprehensive income	At Amortized cost	Total
	----- Rupees -----			
Long term investment	1,085,254,068	-	-	1,085,254,068
Long-term advances, deposits and other receivable	-	-	500,505,340	500,505,340
Short term investments	2,849,795,546	-	-	2,849,795,546
Trade debts	-	-	259,690,968	259,690,968
Receivable against margin financing	-	-	113,367,759	113,367,759
Accrued markup on margin financing	-	-	21,527,045	21,527,045
Short term deposits	-	-	31,400,253	31,400,253
Receivable against trading of securities - net	-	-	77,192,508	77,192,508
Other receivables	-	-	1,273,270,139	1,273,270,139
Cash and bank balances	-	-	987,078,274	987,078,274
	<u>3,935,049,614</u>	<u>-</u>	<u>3,264,032,286</u>	<u>7,199,081,900</u>

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## Financial liabilities

	Financial liabilities at amortized cost ----- Rupees -----
Lease liability	3,027,336
Running finance arrangements from banking companies (including accrued markup)	1,701,638,514
Trade and other payables	944,402,618
Unclaimed dividend	21,425,487
	<u>2,670,493,955</u>

## 37. 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:

June 30, 2024

	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
<i>Financial assets measured at fair value</i>				
Short term investments	550,705,642	-	-	550,705,642
Long term investments	5,611,480	-	24,850,127	30,461,607
<i>Non-financial assets measured at fair value</i>				
Investment properties	-	38,900,000	-	38,900,000

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

June 30, 2023	Level 1	Level 2	Level 3	Total
	----- 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

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:

	Note	2024	2023
		----- Rupees -----	
Balance as at July 01		22,181,370	42,745,423
Shares swapped with quoted securities		-	(15,251,920)
Unrealised (loss) / gain for the year	7.2.1	2,668,757	(5,312,133)
Balance as at June 30		24,850,127	22,181,370

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 -----	
June 30, 2024		
Unquoted equity securities	38,000,000	(38,000,000)
June 30, 2023		
Unquoted equity securities	38,000,000	(38,000,000)

## 38. CAPITAL

### 38.1 Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

### 38.2 The Capital Adequacy Level as defined by Central Depository Company (CDC) is calculated as follows;

	Note	2024	2023
		----- Rupees -----	
Total assets	38.2.1	5,679,897,459	7,785,551,720
Less: Total liabilities		(4,406,715,719)	(2,791,299,434)
Less: revaluation reserves (created upon revaluation of fixed assets)		(7,835,000)	(7,835,000)
Capital Adequacy Level		1,265,346,740	4,986,417,286

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

38.2.1 While determining the value of the total assets, notional value of the TRE Certificate as at year end as determined by Pakistan Stock Exchange has been considered.

38.3 Liquid Capital [as per the requirements of the Securities Brokers (Licensing and Operations) Regulations, 2016]

S.No.	Head of Account	Value in Pak Rupees	Hair Cut/ Adjustments	Net Adjusted Value
<b>1. Assets</b>				
1.1	Property & Equipment	160,334,234	160,334,234	-
1.2	Intangible Assets	5,436,719	5,436,719	-
1.3	Investment in Govt. Securities (Difference between BV and SV on the date on the basis of PKRV published by NIFT)	-	-	-
	<b>Investment in Debt. Securities</b>			
	<b>If listed than:</b>			
	i. 5% of the balance sheet value in the case of tenure upto 1 year.	65,877,709	3,293,885	62,583,824
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
	<b>If unlisted than:</b>			
	i. 10% of the balance sheet value in the case of tenure upto 1 year.	-	-	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
	<b>Investment in Equity Securities</b>			
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher.	490,439,413	85,286,095	405,153,318
	Provided, that if any of these securities are pledged with the securities exchange for maintaining Base Minimum Capital Requirement, 100% haircut on the value of eligible securities to the extent of minimum required value of Base Minimum Capital.	-	-	-
	ii. If unlisted, 100% of carrying value.	24,850,127	24,850,127	-
1.6	Investment in subsidiaries	38,000,000	38,000,000	-
	<b>Investment in associated companies/undertaking</b>			
	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.	-	-	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity, however, any excess amount of cash deposited with securities exchange to comply with the requirements of Base minimum capital, may be taken in the calculation of LC.	2,000,461	2,000,461	-
1.9	Margin deposits with exchange and clearing house.	179,308,766	-	179,308,766
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	6,592,820	6,592,820	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.	-	-	-
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	-	-	-
1.13	Dividends receivables.			
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. <i>(Securities purchased under repo arrangement shall not be included in the investments.)</i>	190,940,196	-	190,940,196
1.15	Advances and receivables other than trade receivables 1) No haircut may be applied on short term loan to employees provided these loans are secured and due for repayment within 12 months. 2) No haircut may be applied to the advance tax to the extent it is netted with provision of taxation. 3) In all other cases, 100% of net value	862,069,540	61,632,076	800,437,464
	<b>Receivables from clearing house or securities exchange(s)</b>			
1.16	i. 100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	-	-	-

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

S.No.	Head of Account	Value in Pak Rupees	Hair Cut/ Adjustments	Net Adjusted Value
	<b>Receivables from customers</b>			
	i. In case receivables are against margin financing, the aggregate if (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut. <i>i. Lower of net balance sheet value or value determined through adjustments.</i>	117,387,003	8,121,612	109,265,391
	ii. In case receivables are against margin trading, 5% of the net balance sheet value. <i>ii. Net amount after deducting haircut</i>	-	-	-
	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, <i>iii. Net amount after deducting haircut</i>	-	-	-
	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. <i>iv. Balance sheet value</i>	85,270,107	-	85,270,107
1.17	v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts. <i>v. Lower of net balance sheet value or value determined through adjustments</i>	258,905,821	60,480,287	198,425,534
	vi. In the case of amount of receivable from related parties, values determined after applying applicable haircuts on underlying securities readily available in respective CDS account of the related party in the following manner: a. Upto 30 days, values determined after applying VaR based haircuts; b. Above 30 days, but upto 90 days, values determined after applying 50% or VaR based haircuts whichever is higher; c. Above 90 days, 100% haircut shall be applicable. <i>Lower of net balance sheet values or values determined through adjustments</i>	322,923	322,923	-
	<b>Cash and Bank balances</b>			
	i. Bank Balance-proprietary accounts	86,916,482	-	86,916,482
	ii. Bank balance-customer accounts	3,104,498,508	-	3,104,498,508
	iii. Cash in hand	746,630	-	746,630
1.19	Subscription money against Investment in IPO / offer for sale (asset) i. No Haircut may be applied in respect of amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker. ii. In case of investments in IPO where shares have been allotted but not yet credited in CDS account, 25% haircuts will be applicable on the value of such securities. iii. In case of subscription in right shares where the shares have not yet been credited in CDS account, 15% or VaR based haircut whichever is higher, will be applied on Right Shares. Balance sheet values or net values after deducting haircuts.			
1.20	<b>Total Assets</b>	<b>5,679,897,459</b>		<b>4,758,311,921</b>
	<b>2. Liabilities</b>			
	<b>Trade Payables</b>			
2.1	i. Payable to exchanges and clearing house	198,721,206	-	198,721,206
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	3,023,733,425	-	3,023,733,425

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

S.No.	Head of Account	Value in Pak Rupees	Hair Cut/ Adjustments	Net Adjusted Value
	<b>Current Liabilities</b>			
	i. Statutory and regulatory dues	121,342,258	-	121,342,258
	ii. Accruals and other payables	322,696,590	-	322,696,590
	iii. Short-term borrowings	664,317,881	-	664,317,881
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	31,137,864	-	31,137,864
	vi. Deferred Liabilities	-	-	-
	vii. Provision for taxation	-	-	-
	viii. Other liabilities as per accounting principles and included in the financial statements	899,847	-	899,847
	<b>Non-Current Liabilities</b>			
	i. Long-Term financing	-	-	-
	a. Long-Term financing obtained from financial institution: Long term portion of financing obtained from a financial institution including amount due against finance lease.			
	b. Other Long Term Financing			
	ii. Staff retirement benefits			
	iii. Other liabilities as per accounting principles and included in the financial statements	43,866,648	-	43,866,648
	<b>Subordinated Loans</b>			
	100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted:	-	-	-
	<b>Advance against shares for increase in capital of securities broker</b>			
	100% haircut may be allowed in respect of advance against shares if:			
	a) The existing authorized share capital allows the proposed enhanced share capital			
	b) BOD has approved the increase in capital			
	c) Relevant Regulatory approvals have been obtained			
	d) There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed			
	e) Auditor is satisfied that such advance is against the increase of capital.	-	-	-
	<b>Total Liabilities</b>	<b>4,406,715,719</b>		<b>4,406,715,719</b>
	<b>3. Ranking Liabilities Relating to:</b>			
	<b>Concentration in Margin Financing</b>			
	The amount calculated client-to-client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total finances.(Provided that above prescribed adjustments shall not be applicable where the aggregate amount of receivable against margin financing does not exceed Rs 5 million) Note: Only amount exceeding by 10% of each financee from aggregate amount shall be include in the ranking liabilities	-		51,982,849
	<b>Concentration in securities lending and borrowing</b>			
	The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed (Note only amount exceeding by 110% of each borrower from market value of shares borrowed shall be included in the ranking liabilities)	-		-

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

S.No.	Head of Account	Value in Pak Rupees	Hair Cut/ Adjustments	Net Adjusted Value
	<b>Net underwriting Commitments</b>			
3.3	(a) in the case of right issues: if the market value of securities is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issues where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting (b) in any other case: 12.5% of the net underwriting commitments	-	-	-
	<b>3. Ranking Liabilities Relating to:</b>			
3.4	<b>Negative equity of subsidiary</b> The amount by which the total assets of the subsidiary ( excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary.	-	-	-
3.5	<b>Foreign exchange agreements and foreign currency positions</b> 5% of the net position in foreign currency. Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency.	-	-	-
3.6	<b>Amount Payable under REPO</b>	-	-	-
3.7	<b>Repo adjustment</b> In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities. In the case of financee/seller the market value of underlying securities after applying haircut less the total amount received, less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.	-	-	107,907,804
3.8	<b>Concentrated proprietary positions</b> If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security. If the market of a security exceeds 51% of the proprietary position, then 10% of the value of such security	-	-	-
3.9	<b>Opening Positions in futures and options</b> i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VaR haircuts ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met		-	-
3.10	<b>Short sell positions</b> i. Incase of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts ii. Incase of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.	-	-	-
3.11	<b>Total Ranking Liabilities</b>	-	-	159,890,653
		<u>1,273,181,740</u>	Liquid Capital	<u>656,939,848</u>

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## 39. GENERAL

### 39.1 Operating segment

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

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

### 39.2 Customers assets held in the Central Depository System

	2024	2023
No. of shares	<u>3,496,929,049</u>	<u>7,155,217,322</u>
Amount of shares	<u>90,465,681,130</u>	<u>85,793,224,247</u>

### 39.3 Number of employees

The total number of employees and average number of employees at year end and during the year respectively are as follows:

	2024	2023
	----- Number -----	
Total number of employees as at	<u>154</u>	<u>168</u>
Average number of employees during the year	<u>161</u>	<u>163</u>

### 39.4 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 unconsolidated financial statements.

Reclassified from component	Reclassified to component	Amount (Rupees)
Accrued expenses (Trade and other payables)	Withholding tax payable (Trade and other payables)	<u>109,071</u>
Other payable (Trade and other payables)	Other receivable (Long-term advances, deposits and other receivable)	<u>320,773</u>

### 39.5 Date of authorization for issue

These unconsolidated financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on **October 30, 2024**.

### 39.6 Level of rounding off

Figures have been rounded off to the nearest rupee.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARIF HABIB LIMITED

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Opinion

We have audited the annexed consolidated financial statements of [Arif Habib Limited](#) and its subsidiary (the Group), which comprise the consolidated statement of financial position as at [June 30, 2024](#), the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at [June 30, 2024](#) and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. However, we have determined that there are no key audit matters to communicate in our report.

### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and unconsolidated financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. However, we have nothing to report in this regard.

## Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Group's financial reporting process.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is [Mr. Muhammad Waseem](#).



**RAHMAN SARFARAZ RAHIM IQBAL RAFIQ**  
Chartered Accountants  
Karachi

Date: September 26, 2023  
UDIN: AR202310213RDUfpx7go

# CONSOLIDATED FINANCIAL STATEMENTS





# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2024

		2024	2023
		Rupees	
<b>ASSETS</b>	Note		
<b>Non-current assets</b>			
Property and equipment	4	60,293,364	68,722,457
Right-of-use assets	5	63,325,707	2,279,667
Intangible assets	6	6,436,719	6,715,626
Long term investment	7	30,461,607	1,085,254,068
Investment property	8	38,900,000	450,749,014
Long-term advances, deposits and other receivable	9	50,494,333	507,512,545
Deferred tax - net	19	8,941,185	-
		<u>258,852,915</u>	<u>2,121,233,377</u>
<b>Current assets</b>			
Short term investments	10	550,705,642	2,849,795,546
Trade debts	11	335,294,445	259,690,968
Receivable against margin financing	12	117,387,003	113,367,759
Receivable under margin trading system		12,631,269	11,679,177
Advances, deposits and prepayments	13	186,809,177	40,990,347
Accrued markup on margin financing		4,526,291	21,527,045
Receivable against trading of securities - net		-	77,192,508
Other receivables	14	998,174,239	1,274,009,584
Income tax refundable	15	1,790,619	15,111,277
Cash and bank balances	16	3,214,235,795	1,003,132,229
		<u>5,421,554,480</u>	<u>5,666,496,440</u>
		<u>5,680,407,395</u>	<u>7,787,729,817</u>
<b>Total assets</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized capital	17	750,000,000	750,000,000
Issued, subscribed and paid-up capital	17	653,400,000	653,400,000
Capital reserves			
Surplus on revaluation of property	18	7,835,000	7,835,000
Revenue reserves			
Unappropriated profits		632,189,798	4,347,081,897
<b>Total equity</b>		<u>1,293,424,798</u>	<u>5,008,316,897</u>
<b>Non-current liabilities</b>			
Lease liability		43,866,648	918,356
Deferred tax - net	19	-	69,149,530
		<u>43,866,648</u>	<u>70,067,886</u>
<b>Current liabilities</b>			
Short term borrowings - secured	20	664,317,881	1,617,785,680
Current portion of lease liability		31,137,864	2,108,980
Trade and other payables	21	3,427,279,173	984,172,053
Unclaimed dividend		21,659,825	21,425,487
Payable against trading of securities - net		198,721,206	-
Accrued markup on short term borrowings		-	83,852,834
Income tax payable		-	-
		<u>4,343,115,949</u>	<u>2,709,345,034</u>
<b>Contingencies and commitments</b>	22	-	-
<b>Total equity and liabilities</b>		<u>5,680,407,395</u>	<u>7,787,729,817</u>

The annexed notes from 1 to 39 form an integral part of these consolidated financial statements.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended June 30, 2024

		2024	2023
	Note	Rupees	
Operating revenue	23	1,156,185,177	1,532,094,274
Realized gain / (loss) on disposal of investments		374,397,144	(497,892,822)
Realized gain on sale of investment property		749,029	1,261,550,827
		<u>1,531,331,350</u>	<u>2,295,752,279</u>
Net change in unrealized (loss) / gain on investments	24	(19,677,661)	261,129,204
Net change in unrealized loss on investment property	25	(849,029)	(1,016,769,380)
		<u>1,510,804,660</u>	<u>1,540,112,103</u>
Administrative and operating expenses	26	(1,039,670,200)	(645,496,107)
Other charges	27	(14,692,878)	(26,859,893)
Other operating income	28	414,278,098	118,289,020
		<u>870,719,680</u>	<u>986,045,123</u>
Finance costs	29	(98,000,176)	(637,886,905)
<b>Profit before levies and taxation</b>		<u>772,719,504</u>	<u>348,158,218</u>
Levies	30	(2,953,850)	(98,993,412)
<b>Profit before taxation</b>		<u>769,765,654</u>	<u>249,164,806</u>
Taxation	31	(151,640,467)	(68,974,990)
<b>Profit after taxation - continuing operations</b>		<u>618,125,187</u>	<u>180,189,816</u>
<b>Discontinued operations</b>			
Profit for the period - net of tax		-	944,056
<b>Profit after taxation</b>		<u>618,125,187</u>	<u>181,133,872</u>
<b>Earnings per share - basic and diluted</b>			
From continuing operations		9.46	2.76
From discontinued operations		-	0.01
<b>Earnings per share - basic and diluted</b>	32	<u>9.46</u>	<u>2.77</u>

The annexed notes from 1 to 39 form an integral part of these unconsolidated financial statements.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2024

	2024	2023
	----- Rupees -----	
Profit after taxation	618,125,187	180,189,816
Other comprehensive loss		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Net change in fair value of the investment in equity securities	-	-
<b>Total comprehensive income for the year</b>	<u>618,125,187</u>	<u>180,189,816</u>

The annexed notes from 1 to 39 form an integral part of these unconsolidated financial statements.

  
 Chief Executive Officer

  
 Director

  
 Chief Financial Officer

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2024

	Issued, subscribed and paid up capital	<u>Revenue reserve</u> Unappropriated profits	<u>Capital reserves</u> Surplus on revaluation of property	Total
	<b>Rupees</b>			
Balance as at June 30, 2022	653,400,000	4,550,390,525	15,432,500	5,219,223,025
<b>Total comprehensive income for the year ended June 30, 2023</b>				
- Profit for the year	-	181,133,872	-	181,133,872
- Other comprehensive loss for the year	-	-	-	-
	-	181,133,872	-	181,133,872
Gain realized on disposal of investment in equity instruments at FVOCI	-	-	-	-
Surplus on revaluation transferred to retained earning (Refer note no. 18)	-	7,597,500	(7,597,500)	-
<b>Transactions with owners</b>				
Cash dividend paid @ 60% for the year ended June 30, 2022	-	(392,040,000)	-	(392,040,000)
<b>Balance as at June 30, 2023</b>	<b>653,400,000</b>	<b>4,347,081,897</b>	<b>7,835,000</b>	<b>5,008,316,897</b>
<b>Total comprehensive income for the year ended June 30, 2024</b>				
- Profit for the year	-	618,125,187	-	618,125,187
- Other comprehensive loss for the year	-	-	-	-
	-	618,125,187	-	618,125,187
<b>Transactions with owners</b>				
Cash dividend paid @ 25% for the year ended June 30, 2023	-	(163,350,000)	-	(163,350,000)
Transfer of Net Assets (Refer note no. 1.5)	-	(4,169,667,286)	-	(4,169,667,286)
	-	(4,333,017,286)	-	(4,333,017,286)
<b>Balance as at June 30, 2024</b>	<b>653,400,000</b>	<b>632,189,798</b>	<b>7,835,000</b>	<b>1,293,424,798</b>

The annexed notes from 1 to 39 form an integral part of these consolidated financial statements.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended June 30, 2024

	Note	2024	2023
		Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before levies and taxation from continuing operations		772,719,504	348,158,218
Profit before tax from discontinued operations		-	1,713,405
Profit before levies and taxation		772,719,504	349,871,623
Adjustments for:			
- Depreciation on property and equipment	4	14,409,672	17,824,555
- Depreciation on right-of-use-assets	5	26,477,305	29,134,843
- Amortization of intangible assets	6.1	278,907	371,876
- Provision for expected credit losses on trade debts	11.2	12,627,092	24,688,276
- Net change in unrealized loss on investments	24	19,677,661	(261,129,204)
- Irrecoverable trade debt written off	27	-	271,544
- Other receivable written off	27	-	1,900,073
- Loss on disposal of property and equipment		302,588	-
- Realized gain on sale of investment property		(749,029)	(1,261,550,827)
- Net change in unrealized gain on investment property	25	849,029	1,016,769,380
- Mark up on reverse repo transactions	28	(32,144,885)	(13,524,000)
- Markup on loan to related party	28	-	(2,071,785)
- Profit on savings accounts	28	(342,157,375)	(84,983,744)
- Profit on exposure deposit	28	(35,451,779)	(4,842,542)
- Gain on disposal of subsidiary	28	-	-
- Reversal of provision of margin financing	28	-	(1,917,749)
- Reversal of provision of bad debt	28	-	(7,630,328)
- Gain on termination of lease	28	-	(144,302)
- Finance costs	29	98,000,176	637,886,905
		(237,880,638)	91,052,971
<b>Cash generated from operating activities before working capital changes</b>		534,838,866	440,924,594
<b>Effect on cash flow due to working capital changes (Increase)/decrease in current assets</b>			
- Short-term investments		(446,885,416)	2,419,330,417
- Trade debts		(88,230,569)	(110,882,242)
- Receivable / payable against sales / purchase of securities - net		266,245,371	(98,270,786)
- Receivable against margin financing		(4,019,244)	283,930,649
- Receivable under margin trading system		(952,092)	(2,445,548)
- Advances, deposits and prepayments		(145,818,830)	(20,720,413)
- Accrued markup on margin financing		17,000,754	(46,086)
- Other receivables		(800,167,864)	6,812,138
<b>Increase/(decrease) in current liabilities</b>		2,469,736,387	(139,096,884)
- Trade and other payables		1,266,908,497	2,338,611,245
<b>Cash generated from operations</b>		1,801,747,363	2,779,535,839
Taxes paid	15.1	(147,250,905)	(212,106,882)
Finance costs paid		(130,985,833)	(629,098,415)
<b>Net cash generated from operating activities</b>		1,523,510,625	1,938,330,542
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property and equipment	4	(6,603,167)	(1,081,024)
Purchase of investment property		-	(183,806,134)
Development charges incurred in relation to investment property	8.1	-	(12,957,220)
Proceeds from disposal of investment property	8.1	7,500,000	3,500,000
Proceed from disposal of property and equipment		320,000	-
Investment in Naya Nazimabad REIT		-	(278,000,000)
Profit on savings accounts received during the year	28	342,157,375	84,983,744
Profit on exposure deposit received during the year	28	35,451,779	4,842,542
Short term loan given to Javedan Corporation Limited	14	-	(352,000,000)
Markup recovered from Javedan Corporation Limited		-	10,192,861
Proceeds from reverse repo receivable		(49,998,691)	19,816,988
Amount paid against reverse repo payable		(17,629,267)	16,000,000
Proceeds from disposal of subsidiary		-	49,055,945
Advance given against purchase of units / shares		-	(170,298,960)
Advance recovered / (given) against purchase of units / shares		-	15,552,128
Long-term advances and deposits		(1,280,748)	3,518,800
<b>Net cash generated from / (used in) investing activities</b>		309,917,281	(790,680,330)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of lease liability (principal)		(15,546,169)	(15,264,428)
Short term loan received from Javedan Corporation Limited	20.2	-	750,000,000
Short term loan repaid to Javedan Corporation Limited	20.2	-	(1,550,000,000)
Short term loan received from sponsor		-	2,412,700,000
Short term loan repaid to sponsor		-	(2,412,700,000)
Dividend paid		(163,115,662)	(389,779,219)
<b>Net cash used in financing activities</b>		(178,661,831)	(1,205,043,647)
Net increase / (decrease) in cash and cash equivalents		1,654,766,075	(57,393,435)
Cash and cash equivalents at the beginning of the year		895,151,839	(557,260,016)
<b>Cash and cash equivalents at the end of the year</b>	33	2,549,917,914	(614,653,451)

The annexed notes from 1 to 39 form an integral part of these consolidated financial statements.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## 1. STATUS AND NATURE OF BUSINESS

1.1 Arif Habib Limited ("the Holding 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 Holding Company are listed on Pakistan Stock Exchange Limited ("the Exchange"). The Holding 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 Holding Company to general public and the Holding Company obtained listing on the Exchange on January 31, 2007. As of June 30, 2024, the Parent Company held 72.92% shares of the Holding Company (2023: 72.92% shares). The Holding 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.

1.2 These consolidated financial statements of Arif Habib Limited for the year ended June 30, 2024 comprise of the Holding Company and subsidiary company (here-in-after referred to as "the Group").

1.3 The Holding Company has only one subsidiary, Rayaam Commodities (Private) Limited ("the subsidiary company"), having 100% holding in subsidiary. The subsidiary company was incorporated on April 02, 2012 as a private limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The registered office of the subsidiary company is located at Arif Habib Centre, 23, M.T. Khan Road, Karachi. The subsidiary company holds license of Pakistan Mercantile Exchange (PMEX). The principal activity of the subsidiary company is to effectively manage investment portfolios in commodities.

1.4 The geographical location of the Holding 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	No. 506, 5th Floor, ISE Towers, Jinnah Avenue, Islamabad.
- Peshawar	Regional office	Shops No. F16, and F17, 1st Floor, The Mall Tower, Peshawar Cantt.
- Multan	Regional office	Office # 305, 3rd Floor, United Mall, Abdali Road, Multan.
- Faisalabad	Regional office	Office No. 04, 3rd Floor at Legacy Tower, Koh-e-noor City, Faisalabad.

1.5 On December 26, 2023, the shareholders of the Holding Company and the Parent Company, in their respective Extraordinary General Meetings (EGMs), approved a Scheme of Arrangement dated November 17, 2023. The Scheme was subsequently sanctioned by the Honorable High Court of Sindh on October 21, 2024. The purpose of the Scheme is to bifurcate the Holding Company into two distinct segments: the Demerged Undertaking and the Retained Undertaking.

Under the Scheme of Arrangement, the Demerged Undertaking was transferred to the Parent Company with effect from July 1, 2023 (the "Effective Date"). The Demerged Undertaking comprises specific assets, liabilities, rights, and obligations as detailed in the Scheme. The Retained Undertaking remains with the Holding Company.

The Scheme was executed as a common control transaction, and accordingly, the assets and liabilities of the Demerged Undertaking were transferred to the Parent Company at their carrying values, with no gain or loss recognized in the Holding Company's financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

The following are the assets and liabilities that were derecognized from the Holding Company's books as part of the Scheme:

<i>Assets</i>	Note	<b>Amount (PKR)</b>
<b>Non-current assets</b>		
Long-term investment	7.1	1,054,065,880
Investment property	8 & 8.1	404,249,014
Long-term advances and deposits	9	458,298,960
		<u>1,916,613,854</u>
<b>Current assets</b>		
Short-term investments		2,727,024,239
Receivable against trading of securities – net		9,668,343
Other receivables	14	1,158,146,785
		<u>3,894,839,367</u>
<b>Total assets</b>		<u><u>5,811,453,221</u></u>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Deferred tax – net	19.1.1	72,113,469
<b>Current liabilities</b>		
Short-term borrowings – secured		1,509,805,290
Trade and other payables	21.3	9,000,000
Accrued markup on short-term borrowings		50,867,176
<b>Total current liabilities</b>		<u>1,569,672,466</u>
<b>Total liabilities</b>		<u><u>1,641,785,935</u></u>

The transfer of the net assets (total assets less liabilities) amounting to PKR 4,169,667,286 is recognized as a reduction in the Holding Company's unappropriated profits. The share capital of the Holding Company remained unchanged, as no shares were issued or cancelled as a result of the Scheme.

As the transaction was a common control transaction, it has been accounted for using the predecessor method of accounting, where assets and liabilities were transferred at their carrying amounts. Consequently, no gain or loss has been recognized in the profit or loss statement in relation to this demerger.

Following the demerger, the Holding Company continues to operate the Retained Undertaking, which comprises the remaining assets, liabilities, business operations, and contracts that were not transferred to the Parent Company as part of the Scheme.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

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

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

### 2.2 Basis of measurement of items in the consolidated financial statements.

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

- Investment property which is carried at fair value except for residential flats which are under construction as disclosed under note 8.2
- Long term investments in ISE Tower REIT Management Limited, LSE Proptech Limited and LSE Ventures Limited which are carried at fair value; and

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

- 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 consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates. These consolidated financial statements are presented in Pak Rupees which is the Group's functional and presentation currency.

## 2.4 Judgments and sources of estimation uncertainty

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

### (a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in these consolidated financial statements is included in the following notes:

Area of judgement	Brief description of the judgement applied
Deferred tax assets	Whether deferred tax assets should be recorded on realized and unrealized losses on short term investments in securities - availability of future taxable profit on securities with in next three tax years against which such losses can be utilised
Timing of revenue recognition	<i>Advisory and consultancy services:</i> Whether performance obligation is satisfied at a point in time or over time that is whether the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs

### (b) Assumptions and other major sources of estimation uncertainty

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Area of estimation uncertainty	Brief description of the assumption or the source of estimation uncertainty
Long term investment	Estimation of fair value of investment in ordinary shares of ISE Towers REIT Management Limited
Investment Property	Estimation of fair value of investment property
Trade debts	Estimation of expected credited losses

## 2.5 CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

### 2.5.1 Amendments to existing standards that became effective during the year

- The following new or amended standards and interpretations became effective during the period which are not considered to be relevant to the Group's consolidated financial statements:

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

- Classification of liabilities as current or non-current (Amendments to IAS 1)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

The above amendments / interpretations do not likely have an effect on the consolidated financial statements of the Group.

The Group adopted disclosure of Accounting Policies (Amendments to IAS 1 and IFRS practice statements 2 'Making Materiality Judgments') from 01 July, 2023. Although amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in these financial statements.

The amendments require disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful entity specific accounting policy information that user need to understand other information in the financial statements.

- During the year, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). Accordingly, in accordance with the Guidance, the Company has changed its accounting policy to recognise minimum and final taxes as 'Levy' under IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" which were previously being recognised as 'Income tax'.

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

Effect on statement of profit or loss	Note	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
<b>For the year ended June 30, 2024</b>				
(Rupees in '000)				
Profit before levies and taxation		772,719,504	-	772,719,504
Levies	30	-	(2,953,850)	(2,953,850)
<b>Profit before taxation</b>		<b>772,719,504</b>	<b>(2,953,850)</b>	<b>769,765,654</b>
Taxation				
- Current tax		(164,036,084)	2,953,850	(161,082,234)
- Prior year		3,464,521	-	3,464,521
- Deferred tax		5,977,246	-	5,977,246
		(154,594,317)	2,953,850	(151,640,467)
<b>Profit after taxation</b>		<b>618,125,187</b>	<b>-</b>	<b>618,125,187</b>
<b>For the year ended June 30, 2023</b>				
Profit before levies and taxation		348,158,218	-	348,158,218
Levies	30	-	(98,993,412)	(98,993,412)
<b>Profit before taxation</b>		<b>348,158,218</b>	<b>(98,993,412)</b>	<b>249,164,806</b>
Taxation	30			
- Current tax		(133,617,113)	98,993,412	(34,623,701)
- Prior year		8,093,592	-	8,093,592
- Deferred tax		(42,444,881)	-	(42,444,881)
		(167,968,402)	98,993,412	(68,974,990)
<b>Profit after taxation</b>		<b>180,189,816</b>	<b>-</b>	<b>180,189,816</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## 2.5.2. Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following International Financial Reporting Standards (IFRS) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 July 2023:

- Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).
- Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted. Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the entity shall disclose that fact.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.
- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for accompany to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.
- Amendment in IAS 21 'The Effects of Changes in Foreign Exchange Rates', - lack of exchangeability (effective for annual reporting periods beginning on or after January 1, 2025) a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.
- IFRS 17 Insurance Contracts establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. SECP vide its SRO 1715(I)/2023 dated November 21, 2023 has directed that IFRS 17 shall be followed for the period commencing January 1, 2026 by companies engaged in insurance / takaful and re-insurance / re-takaful business.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

- The International Accounting Standards (the IASB or the Board) issued Amendments to IFRS 9 and IFRS 7. Amendments to the Classification and Measurement of Financial Instruments. The amendments:
  - Clarify that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged or concealed or expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.
  - Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-Linked features and other similar contingent features
  - Clarify the treatment of non-recourse assets and contractually linked instruments (CLI)
  - Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income (FVTOCI).
- Annual Improvements - Volume Eleven:
  - Hedge Accounting by a First-time Adopter (Amendments to IFRS 1) - Paragraphs B5 and B6 of IFRS 1 have been amended to include cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of IFRS 9. The amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.
  - Gain or Loss on Derecognition (Amendments to IFRS 7) - Paragraph B38 of IFRS 7 has been amended to update the language on unobservable inputs and to include a cross reference to paragraphs 72 and 73 of IFRS 13 Fair Value Measurement
  - Introduction (Amendments to Guidance on implementing IFRS 7) - Paragraph IG1 of the Guidance on implementing IFRS 7 has been amended to clarify that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7, nor does it create additional requirements.
  - Disclosure of Deferred Difference between Fair Value and Transaction Price (Amendments to Guidance on implementing IFRS 7) - Paragraph IG14 of the Guidance on implementing IFRS 7 has been amended mainly to make the wording consistent with the requirements in paragraph 28 of IFRS 7 and with the concepts and terminology used in IFRS 9 and IFRS 13.
  - Credit Risk Disclosures (Amendments to Guidance on implementing IFRS 7) - Paragraph IG20B of the Guidance on implementing IFRS 7 has been amended to simplify the explanation of which aspects of the IFRS requirements are not illustrated in the example.
  - Lessee Derecognition of Lease Liabilities (Amendments to IFRS 9) - Paragraph 2.1 of IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 and recognise any resulting gain or loss in profit or loss. However, the amendment does not address how a lessee distinguishes between a lease modification as defined in IFRS 16 Leases and an extinguishment of a lease liability in accordance with IFRS 9.
  - Transaction Price (Amendments to IFRS 9) - Paragraph 5.1.3 of IFRS 9 has been amended to replace the reference to 'transaction price as defined by IFRS 15 Revenue from Contracts with Customers' with 'the amount determined by applying IFRS 15'. The use of the term "transaction price" in relation to IFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of IFRS 9.
  - Determination of a 'De Facto Agent' (Amendments to IFRS 10) - Paragraph B74 of IFRS 10 has been amended to clarify that the relationship described in 874 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor. The amendment is intended to remove the inconsistency with the requirement in paragraph B73 for an entity to use judgement to determine whether other parties are acting as de facto agents.
  - Cost Method (Amendments to IAS 7) - Paragraph 37 of IAS 7 has been amended to replace the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method'.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

The above standards, amendments to approved accounting standards and interpretations have not been early adopted by the Group and are not likely to have any material impact on the Group's financial statements.

Other than the aforesaid standards, interpretations and amendments, IASB has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the SECP as at June 30, 2024:

- IFRS 1 (First-time Adoption of International Financial Reporting Standards)
- IFRS 18 (Presentation and Disclosure in Financial Statements)
- IFRS 19 (Subsidiaries without Public Accountability: Disclosures)

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented.

### 3.1 Property and equipment

#### *Owned*

These are stated at cost less accumulated depreciation and impairment losses, if any. Cost include expenditures that are directly attributable to the acquisition of the asset.

Subsequent costs are included in the carrying amount as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of profit or loss during the year in which they are incurred.

Depreciation is charged to statement of profit or loss applying the reducing balance method at the rates specified in note 4. Depreciation is charged when the asset is available for use till the asset is disposed off. Further, when the written down value of the item of assets falls below Rs.10,000, the same is charged directly to the statement of profit or loss.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year in which the asset is derecognized.

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each financial year end. The Group's estimate of residual value of property and equipment as at June 30, 2024 did not require any adjustment.

### 3.2 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### A - Leases other than short-term leases and leases of low-value assets

##### (a) *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

## (b) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

## B - Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to those leases where the nature of the underlying asset is such that, when new, the asset is typically of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

## 3.3 Intangible assets

### Computer software

These are stated at cost less accumulated amortization and impairment losses, if any. Amortization is computed using the reducing balance method over assets estimated useful life at the rates stated in note 6.1, after taking into accounts residual value, if any. The residual values, useful life and amortization methods are reviewed and adjusted, if appropriate, at each reporting date.

Amortization is charged from the date the assets are put to use while no amortization is charged after the date when the assets are disposed off.

Gain and losses on disposal of such assets, if any, are included in the statement of profit or loss.

### Trading Right Entitlement Certificate (TREC) and Offices

These are stated at cost less impairment, if any. The carrying amount is reviewed at each reporting date to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds estimated recoverable amount, it is written down to its estimated recoverable amount.

## 3.4 Investment in subsidiaries

Investments in subsidiary companies are accounted for using the cost method. Under this method, the investments are stated at cost less any impairment in the value of individual investments.

## 3.5 Investment properties

Investment properties are held for capital appreciation and is measured initially at their cost, including transaction costs.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

Subsequent to initial recognition, investment properties are measured at fair value at each reporting date. The changes in fair value is recognised in the statement of profit or loss.

When the Group determines that the fair value of an investment property under construction is not reliably measurable but expects the fair value of the property to be reliably measurable when construction is complete, the Group measures that investment property at cost until either its fair value becomes reliably measurable or construction is completed (whichever is earlier).

## 3.6 Financial liabilities

### 3.6.1 Initial recognition, classification and measurement

The Group recognizes a financial asset when and only when it becomes a party to the contractual provisions of the instrument evidencing investment.

Regular way purchase of investments are recognized using settlement date accounting i.e. on the date on which settlement of the purchase transaction takes place. However, the Group follows trade date accounting for its own (the house) investments. Trade date is the date on which the Group commits to purchase or sell its asset.

Transactions of purchase under resale (reverse-repo) of marketable securities including the securities purchased under margin trading system are entered into at contracted rates for specified periods of time. Amounts paid under these agreements in respect of reverse repurchase transactions are recognized as a receivable. The difference between purchase and resale price is treated as income from reverse repurchase transactions in marketable transactions / margin trading system and accrued on a time proportion basis over the life of the reverse repo agreement.

The Group classifies its financial assets into either of following three categories:

- (a) financial assets measured at amortized cost.
- (b) fair value through other comprehensive income (FVOCI); and
- (c) fair value through profit or loss (FVTPL)

#### (a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it is held within business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

#### (b) Financial assets at FVOCI

A financial asset is classified as at fair value through other comprehensive income when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

#### (c) Financial assets at FVTPL

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income, as aforesaid. However, for an investment in equity instrument which is not held for trading, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment.

Such financial assets are initially measured at fair value.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## 3.6.2 Subsequent measurement

### (a) Financial assets measured at amortized cost

These assets are subsequently measured at amortized cost (determined using the effective interest method) less accumulated impairment losses.

Interest / markup income, foreign exchange gains and losses and impairment losses arising from such financial assets are recognized in the statement of profit or loss.

### (b) Financial assets at FVOCI

These are subsequently measured at fair value less accumulated impairment losses.

A gain or loss on a financial asset measured at fair value through other comprehensive income is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognised or reclassified. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Interest is calculated using the effective interest method and is recognised in profit or loss.

### (c) Financial assets at FVTPL

These assets are subsequently measured at fair value.

Net gains or losses arising from remeasurement of such financial assets as well as any interest income accruing thereon are recognized in the statement of profit or loss. However, for an investment in equity instrument which is not held for trading and for which the Group has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment, such gains or losses are recognized in other comprehensive income. Further, when such investment is disposed off, the cumulative gain or loss previously recognised in other comprehensive income is not reclassified from equity to profit or loss.

## 3.6.3 Impairment

The Group recognises a loss allowance for expected credit losses in respect of financial assets measured at amortised cost.

For trade debts and receivables from margin financing, the Group applies the IFRS 9 'Simplified Approach' to measuring expected credit losses which uses a lifetime expected loss allowance.

For other financial assets, the Group applies the IFRS 9 'General Approach' to measuring expected credit losses whereby the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. However, if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group measures expected credit losses on financial assets in a way that reflects an unbiased and probability-weighted amount, time value of money and reasonable and supportable information at the reporting date about the past events, current conditions and forecast of future economic conditions. The Group recognises in profit or loss, as an impairment loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

## 3.6.4 De-recognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

The Group directly reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## 3.7 Financial liabilities

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.

## 3.8 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle liability simultaneously.

## 3.9 Trade debts and receivables against margin financing

These are carried at their transaction price less any allowance for lifetime expected credit losses. A receivable is recognized on the settlement date as this is the point in time that the payment of the consideration by the customer becomes due.

## 3.10 Cash and cash equivalents

Cash and cash equivalent are carried in the statement of financial position at amortized cost. For the purpose of the statement of cash flows, cash and cash equivalents comprise cash and bank balances and short term running finance.

## 3.11 Staff retirement benefits - Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. As a consequence, actuarial risk (that benefits will be less than expected) and investment risk (that assets will be insufficient to meet expected benefits) fall, in substance, on the employee.

The Group operates a defined contribution plan i.e. recognized provident fund ("the Fund") for all of its eligible employees in accordance with trust deed and rules made thereunder. Monthly contributions at the rate 12.50% of basic salary are made to the Fund by the Group and the employees.

When an employee has rendered service to the Group during a period, the Group recognises the contribution payable to a defined contribution plan in exchange for that service as an expense in profit or loss and as a liability in the statement of financial position (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, the Group recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

When contributions to a defined contribution plan are not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service, they are discounted using the discount rate determined by reference to market yields at the end of the reporting period on high quality corporate bonds (or when there is no deep market in such bonds, the government bonds) having term consistent with the estimated term of the post-employment benefit obligations.

## 3.12 Levies and Taxation

### Levies

A levy is an outflow of resources embodying economic benefits imposed by the government that does not meet the definition of income tax provided in the International Accounting Standard (IAS) 12 'Income Taxes' because it is not based on taxable profit.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

In these financial statements, levy includes minimum tax under section 113 or other sections of Income tax ordinance, Income tax under final tax regime, workers' welfare fund expense and workers' profit participation. The corresponding effect of levy other than worker's welfare fund expense and workers' profit participation, advance tax paid has been netted off and the net position is shown in the statement of financial position.

## *Current tax*

In these financial statements, minimum tax on local sales revenue is recognized as levy under section 113 of the Income Tax Ordinance and other sections of the said ordinance. Any excess charged under the normal tax regime is recognized as current tax.

In these financial statements, Income tax under final tax regime is recognized as levy and the excess amount charged is recognized as current tax.

## *Deferred tax*

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income taxes are not accounted for if they arise from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is measured using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

A deferred tax asset is recognised only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that the sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilized by the entity. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

## *Judgment and estimates*

Significant judgment is required in determining the income tax expenses and corresponding provision for tax. The Group recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

Further, the carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. If required, carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits to allow the benefit of part or all of that recognised deferred tax asset to be utilised. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

## *Offsetting*

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### 3.13 Provisions and contingent liabilities

#### *Provisions*

A provision is recognised in the statement of financial position when the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

## *Contingent liabilities*

A contingent liability is disclosed when the Group has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Group; or the Group has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

## 3.14 Operating revenue

### *Revenue from trading activities - brokerage commission*

Commission revenue arising from sales / purchase of securities on clients' behalf is recognized on the date of settlement of the transaction by the clearing house.

### *Revenue from advisory and consultancy services*

Revenue is recognized when the performance obligation is satisfied i.e. when services are provided.

The Group does not expect to have contracts where the period between the services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

### *Dividend income*

Dividends received from investments measured at fair value through profit or loss and at fair value through other comprehensive income are recognized in the statement of profit or loss when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of a part of the cost of an investment. In this case, dividend is recognized in other comprehensive income if it relates to an investment measured at fair value through other comprehensive income.

### *Mark up / interest income*

Mark-up / interest income is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable.

## 3.15 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

To the extent that the Group borrows funds specifically for the purpose of obtaining a qualifying asset, the Group determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

To the extent that the Group borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Group determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to all borrowings of the Group that are outstanding during the period. However, the Group excludes from this calculation borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset until substantially all the activities necessary to prepare that asset for its intended use or sale are complete. The amount of borrowing costs that the Group capitalises during a period does not exceed the amount of borrowing costs it incurs during that period.

The Group begins capitalising borrowing costs as part of the cost of a qualifying asset on the 'commencement date' which is the date when the Group first meets all of the following conditions: (a) it incurs expenditures for the asset; (b) it incurs borrowing costs; and (c) it undertakes activities that are necessary to prepare the asset for its intended use or sale.

The Group suspends capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

The Group ceases capitalising borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

## 4. PROPERTY AND EQUIPMENT - owned assets

	Leasehold Offices	Leasehold Improvements	Office Equipment	Furniture & Fixtures	Computers & Allied Items	Vehicles	Total
----- Rupees -----							
<b>As at June 30, 2022</b>							
Cost	32,473,333	102,485,179	8,833,911	18,403,021	62,239,366	5,427,000	229,861,810
Accumulated depreciation	(8,738,234)	(88,805,841)	(2,895,870)	(4,614,841)	(38,909,087)	(431,949)	(144,395,822)
Net book value	<u>23,735,099</u>	<u>13,679,338</u>	<u>5,938,041</u>	<u>13,788,180</u>	<u>23,330,279</u>	<u>4,995,051</u>	<u>85,465,988</u>
<b>Movement during the year ended June 30, 2023</b>							
Opening net book value	23,735,099	13,679,338	5,938,041	13,788,180	23,330,279	4,995,051	85,465,988
Additions during the year	-	-	41,000	-	1,040,024	-	1,081,024
Depreciation for the year	(3,560,267)	(2,051,903)	(896,346)	(2,114,921)	(8,202,107)	(999,011)	(17,824,555)
Closing net book value	<u>20,174,832</u>	<u>11,627,435</u>	<u>5,082,695</u>	<u>11,673,259</u>	<u>16,168,196</u>	<u>3,996,040</u>	<u>68,722,457</u>
<b>As at June 30, 2023</b>							
Cost	32,473,333	102,485,179	8,874,911	18,403,021	63,279,390	5,427,000	230,942,834
Accumulated depreciation	(12,298,501)	(90,857,744)	(3,792,216)	(6,729,762)	(47,111,194)	(1,430,960)	(162,220,377)
Net book value	<u>20,174,832</u>	<u>11,627,435</u>	<u>5,082,695</u>	<u>11,673,259</u>	<u>16,168,196</u>	<u>3,996,040</u>	<u>68,722,457</u>
<b>Movement during the year ended June 30, 2024</b>							
Opening net book value	20,174,832	11,627,435	5,082,695	11,673,259	16,168,196	3,996,040	68,722,457
Additions during the year	-	-	2,410,877	-	4,192,290	-	6,603,167
Disposals							
- Cost	-	-	(864,000)	-	-	-	(864,000)
- Accumulated depreciation	-	-	241,412	-	-	-	241,412
Depreciation for the year	(3,026,222)	(1,744,116)	(948,656)	(1,779,526)	(6,111,942)	(799,210)	(14,409,672)
Closing net book value	<u>17,148,610</u>	<u>9,883,319</u>	<u>5,922,328</u>	<u>9,893,733</u>	<u>14,248,544</u>	<u>3,196,830</u>	<u>60,293,364</u>
<b>As at June 30, 2024</b>							
Cost	32,473,333	102,485,179	10,421,788	18,403,021	67,471,680	5,427,000	236,682,001
Accumulated depreciation	(15,324,723)	(92,601,860)	(4,499,460)	(8,509,288)	(53,223,136)	(2,230,170)	(176,388,637)
Net book value	<u>17,148,610</u>	<u>9,883,319</u>	<u>5,922,328</u>	<u>9,893,733</u>	<u>14,248,544</u>	<u>3,196,830</u>	<u>60,293,364</u>
<b>Annual rates of depreciation</b>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>33%</u>	<u>20%</u>	

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## 5. RIGHT-OF-USE ASSETS

	2024	2023
	----- Rupees -----	
Opening net book value	2,279,667	32,555,873
Add:	87,523,345	-
Less: Disposal during the year	-	(1,141,363)
	<u>89,803,012</u>	<u>31,414,510</u>
Less:	(26,477,305)	(29,134,843)
Closing net book value	<u>63,325,707</u>	<u>2,279,667</u>
Depreciation rate (per annum)	<u>20% to 33%</u>	<u>20% to 33%</u>

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

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

## 6. INTANGIBLES ASSETS

	Note	2024	2023
		----- Rupees -----	
Computer software	6.1	836,719	1,115,626
Trading Right Entitlement Certificate and offices Membership Card - Pakistan Mercantile Exchange Limited	6.2	4,600,000	4,600,000
		<u>1,000,000</u>	<u>1,000,000</u>
		<u>6,436,719</u>	<u>6,715,626</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## 6.1 Computer software

	2024	2023
	----- Rupees -----	
<i>Net carrying amount</i>		
Opening net book value	1,115,626	1,487,502
Amortisation charge	(278,907)	(371,876)
Closing net book value	<u>836,719</u>	<u>1,115,626</u>
<i>Gross carrying amount</i>		
Cost	7,949,132	7,949,132
Accumulated amortisation	(7,112,413)	(6,833,506)
Net book value	<u>836,719</u>	<u>1,115,626</u>
<i>Amortisation rate</i>	<u>25%</u>	<u>25%</u>

## 6.2 Trading Right Entitlement Certificate (TREC) and offices

	2024	2023
	----- Rupees -----	
Trading Right Entitlement Certificate		
- Cost	26,000,000	26,000,000
- Accumulated impairment	(23,500,000)	(23,500,000)
Offices- booths - Pakistan Stock Exchange Limited	2,500,000	2,500,000
	<u>2,100,000</u>	<u>2,100,000</u>
	<u>4,600,000</u>	<u>4,600,000</u>

6.2.1 This represents TREC received by the Holding Company in accordance with the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 as amended by the Stock Exchanges (Corporatization, Demutualization and Integration) (Amendment) Act, 2015. These have been carried at cost less accumulated impairment losses.

6.2.2 PSX vide notice no. PSX/N - 225 dated February 16, 2021 have notified the notional fees of a Trading Right Entitlement Certificate which amounts to Rs. 2.5 million.

## 7. LONG TERM INVESTMENTS

	2024	2023
	----- Rupees -----	
Investment in other entities	30,461,607	1,085,254,068
	<u>30,461,607</u>	<u>1,085,254,068</u>

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

	2024	2023
	----- Rupees -----	
<i>Unquoted - Equity Instruments</i>		
ISE Towers REIT Management Company Limited	24,850,127	22,181,370
	<u>24,850,127</u>	<u>22,181,370</u>
<i>Quoted - Equity Instruments</i>		
LSE Capital Limited	765,317	1,421,528
LSE Ventures Limited	4,846,163	7,585,290
	<u>5,611,480</u>	<u>9,006,818</u>
<i>Unquoted - Debt Instrument</i>		
Naya Nazimabad Apartment REIT (NRR)	-	426,440,880
Rahat Residency REIT (RRR)	-	627,625,000
Signature Residency REIT (SRR)	-	-
	<u>-</u>	<u>1,054,065,880</u>
	<u>30,461,607</u>	<u>1,085,254,068</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## 7.1.1 Investment in ISE Towers REIT Management Company Limited

This represents the investment in 3,034,604 (2023: 3,034,604) unquoted ordinary shares of M/s. ISE Towers REIT Management Company Limited. The reconciliation of the opening and closing carrying amount of the investment is presented below:

	2024	2023
	----- Rupees -----	
<i>Cost of the investment</i>		
ISE Tower REIT Management Company Limited	33,380,639	33,380,639
<i>Unrealised gain / (loss):</i>		
Balance as at July 01	(11,199,269)	(5,887,136)
Unrealised (loss) / gain for the year	2,668,757	(5,312,133)
	(8,530,512)	(11,199,269)
<b>Balance as at June 30</b>	<b>24,850,127</b>	<b>22,181,370</b>

The Group as per its policy, carried out the valuation of the above investment. In this connection, the valuation technique used by the Group was Discounted Free Cash Flow to Equity model for business valuation. 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.

Principal assumptions used in the valuation of the above unquoted investments are as under:

	2024	2023
Long term growth rate	5.00%	5.00%
Cost of equity	17.50%	17.50%
Projection period	5	5
Value per share (Rs.)	8.19	7.31
Valuation technique used	Discounted Free Cash Flow to Equity	Discounted Free Cash Flow to Equity

7.1.2 During the year, M/s LSE PropTech Limited merged into M/s. Modaraba Al-Mali, to become M/s. LSE Capital Limited and the Company received 245,295 of M/s. LSE Capital Limited, as per the merger scheme against 295,536 quoted ordinary shares of LSE PropTech Limited. The said new shares have been measured at their fair value (i.e. quoted price) at the reporting date, along with 842,811 quoted ordinary shares of LSE Ventures Limited.

## 8. INVESTMENT PROPERTY

		2024	2023
		----- Rupees -----	
Open plots of land / offices - at fair value	8.1	38,900,000	202,000,000
Residential flats under construction - at cost	1.5	-	248,749,014
		<u>38,900,000</u>	<u>450,749,014</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## 8.1 Open plots of land / offices - at fair value

	Note	2024	2023
		----- Rupees -----	
Opening carrying amount (at fair value)		202,000,000	1,576,836,333
Development charges incurred during the year (subsequent expenditure)		-	12,957,220
		<u>202,000,000</u>	<u>1,589,793,553</u>
Elimination as a result of demerger scheme	1.5	(155,500,000)	-
<i>Disposal during the year:</i>			
Sale proceeds during the year	8.1.2	(7,500,000)	(1,632,575,000)
Realized gain on disposal - net		749,029	1,261,550,827
Less: Reversal of unrealized gain upon sale	25	(749,029)	(1,270,875,827)
		(7,500,000)	(1,641,900,000)
Fair value gain on remeasurement	25	(100,000)	254,106,447
	8.1.3	<u>38,900,000</u>	<u>202,000,000</u>

### 8.1.1 As of June 30, 2024, the offices comprised of the following:

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

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

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

	Fair Value		Forced Sale Value	
	2024	2023	2024	2023
	----- Rupees -----			
<i>- at Fair Value</i>				
Residential plots	-	155,500,000	-	124,400,000
Commercial plots				
Offices	12,900,000	20,500,000	10,965,000	17,425,000
<i>- at committed sale price</i>				
Committed to sale office	26,000,000	26,000,000	N/A	N/A
	<u>38,900,000</u>	<u>202,000,000</u>	<u>10,965,000</u>	<u>141,825,000</u>

## 9. LONG TERM ADVANCES, DEPOSITS AND OTHER RECEIVABLE

	Note	2024	2023
		----- Rupees -----	
Advance against equity			
- Rahat Residency REIT	1.5	-	325,000,000
- Signature Residency REIT	1.5	-	133,298,960
- Neem Exponential Technology Pte. Limited	9.1	37,000,000	37,000,000
		<u>37,000,000</u>	<u>495,298,960</u>
Deposits			
- Pakistan Stock Exchange Limited		500,461	700,461
- National Clearing Company of Pakistan Limited		1,500,000	1,250,000
- Pakistan Mercantile Exchange Limited	9.3	8,900,001	9,007,205
- Other security deposits		819,911	935,146
		<u>11,720,373</u>	<u>11,892,812</u>
Other receivable			
- from employees	9.2	1,773,960	320,773
		<u>50,494,333</u>	<u>507,512,545</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

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

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

9.3 This include deposit amounting to Rs. 8,150,000 against NECL building office.

## 10. SHORT TERM INVESTMENTS - At fair value through profit or loss

	Note	2024 ----- Rupees -----	2023 ----- Rupees -----
Equity securities:			
- quoted	10.1	484,827,933	2,761,251,468
Debt securities:			
- quoted	10.2	65,877,709	88,544,078
		<u>550,705,642</u>	<u>2,849,795,546</u>

### 10.1 Investment in quoted equity securities

	2024 ----- Rupees -----	2023 ----- Rupees -----
Cost of the investments	513,845,829	3,179,844,352
Unrealised gain / (loss):		
Balance as at July 01	(7,691,860)	(417,666,876)
Unrealised gain / (loss) for the year	(21,326,036)	(926,008)
	(29,017,896)	(418,592,884)
Balance as at June 30	<u>484,827,933</u>	<u>2,761,251,468</u>

### 10.2 Investment in quoted debt securities

	Note	2024 ----- Rupees -----	2023 ----- Rupees -----
Cost of investment		66,566,383	91,607,707
Unrealised gain / (loss):			
Balance as at July 01		(3,063,629)	(610,197)
Unrealised gain / (loss) for the year		2,374,955	(2,453,432)
		(688,674)	(3,063,629)
Balance as at June 30	10.2.1	<u>65,877,709</u>	<u>88,544,078</u>

10.2.1 These represent the investments in Term Finance (TFC) and Sukuk Certificates made under Market Making arrangements. The Holding 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 Holding 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 1.7% (2023: 3 month KIBOR + 1.5% to 2.25%), 6 month KIBOR + 1.4% to 2.25% (6 month KIBOR + 0.50% to 2.25%) calculated on the face value of the respective TFCs or Sukuks that is payable quarterly / semi annually.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## 11. TRADE DEBTS

	Note	2024	2023
		----- Rupees -----	
<i>Gross receivables</i>			
Equity brokerage - secured		275,462,669	199,931,616
- unsecured		879,031,666	871,827,147
	11.1	<u>1,154,494,335</u>	<u>1,071,758,763</u>
Inter bank brokerage - unsecured		33,566,485	27,816,750
Advisory and consultancy fee - unsecured		109,493,747	109,748,485
		<u>1,297,554,567</u>	<u>1,209,323,998</u>
Less: Provision for expected credit losses			
Equity brokerage - unsecured		(879,031,666)	(871,827,147)
Inter bank brokerage - unsecured		(5,972,463)	(5,695,935)
Advisory and consultancy fee - unsecured		(77,255,993)	(72,109,948)
	11.2	<u>(962,260,122)</u>	<u>(949,633,030)</u>
		<u>335,294,445</u>	<u>259,690,968</u>

### 11.1 Gross receivables - Equity brokerage

11.1.1 These receivables include Rs.1.175 million (2023: Rs. 0.90 million) due from the related parties. The maximum aggregate amount outstanding during the year from such parties (with reference to month-end balances) amounted to Rs. 15.738 million (2023: Rs. 275.32 million).

11.1.2 The Holding Company holds capital securities having fair value of Rs. 146,942 million (2023: Rs. 75,027 million) owned by its clients, as collaterals against trade debts.

### 11.2 Movement in provision for expected credit losses

	Note	2024	2023
		----- Rupees -----	
Balance at the beginning of the year		949,633,030	932,575,082
Charge for the year	27	12,627,092	24,688,276
Reversal during the year	28	-	(7,630,328)
Balance at the end of the year		<u>962,260,122</u>	<u>949,633,030</u>

## 12. RECEIVABLE AGAINST MARGIN FINANCING

	2024	2023
	----- Rupees -----	
Considered good	117,387,003	113,367,759
	<u>117,387,003</u>	<u>113,367,759</u>

12.1 Margin financing facility is provided to clients on markup basis ranging from 25.00% to 29.50% (2023: 15.00% to 28.50%) per annum.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## 13. ADVANCES, DEPOSITS AND PREPAYMENTS

### Advances

Advance to consultant  
Advance against expenses  
Advance against salary

Note	2024	2023
	----- Rupees -----	
13.1	99,760	1,243,760
	3,311,301	3,037,496
	1,558,349	1,672,044
	<u>4,969,410</u>	<u>5,953,300</u>

### Trade deposits

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

13.2	179,308,766	31,400,253
	1,690,002	2,676,723

### Prepayments

Insurance

	840,999	960,071
	<u>186,809,177</u>	<u>40,990,347</u>

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

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

## 14. OTHER RECEIVABLES

Receivable from Javedan Corporation Limited - a related party:

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

Note	2024	2023
	----- Rupees -----	
1.5	-	5,126,734
1.5	-	352,000,000
	-	2,071,785
	-	<u>359,198,519</u>

Receivable from Arif Habib Corporation Limited

14.1	800,437,464	-
------	-------------	---

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

1.5	-	804,075,000
-----	---	-------------

Receivable against reverse repo arrangements  
Others

14.2	190,940,196	108,796,620
	6,796,579	1,939,445
	<u>998,174,239</u>	<u>1,274,009,584</u>

14.1 This represents liabilities forming part of the Demerged undertaking, as on the balance sheet date.

14.2 This represents receivable against reverse repo arrangement, of 27,618,000 shares of M/s. Hum Network Limited (HUMNL), carrying interest at the rate of 1-month KIBOR plus 2% per annum. The corresponding party has agreed to repurchase the shares on or before the year ending 30th June 2025.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## 15. TAXATION - net

Note	2024	2023
	----- Rupees -----	
15.1	<u>1,790,619</u>	<u>15,111,277</u>

### 15.1 Movement for the year

Note	2024	2023
	----- Rupees -----	
As at July 01,	15,111,277	(70,702,735)
<i>Charge for the year</i>		
- current year	(161,082,234)	(34,623,701)
- prior year	3,464,521	8,093,592
Levies	(157,617,713)	(26,530,109)
	30 (2,953,850)	(98,993,412)
Taxes paid during the year	(145,460,286)	(196,226,256)
As at June 30,	15.2 <u>1,790,619</u>	<u>15,111,277</u>

15.2 This includes a provision for Super Tax under sections 4B and 4C of the Income Tax Ordinance, 2001 (ITO, 2001) as under:

Note	2024	2023
	----- Rupees -----	
Super Tax u/s 4B of ITO, 2001	15.2.1 <u>47,391,331</u>	47,391,331
Super Tax u/s 4C of ITO, 2001	15.2.2 <u>59,334,356</u>	23,152,759
	<u>106,725,687</u>	<u>70,544,090</u>

15.2.1 The Holding Company has been contesting Civil Suit No. 2596 of 2015 against levy of "Super Tax" u/s 4B of the Income Tax Ordinance, 2001 introduced through Finance Act, 2015 in the High Court of Sindh. The High Court has granted stay and directed that no coercive action be taken for recovery from the Holding Company. The said stay is still in force and the Company has recorded a provision till tax year 2018.

15.2.2 This includes a provision for Super Tax under section 4C of the Income Tax Ordinance, 2001 in respect of tax years 2023 and 2024 amounting to Rs. 23.153 million and Rs. 36.182 million, respectively.

## 16. CASH AND BANK BALANCES

Note	2024	2023
	----- Rupees -----	
Cash in hand	746,630	733,779
Cash held in central depository company	6,908,525	6,674,187
<i>Cash at bank</i>		
- current accounts	443,212,503	146,349,940
- savings accounts	16.1 <u>2,763,368,137</u>	<u>849,374,323</u>
	16.2 <u>3,206,580,640</u>	<u>995,724,263</u>
	<u>3,214,235,795</u>	<u>1,003,132,229</u>

16.1 The return on these balances is 8% to 21.5% (2023: 10% to 19%) per annum on daily product basis.

16.2 Bank balances include Holding Company customers' bank balances held in designated bank accounts amounting to Rs. 3,107.776 million (2023: Rs. 946.286 million).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## 17. AUTHORIZED, ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2024 ----- (Number of shares) -----		2023 ----- (Number of shares) -----	
75,000,000	75,000,000	750,000,000	750,000,000
Authorized capital Ordinary shares of Rs. 10/- each			
Issued, subscribed and paid up capital Ordinary shares of Rs. 10/- each			
10,800,000	10,800,000	108,000,000	108,000,000
54,540,000	54,540,000	545,400,000	545,400,000
65,340,000	65,340,000	653,400,000	653,400,000
Issued for cash			
Issued as bonus shares			

17.1 As of June 30, 2024, the Parent Company held 47,648,522 (2023: 47,648,522) ordinary shares of Rs. 10 each.

17.2 There is only one class of ordinary shares.

17.3 There are no agreements among shareholders in respect of voting rights, board selection, rights of first refusal, and block voting.

## 18. SURPLUS ON REVALUATION OF PROPERTY

In the year 2015, the Holding Company reclassified leasehold offices to investment property. Accordingly, surplus on revaluation of properties was recognized in accordance with IAS 40 "Investment Property".

## 19. DEFERRED TAX - net

Deferred tax (asset) / liability in respect of:

- Capital loss on short term investments  
- Other temporary differences

- Capital loss on short term investments not recognised during the year  
Net Deferred tax asset recognised

Note	2024 ----- Rupees -----	2023 ----- Rupees -----
	(4,455,986)	(125,485,080)
19.1	(8,941,185)	69,149,530
	(13,397,171)	(56,335,550)
19.2	4,455,986	125,485,080
	(8,941,185)	69,149,530

### 19.1 Deferred tax in respect of other temporary differences

Deferred tax liabilities recognized  
Deferred tax asset recognized

Note	2024 ----- Rupees -----	2023 ----- Rupees -----
19.1.1	23,599,575	79,212,293
19.1.2	(32,540,760)	(10,062,763)
	(8,941,185)	69,149,530

#### 19.1.1. Deferred tax liabilities

Accelerated depreciation  
Right-of-use assets  
Long term investment  
Investment property

Note	2024 ----- Rupees -----	2023 ----- Rupees -----
	5,235,120	6,437,721
	18,364,455	661,103
1.5	-	72,113,469
	-	-
	23,599,575	79,212,293

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## 19.1.2 Deferred tax assets

	2024	2023
	----- Rupees -----	
Intangible assets	6,572,351	6,491,468
Long term investment	4,217,101	-
Provision for doubtful debts and other receivables	-	-
Turnover tax	-	2,693,368
Lease liability	21,751,308	877,927
Deferred tax assets available for recognition	<u>32,540,760</u>	<u>10,062,763</u>

## 19.2 Deferred tax in respect of capital loss on short term investments

Deferred tax asset amounting to Rs. 4.456 million (2023: Rs. 125.485 million) has not been recognized in respect of the realized and unrealized capital losses on short term investments amounting to Rs. 29.707 (2023: Rs. 919.549 million) million because it is not probable that future capital gain on securities will be available against which the Holding Company can use the benefits therefrom.

## 20. SHORT TERM BORROWINGS

	2024	2023
	----- Rupees -----	
From banking companies		
- Running finance	20.1 <u>664,317,881</u>	<u>1,617,785,680</u>
	<u>664,317,881</u>	<u>1,617,785,680</u>

### 20.1 Running finance arrangements from banking companies - secured

20.1.1 Short term running finance facilities are available from various commercial banks, under mark-up arrangements, amounting to Rs. 5,000 million (2023: Rs. 6,250 million). These facilities have various maturity dates up to May 31, 2025 (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.

20.1.2 Fair value of shares pledged with banking companies against various short term running finance facilities and bank guarantees as at June 30, 2024 amounted to Rs. 7,799.35 million (2023: Rs. 6,602.82 million). Total value of securities pledged with financial institutions, indicating separately securities belonging to customers, is as under:

	June 30, 2024		June 30, 2023	
	Number of securities	Amount (Rupees)	Number of securities	Amount (Rupees)
Clients	129,150,000	6,666,723,000	118,700,000	4,730,847,000
House	164,900,000	1,132,626,000	134,088,000	1,871,972,795
Total	<u>294,050,000</u>	<u>7,799,349,000</u>	<u>252,788,000</u>	<u>6,602,819,795</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## 21. TRADE AND OTHER PAYABLES

	Note	2024 ----- Rupees -----	2023 ----- Rupees -----
Creditors	21.1	3,023,733,425	876,647,522
Bonus / Commission payable	21.2	233,243,989	22,477,749
Future profit withheld		899,847	-
Accrued expenses		21,123,253	6,566,721
Advance from customers		19,853,515	20,359,414
Withholding tax payable		108,373,754	24,101,999
Sindh sales tax and federal excise duty payable		15,017,968	934,324
Advance against committed sale of investment property	21.3	-	9,000,000
Payable against reverse repo transaction		-	17,629,267
Other liabilities		5,033,422	6,455,057
		<u>3,427,279,173</u>	<u>984,172,053</u>

21.1 This includes Rs. 249.33 million (2023: Rs. 61.3 million) payable to related parties.

21.2 This includes Rs. 102 million (2023: Rs. 12.82 million) payable to related parties.

### 21.3 Advance for committed sale of investment property

	Note	2024 ----- Rupees -----	2023 ----- Rupees -----
Advance received from:			
- Mr. Safi Ullah	1.5	-	9,000,000
		<u>-</u>	<u>9,000,000</u>

## 22. CONTINGENCIES AND COMMITMENTS

### 22.1 Contingent liability existing as at the reporting date

The Holding Company has been contesting a demand of Rs. 45.42 million raised against its non-taxable services vide order issued on September 12, 2014 by the Assistant Commissioner, Sindh Revenue Board. The Holding Company filed an appeal against the impugned order in the appropriate forums and, accordingly, a stay was granted to the Holding Company against the impugned order. During the year 2018, the Appellate Tribunal Sindh Revenue Board remanded the case to the learned Commissioner (Appeals) for decision denovo on merits in terms of note / opinion recorded by the Member Technical. The Holding Company's legal counsel is of the view that the Holding Company has a favorable case based on merit. Accordingly, the Holding Company has not made any provision of the said amount in these consolidated financial statements.

### 22.2 Commitments

		2024 ----- Rupees -----	2023 ----- Rupees -----
Following commitments were outstanding as at the reporting date:			
- Outstanding settlements against Margin Trading contracts		<u>138,417,338</u>	<u>226,651,180</u>
- Outstanding settlements against sale / purchase of securities in regular market - net		<u>97,136,093</u>	<u>151,314,528</u>
- Financial guarantees given by commercial banks on behalf of the Company		<u>750,000,000</u>	<u>750,000,000</u>
- Against purchase of investment property		<u>-</u>	<u>75,000,000</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## 23. OPERATING REVENUE

Note	2024	2023
	----- Rupees -----	
	618,282,015	354,804,313
23.1	163,171,183	116,066,254
	36,994,583	37,908,326
	250,218,507	343,499,284
	49,928,245	63,294,214
	11,811,378	340,651,522
	25,779,266	275,870,361
	<u>1,156,185,177</u>	<u>1,532,094,274</u>

### 23.1 Break up - Inter bank brokerage revenue

	2024	2023
	----- Rupees -----	
Forex income	7,849,020	7,388,325
Money market income	155,322,163	108,677,929
	<u>163,171,183</u>	<u>116,066,254</u>

## 24. NET CHANGE IN UNREALIZED LOSS ON INVESTMENTS

Note	2024	2023
	----- Rupees -----	
	(726,580)	264,508,644
10.1 & 10.2	(18,951,081)	(3,379,440)
	<u>(19,677,661)</u>	<u>261,129,204</u>

## 25. NET CHANGE IN UNREALIZED GAIN / (LOSS) ON INVESTMENT PROPERTY

Note	2024	2023
	----- Rupees -----	
	(100,000)	254,106,447
26.1	(749,029)	(1,270,875,827)
	<u>(849,029)</u>	<u>(1,016,769,380)</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## 26. ADMINISTRATIVE AND OPERATING EXPENSES

	Note	2024	2023
		----- Rupees -----	
Salaries and other benefits	26.1	722,144,917	341,896,891
Motor vehicle and travelling expense		61,635,162	52,236,500
CDC and clearing house charges		25,169,842	22,729,016
Building maintenance		36,541,579	43,783,047
Depreciation on right-of-use assets	5	26,477,305	29,134,843
Depreciation on property and equipment	4	14,470,893	17,824,555
Man power services	26.2	20,714,800	25,192,644
Communication		26,097,613	26,725,059
Legal and professional charges		7,926,985	3,300,700
Insurance		12,649,640	11,014,265
Repairs and maintenance		10,219,615	7,262,623
Fees and subscription		30,696,982	21,555,848
Printing and stationery		3,444,501	4,462,462
Business representation		5,237,246	6,197,559
Rent, rates and taxes		1,250,960	867,191
Auditors' remuneration	26.3	2,735,000	2,615,000
Advertisement and business promotion		8,914,026	5,374,572
Conveyance and meals		5,289,306	4,201,893
Meeting expenses		1,650,000	1,500,000
Amortization on intangible assets	6.1	278,907	371,876
Donation	26.4	-	3,382,000
Settlement against NFL		16,124,921	13,867,563
Others		1,039,670,200	645,496,107

### 26.1 Salaries and other benefits

	Note	2024	2023
		----- Rupees -----	
Salaries and other benefits	26.1.1	231,817,922	198,351,847
Commission / bonus		490,326,995	143,545,044
		722,144,917	341,896,891

26.1.1 Salaries and benefits include Rs. 10.05 million (2023: Rs. 10.66 million) in respect of provident fund contribution.

26.2 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 Holding Company's investment banking department.

### 26.3 Auditors' remuneration

	2024	2023
	----- Rupees -----	
Annual audit fee	1,650,000	1,650,000
Half yearly review	400,000	400,000
Review of compliance with Code of Corporate Governance	200,000	200,000
Other certifications	485,000	365,000
	2,735,000	2,615,000

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## 26.4 Donation

None of the directors or their spouse had any interest in the donees. Further, the particulars of the parties to whom donation paid exceeds Rs. 1 million or 10% of the total donation, whichever is higher, are as follows:

	2024	2023
	----- Rupees -----	
Momina & Duraid Foundation	-	1,500,000
Ali Afzal & Mian Muhammad Afzal	-	1,000,000
Ali Hassan Mangi Memorial Trust	-	500,000
Others	-	382,000
	<u>-</u>	<u>3,382,000</u>

## 27. OTHER CHARGES

	2024	2023
Note	----- Rupees -----	
Provision for expected credit losses on trade debts	12,627,092	24,688,276
Loss on Sale of asset	402,588	-
Irrecoverable trade debt written off	-	271,544
Other receivable written off	-	1,900,073
Other	1,663,198	-
	<u>14,692,878</u>	<u>26,859,893</u>

27.1 This represents tax u/s 161 of Income Tax Ordinance, 2001 along with penalties and default surcharge.

## 28. OTHER INCOME

	2024	2023
Note	----- Rupees -----	
Markup on reverse repo transaction	32,144,885	13,524,000
Markup on loan to related party	-	2,071,785
Markup on margin trading deposits	2,546,932	1,644,685
Profit on savings accounts	342,157,375	84,983,744
Profit on exposure deposit	35,451,779	4,842,542
Gain on termination of lease	-	144,302
Reversal of provision of bad debt	-	7,630,328
Reversal of provision of margin financing	-	1,917,749
Other	1,977,127	1,529,885
	<u>414,278,098</u>	<u>118,289,020</u>

## 29. FINANCE COSTS

	2024	2023
Note	----- Rupees -----	
Markup on short term borrowings	66,811,214	617,158,325
Other finance costs	31,188,962	20,728,580
	<u>98,000,176</u>	<u>637,886,905</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## 29.1 Markup on short term borrowings

	2024	2023
	----- Rupees -----	
Markup on borrowing from banking companies	66,811,214	349,760,306
Markup on borrowing from related parties:		
- M/s. Javedan Corporation Limited	-	246,267,157
- Mr. Arif Habib	-	21,130,862
	-	267,398,019
	<u>66,811,214</u>	<u>617,158,325</u>

29.2 Markup on short term borrowing from banking companies, amounted to Rs. 236.071 million, out of which, Rs. 66.811 million related to the Holding Company has been recorded, whereas, the remaining is shown as Receivable from M/s. Arif Habib Corporation Limited, as disclosed in note 14 to these consolidated financial statements.

## 29.3 Other finance costs

	2024	2023
	----- Rupees -----	
Finance cost on lease liability	17,245,125	916,144
Markup on MTS securities	1,721,732	1,715,421
Bank charges	12,222,105	15,216,100
Guarantee charges to Parent Company	-	2,880,915
	<u>31,188,962</u>	<u>20,728,580</u>

## 30. LEVIES

	2024	2023
	----- Rupees -----	
Excess of minimum tax over normal tax	-	47,464,265
Income tax - Final tax regime	2,564,850	49,509,147
Income tax - Tax on deemed rental income u/s 7E	389,000	2,020,000
	<u>2,953,850</u>	<u>98,993,412</u>

## 31. TAXATION

	2024	2023
	----- Rupees -----	
Current tax		
- for the year	161,082,234	34,623,701
- for prior year	(3,464,521)	(8,093,592)
	<u>157,617,713</u>	<u>26,530,109</u>
Deferred	(5,977,246)	42,444,881
	<u>151,640,467</u>	<u>68,974,990</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## 31.1 Relationship between tax expense and accounting profit

	2024	2023
	----- Rupees -----	
Profit before taxation	772,719,504	348,158,218
Tax at the applicable rate of 29% (2023: 29%)	224,088,656	100,965,883
Tax effect of:		
- income under Presumptive Tax Regime	(1,323,777)	(51,000,161)
- income under Minimum Tax Regime	-	46,925,872
- income under Final Tax Regime	(3,495,897)	-
- exempt income / permanent differences	(217,217)	(365,849,740)
- realized and unrealized capital losses on short term investments	(103,079,358)	145,368,956
- unrealized capital loss on long term investment	(4,006,393)	-
- unrealized capital gain on investment property	246,218	269,079,304
- prior year charge	(3,464,521)	(8,093,592)
- super tax under section 4C of Income Tax Ordinance, 2001	35,563,196	23,152,759
- tax on deemed income under section 7E of Income Tax Ordinance, 2001	389,000	2,020,000
- amount transferred to levies	(2,953,850)	(98,993,412)
- other miscellaneous items	9,894,410	5,399,121
	<u>151,640,467</u>	<u>68,974,990</u>

31.2 Except for the matters disclosed in note 23.1, income tax assessments of the Holding Company are deemed to be finalized as per tax returns file up to tax year 2023. Tax returns are subject to further assessment under provisions of the Income Tax Ordinance, 2001 ("the Ordinance") unless selected for an audit by the taxation authorities. The Commissioner of Income Tax may, at any time during a period of five years from date of filing of return, select a deemed assessment order for audit.

## 32. EARNINGS PER SHARE - BASIC AND DILUTED

### 32.1 Basic earnings per share

	2024	2023
	----- Rupees -----	
Profit after taxation	618,125,187	181,133,872
	----- Number of shares -----	
Weighted average number of ordinary shares outstanding during the year	65,340,000	65,340,000
	----- Rupees -----	
Earnings per share - basic	9.46	2.77

### 32.2 Diluted earnings per share

There is no dilutive effect on the basic earnings per share of the Group, since there were no potential ordinary shares in issue as at June 30, 2024 and June 30, 2023.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## 33. CASH AND CASH EQUIVALENTS

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

		2024	2023
	Note	----- Rupees -----	
Cash and bank balances	16	3,214,235,795	1,003,132,229
Short term borrowings from banking companies - running finance	20	<u>(664,317,881)</u> 2,549,917,914	<u>(1,617,785,680)</u> <u>(614,653,451)</u>

## 34. RELATED PARTY TRANSACTIONS AND BALANCES

34.1 Related parties comprise of group companies (the Parent Company, fellow subsidiary and the subsidiaries), key management personnel and directors of the Holding Company and the Ultimate Parent Company (as well as their close family members), and the staff provident fund. Remuneration of the Chief Executive and Directors is disclosed in note 35 to these consolidated financial statements. Transactions entered into, and balances held with, related parties during the year, are as follows:

### PARENT COMPANY

		2024	2023
		----- Rupees -----	
<b>Arif Habib Corporation Limited</b>			
<i>Transaction during the year</i>			
Brokerage commission earned on sale and purchase of securities		2,805,169	5,217,272
Guarantee charges		-	2,880,915
<i>Balances at the year end</i>			
Trade receivable at year end		50,666	35,692
Guarantee charges payable		-	688,306

### KEY MANAGEMENT PERSONNEL

		2024	2023
		----- Rupees -----	
<b>Zafar Alam (Chairman)</b>			
<i>Transaction during the year</i>			
Brokerage commission earned on sale and purchase of securities		412,257	77,818
<i>Balances at the year end</i>			
Trade payable at year end		51,359	3,726
<b>Muhammad Shahid Ali (CEO)</b>			
<i>Transaction during the year</i>			
Brokerage commission earned on sale and purchase of securities		12,062,351	9,867,252
<i>Balances at the year end</i>			
Trade payable at year end		249,003,382	60,409,046
<b>Muhammad Haroon (Director)</b>			
<i>Transaction during the year</i>			
Brokerage commission earned on sale and purchase of securities		464,832	283,438
<i>Balances at the year end</i>			
Trade payable at year end		17,055	302,869

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

	2024	2023
	----- Rupees -----	
<b>Muhammad Sohail Salat (Director)</b> <i>Balances at the year end</i> Trade receivable at year end	1,899	1,199
<b>Sharmin Shahid (Director)</b> <i>Transaction during the year</i> Brokerage commission earned on sale and purchase of securities	500,000	102,551
<i>Balances at the year end</i> Trade receivable at year end	43,263	4,186
<b>Nida Ahsan (Director)</b> <i>Transaction during the year</i> Brokerage commission earned on sale and purchase of securities	1,012,821	1,040,280
<i>Balances at the year end</i> Trade payable at year end Trade receivable at year end	24,341 609,448	24,641 684
<b>Mohsin Madni (Director)</b> <i>Transaction during the year</i> Brokerage commission earned on sale and purchase of securities	160,166	15,652
<i>Balances at the year end</i> Trade payable at year end	289,099	109,517

## CLOSE FAMILY MEMBERS OF KEY MANAGEMENT PERSONNEL

	2024	2023
	----- Rupees -----	
<b>Arif Habib</b> <i>Transaction during the year</i> Brokerage commission earned on sale and purchase of securities Loan obtained Loan repaid Markup on loan charged during the year	7,590,190 - - -	2,891,069 2,412,700,000 2,412,700,000 21,130,862
<i>Balances at the year end</i> Trade receivable at year end Mark-up payable	30,318 -	23,238 4,723,973
<b>Abdus Samad A. Habib</b> <i>Transaction during the year</i> Brokerage commission earned on sale and purchase of securities	630,889	666,540
<i>Balances at the year end</i> Trade receivable at year end	87,860	576,799
<b>Muhammad Kashif A. Habib</b> <i>Transaction during the year</i> Brokerage commission earned on sale and purchase of securities	6,500	54,876
<i>Balances at the year end</i> Trade receivable at year end Trade payable at year end	244 -	- 1,879

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## OTHER RELATED PARTIES

	2024	2023
	----- Rupees -----	
<b>Javedan Corporation Limited</b>		
<i>Transaction during the year</i>		
Brokerage commission earned on sale and purchase of securities	-	566,918
Loan provided	-	352,000,000
Mark-up recovered	-	10,192,861
Loan obtained	-	750,000,000
Loan repaid	-	1,550,000,000
Received against sale of investment property	5,126,734	-
Markup income on loan provided during the year	-	2,071,785
Markup expense on loan received during the year	-	246,267,157
<i>Balances at the year end</i>		
Trade receivable at year end	270,192	244,692
Receivable against sale of investment property	-	5,126,734
Loan receivable	-	352,000,000
Mark-up receivable	-	2,071,785
<b>Arif Habib Dolmen REIT Management Limited</b>		
<i>Balances at the year end</i>		
Trade receivable at year end	2,456	-
Trade payable at year end	-	44
<b>Rotocast Engineering Co. (Private) Limited</b>		
<i>Transaction during the year</i>		
Rent paid	30,263,478	27,815,558
Brokerage commission earned on sale and purchase of securities	-	284,286
<i>Balances at the year end</i>		
Trade receivable at year end	43,550	13,978
<b>Globe Residency REIT</b>		
<i>Transaction during the year</i>		
Units purchased during the year	-	37,328,140
Amount paid against purchase of residential flats	-	183,806,134
Revenue earned	-	829,829
<i>Balances at the year end</i>		
Advance against committed sale of investment property	-	248,749,014
<b>Signature Residency REIT</b>		
<i>Transaction during the year</i>		
Advance given for the purchase of units	-	133,298,960
<i>Balances at the year end</i>		
Units receivable of REIT	-	133,298,960
<b>Rahat Residency REIT</b>		
<i>Transaction during the year</i>		
Sale of plots	-	1,629,075,000
Units received of REIT	-	500,000,000
<i>Balances at the year end</i>		
Units receivable of REIT	-	325,000,000
Amount receivable	-	804,075,000

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

	2024	2023
	----- Rupees -----	
<b>Naya Nazimabad Apartment REIT</b>		
<i>Transaction during the year</i>		
Units purchased during the year	-	278,000,000
<b>Arif Habib Equity (Private) Limited</b>		
<i>Transaction during the year</i>		
Brokerage commission earned on sale and purchase of securities	857,821	1,882,801
<i>Balances at the year end</i>		
Trade receivable at year end	35,464	-
Trade payable at year end	-	7,895,397
<b>Arif Habib Provident Fund Trust</b>		
<i>Transaction during the year</i>		
Contribution paid during the year	10,065,774	10,658,679

## 35. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these consolidated financial statements for remuneration, including certain benefits to Chief Executive, Directors and executives of the Group, are as follows:

	Chief Executive		Directors		Other Executives	
	2024	2023	2024	2023	2024	2023
	----- Rupees -----					
Managerial remuneration	16,018,044	12,093,024	-	-	83,325,874	92,863,729
Contribution to provident fund	1,444,794	1,403,124	-	-	3,870,844	4,774,066
Medical allowance	651,682	618,352	-	-	3,466,650	4,030,316
Commission / Bonus	120,725,095	30,351,382	-	-	305,779,446	48,992,121
Meeting fees	-	-	1,200,000	1,200,000	-	-
	<u>138,839,615</u>	<u>44,465,882</u>	<u>1,200,000</u>	<u>1,200,000</u>	<u>396,442,814</u>	<u>150,660,232</u>
Number of persons	<u>2</u>	<u>2</u>	<u>5</u>	<u>5</u>	<u>20</u>	<u>25</u>

## 36. FINANCIAL INSTRUMENTS

### 36.1 Financial risk analysis

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (foreign currency risk, price risk and interest/mark-up rate risk). The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. The Group consistently manages its exposure to financial risk without any material change from previous periods in the manner described in notes below.

The Board of Directors of the Holding Company has overall responsibility for the establishment and oversight of Group's risk management framework. All treasury related transactions are carried out within the parameters of these policies.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## 36.1.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

### Exposure to credit risk

Credit risk of the Group mainly arises from deposits with banks and financial institutions, trade debts, receivable against margin financing, short term loans, deposits and other receivables. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk, the Group has developed its own risk management policies and guidelines whereby clients are provided trading limits according to their net worth and proper margins are collected and maintained from the clients. The management continuously monitors the credit exposure towards the clients and makes provision against those balances considered doubtful of recovery.

The Holding Company's management, as part of risk management policies and guidelines, reviews clients' financial position, considers past experience, obtain authorized approvals and arrange for necessary collaterals in the form of equity securities to reduce credit risks and other factors. These collaterals are subject to market risk which ultimately affects the recoverability of debts. Further, credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings.

The Group's policy is to enter into financial contracts in accordance with the internal risk management policies, investment and operational guidelines approved by the Board of Directors.

The carrying amount of financial assets represent the maximum credit exposure at the reporting date, are detailed as follows:

	Note	2024 ----- Rupees -----	2023 -----
Long term investment (Debt instrument - at fair value through profit or loss)		-	1,054,065,880
Long-term advances, deposits and other receivable		50,494,333	507,512,545
Short term investment in corporate debt securities		65,877,709	88,544,078
Trade debts	(a) & (b)	335,294,445	259,690,968
Receivable against margin financing		117,387,003	113,367,759
Receivable under margin trading system		12,631,269	11,679,177
Short term deposits		180,998,768	34,076,976
Accrued markup on margin financing		4,526,291	21,527,045
Other receivables		998,174,239	1,274,009,584
Receivable against trading of securities - net		-	77,192,508
Bank balances		3,206,580,640	995,724,263
		<u>4,971,964,697</u>	<u>4,437,390,783</u>

(a) Trade debts were due from local clients.

(b) The Holding Company held equity securities having fair value of Rs. 146,942 million (2023: Rs. 75,027 million) owned by its clients, as collaterals against trade debts - brokerage and operating.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

	2024		2023	
	Gross carrying amount	Provision for expected credit losses	Gross carrying amount	Provision for expected credit losses
	----- Rupees -----			
Not past due	159,964	-	6,487,822	-
Past due 1 day - 30 days	13,027,356	3,642,942	67,877,119	31,132
Past due 31 days - 180 days	132,533,086	5,181,696	82,659,599	3,875,011
Past due 181 days - 365 days	176,356,134	5,899,030	114,801,087	2,072,503
More than one year	984,682,433	947,536,454	937,498,371	943,654,384
	<u>1,306,758,973</u>	<u>962,260,122</u>	<u>1,209,323,998</u>	<u>949,633,030</u>

No impairment has been recognized except as disclosed in respect of these debts as the security against the same is adequate or counter parties have sound financial standing.

The credit quality of Group's liquid funds can be assessed with reference to external credit ratings as follows:

Banks / other institutions	Short term rating	Credit rating agency	2024	2023
			----- Rupees -----	
Allied Bank Limited	A1+	PACRA	22,647,045	13,959,448
Askari Bank Limited	A-1+	PACRA	7,338,603	71,013,407
Bank Al-Falah Limited	A1+	PACRA	94,707,036	12,211,260
Bank Al-Habib Limited	A-1+	PACRA	969,323,978	281,504,567
Bank Islami Pakistan Limited	A1	PACRA	84,565	31,312
Bank of Khyber	A-1	JCR-VIS	19,416	2,187,652
Bank of Punjab	A1+	PACRA	1,633,433	1,397,745
Dubai Islamic Bank Limited	A-1+	VIS	41,796,955	56,905,607
Faysal Bank Limited	A1+	PACRA	4,375,978	1,099,736
Habib Bank Limited	A-1+	VIS	329,872,006	19,893,653
Habib Metropolitan Bank Limited	A-1+	PACRA	1,251,478,011	118,221,456
JS Bank Limited	A1+	PACRA	4,402,143	4,864,748
MCB Bank Limited	A-1+	PACRA	69,413,345	32,473,439
Meezan Bank Limited	A-1+	JCR-VIS	218,027,027	268,457,021
National Bank of Pakistan	A-1+	JCR-VIS	3,803,318	8,476,648
Silk Bank Limited	A-2	VIS	14,932	14,209
Sindh Bank Limited	A-1+	VIS	57,539,320	53,154,420
Soneri Bank Limited	A1+	PACRA	11,499,829	8,128,443
Standard Chartered Bank	A1+	PACRA	9,331,332	-
Bank Makramah Limited	-	-	75,749,661	11,433,734
United Bank Limited	A-1+	VIS	33,522,707	14,241,803
Central Depository Company	A-1	VIS	6,908,525	6,674,187
			<u>3,213,489,165</u>	<u>986,344,495</u>

Due to the Group's long standing business relationships with these counter parties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Group. Accordingly, the credit risk is minimal.

The Group writes off a defaulted financial asset when there remains no reasonable probability of recovering the carrying amount of the asset through available means.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## 36.1.2 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of adequate funds through committed credit facilities and the ability to close out market positions due to dynamic nature of the business. The Group finances its operations through equity and borrowings with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management aims to maintain flexibility in funding by keeping regular committed credit lines.

On the reporting date, the Holding Company had cash and bank balance amounting to Rs. 3,214.236 million (2023: Rs. 1,003.13 million) unutilized credit lines Rs. 10,536 million (2023: Rs. 10,332 million) and liquid assets in the form of short term securities amounting to Rs. 484.827 million (2023: Rs. 2,423.355 million).

The following are the contractual maturities of financial liabilities, including estimated interest payments (except interest payments on short term borrowings and loan from a related party):

	30-Jun-24					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
	----- Rupees -----					
<b>Financial liabilities</b>						
Lease liability	75,004,512	76,020,080	9,441,780	12,308,723	54,269,577	-
Running finance arrangements from banking companies (including accrued markup)	664,317,881	664,317,881	664,317,881	-	-	-
Payable against purchase of securities - net	198,721,206	198,721,206	198,721,206	-	-	-
Trade and other payables	3,302,987,604	3,302,987,604	3,302,987,604	-	-	-
	<u>4,241,031,203</u>	<u>4,242,046,771</u>	<u>4,175,468,471</u>	<u>12,308,723</u>	<u>54,269,577</u>	<u>-</u>
	----- Rupees -----					
<b>Financial liabilities</b>						
Lease liability	3,027,336	6,032,839	1,365,978	1,430,423	3,236,438	-
Running finance arrangements from banking companies (including accrued markup)	1,701,638,514	1,701,638,514	1,701,638,514	-	-	-
Financing facility from Arif Habib	-	-	-	-	-	-
Trade and other payables	950,135,730	950,135,730	950,135,730	-	-	-
Payable against purchase of securities - net	-	-	-	-	-	-
	<u>2,654,801,580</u>	<u>2,657,807,083</u>	<u>2,653,140,222</u>	<u>1,430,423</u>	<u>3,236,438</u>	<u>-</u>

## 36.1.3 Market risk

Market risk means that the future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, equity prices and interest rates. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk comprises of three types of risks: foreign currency risk, price risk and interest rate risk. The market risks associated with the Group's business activities are discussed as under:

### i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As of the reporting date, the Group was not exposed to currency risk since there were no foreign currency transactions and balances at the reporting date.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## ii) Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest/ mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. Presently, daily stock market fluctuation is controlled by government authorities with cap and floor of 7.5% or Rs. 1 whichever is higher. The restriction of floor prices reduces the volatility of prices of equity securities and the chances of market crash at any moment. The Group manages price risk by monitoring the exposure in quoted securities and implementing the strict discipline in internal risk management and investment policies, which includes disposing of its own equity investment and collateral held before it led the Group to incur significant mark-to-market and credit losses. As of the reporting date, the Holding Company was exposed to price risk since it had investments in quoted securities amounting to Rs. 484.832 million (2023: Rs. 2,761.251 million) and also because the Holding Company held collaterals in the form of equity securities against their debtor balances.

The carrying value of investments subject to price risk is based on quoted market prices as of the reporting date. Market prices are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Fluctuation in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions. Furthermore, the amount realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

The Holding Company's portfolio of short term investments is broadly diversified so as to mitigate the significant risk of decline in prices of securities in particular sectors of the market.

Analysis of short term investment in quoted equity securities by business sector is as follows:

	June 30, 2024		June 30, 2023	
	(Rupees)	%	(Rupees)	%
Engineering	1,272,115	0.26%	4,089,500	0.15%
Food & Personal Care Products	31,732,897	6.55%	5,312,700	0.19%
Oil & Gas Exploration Companies	31,217,945	6.44%	-	0.00%
Sugar & Allied Industries	-	0.00%	5,766,425	0.21%
Textile Composite	8,217,600	1.69%	-	0.00%
Fertilizer	1,780,240	0.37%	1,378,427,153	49.92%
Commercial Banks	58,786,372	12.13%	621,724,657	22.52%
Cement	43,322,575	8.94%	105,893,878	3.83%
Property	7,079,400	1.46%	-	0.00%
Technology & Communication	43,844,525	9.04%	3,337,100	0.12%
Real Estate Investment Trust	-	0.00%	-	0.00%
Refinery	154,672,405	31.90%	-	0.00%
Cable & Electrical Goods	3,249,365	0.67%	-	0.00%
Miscellaneous	99,652,494	20.55%	636,700,055	23.06%
	<u>484,827,933</u>	<u>100.00</u>	<u>2,761,251,468</u>	<u>100.00</u>

### Sensitivity analysis:

The table below summarizes Holding Company's price risk as of June 30, 2024 and 2023 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the year end reporting dates. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worse because of the nature of markets and the aforementioned concentrations existing in Company's investment portfolio.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

		Fair value	Hypothetical price change	Estimated fair value after hypothetical change in prices	Hypothetical increase/ (decrease) in shareholders' equity	Hypothetical increase/ (decrease) in profit/ (loss) after tax	Hypothetical increase/ (decrease) in Other comprehensive income
June 30, 2024	Rupees	550,705,642	10% increase	605,776,206	46,809,979	46,809,979	-
			10% decrease	495,635,078	(46,809,979)	(46,809,979)	-
June 30, 2023	Rupees	2,849,795,546	10% increase	3,134,775,101	242,232,622	242,232,622	-
			10% decrease	2,564,815,991	(242,232,622)	(242,232,622)	-

### iii) Interest rate risk

Interest / mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest / mark-up rates. Sensitivity to interest / mark up rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The Group manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The short term borrowing arrangements have variable rate pricing that is dependent on the Karachi Inter Bank Offer Rate (KIBOR) as indicated in note 20 to these consolidated financial statements.

Financial assets and liabilities include balances of Rs. 3,137.573 million (2023: Rs. 1,512.083 million) and Rs. 664.318 million (2023: Rs. 1,617.786 million) respectively, which are subject to interest / markup rate risk. Applicable interest / mark-up rates for financial assets and liabilities have been indicated in respective notes.

At the reporting date, the interest rate profile of the Holding Company's significant interest bearing financial instruments was as follows:

	2024	2023	2024	2023
	Effective interest rate (%)		Carrying amounts (Rs.)	
<b>Financial assets - variable rate instruments</b>				
Receivable against margin financing	25% to 29.5%	10% to 28.75%	117,387,003	113,367,759
Receivable against reverse repo arrangement	24.37% to 24.02%	15%	190,940,196	108,796,620
Loan receivable from JCL	N/A	23.87%	-	352,000,000
Corporate debt securities - at FVTPL	21.84% to 24.5%	7.9% to 14.5%	65,877,709	88,544,078
Bank deposits - pls account	10% to 19%	10% to 19%	2,763,368,137	849,374,323
<b>Financial liabilities - variable rate instruments</b>				
Running finance arrangements from banking companies - secured	22.52% to 24.16%	7.9% to 13.4%	664,317,881	1,617,785,680

### Sensitivity analysis

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate would not affect the carrying amount of any financial instrument. For cash flow sensitivity analysis of variable rate instruments it is observed that interest / mark-up rate in terms of KIBOR has decreased by 239 bps during the year.

The following information summarizes the estimated effects of 1% hypothetical increases and decreases in interest rates on cash flows from financial assets and financial liabilities that are subject to interest rate risk. It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. The hypothetical changes in market rates do not reflect what could be deemed best or worst case scenarios. Variations in market interest rates could produce significant changes at the time of early repayments. For these reasons, actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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	Effect on profit after tax	
	1% increase	1% (decrease)
	----- Rupees -----	
<b>As at June 30, 2024</b>		
Cash flow sensitivity-Variable rate financial instruments	18,821,472	(18,821,472)
<b>As at June 30, 2023</b>		
Cash flow sensitivity-Variable rate financial instruments	(804,399)	804,399

## 36.2 Financial instruments by categories

	June 30, 2024			
	At fair value through profit or loss	At fair value through other comprehensive income	At Amortized cost	Total
	----- Rupees -----			
<b>Financial assets</b>				
Long term investment	30,461,607	-	-	30,461,607
Long-term advances, deposits and other receivable	-	-	50,494,333	50,494,333
Short term investments	550,705,642	-	-	550,705,642
Trade debts	-	-	335,294,445	335,294,445
Receivable against margin financing	-	-	117,387,003	117,387,003
Receivable under margin trading system	-	-	-	-
Accrued markup on margin financing	-	-	4,526,291	4,526,291
Short term deposits	-	-	179,308,766	179,308,766
Other receivables	-	-	998,174,239	998,174,239
Cash and bank balances	-	-	3,214,235,795	3,214,235,795
	<u>581,167,249</u>	<u>-</u>	<u>4,899,420,872</u>	<u>5,480,588,121</u>

## Financial liabilities

	Financial liabilities at amortized cost
	----- Rupees -----
Lease liability	75,004,512
Running finance arrangements from banking companies (including accrued markup)	664,317,881
Financing facility from the Sponsor	-
Trade and other payables	3,303,887,451
Payable against trading of securities - net	198,721,206
Unclaimed dividend	21,659,825
	<u>4,263,590,875</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

Financial assets	June 30, 2023			Total
	At fair value through profit or loss	At fair value through other comprehensive income	At Amortized cost	
	----- Rupees -----			
Long term investment	1,085,254,068	-	-	1,085,254,068
Long-term advances, deposits and other receivable	-	-	507,512,545	507,512,545
Short term investments	2,849,795,546	-	-	2,849,795,546
Trade debts	-	-	259,690,968	259,690,968
Receivable against margin financing	-	-	113,367,759	113,367,759
Receivable under margin trading system	-	-	11,679,177	11,679,177
Accrued markup on margin financing	-	-	21,527,045	21,527,045
Short term deposits	-	-	31,400,253	31,400,253
Receivable against trading of securities - net	-	-	77,192,508	77,192,508
Other receivables	-	-	1,274,009,584	1,274,009,584
Cash and bank balances	-	-	1,003,132,229	1,003,132,229
	<u>3,935,049,614</u>	<u>-</u>	<u>3,299,512,068</u>	<u>7,234,561,682</u>

## Financial liabilities

	Financial liabilities at amortized cost
	----- Rupees -----
Lease liability	3,027,336
Running finance arrangements from banking companies (including accrued markup)	1,701,638,514
Trade and other payables	950,135,730
Unclaimed dividend	21,425,487
	<u>2,676,227,067</u>

## 37. FAIR VALUE OF ASSETS AND LIABILITIES

The Group 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 Group 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 Group 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

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:

June 30, 2024	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
<i>Financial assets measured at fair value</i>				
Short term investments	550,705,642	-	-	550,705,642
Long term investments	5,611,480	-	24,850,127	30,461,607
<i>Non-financial assets measured at fair value</i>				
Investment properties	-	38,900,000	-	38,900,000

June 30, 2023	Level 1	Level 2	Level 3	Total
	----- 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

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:

	Note	2024	2023
		----- Rupees -----	
Balance as at July 01		22,181,370	42,745,423
Shares swapped with quoted securities		-	(15,251,920)
Unrealised (loss) / gain for the year	7.1.1	2,668,757	(5,312,133)
Balance as at June 30		24,850,127	22,181,370

## 38. CAPITAL

### 38.1 Management of capital

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

### 38.2 The Capital Adequacy Level as defined by Central Depository Company (CDC) is calculated as follows;

	Note	2024	2023
		----- Rupees -----	
Total assets	38.2.1	5,680,407,395	7,787,729,817
Less: Total liabilities		(4,386,982,597)	(2,779,412,920)
Less: revaluation reserves (created upon revaluation of fixed assets)		(7,835,000)	(7,835,000)
Capital Adequacy Level		1,285,589,798	5,000,481,897

#### 38.2.1 While determining the value of the total assets, notional value of the TRE Certificate as at year end as determined by Pakistan Stock Exchange has been considered.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

38.3 The Holding Company's Liquid Capital [as per the requirements of the Securities Brokers (Licensing and Operations) Regulations, 2016]

S.No.	Head of Account	Value in Pak Rupees	Hair Cut/ Adjustments	Net Adjusted Value
<b>1. Assets</b>				
1.1	Property & Equipment	160,334,234	160,334,234	-
1.2	Intangible Assets	5,436,719	5,436,719	-
1.3	Investment in Govt. Securities (Difference between BV and SV on the date on the basis of PKRV published by NIFT)	-	-	-
	<b>Investment in Debt. Securities</b>			
	<b>If listed than:</b>			
	i. 5% of the balance sheet value in the case of tenure upto 1 year.	65,877,709	3,293,885	62,583,824
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
	<b>If unlisted than:</b>			
	i. 10% of the balance sheet value in the case of tenure upto 1 year.	-	-	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	-	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
	<b>Investment in Equity Securities</b>			
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher.	490,439,413	85,286,095	405,153,318
	Provided, that if any of these securities are pledged with the securities exchange for maintaining Base Minimum Capital Requirement, 100% haircut on the value of eligible securities to the extent of minimum required value of Base Minimum Capital.	-	-	-
	ii. If unlisted, 100% of carrying value.	24,850,127	24,850,127	-
1.6	Investment in subsidiaries	38,000,000	38,000,000	-
	<b>Investment in associated companies/undertaking</b>			
	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.	-	-	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity, however, any excess amount of cash deposited with securities exchange to comply with the requirements of Base minimum capital, may be taken in the calculation of LC.	2,000,461	2,000,461	-
1.9	Margin deposits with exchange and clearing house.	179,308,766	-	179,308,766
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	6,592,820	6,592,820	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.	-	-	-
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	-	-	-
1.13	Dividends receivables.			
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. (Securities purchased under repo arrangement shall not be included in the investments.)	190,940,196	-	190,940,196
1.15	Advances and receivables other than trade receivables 1) No haircut may be applied on short term loan to employees provided these loans are secured and due for repayment within 12 months. 2) No haircut may be applied to the advance tax to the extent it is netted with provision of taxation. 3) In all other cases, 100% of net value	862,069,540	61,632,076	800,437,464
1.16	<b>Receivables from clearing house or securities exchange(s)</b> i. 100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	-	-	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

S.No.	Head of Account	Value in Pak Rupees	Hair Cut/ Adjustments	Net Adjusted Value
	<b>Receivables from customers</b>			
	i. In case receivables are against margin financing, the aggregate if (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut.			
	<b>i. Lower of net balance sheet value or value determined through adjustments.</b>	117,387,003	8,121,612	109,265,391
	ii. In case receivables are against margin trading, 5% of the net balance sheet value.			
	<b>ii. Net amount after deducting haircut</b>	-	-	-
	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract,			
	<b>iii. Net amount after deducting haircut</b>	-	-	-
	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value.			
	<b>iv. Balance sheet value</b>	85,270,107	-	85,270,107
1.17	v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts.			
	<b>v. Lower of net balance sheet value or value determined through adjustments</b>	258,905,821	60,480,287	198,425,534
	vi. In the case of amount of receivable from related parties, values determined after applying applicable haircuts on underlying securities readily available in respective CDS account of the related party in the following manner: a. Upto 30 days, values determined after applying VaR based haircuts; b. Above 30 days, but upto 90 days, values determined after applying 50% or VaR based haircuts whichever is higher; c. Above 90 days, 100% haircut shall be applicable.			
	<b>Lower of net balance sheet values or values determined through adjustments</b>	322,923	322,923	-
	<b>Cash and Bank balances</b>			
1.18	i. Bank Balance-proprietary accounts	86,916,482	-	86,916,482
	ii. Bank balance-customer accounts	3,104,498,508	-	3,104,498,508
	iii. Cash in hand	746,630	-	746,630
1.19	Subscription money against Investment in IPO / offer for sale (asset) i. No Haircut may be applied in respect of amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker. ii. In case of investments in IPO where shares have been allotted but not yet credited in CDS account, 25% haircuts will be applicable on the value of such securities. iii. In case of subscription in right shares where the shares have not yet been credited in CDS account, 15% or VaR based haircut whichever is higher, will be applied on Right Shares. Balance sheet values or net values after deducting haircuts.			
1.20	<b>Total Assets</b>	<b>5,679,897,459</b>		<b>5,223,546,220</b>
	<b>2. Liabilities</b>			
	<b>Trade Payables</b>			
2.1	i. Payable to exchanges and clearing house	198,721,206	-	198,721,206
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	3,023,733,425	-	3,023,733,425
	<b>Current Liabilities</b>			
2.2	i. Statutory and regulatory dues	121,342,258	-	121,342,258
	ii. Accruals and other payables	322,696,590	-	322,696,590
	iii. Short-term borrowings	664,317,881	-	664,317,881
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	31,137,864	-	31,137,864
	vi. Deferred Liabilities	-	-	-
	vii. Provision for taxation	-	-	-
	viii. Other liabilities as per accounting principles and included in the financial statements	899,847	-	899,847

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

S.No.	Head of Account	Value in Pak Rupees	Hair Cut/ Adjustments	Net Adjusted Value
	<b>Non-Current Liabilities</b>			
	i. Long-Term financing	-	-	-
2.3	a. Long-Term financing obtained from financial institution: Long term portion of financing obtained from a financial institution including amount due against finance lease.			
	b. Other Long Term Financing			
	ii. Staff retirement benefits			
	iii. Other liabilities as per accounting principles and included in the financial statements	43,866,648	-	43,866,648
2.4	<b>Subordinated Loans</b>			
	100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted:	-	-	-
2.5	<b>Advance against shares for increase in capital of securities broker</b>			
	100% haircut may be allowed in respect of advance against shares if:			
	a) The existing authorized share capital allows the proposed enhanced share capital			
	b) BOD has approved the increase in capital			
	c) Relevant Regulatory approvals have been obtained			
	d) There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed			
	e) Auditor is satisfied that such advance is against the increase of capital.	-	-	-
2.6	<b>Total Liabilities</b>	<b>4,406,715,719</b>		<b>4,406,715,719</b>
<b>3. Ranking Liabilities Relating to:</b>				
3.1	<b>Concentration in Margin Financing</b>			
	The amount calculated client-to-client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees. (Provided that above prescribed adjustments shall not be applicable where the aggregate amount of receivable against margin financing does not exceed Rs 5 million) Note: Only amount exceeding by 10% of each financee from aggregate amount shall be include in the ranking liabilities	-	-	51,982,849
3.2	<b>Concentration in securities lending and borrowing</b>			
	The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed (Note only amount exceeding by 110% of each borrower from market value of shares borrowed shall be included in the ranking liabilities)	-	-	-
3.3	<b>Net underwriting Commitments</b>			
	(a) in the case of right issues: if the market value of securities is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issues where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting	-	-	-
	(b) in any other case: 12.5% of the net underwriting commitments	-	-	-
3.4	<b>Negative equity of subsidiary</b>			
	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary.	-	-	-
3.5	<b>Foreign exchange agreements and foreign currency positions</b>			
	5% of the net position in foreign currency. Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency.	-	-	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

S.No.	Head of Account	Value in Pak Rupees	Hair Cut/ Adjustments	Net Adjusted Value
3.6	Amount Payable under REPO	-	-	-
	<b>Repo adjustment</b>			
3.7	In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities. In the case of financee/seller the market value of underlying securities after applying haircut less the total amount received, less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.	-	-	107,907,804
	<b>Concentrated proprietary positions</b>			
3.8	If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security. If the market of a security exceeds 51% of the proprietary position, then 10% of the value of such security	-	-	-
	<b>Opening Positions in futures and options</b>			
3.9	i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VaR haircuts ii. In case of proprietary positions, the total margin requirements in respect of open positions to the extent not already met		-	-
	<b>Short sell positions</b>			
3.10	i. In case of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts ii. In case of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.	-	-	-
3.11	<b>Total Ranking Liabilities</b>	-	-	159,890,653
		<u>1,273,181,740</u>	Liquid Capital	<u>656,939,848</u>

## 39. GENERAL

### 39.1 Operating segment

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

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

### 39.2 Customers assets held in the Central Depository System

	2024	2023
No. of shares	<u>3,496,929,049</u>	<u>7,155,217,322</u>
Amount of shares	<u>90,465,681,130</u>	<u>85,793,224,247</u>

### 39.3 Number of employees

The total number of employees and average number of employees at year end and during the year respectively are as follows:

	2024	2023
	----- Number -----	
Total number of employees as at	<u>154</u>	<u>168</u>
Average number of employees during the year	<u>161</u>	<u>163</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended June 30, 2024

## 39.4 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 consolidated financial statements.

Reclassified from component	Reclassified to component	Amount (Rupees)
Accrued expenses (Trade and other payables)	Withholding tax payable (Trade and other payables)	109,071
Other payable (Trade and other payables)	Other receivable (Long-term advances, deposits and other receivable)	320,773
Profit on exposure deposit (Other income)	Other (Other income)	1,529,885

## 39.5 Date of authorization for issue

These consolidated financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on October 30, 2024.

## 39.6 Level of rounding off

Figures have been rounded off to the nearest rupee.

  
\_\_\_\_\_  
Chief Executive Officer

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Chief Financial Officer

# NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

Notice is hereby given that the Twentieth Annual General Meeting of Arif Habib Limited ("the Company") will be held on November 27, 2024 at 10:00 A.M. at PSX Auditorium, Stock Exchange Building, Stock Exchange Road, Karachi along video link facility, to transact the following business:

## Ordinary Business

- 1) To confirm minutes of the Annual General Meeting held on October 28, 2023 and Extra Ordinary General Meeting held on December 26, 2023.
- 2) To review, consider and adopt audited financial statements of the company together with the auditors' and directors' report thereon including approval of the annexures there to, for the year ended June 30, 2024 together with Audited Consolidated Financial Statements of the Company and the Auditors' Reports thereon for the year ended June 30, 2024.

In accordance with Section 223 of the Companies Act, 2017, and pursuant to SRO 389(I)/2023 dated 21st March 2023, as well as the approval granted by shareholders at the AGM held on October 28, 2023, the financial statements of the Company have been uploaded to the Company's website and can be downloaded via the following weblink or QR code :

<https://arifhabibltd.com/downloads/annual-report/June-302024.pdf>



- 3) To consider and approve final dividend for the year ended June 30, 2024, in cash at Rs. 5.00 per share i.e. 50% as recommended by the Board of Directors.
- 4) To appoint auditors of the company and fix their remuneration for the financial year 2024-25. The Board of Directors have recommended for reappointment of M/s. Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants as external auditors.

## Special Business

- 5) To authorize the Board of Directors of the Company to approve those transactions with related parties (if executed) during the financial year ending June 30, 2025 or upto the next annual general meeting which require approval of shareholders u/s 207 and u/s 208 of the Companies Act, 2017, by passing the following special resolution with or without modification:

**"RESOLVED THAT** the transactions / arrangements / agreements / balances with related parties as disclosed in the audited financial statements for the year ended June 30, 2024 be and are hereby approved."

**"FURTHER RESOLVED THAT** the Board of Directors of the Company be and is hereby authorized to approve the transactions to be conducted with Related Parties on case to case basis for the financial year ending June 30, 2025 or upto the next annual general meeting."

**"FURTHER RESOLVED THAT** the transactions approved by the Board shall be deemed to have been approved by the shareholders u/s 207 and / or u/s 208 of the Companies Act, 2017 (if triggered) and shall be placed before the shareholders in the Annual General Meeting for their formal ratification/approval u/s 207 and / or 208 of the Companies Act, 2017 (if required)."

- 6) To consider and if deemed fit, pass the following Special Resolutions with or without modification(s):

### Investment in Associated Companies & Associated Undertakings:

**"RESOLVED THAT** the consent and approval be and is hereby accorded under Section 199 of the Companies Act, 2017 and the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 for renewal of following unutilised limits of equity investment, and sanctioned limits of loans / advances / guarantees etc. in associated companies and associated undertakings, for which approval has been sought in previous general meeting(s), as mentioned in detail in the Annexure-B of statement under Section 134(3), for a period upto next annual general meeting, unless specifically approved for a longer period, and shall be renewable thereon for further period(s) as specified."

“**FURTHER RESOLVED THAT** the consent and approval be and is hereby accorded under Section 199 of the Companies Act, 2017 and the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017, investments in associated companies transferred pursuant to the sanction of the Scheme of Arrangement by the Honourable High Court of Sindh pertaining to, inter alia, the demerger of certain non-core business, including assets, liabilities and obligations, from Arif Habib Limited (AHL) and the merger / amalgamation of the same with and into Arif Habib Corporation Limited (AHCL), being the holding company of AHL, along with ancillary matters, be and is hereby approved.”

	Name of Companies & Undertakings	Amount in Million	
		Renewal Requested	
		Equity	Loan / Advance / Guarantee
1	Safemix Concrete Products Limited	156	250
2	Arif Habib Corporation Limited	-	1,500
3	Power Cement Limited	870	1,000
4	Aisha Steel Mills Limited	589	1,000
5	Javedan Corporation Limited	588	1,000
6	REITS under management of Arif Habib Dolmen REIT Management Limited	*3,000	

“**FURTHER RESOLVED THAT** the consent and approval be and is hereby accorded under Section 199 of the Companies Act, 2017 and the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017, \*unutilized limit of investment amounting to Rs. 3,000 Million for the REIT Schemes under management of Arif Habib Dolmen REIT Management Ltd. (associated Company), be hereby approved to be continue to be utilized in any form / nature of investment including equity, loans, advances, running finance, guarantee, indemnity, pledge of shares etc.”

“**FURTHER RESOLVED THAT** the Chief Executive and/or the Company Secretary be and are hereby authorized to take and do, and/or cause to be taken or done, any/all necessary actions, deeds and things which are or may be necessary for giving effect to the aforesaid resolutions and to do all acts, matters, deeds, and things which are necessary, incidental and/or consequential to the investment of the Company’s funds as above, as and when required at the time of investment, including but not limited to negotiating and executing any necessary agreements/documents, and any ancillary matters thereto.”

#### Any Other Business

7) To consider any other business with the permission of the Chair.

Statements under Section 134(3) of the Companies Act, 2017 pertaining to the special business is being sent to the shareholders along with this notice.

Karachi  
Wednesday, November 6, 2024

By order of the Board  
Muhammad Taha Siddiqui  
Company Secretary

## NOTES:

### A. Book closure:

- i) The share transfer books of the Company will remain closed from November 21, 2024 to November 27, 2024 (both days inclusive). Transfers in good order, received at the office of Company's Share Registrar, CDC Share Registrar Services Limited, CDC House, 99 - B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400 by close of the business on November 20, 2024 will be treated in time for the purpose of attending the annual general meeting and for determination of entitlement of shareholders to cash dividend.
- ii) All members/shareholders are entitled to attend, speak and vote at the annual general meeting. A member/shareholder may appoint a proxy to attend, speak and vote on his/her behalf. The proxy need not be a member of the Company. Proxies in order to be effective must be received at the office of our Registrar: M/s. CDC Share Registrar Services Limited, CDC House, 99 - B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400 not less than 48 hours before the meeting.
- iii) In pursuance of Circular No. 1. of 2000 of SECP dated January 26, 2000 the beneficial owners of the shares registered in the name of Central Depository Company (CDC) and/or their proxies are required to produce their Computerized National Identity Card (CNIC) or passport for identification purpose at the time of attending the meeting. The form of proxy must be submitted with the Company within the stipulated time, duly witnessed by two persons whose names, addresses and CNIC numbers must be mentioned on the form, along with attested copies of the CNIC or the passport of the beneficial owner and the proxy.
- In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced at the time of the meeting.
- iv) Members are requested to intimate any changes in address immediately to Company's Share Registrar, CDC Share Registrar Services Limited, CDC House, 99 - B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400.

### B. Participation of shareholders through online facility

In order to maximize the member's participation, the Company is convening this AGM via video link in addition to holding physical meeting with shareholders., the shareholders shall be entitled to attend the proceedings of the AGM through online means using a video link facility, Zoom application or other electronic means.

The shareholders will be able to login and participate in the AGM proceedings through their smartphones or computer devices from their homes or any convenient location after completing all the formalities required for the verification and identification of the shareholders.

The login facility will be opened at 09:45 a.m. on November 27, 2024 enabling the participants to join the proceedings which will start at 10:00 a.m. sharp.

Shareholders interested in attending the AGM through electronic means, are requested to register themselves by submitting their following particulars and valid copy of CNIC at the Company's designated email address [agm2024@arifhabibltd.com](mailto:agm2024@arifhabibltd.com) with subject of "Registration for AHL AGM 2024" not less than 48 hours before the time of the meeting. The link to the zoom application will be sent to the shareholders on the email address provided in the below table:

Shareholder's Name	CNIC No.	Folio / CDC Account No.	Cell No.	No. of shares held	Email address

Login facility will be shared with the shareholders whose emails addresses are provided on above table, shareholders can also provide their comments / suggestions on [agm2024@arifhabibltd.com](mailto:agm2024@arifhabibltd.com) or Whatsapp or SMS on 0321-8210503 for the agenda items proposed to be conducted at the AGM in the same manner as it is being discussed in the AGM, and later shall be made part of the minutes of the meeting.

### C. Provision of online video facility

If the Company receives a demand (at least 7 days before the date of meeting) from shareholder(s) holding an aggregate 10% or more shareholding residing in any other city, to participate in the meeting through video link, the Company will arrange video link facility in that city.

Shareholders, who wish to participate through video-link facility, are requested to fill in Video Link Facility Form available at Company's website and send a duly signed copy to the Registered Address of the Company. It may be noted that no person other than the member or proxy holder can attend the meeting through video link facility.

### D. Vote Casting In-Person or Through Proxy

Polling booth will be established at the place of physical gathering of the AGM for voting.

## E. Voting / Postal Ballot

Members are hereby notified that pursuant to the Companies (Postal Ballot) Regulations, 2018 read with Sections 143-144 of the Companies Act, 2017 and SRO 2192(1)/2022 dated December 5, 2022, members will be allowed to exercise their right to vote for the special business(es) in accordance with the conditions mentioned therein. Following options are being provided to members for voting:

### i) E-Voting Procedure

- (a) Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on November 20, 2024.
- (b) The web address, login details and password will be communicated to members via email. The security codes will be communicated to members through SMS and email from web portal of the e-voting service provider.
- (c) Identity of the members intending to cast vote through E-Voting shall be authenticated through electronic signature or authentication for login.
- (d) E-Voting lines will start from November 22, 2024, 9:00 a.m. and shall close on November 26, 2024 at 5:00 p.m. Members can cast their votes any time during this period. Once the vote on a resolution is cast by a member, he / she shall not be allowed to change it subsequently.

### ii) Postal Ballot

- (a) Members may alternatively opt for voting through postal ballot. Ballot Paper shall also be available for download from the website of the Company at [www.arifhabibltd.com](http://www.arifhabibltd.com) or use the same as annexed to this Notice and published in newspapers
- (b) The members shall ensure that duly filled and signed ballot paper, along with copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post at Arif Habib Centre, 23 M. T. Khan Road, Karachi (Attention of the Company Secretary) OR through the registered email address of shareholder at [chairman.generalmeeting@arifhabibltd.com](mailto:chairman.generalmeeting@arifhabibltd.com) with subject of 'Postal Ballot for AHL AGM 2024 by Tuesday, November 26, 2024 before 5:00 p.m. The signature on the ballot paper shall match with the signature on CNIC. A postal ballot received after this time / date shall not be considered for voting.
- (c) Please note that in case of any dispute in voting including the casting of more than one vote, the Chairman shall be the deciding authority.

#### Note :

In accordance with the Regulation 11 of the Companies (Postal Ballot) Regulations, 2018, the Board of the Company has appointed M/s. S.M. Suhail & Co. Chartered Accountants, (a QCR rated audit firm) to act as the Scrutinizer of the Company for the special business to be transacted in the meeting (Agenda # 6 pertaining to approval for Investments in associates under section 199 of the Companies Act, 2017), and to undertake other responsibilities as defined in Regulation 11A of the Regulations. Qualification & experience are mentioned on their website ([www.smsco.pk/](http://www.smsco.pk/)) in detail.

## D. Payment of Cash Dividend through electronic mode:

In accordance with the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed company to pay cash dividend to its shareholder only through electronic mode directly into the bank account designated by the entitled shareholder. Please note that giving bank mandate for dividend payments is mandatory and in order to comply with this regulatory requirement, you are requested to please provide the following information to your respective CDC Participant / CDC Investor Account Services (in case your shareholding is in Book Entry Form) or to our Share Registrar M/s. CDC Share Registrar Services Limited, Share Registrar Department, CDC House, 99-B, Block B, S.M.C.H.S., Main Shakra-e-Faisal, Karachi – 74400 (in case your shareholding is in Physical Form):

Details of Shareholder	
Name of shareholder	
Folio/ CDS Account No.	
CNIC No.	
Cell number of shareholder	
Landline number of shareholder, if any	
Email	

Details of Bank Account	
Title of Bank Account	
Account International Bank Account Number (IBAN) "Mandatory"	PK _____ (24 digits) (Kindly provide your accurate IBAN number after consulting with your respective bank branch since in case of any error or omission in given IBAN, the company will not be held responsible in any manner for any loss or delay in your cash dividend payment).
Bank's Name	
Branch Name and Address	
It is stated that the above-mentioned information is correct and in case of any change therein, I / we will immediately intimate Participant / Share Registrar accordingly.	
_____ Signature of shareholder	

**E. Deduction of Income Tax from Dividend under section 150 of the Income Tax Ordinance, 2001:**

- a) Pursuant to the provisions of the Finance Act 2022 effective July 1, 2022, the rate of deduction of income tax from dividend payments has been revised as follows:
- i. Rate of tax deduction for filers of income tax return – 15%
  - ii. Rate of tax deduction for non-filers of income tax return – 30%

Shareholders whose names are not entered into the Active Tax-payers List (ATL) available on the website of FBR, despite the fact that they are filers, are advised to immediately make sure that their names are entered in ATL, otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.

- b) Withholding Tax exemption from the dividend income, shall only be allowed if copy of valid tax exemption certificate is made available to Company's Share Registrar by the first day of book closure.
- c) Further, according to clarification received from FBR, withholding tax will be determined separately on "Filer/ Non-filer" status of principal shareholder as well as joint-holder(s) based on their shareholding proportions.

In this regard all shareholders who hold company's shares jointly are requested to provide shareholding proportions or principal shareholder and joint-holder(s) in respect of shares held by them (if not already provided) to Company's Share Registrar, in writing as follows:

			Principal Shareholder		Joint Shareholder	
Company Name	Folio/CDS Account #	Total Shares	Name and CNIC #	Shareholding Proportion (No. of Shares)	Name and CNIC #	Shareholding Proportion (No. of Shares)

The required information must reach Company's Share Registrar within 10 days of this notice; otherwise it will be assumed that the shares are equally held by the principal shareholder and joint-holder(s).

- d) The corporate shareholders having CDC accounts are required to have their NTN updated with their respective participants, whereas corporate physical shareholders are requested to send a copy of their NTN certificate to the Company's Share Registrar. The shareholders while sending NTN or NTN certificates, as the case may be, must quote the company name and their respective folio numbers.

#### CNIC / NTN Number on Dividend Warrant (Mandatory)

As already been notified from time to time, SECP has directed vide its Notification S.R.O. 831(1)/2012 dated July 5, 2012, that the electronic Dividend should also bear the Computerized National Identity Card (CNIC) Number of the registered shareholder or the authorized person, except in case of minor(s) and corporate shareholder(s).

In order to comply with the SECP's directives and in terms of Section 243(2)(a) of the Companies Act, 2017, the Company shall be constrained to withhold the Dividend Warrant(s), in case of non-availability copy of valid CNIC (for individuals) and National Tax Number (for a corporate entity).

Accordingly, shareholders who have not yet submitted a copy of their valid CNIC or NTN are once again requested to immediately submit the same to the Company or Share Registrar, M/s. CDC Share Registrar Services Limited.

#### F. Distribution of annual audited financial statements

The audited financial statements of the Company for the year ended June 30, 2024 have been made available on the Company's website (<http://www.arifhabibltd.com>) in addition to annual and quarterly financial statements for the prior years.

Further, this is to inform that in line with the requirements of section 223(6) of Companies Act 2017, the Company has electronically transmitted the Annual Report through email to shareholders whose email addresses are available with AHL's Share Registrar CDC Share Registrar Services Limited ("CDCSRSL"). In those cases, where email addresses are not available with AHL's Share Registrar (CDCSRSL), printed AGM notices, along with the weblink and QR code to download the Annual Report have been dispatched to the members. Hard copies of the Annual Report will be provided free of cost to any shareholder upon request, delivered to their registered address within one week of receiving such a request. For the convenience of shareholders, a "Standard Request Form for provision of Annual Audited Accounts" is also available on the Company's website.

#### G. Unpaid Dividend Account

In accordance with the provisions of Section 244 of the Companies Act, 2017.

- (i) Where a dividend has been declared by a company but has not been paid or claimed, within a time period specified under Section 242, to any shareholder entitled to the payment of the dividend, the company shall, within fifteen days from the date of expiry of the said period, transfer the total amount of dividend which remains unpaid or unclaimed to a separate profit bearing account to be called the unpaid dividend account opened by the company for this purpose in any scheduled bank. The deposits in the unpaid dividend account shall only be used for payment to a claimant as given in sub-section 4.

Explanation - Dividend for the purpose of this section means the dividend payable in cash.

- (ii) The company shall, within a period of ninety days of making any deposit of the amount under sub-section (1) to the unpaid dividend account, prepare a statement containing the names, the last known addresses, number of shares held, the amount of unpaid dividend to be paid to each shareholder and such other particulars as may be specified and place it on the website of the company required under any law, rules, regulations or directions to maintain a website and also on any other website as may be specified.
- (iii) Any change in the information to be maintained on the website under sub-section (2) shall be effected by the company in such manner and within such time as may be specified.
- (iv) Any person claiming to be entitled to any money transferred under sub-section (1) to the unpaid dividend account of the company may apply to the company for payment of the money claimed.
- (v) The company shall make payment to the bonafide claimant within a period of thirty days from the date of submission of a claim with the company. No claimant shall be entitled to any amount except his unclaimed dividend amount.
- (vi) The amount of profit generated from the account maintained by the company under this section shall be used by the company for its corporate social responsibility initiatives and specified purposes.

# STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

**This statement sets out the material facts concerning the Special Business given in Agenda No. 5 and Agenda No. 6 of the Notice to be transacted at the Annual General Meeting of the Company. Directors of the Company have no interest in the special businesses except in their capacity as sponsor / director / shareholder.**

# STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts concerning the Special Business given in Agenda item No. 6 and Agenda item No. 7 of the Notice to be transacted at the Annual General Meeting of the Company. Directors of the Company have no interest in the special business except in their capacity as director / shareholder.

## ANNEXURE - A

### AUTHORIZATION FOR THE BOARD OF DIRECTORS TO APPROVE THOSE TRANSACTIONS WITH RELATED PARTIES (IF EXECUTED) DURING THE FINANCIAL YEAR ENDING 30TH JUNE 2025 WHICH REQUIRE APPROVAL OF SHAREHOLDERS U/S 207 AND / OR 208 OF THE COMPANIES ACT, 2017

The Company shall be conducting transactions with its related parties during the year ending 30th June 2025 on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. Being the directors of a brokerage house, many Directors may be deemed to be treated as interested in transactions with related parties due to their shareholding in such companies. In order to promote good corporate governance and transparent business practices, the shareholders desire to authorize the Board of Directors to approve transactions with the related parties from time-to-time on case to case basis, including transactions (if executed) triggering approval of shareholders u/s 207 and / or 208 of the Companies Act, 2017, for the year ending 30th June 2025, which transactions shall be deemed to be approved by the Shareholders. The nature and scope of such related party transactions is explained above. These transactions shall be placed before the shareholders in the next AGM for their formal approval/ ratification.

The Directors are interested in the resolution only to the extent of their shareholding and / or directorships in such companies.

# STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

## ANNEXURE - B

### INVESTMENTS IN ASSOCIATED COMPANIES & ASSOCIATED UNDERTAKINGS

The Board of Directors of the Company has approved the specific limits for loans/advances along with other particulars for investments in the following associated companies and associated undertakings subject to the consent of members under Section 199 of the Companies Act, 2017 / Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017. The Board of Directors do hereby undertake / certify that necessary due diligence for the following proposed investments have been carried out. The principle purpose of this special resolution is to make the Company in a ready position to capitalize on the investment opportunities as and when they arrive. It is prudent that the Company should be able to make the investment at the right time when the opportunity is available.

#### 1. INVESTMENT IN SECURITIES

S.No.	Description	Information
1	Name of the associated company or associated undertaking along with criteria based on which the associated relationship is established	<b>SAFEMIX CONCRETE PRODUCTS LIMITED</b> An associated undertaking due to investments by the Company
2	Purpose, benefits and period of investment	For the benefit of the Company and to earn better returns in the long run on strategic investment by capturing the opportunities on the right time
3	Maximum amount of investment	Unutilized limit of PKR 155.69 million is requested for approval. This is in addition to Investment at cost of PKR 94.31 million already made upto 30 June, 2024.
4	Maximum price at which securities will be acquired	At par/premium/market/offered/negotiated price prevailing on the date of transaction/investment
5	Maximum number of securities to be acquired	No of securities purchasable under approved limit in accordance with / based on Sr. Nos. 3 & 4 above
6	In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	Not Applicable
7	Number of securities and percentage thereof held before and after the proposed investment	Before: Nil million shares held in the Company as on 30 June, 2024 being Nil holding. After: Increase in securities / percentage in accordance with / based on Sr. No. 3, 4 & 5 above
8	In case of investment in listed securities, average of the preceding twelve weekly average price of the security intended to be acquired	PKR 15.65
9	In case of investment in unlisted securities, fair market value of such securities determined in terms of regulation 6 (1)	Not Applicable
10	Financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements	Total Equity, Total assets and total liability amounting to PKR 382.39 million, PKR 805.63 million and PKR 423.23 million respectively. Gross Profit, Profit before tax and Profit after tax amounting to PKR 260.07 million, PKR 146.65 million and PKR 111.61 million respectively

S.No.	Description	Information
11	Break-up value of securities intended to be acquired on the basis of the latest audited financial statements	PKR 15.30
12	Earning per share of the associated company or associated undertaking for the last three years	2024: PKR 4.46 2023: PKR 5.33 2022: PKR 1.86
13	Sources of fund from which securities will be acquired	From company's own available liquidity and credit lines
14	Where the securities are intended to be acquired using borrowed funds	The Company foresee the return on this strategic investment higher than the borrowing cost. Pledge of listed securities and / or charge over assets of the Company, if and where needed. Company's expects to time the investment to earn return over and above the borrowing cost.
(i)	Justification for investment through borrowings	
(ii)	Detail of guarantees and assets pledged for obtaining such funds	
(iii)	Cost Benefit Analysis	
15	Salient features of the agreement(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment	There is no agreement as this is a Strategic Investment
16	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Directors of the Company have no interest in the investee Company except in their capacity as Sponsor / Director / Shareholder of Investee Company.
17	Any other important details necessary for the members to understand the transaction	Not Applicable
18	In case of investment in securities of a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information, is required, namely	Not Applicable
(i)	Description of the project and its history since conceptualization	
(ii)	Starting and expected dated of completion of work	
(iii)	Time by which such project shall become commercially operational	
(iv)	Expected time by which the project shall start paying return on investment	Not Applicable
19	In case an investment in associated company has already been made, the performance review of such investment including complete information / justification for any impairments / write-offs	The agreement with the IMF and gradual reduction in discount rate may help stimulate demand in the construction sectors, resultantly it may increase sale of readymix concrete. Consequently, the investment is expected to add value to AHL shareholders. Performance of SMCPL can be referred in Point 10 to 12 above.

## 2. INVESTMENT IN SECURITIES

S.No.	Description	Information
1	Name of the associated company or associated undertaking along with criteria based on which the associated relationship is established	<b>POWER CEMENT COMPANY LIMITED</b> An associated undertaking due to investments by the holding Company
2	Purpose, benefits and period of investment	For the benefit of the Company and to earn better returns in the long run on strategic investment by capturing the opportunities on the right time
3	Maximum amount of investment	Unutilized limit of PKR 869.71 million is requested for approval. This is in addition to Investment at cost of PKR 237.29 million already made upto 30 June, 2024.
4	Maximum price at which securities will be acquired	At par/premium/market/offered/negotiated price prevailing on the date of transaction/investment
5	Maximum number of securities to be acquired	No of securities purchasable under approved limit in accordance with / based on Sr. Nos. 3 & 4 above
6	In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	Not Applicable
7	Number of securities and percentage thereof held before and after the proposed investment	Before: NIL shares held in the Company as on 30 June, 2024 being NIL holding. After: Increase in securities / percentage in accordance with / based on Sr. No. 3, 4 & 5 above
8	In case of investment in listed securities, average of the preceding twelve weekly average price of the security intended to be acquired	PKR 5.64
9	In case of investment in unlisted securities, fair market value of such securities determined in terms of regulation 6 (1)	Not Applicable
10	Financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements	Total Equity, Total assets and total liability amounting to PKR 19,419 million, PKR 47,778 million and PKR 28,359 million respectively. Gross profit, Loss before tax and Loss after tax amounting to PKR 6,790 million, PKR (1,918.92) million and PKR (2,703.28) million respectively
11	Break-up value of securities intended to be acquired on the basis of the latest audited financial statements	PKR 14.71
12	Earning per share of the associated company or associated undertaking for the last three years	2024: PKR (2.88) 2023: PKR (0.19) 2022: PKR (0.62)
13	Sources of fund from which securities will be acquired	From company's own available liquidity and credit lines

S.No.	Description	Information
14	Where the securities are intended to be acquired using borrowed funds	The Company foresee the return on this strategic investment higher than the borrowing cost Pledge of listed securities and / or charge over assets of the Company, if and where needed. Company's expects to time the investment to earn return over and above the borrowing cost.
(i)	Justification for investment through borrowings	
(ii)	Detail of guarantees and assets pledged for obtaining such funds	
(iii)	Cost Benefit Analysis	
15	Salient features of the agreement(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment	There is no agreement as this is a Strategic Investment
16	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Directors of the Company have no interest in the investee Company except in their capacity as Sponsor / Director / Shareholder of Investee Company.
17	Any other important details necessary for the members to understand the transaction	Not Applicable
18	In case of investment in securities of a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information, is required, namely	Not Applicable
(i)	Description of the project and its history since conceptualization	
(ii)	Starting and expected dated of completion of work	
(iii)	Time by which such project shall become commercially operational	
(iv)	Expected time by which the project shall start paying return on investment	Not Applicable
19	In case an investment in associated company has already been made, the performance review of such investment including complete information / justification for any impairments / write-offs	The agreement with the IMF and gradual reduction in discount rate may help stimulate demand in the construction sectors, resultantly it may increase sale of cement. Consequently, the investment is expected to add value to AHL shareholders. Performance of POWER can be referred in Point 10 to 12 above.

### 3. INVESTMENT IN SECURITIES

S.No.	Description	Information
1	Name of the associated company or associated undertaking along with criteria based on which the associated relationship is established	<b>AISHA STEEL MILLS LIMITED</b> An associated undertaking due to investments by the holding Company
2	Purpose, benefits and period of investment	For the benefit of the Company and to earn better returns in the long run on strategic investment by capturing the opportunities on the right time
3	Maximum amount of investment	Unutilized limit of PKR 589 million is requested for approval. This is in addition to Investment at cost of PKR 410.63 million already made upto 30 June, 2024.
4	Maximum price at which securities will be acquired	At par/premium/market/offered/negotiated price prevailing on the date of transaction/investment

S.No.	Description	Information
5	Maximum number of securities to be acquired	No of securities purchasable under approved limit in accordance with / based on Sr. Nos. 3 & 4 above
6	In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	Not Applicable
7	Number of securities and percentage thereof held before and after the proposed investment	Before: Nil shares held in the Company as on 30 June, 2024, being Nil holding. After: Increase in securities/ percentage in accordance with / based on Sr. No. 3, 4 & 5 above
8	In case of investment in listed securities, average of the preceding twelve weekly average price of the security intended to be acquired	PKR 7.66
9	In case of investment in unlisted securities, fair market value of such securities determined in terms of regulation 6 (1)	Not Applicable
10	Financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements	Total Equity, Total assets and total liability amounting to PKR 15,707 million, PKR 40,597 million and PKR 24,890 million respectively. Gross profit, Loss before tax and Loss after tax amounting to PKR 3,830 million, PKR (813.29) million and PKR (132.47) million respectively
11	Break-up value of securities intended to be acquired on the basis of the latest audited financial statements	PKR 16.12
12	Earning per share of the associated company or associated undertaking for the last three years	2024: PKR (0.26) 2023: PKR (3.56) 2022: PKR 1.27
13	Sources of fund from which securities will be acquired	From company's own available liquidity and credit lines
14	Where the securities are intended to be acquired using borrowed funds (i) Justification for investment through borrowings (ii) Detail of guarantees and assets pledged for obtaining such funds (iii) Cost Benefit Analysis	The Company foresee the return on this strategic investment higher than the borrowing cost Pledge of listed securities and / or charge over assets of the Company, if and where needed. Company's expects to time the investment to earn return over and above the borrowing cost.
15	Salient features of the agreement(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment	There is no agreement as this is a Strategic Investment
16	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Directors of the Company have no interest in the investee Company except in their capacity as Sponsor / Director / Shareholder of Investee Company.
17	Any other important details necessary for the members to understand the transaction	Not Applicable

S.No.	Description	Information
18	In case of investment in securities of a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information, is required, namely	
(i)	Description of the project and its history since conceptualization	Not Applicable
(ii)	Starting and expected dated of completion of work	Not Applicable
(iii)	Time by which such project shall become commercially operational	Not Applicable
(iv)	Expected time by which the project shall start paying return on investment	Not Applicable
19	In case an investment in associated company has already been made, the performance review of such investment including complete information / justification for any impairments / write-offs	The agreement with the IMF and gradual reduction in discount rate may help stimulate demand in the automotive and construction sectors. Additionally, measures taken by FBR are expected to check excessive sales tax-free imports by FATA/PATA region. Consequently, despite challenges from declining international prices, local mills anticipate increased capacity utilization and bigger share in the overall demand for the flat steel segment. Consequently, the investment is expected to add value to AHL shareholders. Performance of ASL can be referred in Point 10 to 12 above.

#### 4. INVESTMENT IN SECURITIES

S.No.	Description	Information
1	Name of the associated company or associated undertaking along with criteria based on which the associated relationship is established	<b>JAVEDAN CORPORATION LIMITED</b> An associated undertaking due to investments by the holding Company
2	Purpose, benefits and period of investment	For the benefit of the Company and to earn better returns in the long run on strategic investment by capturing the opportunities on the right time
3	Maximum amount of investment	Unutilized limit of PKR 587.88 million is requested for approval. This is in addition to Investment at cost of PKR 412.17 million already made upto 30 June, 2024.
4	Maximum price at which securities will be acquired	At par/premium/market/offered/negotiated price prevailing on the date of transaction/investment
5	Maximum number of securities to be acquired	No of securities purchasable under approved limit in accordance with / based on Sr. Nos. 3 & 4 above
6	In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	Not Applicable
7	Number of securities and percentage thereof held before and after the proposed investment	Before: Nil shares held in the Company as on 30 June, 2024, being Nil holding. After: Increase in securities / percentage in accordance with / based on Sr. No. 3, 4 & 5 above

S.No.	Description	Information
8	In case of investment in listed securities, average of the preceding twelve weekly average price of the security intended to be acquired	PKR 31.99
9	In case of investment in unlisted securities, fair market value of such securities determined in terms of regulation 6 (1)	Not Applicable
10	Financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements	Total Equity, Total assets and total liability amounting to PKR 25,339 million, PKR 40,314 million and PKR 14,974 million respectively. Gross profit, Profit before tax and Profit after tax amounting to PKR 2,507 million, PKR 2,148 million and PKR 1,704 million respectively
11	Break-up value of securities intended to be acquired on the basis of the latest audited financial statements	PKR 66.53
12	Earning per share of the associated company or associated undertaking for the last three years	2024: PKR 4.47 2023: PKR 17.7 2022: PKR 3.95
13	Sources of fund from which securities will be acquired	From company's own available liquidity and credit lines
14	Where the securities are intended to be acquired using borrowed funds	The Company foresee the return on this strategic investment higher than the borrowing cost Pledge of listed securities and / or charge over assets of the Company, if and where needed. Company's expects to time the investment to earn return over and above the borrowing cost.
(i)	Justification for investment through borrowings	
(ii)	Detail of guarantees and assets pledged for obtaining such funds	
(iii)	Cost Benefit Analysis	
15	Salient features of the agreement(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment	There is no agreement as this is a Strategic Investment
16	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Directors of the Company have no interest in the investee Company except in their capacity as Sponsor / Director / Shareholder of Investee Company.
17	Any other important details necessary for the members to understand the transaction	Not Applicable
18	In case of investment in securities of a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information, is required, namely	
(i)	Description of the project and its history since conceptualization	Not Applicable
(ii)	Starting and expected dated of completion of work	Not Applicable
(iii)	Time by which such project shall become commercially operational	Not Applicable
(iv)	Expected time by which the project shall start paying return on investment	Not Applicable

S.No.	Description	Information
19	In case an investment in associated company has already been made, the performance review of such investment including complete information / justification for any impairments / write-offs	The positive development on the economic front, primarily the declining inflation and interest rates is expected to have a positive effect on the overall business activity and real estate sector. Naya Nazimabad is well poised in the market to make the most of it under improved market conditions. Consequently, the investment is expected to add value to AHL shareholders.

## 1. LOANS, ADVANCES AND CORPORATE GUARANTEES

S.No.	Description	Information
1	Name of the associated company or associated undertaking along with criteria based on which the associated relationship is established	<b>SAFEMIX CONCRETE PRODUCTS LIMITED</b> An associated undertaking due to investment by the Company
2	Amount of loans or advances	Previously sanctioned unutilized limit of PKR 250 million is requested for renewal. Above facilities will be in the nature of running finance & corporate guarantee for a period of one year and shall be renewable in next general meeting for further period of one year.
3	Purpose of loans or advances and benefits likely to accrue to the investing company and its members from such loans or advances	To support the functionality, operations and growth of the associate.
4	In case any loan has already been granted to the said associated company or associated undertaking, the complete details thereof	During 2023-24, no loan was extended to the associate.
5	In case an investment in associated company has already been made, the performance review of such investment including complete information / justification for any impairments / write-offs	During 2023-24, no loan was extended to the associate.
6	Financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements	Total Equity, Total assets and total liability amounting to PKR 382.39 million, PKR 805.63 million and PKR 423.23 million respectively. Gross Profit, Profit before tax and Profit after tax amounting to PKR 260.07 million, PKR 146.65 million and PKR 111.61 million respectively
7	Average borrowing cost of the investing company or in case of absence of borrowing the Karachi Inter Bank Offered Rate for the relevant period	Average borrowing cost of the investing Company ranges from 1 month KIBOR + 0.5% to 1.0%, 3 month KIBOR + 0.50% to 1.5% per annum in 2023 - 2024.
8	Rate of interest, mark up, profit, fees or commission etc. to be charged	Higher than the Company's prevalent average borrowing cost.
9	Sources of funds from where loans or advances will be given	From Company's own available liquidity and credit lines

S.No.	Description	Information
10	Where loans or advances are being granted using borrowed funds	To support the functionality, operations and growth of the associate. Pledge of listed securities and / or charge over assets of the Company, if and where needed. Obtained facilities have different maturity dates upto September 30, 2024.
(i)	Justification for granting loan or advance out of borrowed funds	
(ii)	Detail of guarantees / assets pledged for obtaining such funds, if any	
(iii)	Repayment schedules of borrowing of the investing company	
11	Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any	Will be decided with mutual consent at the time of extending the loan.
12	If the loans or advances carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable	Not Applicable
13	Repayment schedule and terms of loans or advances to be given to the investee company	Above facilities will be in the nature of running finance for a period of one year and shall be renewable in next general meeting for further period of one year.
14	Salient features of all agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment	Not Applicable
15	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Directors of the Company have no interest in the investee Company except in their capacity as Sponsor / Director / Shareholder of Investee Company.
16	Any other important details necessary for the members to understand the transaction	Not Applicable
17	In case of investment in a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information is required, namely	Not Applicable Not Applicable Not Applicable Not Applicable Not Applicable
(i)	A description of the project and its history since conceptualization	
(ii)	Start date and expected date of completion	
(iii)	Time by which such project shall become commercially operational	
(iv)	Expected return on total capital employed in the project	
(v)	Funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts	

## 2. LOANS AND ADVANCES

S.No.	Description	Information
1	Name of the associated company or associated undertaking along with criteria based on which the associated relationship is established	<b>ARIF HABIB CORPORATION LIMITED</b> An associated undertaking due to Parent Comapny.
2	Amount of loans or advances	Previously sanctioned unutilized limit of PKR 1,500 million is requested for renewal. Above facilities will be in the nature of running finance and corporate guarantee for a period of one year and shall be renewable in next general meeting for further period of one year.
3	Purpose of loans or advances and benefits likely to accrue to the investing company and its members from such loans or advances	To support the functionality , operations and growth of the associate.
4	In case any loan has already been granted to the said associated company or associated undertaking, the complete details thereof	During 2023-24, no loan was extended to the associate.
5	In case an investment in associated company has already been made, the performance review of such investment including complete information / justification for any impairments / write-offs	During 2023-24, no loan was extended to the associate.
6	Financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements	Total Equity, Total assets and Total liability amounting to PKR 34,069 million, PKR 38,304 million and PKR 4,235 million respectively. Profit before tax and Loss after tax amounting to PKR 10,879 million and PKR 9,430.59 million
7	Average borrowing cost of the investing company or in case of absence of borrowing the Karachi Inter Bank Offered Rate for the relevant period	Average borrowing cost of the investing Company ranges from 1 month KIBOR + 0.5% to 1.0%, 3 month KIBOR + 0.50% to 1.5% per annum in 2023 - 2024.
8	Rate of interest, mark up, profit, fees or commission etc. to be charged	Higher than the Companys' prevalent average borrowing cost.
9	Sources of funds from where loans or advances will be given	From Company's own available liquidity and credit lines
10	Where loans or advances are being granted using borrowed funds (i) Justification for granting loan or advance out of borrowed funds (ii) Detail of guarantees / assets pledged for obtaining such funds, if any (iii) Repayment schedules of borrowing of the investing company	To support the functionality, operations and growth of the associate. Pledge of listed securities and / or charge over assets of the Company, if and where needed. Obtained facilities have different maturity dates upto September 30, 2024.
11	Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any	Will be decided with mutual consent at the time of extending the loan.
12	If the loans or advances carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable	Not Applicable

S.No.	Description	Information
13	Repayment schedule and terms of loans or advances to be given to the investee company	Above facilities will be in the nature of running finance for a period of one year and shall be renewable in next general meeting for further period of one year.
14	Salient features of all agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment	Not Applicable
15	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Directors of the Company have no interest in the investee Company except in their capacity as Sponsor / Director / Shareholder of Investee Company.
16	Any other important details necessary for the members to understand the transaction	Not Applicable
17	In case of investment in a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information is required, namely	
(i)	A description of the project and its history since conceptualization	Not Applicable
(ii)	Start date and expected date of completion	Not Applicable
(iii)	Time by which such project shall become commercially operational	Not Applicable
(iv)	Expected return on total capital employed in the project	Not Applicable
(v)	Funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts	Not Applicable

### 3. LOANS AND ADVANCES

S.No.	Description	Information
1	Name of the associated company or associated undertaking along with criteria based on which the associated relationship is established	<b>POWER CEMENT LIMITED</b> An associated undertaking due to investment by the holding Company
2	Amount of loans or advances	Previously sanctioned unutilized limit of PKR 1,000 million is requested for renewal. Above facilities will be in the nature of running finance and corporate guarantee for a period of one year and shall be renewable in next general meeting for further period of one year.
3	Purpose of loans or advances and benefits likely to accrue to the investing company and its members from such loans or advances	To support the functionality , operations and growth of the associate.
4	In case any loan has already been granted to the said associated company or associated undertaking, the complete details thereof	During 2023-24, no loan was extended to the associate.
5	In case an investment in associated company has already been made, the performance review of such investment including complete information / justification for any impairments / write-offs	During 2023-24, no loan was extended to the associate.

S.No.	Description	Information
6	Financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements	Total Equity, Total assets and total liability amounting to PKR 19,419 million, PKR 47,778 million and PKR 28,359 million respectively. Gross profit, Loss before tax and Loss after tax amounting to PKR 6,790 million, PKR (1,918.92) million and PKR (2,703.28) million respectively
7	Average borrowing cost of the investing company or in case of absence of borrowing the Karachi Inter Bank Offered Rate for the relevant period	Average borrowing cost of the investing Company ranges from 1 month KIBOR + 0.5% to 1.0%, 3 month KIBOR + 0.50% to 1.5% per annum in 2023 - 2024.
8	Rate of interest, mark up, profit, fees or commission etc. to be charged	Higher than the Companys' prevalent average borrowing cost.
9	Sources of funds from where loans or advances will be given	From Company's own available liquidity and credit lines
10	Where loans or advances are being granted using borrowed funds (i) Justification for granting loan or advance out of borrowed funds (ii) Detail of guarantees / assets pledged for obtaining such funds, if any (iii) Repayment schedules of borrowing of the investing company	To support the functionality, operations and growth of the associate. Pledge of listed securities and / or charge over assets of the Company, if and where needed. Obtained facilities have different maturity dates upto September 30, 2024.
11	Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any	Will be decided with mutual consent at the time of extending the loan.
12	If the loans or advances carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable	Not Applicable
13	Repayment schedule and terms of loans or advances to be given to the investee company	Above facilities will be in the nature of running finance for a period of one year and shall berenewable in next general meeting for further period of one year.
14	Salient features of all agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment	Not Applicable
15	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Directors of the Company have no interest in the investee Company except in their capacity as Sponsor / Director / Shareholder of Investee Company.
16	Any other important details necessary for the members to understand the transaction	Not Applicable

S.No.	Description	Information
17	In case of investment in a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information is required, namely	
(i)	A description of the project and its history since conceptualization	Not Applicable
(ii)	Start date and expected date of completion	Not Applicable
(iii)	Time by which such project shall become commercially operational	Not Applicable
(iv)	Expected return on total capital employed in the project	Not Applicable
(v)	Funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts	Not Applicable

#### 4. LOANS AND ADVANCES

S.No.	Description	Information
1	Name of the associated company or associated undertaking along with criteria based on which the associated relationship is established	<b>AISHA STEEL MILLS LIMITED</b> An associated undertaking due to investment by the holding Company
2	Amount of loans or advances	Previously sanctioned unutilized limit of PKR 1,000 million is requested for renewal. Above facilities will be in the nature of running finance and corporate guarantee for a period of one year and shall be renewable in next general meeting for further period of one year.
3	Purpose of loans or advances and benefits likely to accrue to the investing company and its members from such loans or advances	To support the functionality, operations and growth of the associate.
4	In case any loan has already been granted to the said associated company or associated undertaking, the complete details thereof	The markup on facility shall be 1 months KIBOR + 2% per annum. Markup is payable on Quarterly basis. The loan is repayable within 30 business days of notice of demand. The markup rate may be increased / reduced if borrowing cost of the Company is increased.
5	In case an investment in associated company has already been made, the performance review of such investment including complete information / justification for any impairments / write-offs	During 2023-24, no loan was extended to the associate.
6	Financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements	Total Equity, Total assets and total liability amounting to PKR 15,707 million, PKR 40,597 million and PKR 24,890 million respectively. Gross profit, Loss before tax and Loss after tax amounting to PKR 3,830 million, PKR (813.29) million and PKR (132.47) million respectively
7	Average borrowing cost of the investing company or in case of absence of borrowing the Karachi Inter Bank Offered Rate for the relevant period	Average borrowing cost of the investing Company ranges from 1 month KIBOR + 0.5% to 1.0%, 3 month KIBOR + 0.50% to 1.5% per annum in 2023 - 2024.
8	Rate of interest, mark up, profit, fees or commission etc. to be charged	Higher than the Companys' prevalent average borrowing cost.

S.No.	Description	Information
9	Sources of funds from where loans or advances will be given	From Company's own available liquidity and credit lines
10	Where loans or advances are being granted using borrowed funds	To support the functionality, operations and growth of the associate. Pledge of listed securities and / or charge over assets of the Company, if and where needed. Obtained facilities have different maturity dates upto September 30, 2024.
(i)	Justification for granting loan or advance out of borrowed funds	
(ii)	Detail of guarantees / assets pledged for obtaining such funds, if any	
(iii)	Repayment schedules of borrowing of the investing company	
11	Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any	Will be decided with mutual consent at the time of extending the loan.
12	If the loans or advances carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable	Not Applicable
13	Repayment schedule and terms of loans or advances to be given to the investee company	Above facilities will be in the nature of running finance for a period of one year and shall be renewable in next general meeting for further period of one year.
14	Salient features of all agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment	Not Applicable
15	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Directors of the Company have no interest in the investee Company except in their capacity as Sponsor / Director / Shareholder of Investee Company.
16	Any other important details necessary for the members to understand the transaction	Not Applicable
17	In case of investment in a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information is required, namely	Not Applicable
(i)	A description of the project and its history since conceptualization	
(ii)	Start date and expected date of completion	
(iii)	Time by which such project shall become commercially operational	
(iv)	Expected return on total capital employed in the project	
(v)	Funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts	Not Applicable

## 5. LOANS AND ADVANCES

S.No.	Description	Information
1	Name of the associated company or associated undertaking along with criteria based on which the associated relationship is established	<b>JAVEDAN CORPORATION LIMITED</b> An associated undertaking due to investment by the holding Company
2	Amount of loans or advances	Previously sanctioned limit of PKR 1,000 million is requested for renewal. Above facilities will be in the nature of running finance and corporate guarantee for a period of one year and shall be renewable in next general meeting for further period of one year.
3	Purpose of loans or advances and benefits likely to accrue to the investing company and its members from such loans or advances	To support the functionality , operations and growth of the associate.
4	In case any loan has already been granted to the said associated company or associated undertaking, the complete details thereof	During 2023-24, no loan was extended to the associate.
5	In case an investment in associated company has already been made, the performance review of such investment including complete information / justification for any impairments / write-offs	During 2023-24, no loan was extended to the associate.
6	Financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements	Total Equity, Total assets and total liability amounting to PKR 25,339 million, PKR 40,314 million and PKR 14,974 million respectively. Gross profit, Profit before tax and Profit after tax amounting to PKR 2,507 million, PKR 2,148 million and PKR 1,704 million respectively
7	Average borrowing cost of the investing company or in case of absence of borrowing the Karachi Inter Bank Offered Rate for the relevant period	Average borrowing cost of the investing Company ranges from 1 month KIBOR + 0.5% to 1.0%, 3 month KIBOR + 0.50% to 1.5% per annum in 2023 - 2024.
8	Rate of interest, mark up, profit, fees or commission etc. to be charged	Higher than the Companys' prevalent average borrowing cost.
9	Sources of funds from where loans or advances will be given	From Company's own available liquidity and credit lines
10	Where loans or advances are being granted using borrowed funds (i) Justification for granting loan or advance out of borrowed funds (ii) Detail of guarantees / assets pledged for obtaining such funds, if any (iii) Repayment schedules of borrowing of the investing company	To support the functionality, operations and growth of the associate. Pledge of listed securities and / or charge over assets of the Company, if and where needed. Obtained facilities have different maturity dates upto September 30, 2024.
11	Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any	Will be decided with mutual consent at the time of extending the loan.

S.No.	Description	Information
12	If the loans or advances carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable	Not Applicable
13	Repayment schedule and terms of loans or advances to be given to the investee company	Above facilities will be in the nature of running finance for a period of one year and shall be renewable in next general meeting for further period of one year.
14	Salient features of all agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment	Not Applicable
15	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Directors of the Company have no interest in the investee Company except in their capacity as Sponsor / Director / Shareholder of Investee Company.
16	Any other important details necessary for the members to understand the transaction	Not Applicable
17	In case of investment in a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information is required, namely	
(i)	A description of the project and its history since conceptualization	Not Applicable
(ii)	Start date and expected date of completion	Not Applicable
(iii)	Time by which such project shall become commercially operational	Not Applicable
(iv)	Expected return on total capital employed in the project	Not Applicable
(v)	Funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts	Not Applicable

# STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

## ANNEXURE - C

### Investments in Associated Companies & Associated Undertakings

The Board of Directors of the Company ("AHL") has approved the specific limits for the investments in the form of equity and loans/ advances/guarantees along with other particulars for investments in the REIT Schemes under management of Arif Habib Dolmen REIT Management Limited, subject to the consent of members under Section 199 of the Companies Act, 2017 / Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017. The Board of Directors do hereby undertake / certify that necessary due diligence for the following existing / proposed investment has been carried out. The principle purpose of this special resolution is to make the Company in a ready position to capitalize on the investment opportunities as and when they arrive. It is prudent that the Company should be able to make the investment at the right time when the opportunity is available, and the limit shall be valid till the holding of next annual general meeting or for a longer period (as applicable), with the option of renewal thereon

Investment in any form / nature including equity, loans, advances, running finance, guarantee, indemnity, pledge of shares etc.

#### A - Disclosures for all types of investments :

Ref. No.	Requirement	Information
I	Name of associated company or associated undertaking	Existing and proposed REIT Schemes which are under the management of Arif Habib Dolmen REIT Management Limited ("AHDRML"). This approval is being sought for the sake of good corporate governance to enable the Company to be in ready position to capitalise on investment opportunities as and when available. For detail refer Annexure D-1
II	Basis of relationship	AHDRML is an associated undertaking due to common directorship of Holding Company.
III	Earnings per share for the last three years	Disclosed in Annexure D-1
IV	Break-up value of share, based on the latest audited financial statements	Disclosed in Annexure D-1
V	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	Disclosed in Annexure D-1
VI	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely: 1. description of the project and its history since conceptualization; 2. starting date and expected date of completion of work; 3. time by which such project shall become commercially operational; 4. expected time by which the project shall start paying return on investment; and 5. funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;	Various existing / proposed funds under management of AHDRML are launched or are in pipeline under different stages of launching. These include Silk Islamic Developmental REIT, Pakistan Corporate CBD REIT, Globe Residency REIT, Silk World Islamic REIT, Sapphire Bay Islamic Development REIT, Naya Nazimabad Apartments REIT, Rahat Residency REIT, Gymkhana Apartment REIT, Signature Residency REIT, Parkview Apartment REIT Meezan Center REIT and Dolmen City REIT.  This consolidated approval is being sought for all the REITS. Relevant details where applicable are disclosed in Annexure D-1. Any other REITS that may be launched under the management of AHDRML for which required information is not presently available.

Ref. No.	Requirement	Information
VII	Maximum amount of investment to be made	Fresh limit of PKR 3 billion for all type of investments is requested for approval. This limit to be utilized in any form / nature of investment including equity, loans, advances, running finance, guarantee, indemnity, pledge of shares etc. for which specific approval is sought by members in this general meeting.
VIII	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	For the benefit of the Company and to earn better returns in the long run on strategic investment. Approval of limits for investments made in the nature of equity and loans shall be exhausted to the extent of investments made therein, while investments made in the nature of running finance, guarantees etc and the remaining unutilised amount shall remain available for renewal in next general meetings for all types of investments.
IX	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds 1. Justification for investment through borrowing 2. Detail of collateral, guarantees provided and assets pledged for obtaining such funds 3. Cost benefit analysis	The investment may be made from Company's own available liquidity and/or credit lines. 1. Higher rate of return 2. Pledge of listed securities and / or charge over assets of the Company, if and where needed. 3. Company expects to time the investment to earn return over and above the borrowing cost.
X	Salient feature of agreement(s), if any, with associated company or associated undertaking with regards to proposed investment	Arrangements to the extent they made are disclosed in Annexure D-1. Further agreements shall be made at the time of investment, where required.
XI	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Directors of the company have no interest in the investee company except in their capacity as sponsor / director / shareholder of AHDRML and / or REIT schemes under its management
XII	In case an investment in associated company has already been made, the performance review of such investment including complete information / justification for any impairments / write-offs	Disclosed in Annexure D-1
XIII	Any other important details necessary for the members to understand the transaction	Disclosed in Annexure D-1

**B - Disclosures relating to proposed equity investments :**

Ref. No.	Requirement	Information
XIV	Maximum price at which securities will be acquired	At par / premium / offered / negotiated price prevailing on the date of transaction / investment.
XV	In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	Not Applicable
XVI	Maximum number of securities to be acquired	No. of securities purchasable under approved limit in accordance with / based on Sr. Nos. VII & XIV

Ref. No.	Requirement	Information
XVII	Number of securities and percentage thereof held before and after the proposed investment	Number of securities already held are disclosed in Annexure D-1. Post investment unitholding is dependent upon the actual investment to be made in accordance with approved limit, and divestments (if any)
XVIII	Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and	Disclosed in Annexure D-1, where applicable
XIX	Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities	Not applicable

C - Disclosures relating to proposed investments in the form of loans, advances and guarantees etc. :

Ref. No.	Requirement	Information
XX	Category-wise amount of investment	As disclosed in Sr. VII above
XXI	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period	Existing average borrowing cost ranges from 1 month KIBOR + 0.5% to 1.0%, 3 month KIBOR + 0.50% to 1.5% per annum.
XXII	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company	At the time of making the investment or entering into any arrangement, it will be ensured that the rate to be charged by the Company shall be in line with Section 199 of the Companies Act, 2017 and the guidelines provided in the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.
XXIII	Particulars of collateral or security to be obtained in relation to the proposed investment	Shall be decided on case to case basis. Being investments made in a group company, requirement of collateral may be relaxed or waived as well.
XXIV	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable	In case of a loan or advance to any REIT Scheme, the Management will negotiate in the best interest of the Company and decide on conversion feature, if any, at the time of making the investment or entering into any arrangement in this regard.
XXV	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking	Facilities to be extended in the nature of Running Finance Facility / Advance shall be for a period of one year and renewable in next general meeting for further period(s) of one year(s). Facilities to be extended in the nature of Long-term Loan shall be for a period as agreed at the time of disbursement.

## ANNEXURE - C-1

Particulars	GLOBE RESIDENCY REIT	SIGNATURE RESIDENCY REIT	NAYA NAZIMABAD APARTMENT REIT	RAHAT RESIDENCY REIT
	Audited 2024	Audited 2024	Audited 2023	Audited 2024
AHL not invested yet in these Schemes				
<b>III. Earnings per share for the last three years</b>				
Year 2024:	1.80	(0.51)	Audit is in progress	(0.40)
Year 2023:	1.94	-	(0.16)	(0.84)
Year 2022:	2.45	Not applicable	Not applicable	Not applicable
Year 2021:	Not applicable	Not applicable	Not applicable	Not applicable
Year 2020:	Not applicable	Not applicable	Not applicable	Not applicable
<b>IV. Break-up value of share, based on the latest audited financial statements</b>				
Unit issued	12.05	9.12	9.84	8.76
	140,000,000	33,000,000	293,750,000	50,000,000
<b>V. Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements</b>				
Non-current assets	21,399,000	22,278,000	-	12,011,000
Current assets	4,768,568,000	1,507,463,000	5,863,981,000	2,410,787,000
Equity	1,687,405,000	300,950,000	2,891,230,000	437,942,000
Non-current liabilities	1,216,666,000	396,000,000	-	500,000,000
Current liabilities	1,885,896,000	832,791,000	2,972,751,000	1,484,856,000
Operating Revenue	307,647,000	-	-	-
Profit before Tax	265,480,000	(16,697,000)	(46,270,000)	(20,205,000)
Profit after Tax	251,915,000	(16,697,000)	(46,270,000)	(20,205,000)
<b>VI. In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely:</b>				
1. description of the project and its history since conceptualization;	1. GRR was established for construction of 9 Towers on 5 FL Sites located in Naya Nazimabad, Karachi. The project was launched in November 2021, and was transferred to REIT during March 2022. On December 28, 2022, GRR was listed on PSX.	1. SRR was established for construction of 2 Towers on 2 FL Sites located in Naya Nazimabad. The project was launched in January 2023 and was transferred to REIT in March 23.	1. The NNAR was established with the objective of construction of the acquired property to sell apartments under the project named "NAYA NAZIMABAD APARTMENT" (the Project), in the vicinity of Naya Nazimabad, Karachi, for generating income for Unit Holders.	1. RRR was established for the construction of Residential Apartments and commercial units on 5 FL Sites located in Naya Nazimabad, Karachi under the project named 'Rahat Residency and Rahat Residency II.
2. starting date and expected date of completion of work;	2. Construction of the project started in November 2021 and is expected to be completed in November 2025.	2. Construction of the project started in January 2023 and is expected to be completed in December 2026.	2&3. The Trust Deed of the REIT was registered on June 24, 2022 whereas SECP granted its approval granted on 03 August 2022. The Scheme has an indicative life of 7 years.	2 & 3. The Trust Deed was registered on 24 June 2022 and SECP approval was granted on 03 August 2022. The Scheme has an indicative life of 5 years. Sales of and construction on 2 FL Sites has started and it is expected to be completed in 5 Years.
3. time by which such project shall become commercially operational;	3. The project is commercially operational; construction and sales are progressing.	3. The project is commercially operational. Construction and sales are under full flow.	4. At least 4 years from the date of registration of NNAR is expected to pay return on investment	4. RRR is expected to start paying returns on investment in approximately 3 years.
4. expected time by which the project shall start paying return on investment; and	4. GRR announced its first dividend on September 15, 2023.	4. SRR is expected to start paying returns in 2 years.	5. In addition to AHL, other associated companies namely Arif Habib Corporation Limited and Javedan Corporation Limited have also invested in the units of NNAR.	5. Arif Habib Corporation Limited has invested has invested Rs 1.62 billion in the form of real estate against which Rs 500 million has been paid against units and the remaining will be paid in cash.
5. funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;	5. Arif Habib Corporation Limited and Javedan Corporation Limited have also invested in the units of GRR.	5. Javedan Corporation Limited have and Arif Habib Corporation Limited invested in the units of SSR.		
<b>X. Salient feature of agreement(s), if any, with associated company or associated undertaking with regards to proposed investment</b>				
Salient Feature of Agreement	None	None	None	None
<b>XVII. Number of securities and percentage thereof held before and after the proposed investment</b>				
No of unit hold	None	None	None	None
* Advances from unit holders were received and no units were issued against such subscription money.				
<b>XVIII. Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and</b>				
Weighted average market price	Rs. 10.77	Not applicable	Not applicable	Not applicable

Particulars	SILK ISLAMIC DEVELOPMENT REIT	PAKISTAN CORPORATE CBD REIT	PARKVIEW APARTMENT REIT	GYMKHANA APARTMENT REIT
	Audited 2022	Audited 2024	Audited 2024	Audited 2023
AHL not invested yet in these Schemes				
<b>III. Earnings per share for the last three years</b>				
Year 2024:	Audit is in progress	As of June 30, 2024, Nil units were issued	(0.17)	Audit is in progress
Year 2023:	Audit is in progress	As of June 30, 2023, Nil units were issued	Not applicable	Not applicable
Year 2022:	(0.02)	-	Not applicable	Not applicable
Year 2021:	Not applicable	Not applicable	Not applicable	Not applicable
Year 2020:	Not applicable	Not applicable	Not applicable	Not applicable
<b>IV. Break-up value of share, based on the latest audited financial statements</b>				
Unit issued	9.98	N/A	9.83	Not applicable
Unit issued	300,000,000	-	215,686,647	Not applicable
<b>V. Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements</b>				
Non-current assets	-	-	100,000	Not applicable
Current assets	4,104,947,000	7,198,366,000	2,314,594,000	
Equity	2,995,393,000	7,163,273,000	2,119,632,000	
Non-current liabilities	1,000,000,000	-	-	
Current liabilities	109,554,000	35,093,000	195,062,000	
Operating Revenue	-	-	-	
Profit before Tax	(4,607,000)	23,632,000	(37,234,000)	
Profit after Tax	(4,607,000)	16,779,000	(37,234,000)	
<b>VI. In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely:</b>				
1. description of the project and its history since conceptualization;	1. SIDR was created for investing in undeveloped land in Karachi with the objective of upliftment of the area and development of real estate including construction and sale of residential apartment and commercial units. The SIDR project is spread over 60 acres of commercial real estate situated at Deh Jam Chakro, Surjani, Karachi, and is adjacent to Saima Arabian Villas, accessible directly from Shahrah-e Usman /Hub Dam link road (Abdullah Chowrang). SIDR has acquired land from Silk Bank Limited and World Group.	1. PCCR has been established for investing in / acquiring commercial immovable property measuring 23.2544 Kanals located in the Central Business District of Lahore. The purpose is to develop the Real Estate for mixed-use development, to generate income for the Unit Holders, through sale of saleable area, including commercial retail units, offices, and residential apartments to the Customers and disposal of all other REIT Assets.  2 & 3. The Trust Deed of PCCR was registered on 29th October 2021 whereas SECP granted its approval granted on 22nd December 2021. Total completion time for the whole project is estimated / targeted at 7 years;	1. PAR was established for acquisition of real estate land parcel (FL-01 and FL-02) admeasuring 23,049 square yards in Naya Nazimabad, Karachi, with the objective of construction of the acquired Real Estate into Apartments; for generating income for Unit Holders, through sale and/or renting of the end product to the customers and disposal of all other REIT Assets  2 & 3. The Trust Deed was registered on 20 June 2023 and SECP approval is awaited. PAR has an indicative life of 7 years.  4. PAR is expected to start paying returns on investment in approximately 4 years from the date of commencement of work of its project.	1. GAR was established for acquisition of real estate land parcels (Com-42, Com-43, Com-44, Com-47, Com-48, Com-49, Com-50, Com-51, Com-52, Com-53, Com-54, Com-55, and Com-56) admeasuring 29,818 square yards in Naya Nazimabad, Karachi, with the objective of construction of the acquired Real Estate into Apartments and Retail Units (referred as 'End Product') ; for generating income for Unit Holders, through sale and/or renting of the End Product to the Customers and disposal of all other REIT Assets  2 & 3. The Trust Deed was registered on 20 June 2023 and SECP approval is pending. GAR has an indicative life of 7 years.  4. GAR is expected to start paying returns on investment in approximately 4 years from the date of commencement of work of its project.
2. starting date and expected date of completion of work;	2 & 3. SIDR's Trust Deed was registered on July 08, 2021, whereas SECP granted its approval granted on June 30, 2021. Total completion time for the whole project is estimated at 10 years;	4. PCCR is expected to start paying returns on investment in approximately 4 years from the date of registration ; and	5. Javedan Corporation Limited, an associated undertaking has invested Rs. 2.3 billion in the form of real estate.	5. Javedan Corporation Limited, an associated undertaking has invested Rs. 3.72 billion in the form of real estate.
3. time by which such project shall become commercially operational;	4. At least 5 years from the date of registration of SIDR is expected to pay return on investment; and	5. In addition to AHCL, another associated company Fatima Fertilizer Limited has also invested in the units of PCCR.		
4. expected time by which the project shall start paying return on investment; and	5. Arif Habib Corporation Limited, an associated company has invested Rs 600 million in units of SIDR.			
5. funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;				
<b>X. Salient feature of agreement(s), if any, with associated company or associated undertaking with regards to proposed investment</b>				
Salient Feature of Agreement	None	None	None	None
<b>XVII. Number of securities and percentage thereof held before and after the proposed investment</b>				
No of unit hold	None	None	None	None
* Advances from unit holders were received and no units were issued against such subscription money.				
<b>XVIII. Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and</b>				
Weighted average market price	Not applicable	Not applicable	Not applicable	Not applicable

Particulars	DOLMEN CITY REIT	SILK WORLD ISLAMIC REIT	SAPPHIRE BAY ISLAMIC DEVELOPMENT REIT	MEEZAN CENTRE REIT (MCR)
	Audited 2024	Audited 2024	Audited 2024	Audited 2024
AHL not invested yet in these Schemes				
<b>III. Earnings per share for the last three years</b>				
Year 2024:	3.66	(0.24)	1.19	8.21
Year 2023:	4.18	(0.49)	-	Not applicable
Year 2022:	4.39	(0.16)	Audit is in progress	Not applicable
Year 2021:	3.87	Not applicable	Not applicable	Not applicable
Year 2020:	3.65	Not applicable	Not applicable	Not applicable
<b>IV. Break-up value of share, based on the latest audited financial statements</b>				
Unit issued	32.91	9.11	10.61	10.15
	2,223,700,000	591,003,205	621,389,879	130,385,356
<b>V. Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements</b>				
Non-current assets	71,671,881,000	-	-	100,000
Current assets	2,383,088,000	6,055,030,000	9,722,681,000	1,515,486,000
Equity	73,189,002,000	5,382,737,000	7,112,876,000	1,323,780,000
Non-current liabilities	-	-	989,965,000	-
Current liabilities	865,967,000	672,293,000	1,619,840,000	191,806,000
Operating Revenue	4,348,045,000	-	-	-
Profit before Tax	8,140,055,000	(142,499,000)	287,059,000	1,069,927,000
Profit after Tax	8,140,055,000	(142,499,000)	287,059,000	1,069,927,000
<b>VI. In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely:</b>				
1. description of the project and its history since conceptualization;	Not applicable, Dolmen City REIT's project is already operational	1. SWIR was created for investment in undeveloped land in Karachi with the objective of upliftment of the area and development of real estate including construction and sale of residential apartment and commercial units. SWIR project is spread over 86.45 acres commercial real estate situated at Deh Jam Chakro, Surjani, Karachi, and is adjacent to Saima Arabian Villas, accessible directly from Shahrah-e Usman / Hub Dam link road (Abdullah Chowrang). SWIR has acquired land from Silk Bank Limited and World Group.	1. SBIDR is a PPP-REIT Scheme established to undertake the Public Private Partnership Project i.e. the Ravi Riverfront City, Zone 3 Sapphire Bay project, involving development of the Real Estate on a design, build, develop, operate, finance and transfer (DBDFOT) mode, as per the terms of the PPP Agreement with the objective of development of residential and commercial plots for generating income for Unit Holders, through lease of the end product to its customers and disposal of all other REIT Assets.	1. MCR was established for acquisition of Com-103, Com-12, Com-46, B-26, B-27, and B-28. The Plots will be used for construction and sale purposes.
2. starting date and expected date of completion of work;		2 & 3. The Trust Deed was registered on 26 August 2021 and SECP approval was granted on 27 September 2022, SWIR has an indicative life of 8 years.	2 & 3. SBIDR's trust deed was registered on 24 December 2021, whereas SECP granted its approval granted on 12 January 2022. Total completion time for the whole project is estimated / targeted at 10 years;	2 & 3. The Trust Deed of the Scheme was registered on 20 June 2023. The Scheme is a limited life (7 years). Closed-end, Shariah Compliant, Developmental REIT.
3. time by which such project shall become commercially operational;		4. SWIR is expected to start paying returns on investment approximately 2 years after commencement of operations.	4. SBIDR is expected to start paying returns on investment in approximately 4 years from the date of commencement ; and	4. SRR is expected to start paying returns in 2 years.
4. expected time by which the project shall start paying return on investment; and		5. None	5. Associated companies namely Javedan Corporation Limited and Fatima Fertilizer Limited has invested in the units of SBIDR.	5. Associated companies namely Arif Habib Equity (Private) Limited has invested in the units of MCR.
5. funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;				
<b>X. Salient feature of agreement(s), if any, with associated company or associated undertaking with regards to proposed investment</b>				
Salient Feature of Agreement	None	None	None	None
<b>XVII. Number of securities and percentage thereof held before and after the proposed investment</b>				
No of unit hold	None	None	None	None
* Advances from unit holders were received and no units were issued against such subscription money.				
<b>XVIII. Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and</b>				
Weighted average market price	Rs. 13.74	Not applicable	Not applicable	Not applicable

# STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT 2017

## ANNEXURE - D

Statement under Section 134(3) of the Companies Act, 2017, in compliance with Regulation 4(2) of Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012, for decision to make investment under the authority of a resolution passed earlier pursuant to provisions of section 208 of the Companies Ordinance, 1984 (repealed) is not implemented either fully or partially:

The Company in its previous general meetings had sought approvals under section 208 of the Companies Ordinance, 1984 (repealed) for investments in the following Associated Companies and Associated Undertakings in which investment has not been made so far, either fully or partially. Approval of renewal of unutilised portion of equity investments and sanctioned limit of loans and advances is also hereby sought for the companies, in which directors of the company have no interest except in their capacity as director/shareholder, as per following details :

1. Name of associated company / undertaking : **Arif Habib Corporation Limited**

S.No.	Description	Investment in Securities		Loans, Advances & Corporate Guarantees	
		2024	2023	2024	2023
(a)	total investment approved;	-	-	1,500,000,000	-
(b)	amount of investment made to date;	-	-	-	-
(c)	reasons for not having made complete investment so far where resolution required it to be implemented in specified time; and			Facility is in the nature of Running Finance to be availed as and when needed in the interest of the shareholders	
(d)	material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company :	2024	2023	2024	2023
i	Loss / Earnings per share - basic & diluted	22.36	(2.38)	22.36	(2.38)
ii	Net Profit / (Loss)	9,430,597,505	(972,360,544)	9,430,597,505	(972,360,544)
iii	Shareholders Equity	34,069,438,786	20,469,173,995	34,069,438,786	20,469,173,995
iv	Total Assets	38,304,031,598	23,814,057,751	38,304,031,598	23,814,057,751
v	Break-up value	80.79	50.12	80.79	50.12
	<b>RENEWAL IN PREVIOUS LIMITS REQUESTED FOR PORTION I.E. :</b>	<b>Unutilised</b>	<b>-</b>	<b>Sanctioned</b>	<b>1,500,000,000</b>

2. Name of associated company / undertaking : **Safe Mix Concrete Products Limited**

S.No.	Description	Investment in Securities		Loans, Advances & Corporate Guarantees	
(a)	total investment approved;	250,000,000		250,000,000	
(b)	amount of investment made to date;	94,300,696		-	
(c)	reasons for not having made complete investment so far where resolution required it to be implemented in specified time; and	Waiting for an appropriate time in the interest of the shareholders for complete utilisation		Facility is in the nature of running finance and availed as and when needed in the interest of the shareholders	
(d)	material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company :	2024	2023	2024	2023
i	Earnings per share	4.46	5.33	4.46	5.33
ii	Net Profit	111,605,625	133,370,457	111,605,625	133,370,457
iii	Shareholders Equity	382,393,629	274,294,662	382,393,629	274,294,662
iv	Total Assets	805,627,771	744,983,048	805,627,771	744,983,048
v	Break-up value	15.30	10.97	15.30	10.97
	<b>RENEWAL IN PREVIOUS LIMITS REQUESTED FOR PORTION I.E. :</b>	<b>Unutilised</b>	<b>155,699,304</b>	<b>Sanctioned</b>	<b>250,000,000</b>

3. Name of associated company / undertaking : **Power Cement Limited**

S.No.	Description	Investment in Securities		Loans, Advances & Corporate Guarantees	
(a)	total investment approved;	1,107,000,000		1,000,000,000	
(b)	amount of investment made to date;	237,291,815		-	
(c)	reasons for not having made complete investment so far where resolution required it to be implemented in specified time; and	Waiting for an appropriate time in the interest of the shareholders for complete utilisation		Facility is in the nature of running finance and availed as and when needed in the interest of the shareholders	
(d)	material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company :	FY2024	FY2023	FY2024	FY2023
i	Loss per share	(2.88)	(0.19)	(2.88)	(0.19)
ii	Net Profit / (Loss)	(2,703,284,000)	168,993,000	(2,703,284,000)	168,993,000
iii	Shareholders Equity	19,419,121,000	17,568,027,000	19,419,121,000	17,568,027,000
iv	Total Assets	48,530,623,000	48,530,623,000	48,530,623,000	48,530,623,000
v	Break-up value	5.85	8.01	5.85	8.01
	<b>RENEWAL IN PREVIOUS LIMITS REQUESTED FOR PORTION I.E. :</b>	<b>Unutilised</b>	<b>869,708,185</b>	<b>Sanctioned</b>	<b>1,000,000,000</b>

4. Name of associated company / undertaking : [Aisha Steel Mills Limited](#)

S.No.	Description	Investment in Securities		Loans, Advances & Corporate Guarantees	
(a)	total investment approved;	1,000,000,000		1,000,000,000	
(b)	amount of investment made to date;	410,630,156		-	
(c)	reasons for not having made complete investment so far where resolution required it to be implemented in specified time; and	Waiting for an appropriate time in the interest of the shareholders for complete utilisation		Facility is in the nature of running finance and availed as and when needed in the interest of the shareholders	
(d)	material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company:	FY2024	FY2023	FY2024	FY2023
i	(Loss) / Earnings per share - Basic	(0.26)	(3.56)	(0.26)	(3.56)
ii	Net Profit / (Loss)	(132,470,000)	(3,215,653,000)	(132,470,000)	(3,215,653,000)
iii	Shareholders Equity	15,706,978,000	15,691,715,000	15,706,978,000	15,691,715,000
iv	Total Assets	40,597,158,000	38,046,164,000	40,597,158,000	38,046,164,000
v	Break-up value	12.01	12.00	12.01	12.00
	<b>RENEWAL IN PREVIOUS LIMITS REQUESTED FOR PORTION I.E. :</b>	<b>Unutilised</b>	<b>589,369,844</b>	<b>Sanctioned</b>	<b>1,000,000,000</b>

5. Name of associated company / undertaking : [Javedan Corporation Limited](#)

S.No.	Description	Investment in Securities		Loans, Advances & Corporate Guarantees	
(a)	total investment approved;	1,000,000,000		1,000,000,000	
(b)	amount of investment made to date;	412,117,240		-	
(c)	reasons for not having made complete investment so far where resolution required it to be implemented in specified time; and	Waiting for an appropriate time in the interest of the shareholders for complete utilisation		Facility is in the nature of running finance and availed as and when needed in the interest of the shareholders	
(d)	material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company :	FY2024	FY2023	FY2024	FY2023
i	Earnings per share - Basic	4.47	17.07	4.47	17.07
ii	Net Profit	1,703,627,000	6,741,951,000	1,703,627,000	6,741,951,000
iii	Shareholders Equity	25,339,236,000	25,921,679,000	25,339,236,000	25,921,679,000
iv	Total Assets	40,313,731,000	42,883,146,000	40,313,731,000	42,883,146,000
v	Break-up value	66.53	68.06	66.53	68.06
	<b>RENEWAL IN PREVIOUS LIMITS REQUESTED FOR PORTION I.E. :</b>	<b>Unutilised</b>	<b>587,882,760</b>	<b>Sanctioned</b>	<b>1,000,000,000</b>

6. Name of associated company / undertaking : [REIT Schemes under management of Arif Habib Dolmen REIT Management Limited \(AHDRML\)](#)

S.No.	Description	Investment in Securities	Loans, Advances & Corporate Guarantees
(a)	total investment approved;	*See below	*See below
(b)	amount of investment made to date;		
(c)	reasons for not having made complete investment so far where resolution required it to be implemented in specified time; and	Waiting for an appropriate time in the interest of the shareholders for complete utilisation	
(d)	material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company :	<a href="#">Details relating to existing REIT Schemes under management is disclosed in Annexure D-1</a>	
i	Earnings per unit	<a href="#">Details relating to existing REIT Schemes under management is disclosed in Annexure D-1</a>	
ii	Net Profit		
iii	Total unitholders fund		
iv	Total Assets		
v	Net Asset Value per share		
	<a href="#">RENEWAL IN PREVIOUS LIMITS REQUESTED FOR PORTION I.E. :</a>	Approval of limits for investments made in the nature of equity and loans shall be exhausted to the extent of investments made therein, while investments made in the nature of running finance, guarantees etc and the remaining unutilised amount shall remain available for renewal in next general meetings for all types of investments.	

# PATTERN OF SHAREHOLDING REPORT

As of June 30, 2024

Categories of Shareholders	Shareholders	Shares Held	Percentage
<b>Directors, Chief Executive Director and their spouse(s) and minor children</b>			
MUHAMMAD HAROON	1	1,712	0.00
SHARMIN SHAHID	1	1,208	0.00
MOHSIN MADNI	1	550	0.00
MUHAMMAD SHAHID ALI	1	965	0.00
ZAFAR ALAM	1	75,000	0.11
MUHAMMAD SOHAIL SALAT	1	660	0.00
SYED MUHAMMAD MANZOOR RAZA	1	1	0.00
<b>Associated Companies, undertakings and related parties</b>			
	3	47,649,730	72.93
<b>NIT &amp; ICP</b>			
	-	-	-
<b>Banks Development Financial Institutions, Non Banking Financial Institutions.</b>			
	1	59	0.00
<b>Insurance Companies</b>			
	-	-	-
<b>Modarabas and Mutual Funds</b>			
	2	319,500	0.49
<b>General Public</b>			
a. Local	2,992	16,576,478	25.37
b. Foreign	29	86,672	0.13
<b>Foreign Companies</b>			
	-	-	-
<b>Others</b>			
	31	627,465	0.96
<b>Totals</b>	<b>3,065</b>	<b>65,340,000</b>	<b>100.00</b>

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

# CATEGORIES OF SHAREHOLDERS

As of June 30, 2024

Categories of Shareholders	Shareholdings' Slab		Total Shares Held
715	1	To 100	16,559
541	101	To 500	144,566
356	501	To 1000	264,671
979	1001	To 5000	2,174,556
202	5001	To 10000	1,493,215
83	10001	To 15000	1,026,648
53	15001	To 20000	933,687
28	20001	To 25000	640,276
17	25001	To 30000	475,925
13	30001	To 35000	419,647
15	35001	To 40000	574,178
5	40001	To 45000	213,300
11	45001	To 50000	533,238
7	50001	To 55000	377,300
7	55001	To 60000	405,646
2	60001	To 65000	124,350
2	65001	To 70000	137,000
2	70001	To 75000	148,940
1	75001	To 80000	80,000
1	80001	To 85000	81,850
1	90001	To 95000	93,940
1	95001	To 100000	100,000
2	125001	To 130000	255,500
1	130001	To 135000	132,000
1	135001	To 140000	138,600
1	145001	To 150000	150,000
1	155001	To 160000	157,202
2	160001	To 165000	328,604
1	165001	To 170000	167,300
1	190001	To 195000	191,000
1	200001	To 205000	204,800
2	215001	To 220000	436,500
1	220001	To 225000	224,950
1	290001	To 295000	292,500
1	325001	To 330000	330,000
1	380001	To 385000	382,500
1	455001	To 460000	457,274
1	500001	To 505000	501,800
1	545001	To 550000	550,000
1	1340001	To 1345000	1,343,522
1	2330001	To 2335000	2,331,456
1	46300001	To 46305000	46,305,000
<b>3065</b>			<b>65,340,000</b>

آگے دیکھتے ہوئے، انتظامیہ نئی ایکویٹی اور قرض کی فہرستوں، انضمام اور حصول، نجی طور پر رکھے گئے TFCs اور سکوک کے ساتھ ساتھ حقوق کے مسائل کے ذریعے ایکویٹی بڑھانے کے لیے مشاورتی اور انڈر رائٹنگ سروسز کے ذریعے چلنے والی سرگرمیوں میں اضافے کی توقع کرتی ہے۔ ہمارا انویسٹمنٹ بینکنگ ڈویژن ان مواقع سے فائدہ اٹھانے کے لیے پوری طرح تیار ہے، اپنی مہارت اور وسائل کو غیر معمولی نتائج فراہم کرنے کے لیے استعمال کر رہا ہے۔

مزید برآں، AHL کے الگ ہونے سے کمپنی کے منافع کو مستحکم کرنے، سرمایہ کاری کے پورٹ فولیو کی مارکیٹ کے اتار چڑھاؤ کو کم کر کے اس کے رسک پروفائٹل کو بہتر بنانے، اور انتظامیہ کو بنیادی کاروباری سرگرمیوں پر اپنی توجہ کو تیز کرنے کی اجازت دینے کا امکان ہے۔

جیسا کہ ہم آگے آنے والے مواقع اور چیلنجوں کو تلاش کرتے ہیں، ہم اپنی تمام کوششوں میں عمدگی اور اختراع کے لیے اپنے عزم پر ثابت قدم رہتے ہیں۔ ہم ترقی کے امکانات کے بارے میں پرجوش ہیں اور آنے والے سالوں میں اپنے کلائنٹس اور اسٹیک ہولڈرز کے لیے دیرپا قدر پیدا کرنے کے منتظر ہیں۔

## اعتراف

ہم کمپنی کے شیئر ہولڈرز کے مسلسل اعتماد اور سپرپرستی کے لیے ان کے شکر گزار ہیں۔ ہم تمام اسٹیک ہولڈرز، اپنی پیرنٹ کمپنی، اسٹیٹ بینک آف پاکستان، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور پاکستان اسٹاک ایکسچینج لمیٹڈ کی انتظامیہ کو ان کی غیر متزلزل حمایت اور رہنمائی کے لیے اپنی مخلصانہ تعریف ریکارڈ کرتے ہیں۔

ہم اس مدت کے دوران کمپنی کے تمام ٹیم ممبران کی طرف سے کی گئی محنت کو تسلیم کرتے ہیں اور ان کی تعریف کرتے ہیں۔ ہم بورڈ کمیٹیوں کے ممبران کی گراند قدر شراکت اور فعال کردار کو بھی تسلیم کرتے ہیں جو انتہائی اہمیت کے حامل معاملات پر انتظامیہ کی مدد اور رہنمائی کرتے ہیں۔

بورڈ آف ڈائریکٹرز کے لیے اور اس کی جانب سے،

ظفر عالم  
چیئر مین

محمد شاہد علی  
چیف ایگزیکٹو آفیسر اور ایگزیکٹو ڈائریکٹر

کراچی۔  
بتاریخ: 30 اکتوبر 2024

## شیئر ہولڈنگ کا نمونہ

30 جون 2024 تک کمپنی کے شیئر ہولڈنگ اور حصص یافتگان کے زمرے کا تفصیلی نمونہ، جیسا کہ فہرست سازی کے ضوابط کے تحت درکار ہے، اس سالانہ رپورٹ میں شامل کر دیا گیا ہے۔

## اسٹیک ہولڈرز کے لیے معلومات

پچھلے سالوں کے اہم آپریٹنگ اور مالیاتی ڈیٹا کا خلاصہ کیا گیا ہے اور صفحہ نمبر پر 45 پیش کیا گیا ہے۔

## پوسٹ بیلنس شیٹ ڈیویڈنڈ

بورڈ آف ڈائریکٹرز نے روپے کا حتمی نقد منافع تجویز کیا ہے۔ 5/- فی شیئر کی رقم روپے۔ 27 نومبر 2024 کو ہونے والے سالانہ عام اجلاس میں اراکین کی منظوری کے لیے 30 اکتوبر 2024 کو منعقدہ اس کے اجلاس میں 326.7 ملین۔ یہ غیر متفقہ مالی بیانات مذکورہ تخصیص کی عکاسی نہیں کرتے

## متعلقہ پارٹی لین دین

فہرست سازی کے ضوابط کے تقاضوں کی تعمیل کرنے کے لیے، کمپنی نے تمام متعلقہ فریقین کے لین دین کو ان کے جائزے اور منظوری کے لیے آڈٹ کمیٹی اور بورڈ کے سامنے پیش کیا ہے۔ ان ٹرانزیکشنز کی منظوری آڈٹ کمیٹی اور بورڈ نے اپنے اپنے اجلاسوں میں دی ہے۔ تمام متعلقہ فریق کے لین دین کی تفصیلات نوٹ میں 34 اور 35 منسلک آڈٹ شدہ مالیاتی بیانات میں سے فراہم کی گئی ہیں۔

## آڈیٹرز

ریٹائر ہونے والے آڈیٹرز M/s. رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس نے خود کو دوبارہ تقرری کے لیے پیش کیا ہے۔ بورڈ ان کی دوبارہ تقرری کی سفارش کرتا ہے اور میسرز کی تقرری کی تجویز پیش کرتا ہے۔ رحمان سرفراز رحیم اقبال رفیق بطور آڈیٹرز کمپنی کے مالی سال 2024-25 کو منظوری کے لیے آئندہ سالانہ جنرل میٹنگ میں پیش کیا جائے گا۔

## مستقبل کے امکانات

ایڈوائزرز میں۔ ہماری نئی لانچ کردہ ایپ اور ویب پر مبنی تجارتی نظام ہمارے صارفین کے لیے تجارتی تجربے کو بڑھاتے ہوئے ہمارے کلائنٹ کی بنیاد کو نمایاں طور پر وسیع کرنے کے لیے تیار ہے۔ M&A اور IPOs، کے مستقبل کے امکانات غیر معمولی طور پر امید افزا ہیں، جو انتظامیہ کے سٹریٹجک اقدامات سے تقویت یافتہ ہیں جن کا مقصد مارکیٹ شیئر کو بڑھانا اور تمام کاروباری طبقات میں شرکت کو بڑھانا ہے، خاص طور پر ڈیجیٹل بروکریج AHL

ہم اپنے پریمیم سوٹ سروسز کے ذریعے تعلقات کو مضبوط بنا کر موجودہ اور ممکنہ ملکی اور بین الاقوامی کلائنٹس سے تجارتی حجم بڑھانے کے لیے پرعزم ہیں۔ اس حکمت عملی میں جدید مصنوعات اور خدمات کا تعارف شامل ہے، جو ہماری اعلیٰ معیار کی تحقیقی صلاحیتوں سے تقویت یافتہ ہے جو کلائنٹس کو قیمتی بصیرت اور رہنمائی فراہم کرتی ہے۔

## ڈائریکٹرز اور ایگزیکٹوز کے ذریعہ کمپنی کے حصص کی تجارت

مندرجہ ذیل سال کے دوران کمپنی کے حصص کی تجارت ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری اور ان کی شریک حیات اور نابالغ بچوں نے کی:

ڈائریکٹر کا نام	عہدہ	شیئرز خریدا	پرانا شیئر کرتا ہے۔	ریمارکس
جناب ظفر عالم	چیئرمین	-	110	-
جناب محمد سہیل سالت	ڈائریکٹر	-	-	-
محترمہ شرمین شاہد	ڈائریکٹر	-	-	-
جناب محسن مدنی	ڈائریکٹر	-	-	-
جناب محمد ہارون	ڈائریکٹر	-	-	-
جناب محمد شاہد علی	چیف ایگزیکٹو آفیسر	-	-	-
جناب محمد طہ صدیقی	چیف فنانشل آفیسر اور کمپنی سیکرٹری	-	-	-
میاں بیوی	-	-	-	-
نابالغ بچے	-	-	-	-

## آڈٹ کمیٹی

بورڈ کی آڈٹ کمیٹی نے اپنے فرائض اور ذمہ داریوں کو بورڈ کی طرف سے منظور شدہ شرائط کے مطابق موثر انداز میں ادا کرنا جاری رکھا۔ اس رپورٹ کے ساتھ کمیٹی کی تشکیل بھی منسلک کر دی گئی ہے۔

## کارپوریٹ اور سیکرٹری تعمیر

کمپنی سیکرٹری نے رجسٹرار آف کمپنیز کے پاس جمع کرائے گئے سالانہ ریٹرن کے حصے کے طور پر ایک سیکریٹریل کمپلائنس سرٹیفکیٹ پیش کیا ہے تاکہ اس بات کی تصدیق کی جا سکے کہ کمپنی ایکٹ 2017 کے سیکرٹری اور کارپوریٹ تقاضے، کمپنی کی ایسوسی ایشن کے میمورنڈم اور آرٹیکلز، فہرست سازی کے ضوابط اور فہرست میں شامل ہیں۔ کمپنی (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی تعمیل کی گئی ہے۔

## اخلاقیات اور کاروباری طرز عمل

کارپوریٹ گورننس کے رہنما خطوط کے مطابق، کمپنی نے تعمیل کے لیے ایک "ضابطہ اخلاق" جاری کیا ہے۔ اس پر کمپنی کے تمام ڈائریکٹرز اور ملازمین نے ضابطہ کی سمجھ اور قبولیت کو تسلیم کرتے ہوئے دستخط کیے ہیں۔

## ڈائریکٹرز کے معاوضے کی پالیسی

وہ نان ایگزیکٹو ڈائریکٹرز بشمول عارف حبیب لمیٹڈ کے آزاد ڈائریکٹرز جو کسی گروپ کمپنی میں سینئر ایگزیکٹو یا انتظامی عہدہ یا ڈائریکٹر شپ نہیں رکھتے وہ بورڈ آف ڈائریکٹرز کی میٹنگ یا بورڈ کی ذیلی کمیٹی کے اجلاس میں شرکت کے لیے میٹنگ فیس کا دعویٰ کر سکتے ہیں۔ وقتاً فوقتاً بورڈ آف ڈائریکٹرز سے منظور شدہ کسی بھی ڈائریکٹر کی طرف سے اضافی خدمات کی تفویض کے بدلے معاوضے کی ادائیگی کا تعین بورڈ آف ڈائریکٹرز مارکیٹ کے معیارات اور کام کے دائرہ کار کی بنیاد پر کرے گا، اور کمپنی کے آرٹیکلز آف ایسوسی ایشن کی اجازت کے مطابق ہوگا۔ معاوضے کی سطح بھی مناسب اور ذمہ داری اور مہارت کی سطح کے مطابق ہوگی۔ تاہم، ایک آزاد ڈائریکٹر کے لیے، یہ اس سطح پر نہیں ہوگا جس سے آزادی سے سمجھوتہ کیا جا سکے۔

## بورڈ اور آڈٹ کمیٹی کے اجلاس اور حاضری

زیر نظر سال کے دوران، بورڈ آف ڈائریکٹرز کے چار اجلاس اور آڈٹ کمیٹی کے چار اجلاس 01 جولائی 2023 سے 30 جون 2024 تک منعقد ہوئے۔ بورڈ اور آڈٹ کمیٹی کے اراکین کی حاضری حسب ذیل تھی:

ڈائریکٹر کا نام	بورڈ میٹنگ	آڈٹ کمیٹی ملاقات
جناب ظفر عالم	4	N/A
محترمہ شرمین شاہد	4	N/A
محترمہ ندا احسن	4	N/A
جناب محمد بارون	4	4
جناب محسن مدنی	4	4
جناب محمد شاہد علی	4	N/A
جناب محمد سپہل سالت	4	4

بورڈ اور کمیٹی کے اجلاسوں میں شرکت نہ کرنے والے اراکین کو غیر حاضری کی چھٹی دی گئی۔

## مادیت کا نقطہ نظر اپنایا

بورڈ آف ڈائریکٹرز کمپنی کے تمام مادی معاملات کی کڑی نگرانی کرتا ہے۔ عام طور پر، معاملات کو مادی سمجھا جاتا ہے اگر، انفرادی طور پر یا مجموعی طور پر، ان سے پالیسی کے مطابق کمپنی کی کارکردگی اور منافع کو نمایاں طور پر متاثر کرنے کی توقع کی جاتی ہے۔

## کارپوریٹ سماجی ذمہ داری

آپ کی کمپنی نے متعدد فلاحی سرگرمیوں کے ذریعے ایک سماجی طور پر ذمہ دار تنظیم کے طور پر معاشرے اور کاروباری برادری کے لیے اپنا تعاون جاری رکھا۔ AHL اپنی کارپوریٹ سماجی ذمہ داری کی تکمیل کے لیے پرعزم ہے اور صحت کی دیکھ بھال، تعلیم، ماحولیات اور کمیونٹی کی بہبود پر توجہ دینے والے منصوبوں میں اپنی شمولیت جاری رکھے ہوئے ہے۔ ہم مستقبل میں بھی ایسے نیک مقاصد میں اپنی شمولیت اور شراکت جاری رکھنے کا ارادہ رکھتے ہیں۔

کمپنی کی طرف سے دیے گئے تعاون کی تفصیلات صفحہ نمبر 15 پر پیش کی گئی ہیں۔

## کارپوریٹ گورننس کا ضابطہ

کمپنی کا بورڈ اور انتظامیہ اس بات کو یقینی بنانے کے لیے پرعزم ہے کہ کوڈ آف کارپوریٹ گورننس کی ضروریات پوری طرح پوری ہوں۔ کمپنی نے مالیاتی اور غیر مالیاتی معلومات کی درستگی، جامعیت اور شفافیت کو بڑھانے کے مقصد کے ساتھ مضبوط کارپوریٹ گورننس کے طریقوں کو اپنایا ہے۔

ڈائریکٹرز کو یہ بتانے ہوئے خوشی ہو رہی ہے کہ:

- a کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی بیانات اس کی حالت، اس کے کاموں کے نتائج، نقد بہاؤ اور ایکویٹی میں تبدیلیوں کو کافی حد تک پیش کرتے ہیں۔
- ب کمپنی کے حساب کتاب کی مناسب دیکھ بھال کی گئی ہے۔
- c مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔
- d بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالی بیانات کی تیاری میں پیروی کی گئی ہے۔
- e اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اسے مؤثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔
- f جاری تشویش کے طور پر جاری رکھنے کی کمپنی کی صلاحیت پر کوئی خاص شک نہیں ہے۔
- ج کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی رخصتی نہیں ہوئی ہے، جیسا کہ فہرست سازی کے ضوابط میں تفصیل ہے؛
- h کمپنی کے پاس ٹیکس، ڈیویڈنڈ، لیویز اور چارجز کی قانونی ادائیگی کی وجہ سے بیلنس شیٹ کی تاریخ کے مطابق کوئی بقایا ذمہ داری نہیں ہے۔
- i بروکر کے ذریعہ سال کے دوران کوئی ایسا لین دین نہیں کیا گیا ہے جو دھوکہ دہی، غیر قانونی یا کسی بھی سیکورٹیز مارکیٹ کے قوانین کی خلاف ورزی میں ہو۔
- جے کمپنی نے روپے کی رقم ادا کی ہے۔ کمپنی کے ملازمین کے پروویڈنٹ فنڈ میں 10,065,774 روپے اور کمپنی پر سال کے آخر میں کوئی بقایا ذمہ داری نہیں ہے کیونکہ پروویڈنٹ فنڈ کا انتظام ایک الگ ٹرسٹ کے ذریعے کیا جاتا ہے۔

## بورڈ میں تبدیلیاں

زیر نظر سال کے دوران بورڈ کے ڈھانچے میں کوئی تبدیلی نہیں ہوئی۔

ہمیں یقین ہے کہ یہ تزویراتی تقسیم آپریشنل افادیت میں اضافہ کرے گی اور ہمارے حصص یافتگان کے لیے قدر پیدا کرے گی، دونوں اداروں کو مستقبل کی ترقی اور کامیابی کے لیے پوزیشن دے گی۔

## ایوارڈز اور پہچان

ہمیں یہ اعلان کرتے ہوئے بے حد فخر محسوس ہوتا ہے کہ کمپنی کی کارکردگی کو مالی سال 24 کے لیے بین الاقوامی شہرت یافتہ اداروں جیسے یورو منی اور FY24 میں مقامی طور پر معروف تنظیم CFA سوسائٹی پاکستان نے تسلیم کیا ہے۔ اس سال اے ایچ ایل کو درج ذیل ایوارڈز ملے:

1. پاکستان میں بہترین تنوع اور شمولیت - 2024 - یورو منی
2. پاکستان میں تحقیق کے لیے بہترین - 2024 - یورو منی
3. بہترین ایکویٹی بروکریج ہاؤس ایوارڈ - سی ایف اے سوسائٹی پاکستان
4. بہترین اکنامک ریسرچ ہاؤس ایوارڈ - سی ایف اے سوسائٹی پاکستان
5. بہترین انٹریپرائز بروکریج ایوارڈ - فنانشل مارکیٹ ایسوسی ایشن آف پاکستان
6. بہترین ایکویٹی سیلز پرسن ایوارڈ - سی ایف اے سوسائٹی پاکستان
7. بہترین ایکویٹی تجزیہ کار کا ایوارڈ - سی ایف اے سوسائٹی پاکستان

## کریڈٹ ریٹنگ

کمپنی کو JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (JCR-VIS) کے ذریعے 'AA-/A-1' (ڈبل اے مائینس/A-One) کی بستی ریٹنگ دوبارہ تفویض کی گئی ہے۔ تفویض کردہ ریٹنگز پر آؤٹ لک 'مستحکم' ہے۔ اس سرٹیفیکیشن نے مسلسل ترقی کے لیے انتظامیہ کے وژن کو مزید واضح کیا ہے اور امید کی جاتی ہے کہ اس سے کمپنی کے صارفین کو "عارف حیب" برانڈ کی ساکھ اور استحکام کے حوالے سے مزید اعتماد ملے گا۔

## انتظامی درجہ بندی

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) کی طرف سے کمپنی کو BMR1 کی انتظامی درجہ بندی تفویض کی گئی ہے۔ تفویض کردہ ریٹنگز پر آؤٹ لک 'مستحکم' ہے۔ اس سرٹیفیکیشن نے مضبوط کنٹرول اور گورننس فریم ورک کو برقرار رکھنے، کلائنٹ سروسنگ ٹولز کی مسلسل اپ ڈیٹ، اور سرمایہ کاری کی سرگرمیوں سے پیدا ہونے والے خطرات خاص طور پر لیکویڈیٹی اور دلچسپی کے تصادم کی محتاط نگرانی میں کمپنی کی صلاحیت کی توثیق کی ہے۔

## رسک مینجمنٹ

ہمارے کاروبار میں خطرات ناگزیر ہیں اور ان میں لیکویڈیٹی، مارکیٹ، کریڈٹ، آپریشنل، قانونی، ریگولیٹری، اور شہرت کے خطرات شامل ہیں۔ AHL کی رسک مینجمنٹ گورننس ہمارے بورڈ سے شروع ہوتی ہے، جو رسک مینجمنٹ کی پالیسیوں اور طریقوں کا جائزہ لینے اور ان کی منظوری دینے میں ایک لازمی کردار ادا کرتا ہے۔

ہمارا رسک مینجمنٹ فریم ورک اور سسٹم دیرینہ، معیاری اور بہت مضبوط ہیں۔ ہم سمجھتے ہیں کہ کمپنی کی کامیابی کے لیے مؤثر رسک مینجمنٹ بنیادی اہمیت کا حامل ہے۔ اسے مناسبت سے، ہم نے رسک مینجمنٹ کے جامع عمل شروع کیے ہیں جن کے ذریعے ہم اپنی سرگرمیوں کو انجام دینے میں جو خطرات لاحق ہوتے ہیں ان کی نگرانی، جائزہ اور ان کا نظم کرتے ہیں۔ حدود کا ایک سخت فریم ورک متعدد لین دین، مصنوعات، کاروبار اور بازاروں میں خطرے کو کنٹرول کرنے کے لیے لاگو کیا جاتا ہے جن میں ہم ڈیل کرتے ہیں۔ اس میں مختلف سطحوں پر کریڈٹ اور مارکیٹ کے خطرے کی حدیں طے کرنا اور ان حدود کی باقاعدگی سے نگرانی کرنا شامل ہے۔

ہمارے بروکریج آپریشنز نے نہ صرف قابل ذکر مالیاتی سنگ میل حاصل کیے ہیں بلکہ سروس ڈیلیوری، اختراعات اور تعمیل میں بہترین کارکردگی کا معیار بھی قائم کیا ہے۔ ہم ترقی کی اس رفتار کو برقرار رکھنے اور اپنے کلائنٹس اور اسٹیک ہولڈرز کو بے مثال قدر فراہم کرنے کے لیے پرعزم ہیں۔

## انویسٹمنٹ بینکنگ آپریشنز

مالی سال 24 میں، ہمارے انویسٹمنٹ بینکنگ ڈویژن نے 250 PKR ملین کی مضبوط کل آمدنی حاصل کی، جو کہ غیر معمولی مالیاتی خدمات کی فراہمی کے ہمارے عزم کی عکاسی کرتی ہے۔ اس سال، ہم نے کامیابی کے ساتھ دو ابتدائی پبلک آفرنگز (IPOs) پر عمل درآمد کیا، بشمول انٹرنیشنل پیکنگ فلمز لمیٹڈ، جس نے 1.77 PKR بلین اکٹھا کیا، اور Secure Logistics Group Limited، جس نے 600 PKR ملین اکٹھا کیا۔

سکوک ایڈوائزری اسپیس میں ہماری شمولیت خاص طور پر قابل ذکر رہی ہے، جس میں ایئر لنک کمیونیکیشنز لمیٹڈ اور اسماعیل انڈسٹریز میں نمایاں شراکت ہے۔ مزید برآں، ہم نے کشف فاؤنڈیشن اور کراچی الیکٹریک کے لیے ٹرم فنانس سرٹیفکیٹس (TFCS) کے لیے مشاورتی خدمات فراہم کیں، اور وال اسٹریٹ ایکسچینج کمپنی کے قابل ذکر لین دین سمیت مختلف انضمام اور حصول میں مصروف رہے۔ دیگر اہم سرگرمیوں میں پاک سوزوکی موٹر کمپنی کی ڈی لسٹنگ، یونٹی فوڈز کے لیے بائی بیک ایڈوائزری، اور دی سیرل کمپنی لمیٹڈ، میرپور خاص شوگر، اور گیٹرون انڈسٹریز کے لیے رائٹس شیئر ایڈوائزری، متعدد مختصر مدتی TFCS اور اضافی جاری ٹرانزیکشنز شامل ہیں۔

ان سرگرمیوں نے نہ صرف ہمارا اعتماد بڑھایا ہے بلکہ مارکیٹ میں ایک قابل اعتماد مشیر کے طور پر ہماری ساکھ کو بھی تقویت دی ہے۔ ہم اپنے کلائنٹس کے لیے بہترین نتائج کی فراہمی کے لیے پیچیدہ لین دین کو تلاش کرنے اور انہیں درستگی کے ساتھ انجام دینے کے لیے پرعزم ہیں۔

ہمیں سرمایہ کاری بینکنگ میں مارکیٹ لیڈر کے طور پر AHL کی مستقل پوزیشن پر فخر ہے۔ آگے دیکھتے ہوئے، انتظامیہ نئی ایکویٹی اور قرض کی فہرستوں کے ساتھ ساتھ انضمام اور حصول، قرض کے مشورے، اور نجی ایکویٹی سرمایہ کاری میں وسیع مواقع کی وجہ سے سرگرمیوں میں اضافے کی توقع کرتی ہے۔ ہم اپنے قابل قدر کلائنٹس کو مسلسل غیر معمولی خدمات فراہم کر کے مارکیٹ شیئر بڑھانے کی اپنی صلاحیت کے بارے میں پر امید ہیں۔

ہم اپنے شیئر ہولڈرز، کلائنٹس اور ملازمین کا ان کی غیر متزلزل حمایت اور لگن کے لیے تہ دل سے شکریہ ادا کرتے ہیں۔ ایک ساتھ مل کر، ہم اپنی تمام کوششوں میں عمدگی اور اختراع کے لیے اپنی وابستگی کا اعادہ کرتے ہوئے، سامنے آنے والے مواقع اور چیلنجوں کو نیویگیٹ کرنے کے منتظر ہیں۔

بیلنس شیٹ کے واقعات پوسٹ کریں۔

ہمیں یہ اعلان کرتے ہوئے خوشی ہو رہی ہے کہ 17 نومبر 2023 کو اسکیم آف اریجنمنٹ، جس کی منظوری کمپنی کے بھاری شیئر ہولڈرز اور عارف حبیب کارپوریشن لمیٹڈ، پیرنٹ کمپنی (AHCL) نے 26 دسمبر 2023 کو دی تھی، عزت مآب نے منظور کر لی ہے۔ 21 اکتوبر 2024 کو سندھ ہائی کورٹ۔ یہ اسکیم مؤثر طریقے سے کمپنی کو دو الگ الگ حصوں میں تقسیم کرتی ہے: ڈیمرجڈ انڈرٹیکنگ اور ریٹینڈ انڈرٹیکنگ۔

اسکیم کے مطابق، ڈیمرجڈ انڈرٹیکنگ، جس میں کچھ غیر بنیادی کاروبار شامل ہیں جن میں اثاثے، واجبات، حقوق، اور ذمہ داریاں شامل ہیں جیسا کہ اسکیم میں بیان کیا گیا ہے، 1 جولائی 2023 سے نافذ العمل AHCL کو منتقل کر دیا گیا ہے۔ انویسٹمنٹ بینکنگ، عارف حبیب لمیٹڈ کے تحت کام کرتی رہے گی۔ جیسا کہ آڈٹ شدہ مالیاتی بیانات کے نوٹ 1.5 میں تفصیل سے بیان کیا گیا ہے، اسکیم کا اثر روپے کے خالص اثاثوں کی منتقلی پر ہوتا ہے۔ اے ایچ سی ایل کو 4,169.67 ملین روپے، کمپنی کے خالص اثاثوں کو کم کر کے 01 Rs. جولائی 2023 کی مؤثر تاریخ سے 653 ملین روپے۔ اس منتقلی پر غور کرتے ہوئے، AHCL کمپنی کے شیئر ہولڈرز کو حصص جاری کرے گا (خود AHCL کو چھوڑ کر) 0.8673 AHCL حصص فی AHL شیئر کے بدلے کے تناسب سے۔

فائدہ مند کارکردگی کے لیے ہماری لگن واضح طور پر ہماری بروکریج ٹیم کے لیے متغیر معاوضے میں اضافے سے ظاہر ہوتی ہے، جو ہماری آمدنی میں اضافے کے ساتھ ہم آہنگ ہے۔ مزید برآں، ہمارے مؤثر فنڈ کے انتظام اور بندوبست کی اسکیم کے تحت ہمارے ایکویٹی اور پراپرٹی انویسٹمنٹ پورٹ فولیو کی عارف حبیب کارپوریشن لمیٹڈ کو منتقلی نے ہماری مالیاتی لاگت کو کافی حد تک کم کر دیا ہے۔ یہ اخراجات گزشتہ سال کے 638 PKR ملین سے کم ہو کر 98 ملین روپے ہو گئے۔ یہ نمایاں کمی کارکردگی اور لاگت کے انتظام پر ہمارے اسٹریٹجک زور کی نشاندہی کرتی ہے۔

میں ہماری لچک اور ترقی کے عزم کو ظاہر کرتی ہے، جو کہ اسٹریٹجک اقدامات اور غیر معمولی خدمات کی فراہمی پر مرکوز ہے۔ ہم اپنے کلائنٹس اور اسٹیک ہولڈرز کے لیے یکساں کامیابی کو یقینی بناتے ہوئے آنے والے سال میں اس رفتار کو آگے بڑھانے کے منتظر ہیں۔ FY24 کی مالیاتی کارکردگی AHL

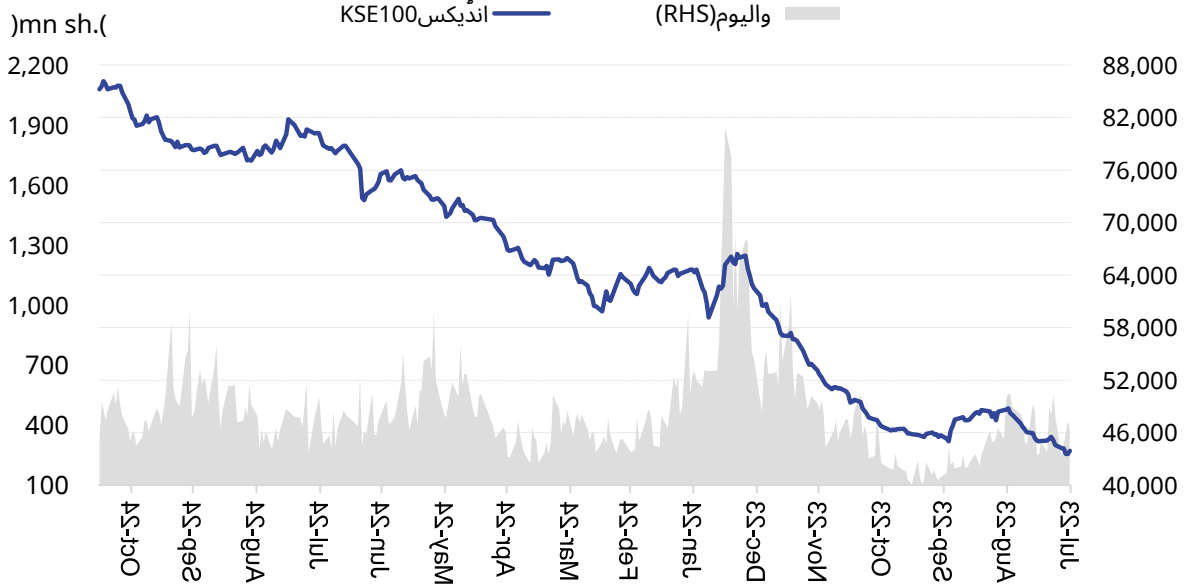
## بروکریج آپریشنز

بروکریج ڈویژن ہماری مالیاتی کارکردگی کے سنگ بنیاد کے طور پر ابھرا ہے، جس نے 66% کا غیر معمولی اضافہ حاصل کیا، جس کا اختتام 782 PKR ملین ہے۔ یہ قابل ذکر ترقی نہ صرف ہماری مہارت کو اجاگر کرتی ہے بلکہ اس شعبے میں ہماری قائمہ حیثیت کو بھی تقویت دیتی ہے۔ بروکریج ریونیو میں سب سے نمایاں فیصد اضافہ ڈیجیٹل ٹریڈنگ کو قرار دیا گیا ہے، جس میں کراچی، لاہور، اسلام آباد، فیصل آباد، ملتان اور پشاور سمیت اہم شہروں میں اعلیٰ مالیت والے افراد (HNWIs) اور خوردہ سرمایہ کاروں کے قابل ذکر تعاون شامل ہیں۔ ادارہ جاتی سرمایہ کاروں میں، بینکوں اور انشورنس کلائنٹس نے سب سے زیادہ ترقی کا مظاہرہ کیا ہے، جبکہ میوچل فنڈز اور دیگر کارپوریٹ سرمایہ کاروں نے بھی مثبت کردار ادا کیا ہے۔

ٹریڈری ڈیپارٹمنٹ، منی مارکیٹ اور فارن ایکسچینج ڈیسک دونوں پر محیط ہے، نے غیر معمولی نتائج پیش کیے ہیں، جس سے بروکریج کی آمدنی 163 PKR ملین ریکارڈ کی گئی ہے جو کہ سال بہ سال 41% اضافہ ہے۔ یہ کامیابی 2013 میں محکمہ کے قیام کے بعد سے سب سے زیادہ آمدنی کی کارکردگی کی نشاندہی کرتی ہے۔ ہماری کارکردگی کی مستقل مزاجی کو گزشتہ پانچ سالوں میں 30% کی کمپاؤنڈ سالانہ نمو کی شرح (CAGR) سے نمایاں کیا گیا ہے، جو کہ ہمارے حریفوں کی طرف سے بے مثال کارنامہ ہے۔ اس شاندار کارکردگی نے ہمیں منی مارکیٹ ایسوسی ایشن آف پاکستان کی جانب سے بہترین انٹربینک بروکریج ایوارڈ سے نوازا ہے۔ اس کامیابی سے مزید فائدہ اٹھانے کے لیے، ہم نے منی مارکیٹ اور FX دونوں محکموں میں اضافی تاجروں کو شامل کر کے اپنی ٹیم کو بڑھایا ہے، جس سے ہمارے مارکیٹ شیئر میں نمایاں اضافہ ہوا ہے۔

ہمارے آئی ٹی ڈیپارٹمنٹ نے ہمارے ٹریڈنگ اور سیٹلمنٹ ڈیسک کے لیے ایک مضبوط آپریشنل ماحول کو یقینی بنانے میں ایک اہم کردار ادا کیا ہے، کارکردگی کو بڑھانے کے لیے ہمارے بیک آفس سافٹ ویئر سلوشنز کو مسلسل اپ گریڈ کر رہے ہیں۔ سیلز اور ریٹیل/آن لائن ٹیموں نے نئے اکاؤنٹ کھولنے کی رفتار کو برقرار رکھنے، غیر مقیم پاکستانیوں کے لیے ریڈیڈنٹ فارن اکاؤنٹس (RDA) کی ریکارڈ تعداد حاصل کرنے اور انہیں کیپٹل مارکیٹ کے مواقع کے ساتھ فعال طور پر منسلک کرنے میں شاندار کارکردگی کا مظاہرہ کیا ہے۔ ہماری تحقیقی ٹیم نے انمول بصیرت فراہم کی ہے، جس میں درج کمپنیوں اور وسیع تر معیشت پر جامع بنیادی تحقیقی نوٹ فراہم کیے گئے ہیں۔ ہم اپنی کمپلائنس ٹیم کو KYC/AML پروسیسز میں ان کے محنتی کام کے لیے بھی سراہتے ہیں کہ اکاؤنٹ کھولنے کے بڑھتے ہوئے حجم کے ساتھ ساتھ ہمارے سیٹلمنٹ ڈیپارٹمنٹ کو ان کے تیز اور مؤثر لین دین کے لیے۔

اللہ تعالیٰ کے فضل و کرم سے، اے ایچ ایل کو ممتاز عالمی اور مقامی اداروں سے بے شمار اعزازات مل چکے ہیں۔ FY24 کے قابل ذکر ایوارڈز میں یورومنی کی طرف سے 'پاکستان میں تحقیق کے لیے بہترین' اور 'پاکستان میں تنوع اور شمولیت کے لیے بہترین'، CFA سوسائٹی کا بہترین ایکویٹی بروکریج ہاؤس کا ایوارڈ، CFA سوسائٹی کا بہترین اکنامک ریسرچ ہاؤس کا ایوارڈ، بہترین تاجر اور CFA سوسائٹی کی جانب سے بہترین تجزیہ کار کیٹیگری کے ایوارڈز، اور فنانشل مارکیٹ ایسوسی ایشن آف پاکستان کی جانب سے 'بہترین انٹربینک بروکریج ایوارڈ'۔



سرمایہ کاروں کا جذبہ مضبوط رہا، مارکیٹ کی شرکت میں نمایاں اضافہ دیکھنے میں آیا۔ اوسط تجارتی حجم سال بہ سال 2.1 گنا بڑھ کر 461 ملین حصص تک پہنچ گیا، جبکہ تجارت کی اوسط قدر 2.2 گنا بڑھ کر 55 ملین امریکی ڈالر تک پہنچ گئی۔ کلیدی سیکٹر جنہوں نے بہتر کارکردگی کا مظاہرہ کیا ان میں لیڈر (+268%)، آٹوموبائل پارٹس (+209%)، کیبل اور الیکٹریکل گڈز (+173%)، پاور (+166%)، اور بینکنگ (+163%) شامل ہیں۔ اس کے برعکس، ٹیکسٹائل اسپننگ (-29%) اور ٹیکنالوجی (-2%) کو قابل ذکر چیلنجوں کا سامنا کرنا پڑا۔

مالی سال 24 میں غیر ملکی سرمایہ کاری میں بھی اضافہ ہوا، جس میں مجموعی طور پر 141 ملین امریکی ڈالر کی آمد ہوئی، جو مالی سال 14 کے بعد سب سے زیادہ ہے۔ بینکوں (60 USD ملین)، دیگر سیکٹرز (36 USD ملین)، فریڈیٹرز (18 USD ملین)، پاور (16 USD ملین)، اور سیمنٹ (13 USD ملین) کی طرف اہم رقوم کی ترسیل کی گئی تھی۔ قابل ذکر بات یہ ہے کہ غیر ملکی صرف قرض کی ضمانتوں میں خالص فروخت کنندگان تھے، جس میں 17 ملین امریکی ڈالر کا اخراج تھا۔

## مالی کارکردگی

ہمیں یہ اطلاع دیتے ہوئے خوشی ہو رہی ہے کہ اے ایچ ایل نے مالی سال 24 کے لیے مضبوط مالی کارکردگی کا مظاہرہ کیا ہے۔ کمپنی نے 611.94 PKR ملین کا ٹیکس کے بعد غیر متفقہ منافع ریکارڈ کیا، جو کہ 9.37 PKR کی فی حصص آمدنی (EPS) میں ترجمہ کیا۔ مزید برآں، ہمارا مجموعی منافع بعد از ٹیکس EPS 9.46 PKR کے ساتھ 618.12 PKR ملین تک پہنچ گیا۔ کمپنی نے 782 PKR ملین کی متاثر کن بروکریج آمدنی اور 250 PKR ملین کی سرمایہ کاری بینکنگ آمدنی حاصل کی۔ بروکریج اور انویسٹمنٹ بینکنگ اور ایڈوائزری سروسز سے مجموعی طور پر آپریٹنگ ریونیو 1,082 PKR ملین تک پہنچ گئی، جو کہ FY23 میں 878.0 PKR ملین سے 23.25% نمایاں اضافہ کی عکاسی کرتی ہے۔ اس نمو کو بڑی حد تک بڑے شہروں میں ڈیجیٹل اور ریٹیل کلائنٹ بیس کے ہمارے کامیاب توسیع، اہم بلاک ٹرانزیکشنز، اور ایڈوائزری لین دین میں اضافہ، خاص طور پر IPOS، M&A، اور قرض کی ایڈوائزری میں منسوب کیا جا سکتا ہے۔

ہمارے فکسڈ انکم انویسٹمنٹ پورٹ فولیو نے بھی غیر معمولی کارکردگی کا مظاہرہ کیا ہے، جس سے 359 PKR ملین کا خاطر خواہ حقیقی اور غیر حقیقی فائدہ حاصل ہوا ہے۔ یہ کارکردگی ہمارے اسٹریٹجک سرمایہ کاری کے فیصلوں اور پورٹ فولیو کے موثر انتظام کی نشاندہی کرتی ہے۔

ہم نے اپنی خدمات کی پیشکشوں کو بڑھانے کے لیے ٹیکنالوجی اور انسانی وسائل میں سرمایہ کاری کو مسلسل ترجیح دی ہے، جس کے نتیجے میں مقررہ لاگتیں زیادہ ہوئی ہیں۔ مزید برآں، افراط زر کے دباؤ نے آپریشنل اخراجات کو متاثر کیا ہے، جس میں سال بھر میں 59 فیصد اضافہ ہوا ہے۔ ان چیلنجوں کے باوجود، ہم اپنے کلائنٹس اور اسٹیک ہولڈرز کو قدر کی فراہمی کے لیے پرعزم ہیں۔

## ڈائریکٹرز کی رپورٹ

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے، مجھے 30 جون کو ختم ہونے والے سال کے لیے کمپنی کی سالانہ رپورٹ پیش کرتے ہوئے بے حد خوشی ہو رہی ہے۔ وی، 2024 اکاؤنٹنگ، ریگولیٹری اور قانونی معیارات اور تقاضوں کے مطابق سال کے لیے آڈٹ شدہ مالیاتی بیانات کے ساتھ۔

### اقتصادی نقطہ نظر:

پاکستان کے معاشی منظر نامے میں نمایاں بہتری آئی ہے، جس نے مالی سال 2024 میں 2.5 فیصد کی شرح نمو درج کی ہے، جو کہ مالی سال 23 میں تجربہ کردہ سکڑاؤ سے قابل ذکر بحالی ہے۔ یہ مثبت پیش رفت سال کے آخر میں منعقد ہونے والے عام انتخابات کے ساتھ مطابقت رکھتی ہے، جو سیاسی استحکام کی جانب ایک اہم قدم کی نمائندگی کرتی ہے۔ معیشت کی لچک واضح ہے کیونکہ اس نے پچھلے سال کی بد حالی کو دوبارہ بحال کیا، حکومتی اقدامات کی مدد سے جس کے نتیجے میں دو دہائیوں میں پہلا بنیادی سرپلس ہوا۔ مالیاتی خسارے کو کم کرنے کے لیے ایک مضبوط مالیاتی استحکام کے منصوبے نے اس کامیابی میں اہم کردار ادا کیا۔

مؤثر مالیاتی پالیسیوں کی مدد سے افراط زر کے دباؤ میں کمی آئی ہے، جس کا اختتام مالی سال کے آخری مہینے میں 150 بیسس پوائنٹس کی شرح میں کمی پر ہوا۔ کرنٹ اکاؤنٹ خسارہ نمایاں طور پر کم ہو گیا ہے، سال بہ سال 48 فیصد کی کمی واقع ہوئی ہے، جبکہ زرمبادلہ کے ذخائر 14 بلین امریکی ڈالر کی دو سال کی بلند ترین سطح پر پہنچ گئے ہیں، جسے آئی ایم ایف کے اسٹینڈ بائی معاہدے کی کامیابی سے عمل درآمد اور بین الاقوامی مالیاتی معاونت میں اضافہ سے تقویت ملی ہے۔ براہ راست غیر ملکی سرمایہ کاری نے بھی امید افزا علامات ظاہر کیں، خالص آمدن میں سال بہ سال 17 فیصد اضافہ ہوا۔ مزید برآں، اسٹریٹجک پالیسی اقدامات کی وجہ سے، FY24 میں پاکستانی روپے میں USD کے مقابلے میں 2.7% اضافہ ہوا۔ مالی سال 24 کی مثبت پیش رفت مسلسل معاشی بحالی، سرمایہ کاروں کے اعتماد کو فروغ دینے اور پائیدار ترقی کی راہ ہموار کرنے کی ٹھوس بنیاد رکھتی ہے۔

### اسٹاک کی کارکردگی:

بینچ مارک KSE-100 انڈیکس نے غیر معمولی تیزی کا تجربہ کیا، سال بہ سال متاثر کن 89% (36,992 پوائنٹس) کا اضافہ ہوا، FY24 78,445 پوائنٹس پر بند ہوا۔ USD کے لحاظ سے، مارکیٹ عالمی سطح پر بہترین کارکردگی کے طور پر ابھری، جو کہ FY23 میں ریکارڈ کردہ منفی 28% ریٹرن کے بالکل برعکس، 94% ریٹرن فراہم کرتی ہے۔ یہ مضبوط کارکردگی کئی اہم عوامل سے کارفرماتھی، جن میں آئی ایم ایف کا نیا معاہدہ، خصوصی سرمایہ کاری سہولت کونسل (SIFC) کا قیام، اور میکرو اکنامک اشاریوں میں بہتری جیسے کہ PKR کی تعریف، افراط زر میں کمی، تیل کی بین الاقوامی قیمتوں میں کمی، اور انتخابات کا کامیاب انعقاد

# BALLOT PAPER FOR VOTING THROUGH POST / EMAIL

For the Special Business at the Annual General Meeting to be held on Wednesday, 27th November 2024 at 10:00 a.m. at PSX Auditorium, Stock Exchange Building, Stock Exchange Road, Karachi as well as through electronic means.

Designated email address of the Chairman at which the duly filled in ballot paper may be sent:

[chairman.generalmeeting@arifhabibltd.com](mailto:chairman.generalmeeting@arifhabibltd.com)

Name of shareholder / Joint shareholder(s) / Proxy Holder(s)	
Registered Address:	
Folio /CDC Participant / Investor ID with sub-account No.	
Number of shares held	
CNIC / Passport No. (in case of foreigner)	
(copy to be attached)	
Additional Information and enclosures (In case of representative of body corporate, corporation and Federal Government):	
Name of Authorized Signatory:	
CNIC / Passport No. (in case of foreigner) of Authorized Signatory – (copy to be attached)	

I/we hereby exercise my/our vote in respect of the following resolution(s) through postal ballot by conveying my/our assent or dissent to the following resolution(s) by placing tick ( ) mark in the appropriate box below:

Sr. No.	Nature and Description of resolutions	No. of ordinary shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
1	<p><b>Agenda item no. 5</b></p> <p>To authorize the Board of Directors of the Company to approve those transactions with related parties (if executed) during the financial year ending June 30, 2025 or upto the next annual general meeting which require approval of shareholders u/s 207 and u/s 208 of the Companies Act, 2017, by passing the following special resolution with or without modification:</p> <p><b>Resolved that</b> the transactions / arrangements / agreements / balances with related parties as disclosed in the audited financial statements for the year ended June 30, 2024 be and are hereby approved.</p> <p><b>Further Resolved that</b> the Board of Directors of the Company be and is hereby authorized to approve the transactions to be conducted with Related Parties on case to case basis for the financial year ending June 30, 2025 or upto the next annual general meeting.</p> <p><b>Further Resolved that</b> the transactions approved by the Board shall be deemed to have been approved by the shareholders u/s 207 and / or u/s 208 of the Companies Act, 2017 (if triggered) and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval u/s 207 and / or 208 of the Companies Act, 2017 (if required).</p>			

Sr. No.	Nature and Description of resolutions	No. of ordinary shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)																																		
2	<p><b>Agenda item no. 6</b></p> <p>To consider and if deemed fit, pass the following Special Resolutions with or without modification(s):</p> <p><b>Investment in Associated Companies &amp; Associated Undertakings</b></p> <p><b>Resolved that</b> the consent and approval be and is hereby accorded under Section 199 of the Companies Act, 2017 and the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 for renewal of following unutilised limits of equity investment, and sanctioned limits of loans / advances / guarantees etc. in associated companies and associated undertakings, for which approval has been sought in previous general meeting(s), as mentioned in detail in the Annexure-B of statement under Section 134(3), for a period upto next annual general meeting, unless specifically approved for a longer period, and shall be renewable thereon for further period(s) as specified.</p> <p><b>Further Resolved that</b> the consent and approval be and is hereby accorded under Section 199 of the Companies Act, 2017 and the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017, investments in associated companies transferred pursuant to the sanction of the Scheme of Arrangement by the Honourable High Court of Sindh pertaining to, inter alia, the demerger of certain non-core business, including assets, liabilities and obligations, from Arif Habib Limited (AHL) and the merger / amalgamation of the same with and into Arif Habib Corporation Limited (AHCL), being the holding company of AHL, along with ancillary matters, be and is hereby approved.</p> <table border="1" data-bbox="245 1352 890 1904"> <thead> <tr> <th colspan="2" data-bbox="245 1352 579 1541" rowspan="2">Name of Associated Companies &amp; Undertakings</th> <th colspan="2" data-bbox="579 1352 890 1402">Amount in Million</th> </tr> <tr> <th colspan="2" data-bbox="579 1402 890 1456">Renewal Requested</th> </tr> <tr> <th data-bbox="245 1456 284 1541"></th> <th data-bbox="284 1456 579 1541"></th> <th data-bbox="579 1456 743 1541">Equity</th> <th data-bbox="743 1456 890 1541">Loan / Advance / Guarantee</th> </tr> </thead> <tbody> <tr> <td data-bbox="245 1541 284 1594">1</td> <td data-bbox="284 1541 579 1594">Safemix Concrete Products Limited</td> <td data-bbox="579 1541 743 1594">156</td> <td data-bbox="743 1541 890 1594">250</td> </tr> <tr> <td data-bbox="245 1594 284 1648">2</td> <td data-bbox="284 1594 579 1648">Arif Habib Corporation Limited</td> <td data-bbox="579 1594 743 1648">-</td> <td data-bbox="743 1594 890 1648">1,500</td> </tr> <tr> <td data-bbox="245 1648 284 1702">3</td> <td data-bbox="284 1648 579 1702">Power Cement Limited</td> <td data-bbox="579 1648 743 1702">870</td> <td data-bbox="743 1648 890 1702">1,000</td> </tr> <tr> <td data-bbox="245 1702 284 1756">4</td> <td data-bbox="284 1702 579 1756">Aisha Steel Mills Limited</td> <td data-bbox="579 1702 743 1756">589</td> <td data-bbox="743 1702 890 1756">1,000</td> </tr> <tr> <td data-bbox="245 1756 284 1809">5</td> <td data-bbox="284 1756 579 1809">Javedan Corporation Limited</td> <td data-bbox="579 1756 743 1809">588</td> <td data-bbox="743 1756 890 1809">1,000</td> </tr> <tr> <td data-bbox="245 1809 284 1904">6</td> <td data-bbox="284 1809 579 1904">REITS under management of Arif Habib Dolmen REIT Management Limited</td> <td colspan="2" data-bbox="579 1809 890 1904">*3000</td> </tr> </tbody> </table>	Name of Associated Companies & Undertakings		Amount in Million		Renewal Requested				Equity	Loan / Advance / Guarantee	1	Safemix Concrete Products Limited	156	250	2	Arif Habib Corporation Limited	-	1,500	3	Power Cement Limited	870	1,000	4	Aisha Steel Mills Limited	589	1,000	5	Javedan Corporation Limited	588	1,000	6	REITS under management of Arif Habib Dolmen REIT Management Limited	*3000				
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6	REITS under management of Arif Habib Dolmen REIT Management Limited	*3000																																				

Sr. No.	Nature and Description of resolutions	No. of ordinary shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
	<p><b>Further Resolved that</b> the consent and approval be and is hereby accorded under Section 199 of the Companies Act, 2017 and the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017, *unutilized limit of investment amounting to Rs. 3,000 Million for the REIT Schemes under management of Arif Habib Dolmen REIT Management Ltd. (associated Company), be hereby approved to be continue to be utilized in any form / nature of investment including equity, loans, advances, running finance, guarantee, indemnity, pledge of shares etc.</p> <p><b>Further Resolved that</b> the Chief Executive and/or the Company Secretary be and are hereby authorized to take and do, and/or cause to be taken or done, any/all necessary actions, deeds and things which are or may be necessary for giving effect to the aforesaid resolutions and to do all acts, matters, deeds, and things which are necessary, incidental and/or consequential to the investment of the Company's funds as above, as and when required at the time of investment, including but not limited to negotiating and executing any necessary agreements/documents, and any ancillary matters thereto.</p>			

#### NOTES:

1. Dully filled postal ballot should be sent to the Chairman of Arif Habib Limited through post at Arif Habib Centre, 23, M.T. Khan Road, Karachi, Pakistan (Attention of the Company Secretary) **OR** through the registered email address of shareholder at [chairman.generalmeeting@arifhabibltd.com](mailto:chairman.generalmeeting@arifhabibltd.com)
2. Copy of CNIC / Passport No. (in case of foreigner) should be enclosed with the postal ballot form.
3. Postal ballot forms through post or email should reach the Chairman by Tuesday, **26th November 2024 before 5:00 p.m.** Any postal ballot received after this date and time, will not be considered for voting.
4. Signature on postal ballot should match with signature on CNIC / Passport No. (in case of foreigner).
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.
6. This postal Poll paper is also available for download from the website of Arif Habib Limited at <https://arifhabibltd.com/announcement.php> Shareholders may download the ballot paper from website or use the same ballot paper as published in newspapers.

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Signature of shareholder(s)/ Proxy Holder(s)/Authorized Signatory  
(In case of corporate entity, please affix company stamp)

Place: \_\_\_\_\_

Date: \_\_\_\_\_



AFFIX  
CORRECT  
POSTAGE

**ARIF HABIB LIMITED**

Arif Habib Centre,  
23-M.T. Khan Road, Karachi

Fold : Here

Fold : Here

# Form of Proxy

## 20th Annual General Meeting

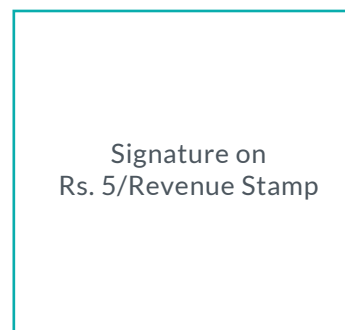
The Company Secretary  
Arif Habib Limited  
Arif Habib Centre  
23-M.T. Khan Road  
Karachi

I/we \_\_\_\_\_ of \_\_\_\_\_  
being a member(s) of Arif Habib Limited holding \_\_\_\_\_  
ordinary shares as per CDC A/c. No. \_\_\_\_\_ hereby  
appoint Mr./Mrs./Miss \_\_\_\_\_ of (full address)  
\_\_\_\_\_ or  
failing him/her Mr./Mrs./Miss \_\_\_\_\_  
of (full address) \_\_\_\_\_  
(being member of the Company) as my/our Proxy to attend, act and vote for me/us and on my/our behalf at the  
Twentieth Annual General Meeting of the Company to be held on November 27, 2024 and /or any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2024

### WITNESSES:

1. Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
NIC No. : \_\_\_\_\_  
Signature : \_\_\_\_\_
2. Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
NIC No. : \_\_\_\_\_  
Signature : \_\_\_\_\_



### NOTICE:

1. A member entitled to attend and vote at the meeting may appoint another member as his / her proxy who shall have such rights as respects attending, speaking and voting at the meeting as are available to a member.
2. Proxy shall authenticate his/her identity by showing his/her CNIC or original passport and bring folio number at the time of attending the meeting.
3. In order to be effective, the proxy forms must be received at the Registered Office of the Company; Arif Habib Centre, 23-M.T. Khan Road, Karachi, not later than 48 hours before the meeting duly signed and stamped and witnessed by two persons with their signature, name, address and CNIC number given on the form.
4. In the case of individuals attested copies of CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.
5. In the case of proxy by a corporate entity, Board of Directors resolution/power of attorney and attested copy of the CNIC or passport of the proxy shall be submitted along with proxy Form.

# پراکسی فارم

بیسواں سالانہ جنرل اجلاس

کمپنی سیکریٹری

عارف حبیب لیہیڈ

عرف حبیب سینٹر

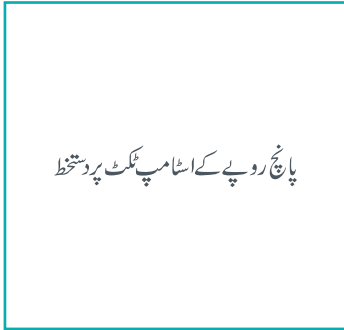
۲۳، ایم ٹی خان روڈ

کراچی۔

میں / ہم \_\_\_\_\_ بحیثیت عارف حبیب لیہیڈ ہولڈنگ کے رکن (اراکین) \_\_\_\_\_ آرڈینری شیئر برطانیسی ڈی سی اکاؤنٹ نمبر \_\_\_\_\_  
اپنی جانب سے مسٹر / مسز / م / کو تقرر / برخاست کرتا ہوں۔ ان کا مکمل پتہ \_\_\_\_\_ یا ناکامی \_\_\_\_\_  
مسٹر / مسز / م / کو تقرر / برخاست کرتا ہوں۔ ان کا مکمل پتہ \_\_\_\_\_ بحیثیت رکن کمپنی میری / ہماری، کمپنی کے بیسواں سالانہ اجلاس میں  
شرکت اور ووٹ دینے کے لئے، میرے / ہمارے لئے یا ہماری جانب سے جو کہ ۲۰۲۳ء کو منعقد ہوا اور یا التو کا شکار ہوا۔

دستخط: \_\_\_\_\_ بروز بتاریخ \_\_\_\_\_ ۲۰۲۳

گواہان:



(۱) نام: \_\_\_\_\_  
پتہ: \_\_\_\_\_  
شناختی کارڈ نمبر: \_\_\_\_\_  
دستخط: \_\_\_\_\_  
(۲) نام: \_\_\_\_\_  
پتہ: \_\_\_\_\_  
شناختی کارڈ نمبر: \_\_\_\_\_  
دستخط: \_\_\_\_\_

فارم برائے نمائندہ بیسواں سالانہ اجلاس عام ۲۰۲۳ء نمبر ۲۰۲۳

اطلاع:

- (۱) ایک رکن جو اجلاس میں حاضر ہونے اور ووٹ ڈالنے کا اہل ہے اپنی جگہ کسی اور رکن کو اپنے نمائندے کے طور پر مقرر کر سکتا ہے جو ایسے حقوق جیسے حاضر ہونے، بات کرنے اور اجلاس میں ووٹ ڈالنے کیلئے اہل ہو جائے گا / گی جیسے حقوق ایک رکن کو دستیاب ہے۔
- (۲) نمائندہ اجلاس میں حاضری کے وقت اپنی شناخت کا ثبوت اپنا کمپیوٹرائزڈ قومی شناختی کارڈ دکھا کر یا اصل پاسپورٹ دکھا کر ظاہر کرے گا / گی اور فوٹو نمبر بھی ہمراہ لائے گا / گی۔
- (۳) نمائندہ خازن (پراکسی فارمز) موثر ہونے کی عرض سے ہماری کمپنی کے رجسٹرڈ دفتر، عارف حبیب سینٹر، ۲۳، ایم ٹی خان روڈ، کراچی، پروجیکٹ دفتر پر اچھی طرح دستخط اور مہر اور دو اشخاص کی گواہی مع اٹکے دستخط، نام پتہ اور شناختی کارڈ نمبر جو فارم پر دیا گیا ہے اجلاس کے انعقاد سے زیادہ سے زیادہ ۳۸ گھنٹوں قبل موصول ہونا لازمی ہیں۔
- (۴) مستفید ہونے والے مالکان اور نمائندے کی تصدیق شدہ کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول نمائندہ فارم (پراکسی فارم) کے ہمراہ قابو کرنے ہو سکتے ہیں اگر معاملہ افراد کی صورت میں ہے۔
- (۵) اگر معاملہ ایک کاروباری ادارے کی جانب سے نمائندہ (پراکسی) کا ہے تو بورڈ آف ڈائریکٹرز اور دا مختار نامہ (وکالت نامہ) اور نمائندہ کے کمپیوٹرائزڈ قومی شناختی کارڈ کی تصدیق شدہ یا پاسپورٹ نمائندہ فارم (پراکسی فارم) کے ہمراہ لازمی طور پر جمع کرانا ہوگا۔

# Form of Proxy for E-Voting

## 20th Annual General Meeting

The Company Secretary  
Arif Habib Limited  
Arif Habib Centre  
23-M.T. Khan Road  
Karachi

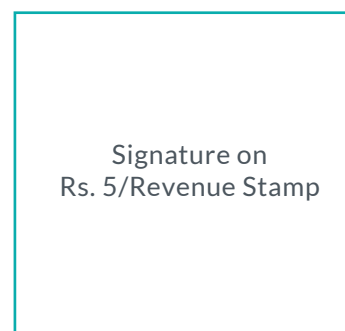
I/we, \_\_\_\_\_ of \_\_\_\_\_, holder of \_\_\_\_\_ Share(s) as per Registered Folio No./CDC A/c. No. \_\_\_\_\_ hereby opt for e-voting through Intermediary and hereby consent to the appointment of Execution officer Mr./Mrs./Miss \_\_\_\_\_ as proxy and will exercise e-voting as per the Companies (E-Voting) Regulations, 2016 and hereby demand for poll for resolutions.

My secured email address is \_\_\_\_\_, please send login details, password and electronic signature through email.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2024

### WITNESSES:

1. Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
NIC No. : \_\_\_\_\_  
Signature : \_\_\_\_\_
2. Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
NIC No. : \_\_\_\_\_  
Signature : \_\_\_\_\_



### NOTICE:

1. A member entitled to attend and vote at the meeting may appoint another member and non-members as his / her proxy.
2. In order to be effective, the instructions/proxy forms must be received at the Company's registered office address at Arif Habib Centre, 23, M.T. Khan Road, Karachi, no later than 10 days before the meeting (i.e. by the close of business on November 17, 2024), duly signed and stamped and witnessed by two persons with their names, address, CNIC numbers and signatures. Further the same instructions/proxy scanned copy may also be sent to our official email id [evoting@arifhabibltd.com](mailto:evoting@arifhabibltd.com).
3. In the case of individuals attested copies of CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.
4. In the case of proxy by a corporate entity, Board of Directors resolution/power of attorney and attested copy of the CNIC or passport of the proxy shall be submitted along with proxy Form.

# الیکٹرونک ووٹنگ کیلئے پراکسی فارم

بیسواں سالانہ جنرل اجلاس

کمپنی سیکریٹری

عارف حبیب لمیٹڈ

عرف حبیب سینٹر

۲۳، ایم ٹی خان روڈ

کراچی۔

میں / ہم \_\_\_\_\_ کا تعلق \_\_\_\_\_ سے اور ہمارے پاس رجسٹرڈ

فولیو نمبر / سی ڈی سی اکاؤنٹ نمبر \_\_\_\_\_ کے تحت \_\_\_\_\_ شیئرز کے مالک

ہیں، اور ہم ثالث کے ذریعے الیکٹرونک ووٹنگ کا انتخاب کرتے ہیں اور جناب / محترمہ \_\_\_\_\_ کو بطور ایگزیکوشن افسر برائے پراکسی مقرر کیے جانے کے حوالے

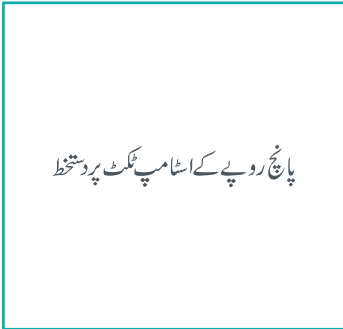
سے اپنی رضامندی کا اظہار کرتے ہیں جو کمپنیز (الیکٹرونک ووٹنگ) ریگولیشنز ۲۰۱۶ کے تحت الیکٹرونک ووٹنگ پر عمل کریں گے اور قرارداد کیلئے پولنگ کا مطالبہ کرتے ہیں۔

میرا ای میل ایڈریس \_\_\_\_\_ ہے، براہ کرم لگ ان کی تفصیلات، پاسورڈ اور الیکٹرونک دستخط اسی ایڈریس پر بھیجیں۔

دستخط

مورخہ \_\_\_\_\_

گواہان:



(۱) نام: \_\_\_\_\_

پتہ: \_\_\_\_\_

شناختی کارڈ نمبر: \_\_\_\_\_

دستخط: \_\_\_\_\_

(۲) نام: \_\_\_\_\_

پتہ: \_\_\_\_\_

شناختی کارڈ نمبر: \_\_\_\_\_

دستخط: \_\_\_\_\_

نوٹس:

(۱) ووٹنگ کی تقریب میں شرکت اور ووٹ ڈالنے کا اہل ممبر کسی ایک اور رکن یا غیر رکن کو اپنا پراکسی مقرر کر سکتا ہے۔

(۲) موثر انداز سے عمل کیلئے ضروری ہے کہ ہدایت نامہ / پراکسی فارم کمپنی کے رجسٹرڈ دفتر، عارف حبیب سینٹر، ۲۳، ایم ٹی خان روڈ، کراچی، پراجلاس سے ۱۰ روز قبل پہنچ جانا چاہیے (یعنی ۱۷ نومبر، ۲۰۲۴ء کو

کاروباری سرگرمیوں کے اختتام تک)، جس پر دو گواہان کے نام، پتہ، شناختی کارڈ اور دستخط ہونا چاہئیں۔ مزید برآں، ہدایت نامہ / پراکسی کی اسکین کی ہوئی کاپی ہمارے ای میل ایڈریس

evoting@arifhabibltd.com پر بھی ارسال کریں۔

(۳) افراد کی صورت میں بینیفیشل اونرز کے تصدیق شدہ کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ کی کاپی پراکسی فارم کے ساتھ جمع کرائی جائے۔

(۴) کارپوریٹ ادارے کے پراکسی کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی اور کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ کی مصدقہ کاپی پراکسی فارم کے ساتھ جمع کرائیں۔



## ARIF HABIB CENTRE

23, M.T Khan Road, Karachi-74000

Fax No (92-21) 32416072; 32429653

UAN (92-21) 111-245-111

Group Website: [www.arifhabib.com.pk](http://www.arifhabib.com.pk)

[www.arifhabibltd.com](http://www.arifhabibltd.com)