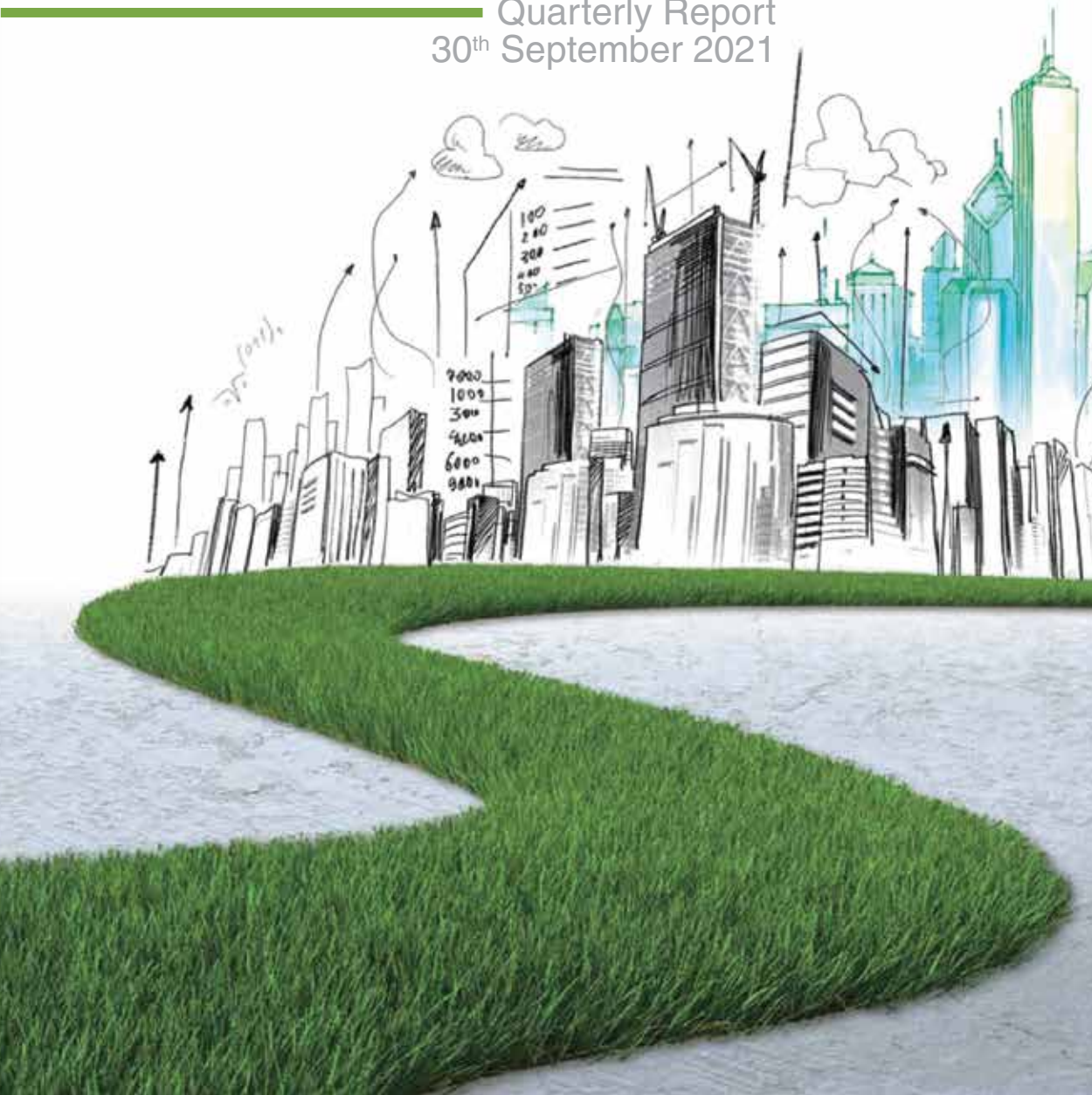




Arif Habib Corp

TOGETHER WE GROW

Quarterly Report
30th September 2021



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COMPANY INFORMATION

Board of Directors

Asadullah Khawaja
Chairman

Arif Habib
Chief Executive Officer

Sirajuddin Cassim
Independent Director

Zeba Bakhtiar
Independent Director

Nasim Beg
Non-Executive Director

Samad A. Habib
Non-Executive Director

Muhammad Ejaz
Non-Executive Director

Kashif A. Habib
Non-Executive Director

Audit Committee

Sirajuddin Cassim - Chairman

Kashif A. Habib - Member

Muhammad Ejaz - Member

Management

Arif Habib
Chief Executive Officer

Mohsin Madni
Chief Financial Officer

Manzoor Raza
Company Secretary

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Bank Islami Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
MCB Islamic Bank Limited
National Bank Of Pakistan
Standard Chartered Bank (Pakistan) Limited
Sindh Bank Limited
Summit Bank Limited
Soneri Bank Limited
The Bank Of Khyber
The Bank Of Punjab
United Bank Limited



Auditors

A.F. Ferguson & Co.
Chartered Accountants

Legal Advisors

Bawaney & Partners
Akhund Forbes

Registered & Corporate Office

Arif Habib Centre, 23, M.T.Khan Road
Karachi-74000
Phone: (021) 32460717-9
Fax: (021) 32429653
Email: info@arifhabibcorp.com
Company website: www.arifhabibcorp.com
Group website: www.arifhabib.com.pk

Registrar & Share Transfer Agent

CDC Share Registrar Services Limited
CDC House, 99-B, Block-B, S.M.C.H.S,
Main Shahrah-e-Faisal, Karachi
Phone: (021) 111-111-500
Fax: (021) 34326053
URL: www.cdcrsl.com
Email: info@cdcrsl.com

DIRECTORS' REVIEW REPORT

Dear Shareholders,

The Directors of Arif Habib Corporation Limited (AHCL) present herewith the Directors' report of the Company together with interim condensed consolidated and unconsolidated financial statements for the quarter ended 30th September 2021.

The Economy

Since the beginning of current fiscal year 2022, economic recovery surpassed expectations growing at a much faster pace than anticipated. Robust domestic demand in tandem with a sharp jump in international commodity prices resulted in a strong uptick in imports, converting into a higher CAD of USD 3.4 billion during first quarter of the current fiscal year. This put pressure on the Pak Rupee, which made a low of 171/USD at quarter end. Consequently, as a policy response, we saw State Bank of Pakistan increasing policy rate by a quarter of a percentage point to 7.25%, transitioning from prioritizing growth to now ensuring sustainability. While pressure remains on the external account, one notable achievement on the fiscal front during the quarter was the FBR tax collection that exceeded the assigned by PKR 186 billion reaching PKR 1,395 billion.

Financial Results

During the first quarter under review, on a consolidated basis, your Company posted a profit after tax of PKR 1,917.64 million as opposed to profit after tax of PKR 2,634.69 during corresponding quarter last year. This translates to an earning of PKR 4.70 per share as compared with earnings of PKR 6.45 per share in the corresponding period.

On an unconsolidated basis, the Company recorded a profit after tax of PKR 994.53 million translating into an earnings of PKR 2.44 per share as compared to profit after tax of PKR 2,034.31 million i.e. earnings per share of PKR 4.98 in the corresponding period last year.

Performance of Subsidiaries and Associates

Our associates in the fertilizer and steel businesses, and wind energy subsidiary have performed well. Brokerage house and Asset Management Company have performed satisfactorily but not as well as in the corresponding period last year.

With a combined name plate capacity of 2.57 million MT/year, the fertilizer manufacturing associate, Fatima Fertilizer Company Limited, performance remained very impressive recording a profit after tax of PKR 4,776.73 million. The Financial performance of Aisha Steel Mills Limited has been very good with an after tax profit of PKR 738 million. Owing to high wind season, our wind energy project, Sachal Energy, also performed notably posting after-tax profit of PKR 905.84 million during the quarter ended 30th September 2021. Securities brokerage subsidiary, Arif Habib Limited recorded a profit after tax of PKR 250.31 million which translated into a basic earnings per share of PKR 4.21 as compared to earnings of PKR 12.44 per share in the corresponding quarter last year. Our asset management company, MCB-Arif Habib Savings & Investments Limited, an associate, has also posted profit after tax of PKR 60.84 million in the first quarter as compared to profit after tax of PKR 114.08 million in the comparative quarter last year. Power Cement incurred a small loss of PKR 0.19 million.

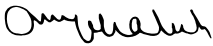
Future Outlook

Fertilizer business looks promising due to enhanced production volumes. The Wind Power Company is expected to maintain last year's profitability, whereas financial services, steel and cement are expected to remain under pressure and unlikely to match last year's profits. On an overall basis, your company is confident to show a stellar performance going forward attributable to its excellently diversified portfolio.

Acknowledgement

We are grateful to the Company's shareholders for their continuing confidence and patronage. We record our appreciation and thank our Bankers, Business Partners, the Securities & Exchange Commission of Pakistan, the State Bank of Pakistan and the management of Pakistan Stock Exchange for their support and guidance. We acknowledge and appreciate the hard work put in by the employees of the Company during the period.

For and on behalf of the Board,



Mr. Arif Habib
Chief Executive



Mr. Asadullah Khawaja
Chairman

Karachi: 29th October 2021

**CONDENSED INTERIM
UNCONSOLIDATED
FINANCIAL STATEMENTS**
FOR THE THREE MONTHS PERIOD
ENDED 30TH SEPTEMBER 2021





CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th September 2021

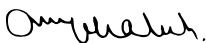
	Note	Unaudited 30 September 2021	Audited 30 June 2021
(Rupees)			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital	5	10,000,000,000	10,000,000,000
Share capital			
Issued, subscribed and paid up share capital	5	4,083,750,000	4,083,750,000
Revenue reserves			
General reserve		4,000,000,000	4,000,000,000
Fair value reserve		20,085,153	20,085,153
Unappropriated profit		13,030,103,286	13,260,702,933
		17,050,188,439	17,280,788,086
		21,133,938,439	21,364,538,086
Non-current liabilities			
Deferred taxation - net		221,639,505	240,963,798
Lease liability against right of use assets		11,870,357	17,941,122
		233,509,862	258,904,920
Current liabilities			
Dividend payable		1,225,125,000	-
Accrued expenses		19,962,851	5,761,262
Short term borrowings		-	1,102,687,110
Current portion of lease liability		17,279,907	14,782,306
Taxation - net		102,659,485	-
Unclaimed dividend		17,338,597	17,338,597
		1,382,365,840	1,140,569,275
Contingencies and commitments	6	22,749,814,141	22,764,012,281

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th September 2021

	Note	Unaudited 30 September 2021	Audited 30 June 2021
(Rupees)			
ASSETS			
Non-current assets			
Properties and equipment	7	56,746,321	61,035,337
Intangible assets		568,211	606,095
Long term investments	8	16,566,539,638	16,321,392,392
Long term loan to related party	9	120,753,895	134,970,641
Long term deposits and other receivables		2,853,828	2,964,728
		16,747,461,893	16,520,969,193
Current assets			
Loans and advances	10	634,547,324	634,834,491
Mark-up receivable	11	4,190,510	15,759,219
Prepayments and other receivables	12	432,215,097	15,648,067
Short term investments	13	4,214,776,761	5,238,368,312
Taxation-net		-	42,300,846
Cash and bank balances		716,622,556	296,132,153
		6,002,352,248	6,243,043,088
		22,749,814,141	22,764,012,281

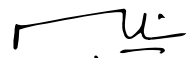
The annexed notes 1 to 23 form an integral part of these condensed interim unconsolidated financial statements.



Chief Executive Officer



Director



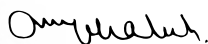
Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

For the three months period ended 30th September 2021

	Note	Three months period ended	
		30 September 2021	30 September 2020
(Rupees)			
Operating revenue	14	421,236,914	116,371,203
Gain on sale of securities - net		970,537,215	138,623,886
(Loss) / gain on remeasurement of investments - net		(229,999,437)	1,854,478,904
		1,161,774,692	2,109,473,993
Administrative expenses		(25,884,102)	(28,357,203)
Other income		-	964,000
Finance cost		(15,098,073)	(11,424,752)
Other charges		-	(8,000)
Profit before tax		1,120,792,517	2,070,648,038
Taxation	15	(126,267,164)	(36,336,853)
Profit after tax		994,525,353	2,034,311,185
Other comprehensive income		-	-
Total comprehensive income		994,525,353	2,034,311,185
Earnings per share - basic and diluted	16	2.44	4.98

The annexed notes 1 to 23 form an integral part of these condensed interim unconsolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

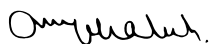
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the three months period ended 30th September 2021

Issued, subscribed and paid up share capital	Reserves			Sub total	Total
	Revenue Reserves				
	Fair value reserve *	General reserve	Unappropriated profit		
----- (Rupees) -----					
Balance as at 1 July 2020	4,083,750,000	20,085,153	4,000,000,000	9,999,201,190	14,019,286,343
Total comprehensive income for the three months period ended 30 September 2020					
Profit for the period	-	-	-	2,034,311,185	2,034,311,185
Other comprehensive income for the period	-	-	-	2,034,311,185	2,034,311,185
Balance as at 30 September 2020	4,083,750,000	20,085,153	4,000,000,000	12,033,512,375	16,053,597,528
Total comprehensive income for the nine months period ended 30 June 2021					
Profit for the period	-	-	-	1,839,753,058	1,839,753,058
Other comprehensive income for the period	-	-	-	-	-
Transactions with owners of the Company recorded directly in equity					
Final cash dividend at the rate of Rs. 1.5 per share for the year ended 30 June 2021	-	-	-	(612,562,500)	(612,562,500)
Balance as at 30 June 2021	4,083,750,000	20,085,153	4,000,000,000	13,260,702,933	17,280,788,086
Total comprehensive income for the three months period ended 30 September 2021					
Profit for the period	-	-	-	994,525,353	994,525,353
Other comprehensive income for the period	-	-	-	-	-
Final cash dividend at the rate of Rs. 3 per share for the year ended 30 June 2021	-	-	-	(1,225,125,000)	(1,225,125,000)
Balance as at 30 September 2021	4,083,750,000	20,085,153	4,000,000,000	13,030,103,286	17,050,188,439

* Fair value reserve comprises of the cumulative net change in the fair value of equity securities designated at FVOCI.

The annexed notes 1 to 23 form an integral part of these condensed interim unconsolidated financial statements.



Chief Executive Officer



Director



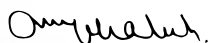
Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the three months period ended 30th September 2021

	Note	Three months period ended	
		30 September 2021	30 September 2020
(Rupees)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash generated from operations	17	1,513,026,637	190,796,029
Income tax paid		(631,126)	(98,402,841)
Interest received		16,863,255	21,913,731
Finance cost paid		(896,066)	(24,022,463)
Dividend received		-	638,000,412
Net cash generated from operating activities		1,528,362,700	728,284,868
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(1,081,475)	(633,167)
Long term deposit recovered		110,900	386,000
Proceeds from sale of properties and equipment		-	1,350,000
Net cash used in investing activities		(970,575)	1,102,833
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liability		(4,214,612)	(3,831,465)
Net cash used in financing activities		(4,214,612)	(3,831,465)
Net increase in cash and cash equivalents		1,523,177,513	725,556,236
Cash and cash equivalents at beginning of the period		(806,554,957)	(635,585,115)
Cash and cash equivalents at end of the period	18	716,622,556	89,971,121

The annexed notes 1 to 23 form an integral part of these condensed interim unconsolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2021

1. STATUS AND NATURE OF BUSINESS

Arif Habib Corporation Limited ("the Company") was incorporated in Pakistan on 14 November 1994 as a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Company is listed on the Pakistan Stock Exchange Limited. The principal activity of the Company is to make strategic investments in subsidiary companies and associates engaged in diversified sectors and investment in other securities. The Company also extends loans, advances and guarantees to its associated company / undertaking as allowed under Companies Act, 2017 as its principal business activity. The registered office of the Company is situated at 2nd Floor, 23, M. T. Khan Road, Karachi, Pakistan. The Company is domiciled in the province of Sindh.

These condensed interim unconsolidated financial statements are separate financial information of the Company in which investments in subsidiaries and associates are accounted for on the basis of direct equity interest rather than on the basis of reported results. Consolidated condensed interim financial statements are prepared separately.

The Company has following long term investments and its underlying shareholding in respective investee companies:

<i>Name of Companies</i>	<i>Shareholding</i>
<i>Subsidiaries</i>	
- Arif Habib Limited, a brokerage house	<u>69.44%</u>
- Sachal Energy Development (Pvt) Limited, a wind power generation company	<u>85.83%</u>
- Black Gold Power Limited, a coal power generation company	<u>100.00%</u>
<i>Associates</i>	
- MCB-Arif Habib Savings and Investments Limited - a pension fund manager, asset management company and investment advisor	<u>30.09%</u>
- Pakarab Fertilizers Limited - a fertilizer company	<u>30.00%</u>
- Fatima Fertilizer Company Limited - a fertilizer company	<u>15.19%</u>
- National Resources (Private) Limited, a mining exploration company	<u>9.57%</u>
<i>Others</i>	
- Khabeer Financial Services (Private) Limited	<u>5.00%</u>
- Sunbiz (Private) Limited	<u>4.65%</u>

There is no change shareholding in long term investments from the preceding annual audited unconsolidated financial statements for the year ended 30 June 2021.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2021

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of;

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

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

These condensed interim unconsolidated financial statements are unaudited and do not include all the statements required for full annual financial statements and should be read in conjunction with the audited annual unconsolidated financial statements of the Company as at and for the year ended 30 June 2021.

The comparative statement of financial position presented in these condensed interim unconsolidated financial statements has been extracted from the audited annual unconsolidated financial statements of the Company for the year ended 30 June 2021, whereas the comparative condensed interim unconsolidated statement of profit or loss and other comprehensive income, condensed interim unconsolidated statement of cash flows and condensed interim unconsolidated statement of changes in equity are extracted from the unaudited condensed interim unconsolidated financial statements for the three months period ended 30 September 2020.

These condensed interim unconsolidated financial statements are presented in Pakistani Rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest rupee.

These condensed interim unconsolidated financial statements have been prepared on the basis of a single reportable segment.

2.2 Basis of measurement

These condensed interim unconsolidated financial statements have been prepared under the historical cost convention, except as stated otherwise and should be read in conjunction with the audited annual unconsolidated financial statements of the Company as at and for the year ended 30 June 2021.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements are the same as those applied in the preparation of annual audited unconsolidated financial statements of the Company as at and for the year ended 30 June 2021.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2021

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

- 4.1** The preparation of these condensed interim unconsolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience. Actual results may differ from these estimates.
- 4.2** The significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited unconsolidated financial statements as at and for the year ended 30 June 2021.

5. SHARE CAPITAL

5.1 Authorised share capital

30 September 2021	30 June 2021		Note	Unaudited 30 September 2021	Audited 30 June 2021
(Number of shares)				(Rupees)	
<u>1,000,000,000</u>	<u>1,000,000,000</u>	Ordinary shares of Rs. 10 each		<u>10,000,000,000</u>	<u>10,000,000,000</u>

5.2 Issued, subscribed and paid up share capital

<u>5,000,000</u>	<u>5,000,000</u>	Ordinary shares of Rs. 10 each fully paid in cash		<u>50,000,000</u>	<u>50,000,000</u>
<u>450,750,000</u>	<u>450,750,000</u>	Ordinary shares of Rs. 10 each issued as fully paid bonus shares		<u>4,507,500,000</u>	<u>4,507,500,000</u>
<u>455,750,000</u>	<u>455,750,000</u>			<u>4,557,500,000</u>	<u>4,557,500,000</u>
<u>(2,000,000)</u>	<u>(2,000,000)</u>	Ordinary shares of Rs. 10 each bought back at Rs. 360 per share	5.2.1	<u>(20,000,000)</u>	<u>(20,000,000)</u>
<u>(45,375,000)</u>	<u>(45,375,000)</u>	Ordinary shares of Rs. 10 each bought back at Rs. 27 per share	5.2.2	<u>(453,750,000)</u>	<u>(453,750,000)</u>
<u>408,375,000</u>	<u>408,375,000</u>			<u>4,083,750,000</u>	<u>4,083,750,000</u>

- 5.2.1** During financial year 2005-2006, the Company bought back two million shares of Rs. 10 each from its shareholders through tender notice at a price of Rs. 360 per share in accordance with section 95-A of the repealed Companies Ordinance, 1984 and the Companies (Buy-back of Shares) Rules, 1999. The acquisition resulted in reduction of capital and unappropriated profit by Rs. 20 million and Rs. 700 million respectively, in the relevant year.
- 5.2.2** During the financial year 2019-2020, the Company purchased and cancelled 45,375,000 ordinary shares (10% of existing shares i.e. 453,750,000). The buy-back and cancellation of shares were approved by shareholders at the extra ordinary general meeting held on 3rd July 2019. The shares were acquired at a purchase price of Rs. 27 per share. The purchase of shares were made in cash out of the distributable profits as required under Section 88(8) of the Companies Act, 2017 read with the Listed Companies (Buy-Back of Shares) Regulations, 2019. Pursuant to buy-back of shares the ordinary share capital of the Company has been reduced by 45,375,000 ordinary shares amounting to Rs. 453,750,000.
- 5.2.3** At period end, Mr. Arif Habib (Chief Executive Officer) held 80.54% (30 June 2021: 80.54%) of ordinary shares in the Company.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2021

6. CONTINGENCIES AND COMMITMENTS

6.1 There is no other change in the status of contingencies and commitments as disclosed in the preceding annual audited unconsolidated financial statements as at and in the year ended 30 June 2021 except for the following:

6.1.1 The exposure against Corporate Guarantee on behalf of an associated concern, Power Cement Limited (PCL) to extent of USD 10.127 million has been terminated due to fulfilment of payment obligation by PCL.

7. PROPERTIES AND EQUIPMENT

Following is the cost / written down value of operating fixed assets that have been added / disposed off during the period:

	Three months period ended 30 September 2021		Three months period ended 30 September 2020	
	Additions (Unaudited)	Disposals	Additions (Unaudited)	Disposals
	(Rupees)			
Computer and allied equipment	1,081,475	-	169,267	-
Vehicle	-	-	463,900	386,000
	1,081,475	-	633,167	386,000

8. LONG TERM INVESTMENTS

	Note	Unaudited 30 September 2021	Audited 30 June 2021
		(Rupees)	
Subsidiaries - at cost	8.1	4,903,984,832	4,903,984,832
Associates - designated at FVTPL	8.2	10,212,561,306	9,967,414,060
Associates - at FVOCI	8.3	1,449,993,500	1,449,993,500
Other equity securities - at FVOCI	8.4	-	-
		16,566,539,638	16,321,392,392

8.1 Subsidiaries - at cost

	Carrying amount	
	Unaudited 30 September 2021	Audited 30 June 2021
	(Rupees)	
Arif Habib Limited (AHL)	2,157,519,772	2,157,519,772
Sachal Energy Development (Private) Limited (SEDPL)	2,746,465,060	2,746,465,060
Black Gold Power Limited (BGPL)	50,000,000	50,000,000
Less: Provision for impairment	(50,000,000)	(50,000,000)
	4,903,984,832	4,903,984,832

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2021

8.2 Associates - designated at FVTPL	Note	Cost	Unrealised appreciation / (diminution) on remeasurement of investments (Rupees)	Carrying amount	
				Unaudited 30 September 2021	Audited 30 June 2021
MCB - Arif Habib Savings and Investments Limited (MCB-AH)	8.2.1	477,694,882	257,370,304	735,065,186	796,158,137
Fatima Fertilizer Company Limited (FFCL)		3,512,782,225	5,964,713,895	9,477,496,120	9,171,255,923
		3,990,477,107	6,222,084,199	10,212,561,306	9,967,414,060

8.2.1 Before loss of control, MCB-AH was stated at Rs. 81.948 million which is historical cost of investment as per IAS 27. However, due to loss of control the Company has designated remaining equity interest 'at fair value through profit or loss' and accordingly fair value on the date of loss of control is considered as deemed cost.

8.3 Associates - at FVOCI	Cost	Unrealised appreciation / (diminution) on remeasurement of investments (Rupees)	Carrying amount	
			Unaudited 30 September 2021	Audited 30 June 2021
Pakarab Fertilizers Limited (PFL)	1,324,332,073	25,667,927	1,350,000,000	1,350,000,000
National Resources (Private) Limited (NRPL)	99,993,500	-	99,993,500	99,993,500
	1,424,325,573	25,667,927	1,449,993,500	1,449,993,500

8.4 Other equity securities - at FVOCI

The Company designated the investment shown below as equity securities at FVOCI.

	Shares (Number)	Fair value (Rupees)
Sun Biz (Private) Limited (SBL)	10,000	-
Al-Khabeer Financial Services (Private) Limited (AKFS)	5,000	-
		-

8.4.1 Investment in SBL (unquoted) and AKFS (unquoted) were fully impaired in previous year and no change in fair value is recognised in current period.

8.5 Fair value of long term investments pledged with banking companies against various financing facilities amounts to Rs. 3,557.51 million (30 June 2021: Rs. 3,581.86 million).

9. LONG TERM LOAN TO RELATED PARTY	Note	Unaudited 30 September 2021	Audited 30 June 2021
<i>Secured</i>			
Aisha Steel Mills Limited		149,187,387	163,404,133
Less: Current portion of long term loan	10	(28,433,492)	(28,433,492)
		120,753,895	134,970,641

9.1 This represents long term loan secured against first charge on all present and future fixed assets, accounts receivables and interest in any insurance claim and equitable mortgage of land and building. The mark-up rate in the said loan is 6 month KIBOR + 3.25% per annum (30 June 2021: 6 months KIBOR + 3.25% per annum). The rate of mark-up on the loan during the period ranged between 10.94% (30 June 2021: ranged between 10.49% to 10.60%) per annum. Mark-up is payable on semi-annual basis.

9.2 Maximum balance due from related party as at the end of any month during the period was Rs. 149.19 million (30 June 2021: Rs. 163.4 million).

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2021

10. LOANS AND ADVANCES	Note	Unaudited 30 September 2021	Audited 30 June 2021
(Rupees)			
<i>Unsecured</i>			
Loans to related parties			
- Black Gold Power Limited (BGPL)	10.1	5,500,000	5,500,000
- Advance for investment in Silk Islamic Development REIT		600,000,000	600,000,000
<i>Secured</i>			
Current portion of long term loan to Aisha Steel Mills Limited (ASL)	9.1	28,433,492	28,433,492
Advance against salaries to employees		613,832	900,999
		634,547,324	634,834,491

10.1 The Company entered into an interest free financing agreement with BGPL to the extent of Rs. 10 million in order to finance its working capital requirements and for any other business as may be mutually agreed between the parties to the agreement. The loan is repayable within 30 business days of notice of demand.

10.2 Maximum balance due from related parties in respect of loans and advances as at the end of any month during the period was Rs. 605.5 million (30 June 2021: Rs. 922.5 million).

11. MARK-UP RECEIVABLE

From related parties:

- Aisha Steel Mills Limited	4,190,510	8,589,238
- Power Cement Limited	-	2,722,849
- Javedan Corporation Limited	-	4,447,132
	4,190,510	15,759,219

11.1 The maximum amount due from related parties in respect of mark-up receivable as at the end of any month during the period was Rs. 4.19 million (30 June 2021: Rs. 15.8 million). Further, the said receivable from related parties are on account of loans provided to them which are current and not past due.

12. PREPAYMENTS AND OTHER RECEIVABLES

Prepayment		5,720,828	784,153
Guarantee commission receivable	12.1	3,483,528	4,307,736
Dividend receivable	12.2	412,458,840	-
Others		10,551,901	10,556,178
		432,215,097	15,648,067

12.1 This represent guarantee commission receivable from related parties, namely, Arif Habib Limited, Sachal Energy Development (Private) Limited, Aisha Steel Mills Limited and Power Cement Limited. The maximum amount due from related party as at the end of any month during the period was Rs. 3.48 million (30 June 2021: Rs. 5.16 million).

12.2 This represent dividend receivable from Arif Habib Limited.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2021

13. SHORT TERM INVESTMENTS	Note	Unaudited 30 September 2021	Audited 30 June 2021
(Rupees)			
Equity securities - at FVTPL	13.2	4,214,776,761	5,238,368,312
13.1	Details of investments are as follows:		
Investment in ordinary shares of related parties		2,283,738,590	3,286,748,289
Investment in preference shares of related parties		761,385,717	854,461,693
Investment in ordinary shares of other companies		1,169,652,454	1,097,158,330
		4,214,776,761	5,238,368,312
13.2	These include investments in Aisha Steel Mills Limited, Power Cement Limited and Javedan Corporation Limited.		
13.3	Fair value of short term investments pledged with banking companies against various financing facilities amounts to Rs. 967.57 million (30 June 2021: Rs. 1,498 million).		
14. OPERATING REVENUE		Three months period ended	
		30 September 2021	30 September 2020
		(Rupees)	
Dividend income		412,458,840	103,114,710
Mark-up income on loans and advances		4,190,511	7,812,540
Guarantee commission income		3,483,528	5,150,066
Mark-up income on bank deposits		1,104,035	293,887
		421,236,914	116,371,203
15. TAXATION		Three months period ended	
		30 September 2021	30 September 2020
		(Rupees)	
Current		145,591,457	116,569,708
Deferred		(19,324,293)	(80,232,855)
		126,267,164	36,336,853
15.1	The provision for current period tax represents tax on taxable income at the rate of 29% (30 June 2021: 29%) per annum or minimum tax per annum, whichever is higher. The rate of tax imposed on the taxable income of a company for the tax year 2022 and onwards is 29%. The Company computes current tax expense based on the generally accepted interpretation of the tax laws to ensure that sufficient provision for the purpose of taxation is available. According to management, the tax provision made in these condensed interim financial statements is sufficient.		

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2021

16. EARNINGS PER SHARE - BASIC AND DILUTED

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period. There is no dilutive effect on the basic earnings per share of the Company:

	Three months period ended	
	30 September 2021	30 September 2020
	(Rupees)	
Profit for the period	994,525,353	2,034,311,185
	(Number)	
Weighted average number of ordinary shares	408,375,000	408,375,000
	(Rupees)	
Earnings per share - basic and diluted	2.44	4.98

17. NET CASH GENERATED FROM OPERATIONS

	Three months period ended	
	30 September 2021	30 September 2020
	(Rupees)	
Profit before tax	1,120,792,517	2,070,648,038
Adjustments for:		
Depreciation	5,370,491	4,869,935
Amortisation	37,884	-
Dividend income	(412,458,840)	(103,114,710)
Mark-up on loans and advances	(4,190,511)	(7,812,540)
Mark-up on bank deposits	(1,104,035)	(293,887)
Gain on remeasurement of investment in associates	(245,147,246)	(1,096,599,327)
Loss / (gain) on remeasurement of short term investments	475,146,683	(757,879,577)
Finance cost	15,098,073	11,424,752
Gain of disposal of fixed assets	-	(964,000)
	(167,247,501)	(1,950,369,354)
	953,545,016	120,278,684
Changes in:		
Loans and advances	14,503,913	(313,577)
Prepayments, trade and other receivables	(4,108,190)	(2,726,195)
Short term investments	548,444,868	71,535,253
Trade and other payables	641,030	2,038,082
Unclaimed dividend	-	(16,218)
	559,481,621	70,517,345
Net cash generated from operations	1,513,026,637	190,796,029

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2021

18. CASH AND CASH EQUIVALENTS

	Three months period ended	
	30 September 2021	30 September 2020
Cash and bank balances	716,622,556	89,971,121
Short term borrowings	-	-
	716,622,556	89,971,121

19. FINANCIAL INSTRUMENTS

The financial risk management objectives and policies are consistent with those disclosed in the annual audited unconsolidated financial statements of the Group as at and for the year ended 30 June 2021.

20. FAIR VALUE MEASUREMENTS

The accounting policies and disclosure requirement for the measurement of fair values are consistent with those disclosed in the annual audited unconsolidated financial statements of the Company as at and for the year ended 30 June 2021.

21. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties comprise of group companies (including subsidiaries and associates), directors and their close family members, major shareholders of the Company, companies where directors also hold directorship, key management personnel and staff provident fund. Transactions with related parties are carried out at contractual / agreed rates. Remuneration and benefits to executives of the Company are in accordance with the terms of the employment while contribution to the provident fund is in accordance with staff service rules.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers its Chief Executive Officer, Chief Financial Officer, Company Secretary, Non-Executive Directors and Departmental Heads to be its key management personnel. There are no transactions with key management personnel other than their terms of employment / entitlement.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2021

Transactions and balances with related parties during the period other than those disclosed elsewhere in these condensed interim unconsolidated financial statements are given below:

Name of the related party	Transactions during the period	Three months period ended	
		30 September 2021	30 September 2020
		(Rupees)	
Subsidiaries			
Arif Habib Limited	Services availed	1,853,981	3,312,200
	Dividend income	412,458,840	103,114,710
	Mark-up received	4,447,132	-
	Guarantee commission income	455,659	478,104
	Guarantee commission received	464,883	454,370
Sachal Energy Development (Private) Limited	Guarantee commission income	2,465,550	2,925,475
	Guarantee commission received	2,414,655	3,045,845
Associates			
Fatima Fertilizer Company Limited	Dividend received	-	638,000,412
Associated companies by virtue of common directorship and related concern			
Name of the related party			
Aisha Steel Mills Limited	Mark-up on loan	4,190,511	7,606,186
	Mark-up received	8,589,238	21,441,982
	Guarantee commission income	325,614	1,111,313
	Guarantee commission received	1,051,623	1,095,427
	Loan extended	-	1,630,000,000
	Loan repaid	-	1,630,000,000
Javedan Corporation Limited	Mark-up received	2,722,849	147,616
Power Cement Limited	Guarantee commission income	236,705	635,174
	Guarantee commission received	376,575	445,884
	Mark-up on loan	-	206,354
	Loan extended	-	232,000,000
Loan repaid	-	232,000,000	
Rotocast Engineering Company (Private) Limited	Payment of rent and sharing of utilities, insurance and maintenance charges	11,713,768	7,169,135
Arif Habib Securities Limited - Employees Provided Fund	Company's Contribution	688,774	688,329

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2021

		Three months period ended	
		30 September 2021	30 September 2020
		(Rupees)	
Remuneration of chief executive officer, directors, key management personnel and executives			
Managerial Remuneration		7,604,161	7,580,313
Contribution to provident fund		524,670	531,477
Other perquisites and benefits		885,147	1,021,278
Mr. Asadullah Khawaja	Meeting fee	50,000	50,000
Mr. Sirajuddin Cassim	Meeting fee	75,000	75,000
Ms. Zeba Bakhtiar	Meeting fee	50,000	-
Dr. Shamshad Akhtar	Meeting fee	-	50,000
Balances as at:		Unaudited 30 September 2021	Audited 30 June 2021
		(Rupees)	
Arif Habib Limited	CDC charges payable	38,168	33,093
	Commission on guarantee receivable	455,659	464,883
	Mark-up receivable	-	4,447,132
Sachal Energy Development (Private) Limited	Commission on guarantee receivable	2,465,550	2,414,655
Aisha Steel Mills Limited	Loan (long-term and short-term)	149,187,387	163,404,133
	Mark-up receivable	4,190,510	8,589,238
	Commission on guarantee receivable	325,614	1,051,623
Javedan Corporation Limited	Mark-up receivable	-	2,722,849
Power Cement Limited	Commission on guarantee receivable	236,705	376,575
Rotocast Engineering Company (Private) Limited	Payable against monthly expense contribution	903,368	1,194,110

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

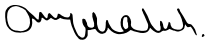
For the three months period ended 30th September 2021

22. CORRESPONDING FIGURES

Guarantee commission of Rs. 5.15 million for the period ended 30 September 2020 has been included in Operating revenue in the condensed interim unconsolidated statement of profit or loss. Other than this, no material reclassifications have been made.

23. DATE OF AUTHORISATION FOR ISSUE


These condensed interim unconsolidated financial statements have been authorised for issue on 29 October 2021 by the Board of Directors of the Company.



Chief Executive Officer



Director



Chief Financial Officer

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**CONDENSED INTERIM
CONSOLIDATED
FINANCIAL STATEMENTS**
FOR THE THREE MONTHS PERIOD
ENDED 30TH SEPTEMBER 2021





CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th September 2021

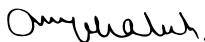
	Note	Unaudited 30 September 2021	Audited 30 June 2021
(Rupees)			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital	5	10,000,000,000	10,000,000,000
Share capital			
Issued, subscribed and paid-up share capital	5	4,083,750,000	4,083,750,000
Surplus on revaluation of fixed assets		15,432,500	15,432,500
Other reserves		26,562,111,197	25,906,142,354
Equity attributable to owners of the Parent Company		30,661,293,697	30,005,324,854
Non-controlling interest		2,894,146,043	2,885,565,940
Total Equity		33,555,439,740	32,890,890,794
Non-current liabilities			
Long term loans - secured		8,103,673,766	7,437,261,481
Land lease liability		11,149,834	10,710,114
Lease liability against right-of-use asset		16,644,293	21,466,537
Loan under State Bank of Pakistan scheme		5,866,963	9,476,424
Deferred liability - gratuity		24,700,073	23,064,751
Deferred taxation - net		1,901,374,085	1,808,391,130
		10,063,409,014	9,310,370,437
Current liabilities			
Trade and other payables		1,347,978,492	2,150,650,604
Dividend payable by Parent Company		1,225,125,000	-
Dividend payable to non-controlling interest by subsidiary company		181,541,160	-
Mark-up accrued on borrowings		153,753,842	79,028,184
Short term borrowings		2,208,366,698	3,437,053,359
Current portion of long term loans - secured		1,709,500,000	1,583,000,000
Current portion of lease liability against right-of-use assets		40,898,139	41,479,177
Current portion of loan under State Bank of Pakistan Scheme		16,605,156	15,547,461
Current portion of land lease liability		1,360,000	1,360,000
Payable against purchase of investment - net (on listed shares)		13,950,541	53,758,623
Taxation - net		348,343,388	171,691,021
Unclaimed dividend		32,258,610	32,258,610
		7,279,681,026	7,565,827,039
Contingencies and commitments	6		
		50,898,529,780	49,767,088,270

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th September 2021

	Note	Unaudited 30 September 2021 (Rupees)	Audited 30 June 2021
ASSETS			
Non-current assets			
Property, plant and equipment	7	14,449,912,936	13,925,492,267
Intangible assets		2,478,412	2,602,558
Goodwill		910,206,117	910,206,117
Trading right entitlement certificate, membership cards and offices		8,100,000	8,100,000
Investment properties		2,250,300,000	1,968,800,000
Equity accounted investees	8	15,319,748,253	14,581,256,714
Other long term investments		54,754,771	54,754,771
Long term loan to related party		120,753,895	134,970,641
Long term deposits and other receivables		35,492,333	35,083,233
		33,151,746,717	31,621,266,301
Current assets			
Trade debts		4,999,026,075	4,539,307,282
Loans and advances		901,717,053	913,450,854
Deposits and prepayments		424,095,925	164,004,678
Accrued mark-up and other receivables		286,211,599	606,648,024
Short term investments	9	7,632,627,535	8,008,666,359
Cash and bank balances		3,503,104,876	3,913,744,772
		17,746,783,063	18,145,821,969
		50,898,529,780	49,767,088,270

The annexed notes 1 to 20 form an integral part of these condensed interim consolidated financial statements.



Chief Executive Officer



Director



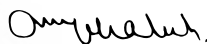
Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

For the three months period ended 30th September 2021

	Note	Three months period ended	
		30 September 2021	30 September 2020
(Rupees)			
Revenue			
Operating revenue	10	1,687,176,263	1,755,036,617
(Loss) / gain on remeasurement of investments - net		(654,688,613)	1,134,397,513
Gain on remeasurement of investment property		281,500,000	-
Gain on sale of investments - net		1,026,379,638	479,716,019
		2,340,367,288	3,369,150,149
Cost of energy sales		(318,535,949)	(320,728,491)
Administrative expenses		(166,478,658)	(152,048,525)
Other income		13,770,726	27,340,008
Finance cost		(190,357,055)	(246,124,088)
Other charges		(59,386)	(9,702)
		1,678,706,966	2,677,579,351
Share of profit of equity-accounted associates investees - net of tax		738,491,539	343,926,620
Profit before tax		2,417,198,505	3,021,505,971
Taxation	11	(293,353,439)	(11,624,610)
Profit after tax		2,123,845,066	3,009,881,361
Profit attributable to:			
Equity holders of the Parent Company		1,917,640,087	2,634,687,807
Non-controlling interests		206,204,979	375,193,554
		2,123,845,066	3,009,881,361
Earnings per share - basic & diluted	14	4.70	6.45

The annexed notes 1 to 20 form an integral part of these condensed interim consolidated financial statements.



Chief Executive Officer



Director



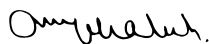
Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the three months period ended 30th September 2021

	Three months period ended	
	30 September 2021	30 September 2020
	(Rupees)	
Profit after tax	2,123,845,066	3,009,881,361
Other comprehensive income		
<i>Items that will not be reclassified subsequently to consolidated statement of profit or loss</i>		
Loss on investment in equity securities at FVOCI - net	(52,629,960)	(195,988,406)
Other comprehensive income for the period	(52,629,960)	(195,988,406)
Total comprehensive income for the period	2,071,215,106	2,813,892,955
Total comprehensive income attributable to:		
Equity holders of the Parent Company	1,881,093,843	2,498,593,458
Non-controlling interests	190,121,263	315,299,497
	2,071,215,106	2,813,892,955

The annexed notes 1 to 20 form an integral part of these condensed interim consolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

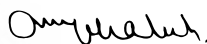
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the three months period ended 30th September 2021

	Issued, subscribed and paid up share capital	Equity attributable to owners of the Parent				Total	Non-controlling interests	Total equity
		Surplus on revaluation	Fair value reserve *	General reserve	Unappropriated profit			
(Rupees)								
Balance as at 1 July 2020	4,083,750,000	15,432,500	277,909,628	4,019,567,665	14,878,924,941	23,275,584,734	2,086,717,522	25,362,302,256
Total comprehensive income for the three months period 30 September 2020								
Profit for the period	-	-	-	-	2,634,687,807	2,634,687,807	375,139,554	3,009,827,361
Other comprehensive loss	-	-	(136,094,349)	-	-	(136,094,349)	(59,894,057)	(195,988,406)
Gain realised on disposal of equity securities at FVOCI	-	-	(199,997,985)	-	199,997,985	-	-	-
Distribution by subsidiary	-	-	-	-	-	-	(45,385,290)	(45,385,290)
Balance as at 30 September 2020	4,083,750,000	15,432,500	(58,182,706)	4,019,567,665	17,713,610,733	25,774,178,192	2,356,577,729	28,130,755,921
Total comprehensive income for the nine months period ended 30 June 2021								
Profit for the period	-	-	-	-	4,851,776,293	4,851,776,293	533,714,985	5,385,491,278
Other comprehensive loss	-	-	(12,785,297)	-	4,718,166	(8,067,131)	(4,726,774)	(12,793,905)
Gain realised on disposal of equity securities at FVOCI	-	-	(12,785,297)	-	4,856,494,459	4,843,709,162	528,988,211	5,372,697,373
	4,083,750,000	15,432,500	90,372,862	-	(90,372,862)	-	-	-
	4,083,750,000	15,432,500	19,404,859	4,019,567,665	22,479,732,330	30,617,887,354	2,885,565,940	33,503,453,294
Transactions with owners recorded directly in equity								
<i>Distributions</i>								
Final cash dividend at the rate of Rs 1.5 per share for the year ended 30 June 2020	-	-	-	-	(612,562,500)	(612,562,500)	-	(612,562,500)
Balance as at 30 June 2021	4,083,750,000	15,432,500	19,404,859	4,019,567,665	21,867,169,830	30,005,324,854	2,885,565,940	32,890,890,794
Total comprehensive income for the three months period 30 September 2021								
Profit for the period	-	-	-	-	1,917,640,087	1,917,640,087	206,204,979	2,123,845,066
Other comprehensive loss	-	-	(36,546,244)	-	-	(36,546,244)	(16,083,716)	(52,629,960)
Gain realised on disposal of equity securities at FVOCI	-	-	(36,546,244)	-	1,917,640,087	1,881,093,843	190,121,263	2,071,215,106
	-	-	-	-	-	-	-	-
Transactions with owners recorded directly in equity								
<i>Distributions</i>								
Final cash dividend at the rate of Re 3 per share for the year ended 30 June 2021	-	-	-	-	(1,225,125,000)	(1,225,125,000)	-	(1,225,125,000)
Distribution by a subsidiary (AHL)	-	-	-	-	-	-	(181,541,160)	(181,541,160)
Balance as at 30 September 2021	4,083,750,000	15,432,500	(17,141,385)	4,019,567,665	22,559,684,917	30,661,293,697	2,894,146,043	33,555,439,747

* Fair value reserve comprises of the cumulative net change in the fair value of equity securities designated at FVOCI.

The annexed notes 1 to 20 form an integral part of these condensed interim consolidated financial statements.



Chief Executive Officer



Director



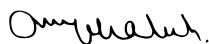
Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the three months period ended 30th September 2021

	Note	Three months period ended	
		30 September 2021	30 September 2020
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash generated from operations activities	12	936,958,497	2,335,454,868
Income taxes paid		(23,718,117)	(120,915,778)
Finance cost paid		(80,040,689)	(114,772,363)
Mark-up received		6,821,237	21,745,142
Net cash generated from operating activities		840,020,928	2,121,511,869
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(6,964,006)	(5,829,835)
Long term deposit paid		(409,100)	(6,435,688)
Proceeds from sale of property, plant and equipment		-	1,350,000
Acquisition of investment properties		-	(152,500,000)
Dividend from equity accounted investee		-	638,000,412
Net cash (used in) / generated from investing activities		(7,373,106)	474,584,889
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of loan under State Bank of Pakistan scheme		(2,551,766)	15,754,164
Lease rentals paid		(12,049,291)	(10,927,445)
Repayment of subordinated loan		-	(300,000,000)
Net cash used in financing activities		(14,601,057)	(295,173,281)
Net increase in cash and cash equivalents		818,046,765	2,300,923,477
Cash and cash equivalents at beginning of the period		476,691,413	(2,069,323,739)
Cash and cash equivalents at end of the period	13	1,294,738,178	231,599,738

The annexed notes 1 to 20 form an integral part of these condensed interim consolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2021

1. STATUS AND NATURE OF BUSINESS

Arif Habib Corporation Limited ("the Parent Company") was incorporated in Pakistan on 14 November 1994 as a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Parent Company is listed on the Pakistan Stock Exchange Limited. The principal activity of the Parent Company is to make strategic investments in subsidiary companies and associates engaged in diversified sectors and investment in other securities. The Parent Company also extends loans, advances and guarantees to its associated company / undertaking as allowed under Companies Act, 2017 as its principal business activity. The registered office of the Parent Company is situated at 2nd Floor, 23, M. T. Khan Road, Karachi, Pakistan. The Parent Company is domiciled in the province of Sindh.

- 1.1 These condensed interim consolidated financial statements of Arif Habib Corporation Limited for the three months period ended 30 September 2021 comprise of the Parent Company and following subsidiary companies (here-in-after referred to as "the Group").

<i>Name of companies</i>	Note	<i>Effective holding</i>
Subsidiaries		
- Arif Habib Limited, a brokerage house	1.1.1	69.44%
- Arif Habib Commodities (Private) Limited, investment management of commodities [wholly owned subsidiary of Arif Habib Limited]	1.1.2	69.44%
- Arif Habib 1857 (Private) Limited, investments and share brokerage company [wholly owned subsidiary of Arif Habib Limited]	1.1.3	69.44%
- Sachal Energy Development (Private) Limited, a wind power generation company	1.1.4	85.83%
- Black Gold Power Limited, a coal power generation company	1.1.5	100.00%
Associates		
- MCB-Arif Habib Savings and Investments Limited - a pension fund manager, asset management company and investment advisor	1.1.6	30.09%
- Fatima Fertilizer Company Limited, a fertilizer company	1.1.7	15.19%
- Pakarab Fertilizers Limited, a fertilizer company	1.1.8	30.00%
- National Resources (Private) Limited, a mining company	1.1.9	9.57%

- 1.1.1 Arif Habib Limited (AHL) was incorporated in Pakistan on 07 September 2004 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017), as a public limited company. The shares of AHL are quoted on Pakistan Stock Exchange Limited. The registered office of AHL is situated at Arif Habib Centre, 23 M.T. Khan Road, Karachi, Pakistan. It is domiciled in the province of Sindh. AHL holds Trading Right Entitlement Certificate of Pakistan Stock Exchange Limited. The principal activities of AHL are investments, share brokerage, inter-bank brokerage, Initial Public Offer (IPO) underwriting, advisory and consultancy services.

- 1.1.2 Arif Habib Commodities (Private) Limited (AHCPL) was incorporated on 2 April 2012 as a private limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The registered office of AHCPL is located at Arif Habib Centre, 23, M.T. Khan Road, Karachi. The principal activity of AHCPL is to effectively manage investment portfolios in commodities. AHCPL is a wholly owned subsidiary of Arif Habib Limited. AHCPL holds license of Pakistan Mercantile Exchange (PMEX).

- 1.1.3 Arif Habib 1857 (Private) Limited (AH1857) was incorporated on 17 July 2014 as a private limited company in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The registered office of the AH1857 is located at Arif Habib Centre, 23, M.T. Khan Road, Karachi. The principal activities of AH1857 are investments and shares brokerage. AH1857 is a wholly owned subsidiary of Arif Habib Limited. AH1857 holds Trading Right Entitlement Certificate (TREC).

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2021

- 1.1.4** Sachal Energy Development (Private) Limited (SEDPL) was incorporated in Pakistan on 20 November 2006 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). SEDPL's registered office is located at Plot no 1, Ranjha Plaza, sector F-10/2, Tariq Market, Islamabad, Pakistan. The principal activity of SEDPL upon commencement of commercial operation is to generate and sell electricity upto 49.5 MW. SEDPL has achieved Commercial Operation Date ("COD") for its 49.5 MW wind power generation facility on 11 April 2017. The wind power plant is located in Jhampir, district Thatta, Sindh for which Alternative Energy Development Board ("AEDB") has allocated 680 acres of land to SEDPL under a sublease agreement.
- 1.1.5** Black Gold Power Limited (BGPL) is a public unlisted limited company, incorporated on 8 December 2016 in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). BGPL's registered office is situated at Arif Habib Centre, 23, M.T Khan Road, Karachi. The principal activity of BGPL is to carry on all or any of the business of generating, purchasing, importing, transforming, converting, distributing, supplying, exporting and dealing in electricity and all other forms of energy products or services.
- 1.1.6** MCB - Arif Habib Savings and Investments Limited (MCB-AH) was incorporated in the name of Arif Habib Investment Management Limited (AHIML) on 30 August 2000 as an unquoted public limited company under the requirements of the repealed Companies Ordinance, 1984 (now Companies Act, 2017). MCB-AH is listed on the Pakistan Stock Exchange Limited. MCB-AH is registered as a pension fund manager under the Voluntary Pension System Rules, 2005 and as an Asset Management Company and an Investment Advisor under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003. MCB-AH's registered office is situated at 2nd Floor, Adamjee House, I.I Chundrigar Road, Karachi, Pakistan. MCB-AH has been assigned an Asset Manager rating of AM1 (30 June 2021: AM1) by the Pakistan Credit Rating Agency Limited (PACRA). The rating was determined by PACRA on 6 October 2020. The fund under management is Rs. 155.865 billion (30 June 2021: Rs. 144.875 billion).
- 1.1.7** Fatima Fertilizer Company Limited (FFCL), was incorporated in Pakistan on 24 December 2003 as a public company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). FFCL is listed on Pakistan Stock Exchange. Fatimafert Limited (FFT) is wholly owned subsidiary of FFCL and it was incorporated in Pakistan under the Companies Act, 2017. The principal activity of FFCL and FFT are manufacturing, producing, buying, selling, importing and exporting fertilizers and chemicals. Registered office of the FFCL and FFT are situated at E-110, "Khayaban-e-Jinnah, Lahore Cantt. The manufacturing facilities of the FFCL is located at at Mukhtargarh-Sadiqabad, Khanewal Road-Multan and at 28-km Sheikhupura Road-Chichoki Mallian, Pakistan.
- 1.1.8** Pakarab Fertilizers Limited (PFL) was incorporated as a private limited company in Pakistan under the Companies Act, 1913, (now Companies Act, 2017). PFL changed to a non-listed public company from 7 June 2007. PFL Term Finance Certificates were listed at the Karachi Stock Exchange Limited (now merged as Pakistan Stock Exchange Limited) during the period from March 2008 to March 2013. Thereafter PFL is a non-listed public company. PFL on 12 April 2011 incorporated a wholly owned subsidiary company, Fatima Packaging Limited (FPL) (formerly Reliance Sacks Limited). PFL is principally engaged in the sale of chemical fertilizers while the FPL is principally engaged in the manufacturing and sale of polypropylene sacks, cloth, liners and cement bags. Manufacturing facility of FPL is located in Sadiqabad, Rahim Yar Khan. Registered office of the PFL is situated at E-110, "Khayaban-e-Jinnah, Lahore Cantt.
- 1.1.9** National Resources (Private) Limited (NRPL) was incorporated in Pakistan as a Private Limited Company, on 8th February 2019 in Pakistan under Companies Act, 2017. The registered office of NRPL is situated at Flat No.1, Plot No. 34-C, Yousaf Homes, Essa Khan Road, Quetta, Balochistan. The principal line of business of NRPL is to carry on the business of exploring, operating and working on mines, quarries and other related activities. Currently, NPRL is in its pre-feasibility stage and has not yet commenced its operations and has yet to apply for a mining license.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2021

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprises of;

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

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

These condensed interim consolidated financial statements are unaudited and do not include all the information required for full annual financial statements and should be read in conjunction with the annual audited consolidated financial statements of the Group as at and for the year ended 30 June 2021.

The comparative statement of financial position presented in these condensed interim consolidated financial statements have been extracted from the audited annual consolidated financial statements of the Group for the year ended 30 June 2021, whereas the comparative condensed interim consolidated statement of profit or loss, condensed interim consolidated other comprehensive income, condensed interim consolidated statement of cash flow and condensed interim consolidated statement of changes in equity are extracted from the unaudited condensed interim consolidated financial statements for the period ended 30 September 2020.

These condensed interim consolidated financial statements are presented in Pakistan Rupees which is the Group's functional currency and presentation currency.

2.2 Basis of measurement

These condensed interim consolidated financial statements have been prepared under the historical cost convention, except as stated otherwise and should be read in conjunction with the audited annual consolidated financial statements of the Group as at and for the year ended 30 June 2021.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of annual audited consolidated financial statements of the Group as at and for the year ended 30 June 2021.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience. Actual results may differ from these estimates.

The significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited consolidated financial statements as at and for the year ended 30 June 2021.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2021

5. SHARE CAPITAL

5.1 Authorised share capital

30 September 2021 (Number of shares)	30 June 2021		Unaudited 30 September 2021 (Rupees)	Audited 30 June 2021
1,000,000,000	1,000,000,000	Ordinary shares of Rs. 10 each	10,000,000,000	10,000,000,000

5.2 Issued, subscribed and paid up share capital

5,000,000	5,000,000	Ordinary shares of Rs. 10 each fully paid in cash	50,000,000	50,000,000
450,750,000	450,750,000	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	4,507,500,000	4,507,500,000
455,750,000	455,750,000		4,557,500,000	4,557,500,000
(2,000,000)	(2,000,000)	Ordinary shares of Rs. 10 each bought back at Rs. 360 per share	(20,000,000)	(20,000,000)
(45,375,000)	(45,375,000)	Ordinary shares of Rs. 10 each bought back at Rs. 27 per share	(453,750,000)	(453,750,000)
408,375,000	408,375,000		4,083,750,000	4,083,750,000

5.2.1 During financial year 2005-2006, the Parent Company bought back two million shares of Rs. 10 each from its shareholders through tender notice at a price of Rs. 360 per share in accordance with section 95-A of the repealed Companies Ordinance, 1984 and the Companies (Buy-back of Shares) Rules, 1999. The acquisition resulted in reduction of capital and unappropriated profit by Rs. 20 million and Rs. 700 million respectively, in the relevant year.

5.2.2 During the financial year 2019-2020, the Parent company purchased and cancelled 45,375,000 ordinary shares (10% of existing shares i.e. 453,750,000). The buy-back and cancellation of shares were approved by shareholders at the extra ordinary general meeting held on 3rd July 2019. The shares were acquired at a purchase price of Rs. 27 per share. The purchase of shares were made in cash out of the distributable profits as required under Section 88(8) of the Companies Act, 2017 read with the Listed Companies (Buy-Back of Shares) Regulations, 2019. Pursuant to buy-back of shares the ordinary share capital of the Parent Company has been reduced by 45,375,000 ordinary shares amounting to Rs. 453,750,000.

5.2.3 At period end, Mr. Arif Habib (Chief Executive Officer) held 80.54% (30 June 2021: 80.54%) of ordinary shares in the Parent Company.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2021

6. CONTINGENCIES AND COMMITMENTS

6.1 There are no other changes in the status of contingencies and commitments as disclosed in the preceding annual audited consolidation financial statements as at and in the year ended 30 June 2021 except for the following:

Parent Company

6.1.1 The exposure against Corporate Guarantee on behalf of an associated concern, Power Cement Limited (PCL) to extent of USD 10.127 million has been terminated due to fulfilment of payment obligation by PCL.

AHL, Subsidiary Company

Following commitments are outstanding:

	Unaudited 30 September 2021	Audited 30 June 2021
	(Rupees)	
- Outstanding Settlements against Marginal Trading contracts	395,911,018	788,579,531
- Outstanding Settlements against sale / (purchase) of securities in regular market	31,927,014	34,264,836
- Financial guarantee given by a commercial bank on behalf of AHL	750,000,000	750,000,000

7. PROPERTY, PLANT AND EQUIPMENT

Capital expenditure incurred during the period amounted to Rs. 6.96 million (30 June 2021: 28.22 million). The exchange loss of Rs. 759 million (30 June 2021: exchange gain of Rs. 755.85 million) has also been recognised. Further, no assets was disposed off during the period (30 June 2021: 2.35 million).

8. EQUITY ACCOUNTED INVESTEEES

	Note	Unaudited 30 September 2021	Audited 30 June 2020
		(Rupees)	
Fatima Fertilizer Company Limited (FFCL)	8.1	14,725,239,013	13,999,653,270
MCB - Arif Habib Savings and Investments Limited (MCB-AH)	8.2	500,687,123	482,381,693
National Resources (Private) Limited (NRPL)	8.3	93,822,117	99,221,751
Pakarab Fertilizers Limited (PFL)	8.4	-	-
		15,319,748,253	14,581,256,714

8.1 Investment in FFCL (quoted) represents 319 million (30 June 2021: 319 million) fully paid ordinary shares of Rs. 10 each, representing 15.19% (30 June 2021: 15.19%) of FFCL's paid up share capital as at 30 September 2021. Fair value per share as at 30 September 2021 is Rs. 29.71 (30 June 2021: Rs. 28.75) which is based on quoted share price on stock exchange at reporting date.

8.2 Investment in MCB-AH (quoted) represents 21.66 million (30 June 2021: 21.66 million) fully paid ordinary shares of Rs. 10 each, representing 30.09% (30 June 2021: 30.09%) of MCB-AH's paid up share capital as at 30 September 2021. Market value per share as at 30 September 2021 was Rs. 33.93 (30 June 2021: Rs. 36.75) which is based on quoted share price on stock exchange at reporting date.

8.3 Investment in NRPL (unquoted) represents 9.999 million (30 June 2021: 9.999 million) fully paid ordinary shares of Rs. 10 each, representing 9.57% (30 June 2021: 9.57%) of NRPL's paid up share capital as at 30 September 2021. NRPL is in its pre-feasibility stage and has not yet commenced its operations and has yet to apply for a mining license. NRPL intends to carry on the business of exploring, operating and working on mines, quarries and other related activities. The investment is under a joint venture agreement dated 20 November 2020 between sponsors [Y.B Pakistan Ltd, Arif Habib Equity (Private) Limited, Liberty Mills Limited, Reliance Commodities (Private) Limited and Mari Petroleum Company Limited]. The Parent Company has one director on the Board of the company and has the capacity to nominate one such director. All other investors too can appoint one director each.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2021

- 8.4** Investment in PFL (unquoted) represents 135 million (30 June 2021: 135 million) fully paid ordinary shares of Rs. 10 each, representing 30% (30 June 2021: 30%) of PFL's paid up share capital as at 30 September 2021, having cost of Rs. 1,324.33 million (30 June 2021: Rs. 1,324.33 million). The group has not recognised loss amounting to Rs. 522.78 million (30 June 2021: Rs. 661.11 million) in relation to it interest in PFL, because the Group has no obligation in respect of this loss.

9. SHORT TERM INVESTMENTS

	Notes	Unaudited 30 September 2021	Audited 30 June 2020
(Rupees)			
Equity securities - at FVTPL	9.1	7,307,167,935	7,632,492,911
Equity securities - at FVOCI		154,278,020	206,907,980
Corporate debt securities - mandatorily at FVTPL		171,181,580	169,265,468
		7,632,627,535	8,008,666,359

- 9.1** These includes investments in related parties, namely, Aisha Steel Mills Limited, Power Cement Limited and Javedan Corporation Limited.

- 9.2** Fair value of short term investments pledged with various banking companies against various finance facilities amounts of Rs. 5,800.51 million (30 June 2021: Rs. 1,498 million).

10. OPERATING REVENUE

	Three months period ended	
	30 September 2021	30 September 2020
(Rupees)		
Revenue from sale of energy - net	1,387,645,753	1,542,875,836
Mark-up income on loans and advances	4,190,511	7,930,540
Brokerage income	141,365,792	164,681,571
Mark-up on bank deposits	24,758,691	19,201,342
Guarantee Commission income	562,319	1,746,487
Underwriting, consultancy and placement commission	128,653,197	18,600,841
	1,687,176,263	1,755,036,617

11. TAXATION

Current	200,370,484	137,632,128
Deferred	92,982,955	(126,007,518)
	293,353,439	11,624,610

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2021

	Three months period ended	
	30 September 2021	30 September 2020
	(Rupees)	
12. NET CASH GENERATED FROM OPERATIONS ACTIVITIES		
Profit before tax	2,417,198,505	3,021,505,971
Adjustments for:		
Depreciation	246,510,923	241,519,483
Amortisation	124,146	112,941
Gain on sale of property, plant and equipment	-	(964,000)
Unrealised gain on remeasurement of short term investments	654,688,613	(1,134,397,513)
Share of profit of equity-accounted associates - net of tax	(738,491,539)	(343,926,620)
Mark-up income	(4,190,511)	(7,930,540)
Amortisation of land lease rent	439,720	439,720
Amortisation of transaction cost	33,912,285	38,177,669
Finance cost	156,444,770	207,946,419
Provision for gratuity	1,635,322	1,951,392
Unrealised gain on investment property	(281,500,000)	-
	69,573,729	(997,071,049)
Operating profit before working capital changes	2,486,772,234	2,024,434,922
Changes in working capital:		
<i>(Increase) / decrease in current assets</i>		
Trade debts	(459,718,793)	(1,008,354,342)
Loans and advances	25,950,547	7,987,257
Deposits and prepayments	(260,091,247)	(448,611,573)
Accrued mark-up and other receivables	317,805,699	(23,848,214)
Short term investments	(331,279,749)	1,735,198,132
Advance sales tax	-	(3,442,807)
<i>(Decrease) / increase in current liabilities</i>		
Trade and other payables	(802,672,112)	74,277,029
Payable against sale of securities - net	(39,808,082)	(22,169,318)
Unclaimed dividend	-	(16,218)
	(1,549,813,737)	311,019,946
Net cash generated from operations activities	936,958,497	2,335,454,868
13. CASH AND CASH EQUIVALENTS		
Cash and bank balances	3,503,104,876	1,396,350,984
Short term borrowings	(2,208,366,698)	(1,164,751,246)
	1,294,738,178	231,599,738

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2021

14. EARNINGS PER SHARE - BASIC & DILUTED

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Parent Company by the weighted average number of ordinary shares in issue during the year. There is no dilutive effect on the basic earnings per share of the Parent Company:

	Three months period ended	
	30 September	30 September
	2021	2020
	(Rupees)	
Profit after tax attributable to ordinary shareholders	1,917,640,087	2,634,687,807
	(Number)	
Weighted average number of ordinary shares	408,375,000	408,375,000
	(Rupees)	
Earnings per share - basic & diluted	4.70	6.45

15. FINANCIAL INSTRUMENTS

The financial risk management objectives and policies are consistent with those disclosed in the annual audited consolidated financial statements of the Group as at and for the year ended 30 June 2021.

16. FAIR VALUE MEASUREMENT

The accounting policies and disclosure requirement for the measurement of fair values are consistent with those disclosed in the annual audited consolidated financial statements of the Group as at and for the year ended 30 June 2021.

17. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of the Group companies, directors and their close family members, major shareholders of the Group, key management personnel and staff provident fund. Transactions with related parties are carried out at rates agreed under the agreement / contract.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. The Group considers its Chief Executive Officer, Chief Financial Officer, Company Secretary, Non-executive Director and Departmental Heads to be its key management personnel. Remuneration and benefits to executives of the Group are in accordance with the terms of the employment while contribution to the provident fund is in accordance with staff service rules.

Transactions with related parties during the period other than those disclosed elsewhere in these condensed interim consolidated financial statements are given below:

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2021

Name of the related party	Transactions during the period	Three months period ended	
		30 September 2021	30 September 2020
		(Rupees)	
Associates			
Fatima Fertilizer Company Limited	Dividend received	-	638,000,412
Associated companies by virtue of common directorship and related concern			
Name of the related party	Transactions during the period		
Aisha Steel Mills Limited	Mark-up on loan	4,190,511	7,606,186
	Mark-up received	8,589,238	21,441,982
	Guarantee commission income	325,614	1,111,313
	Guarantee commission received	1,051,623	1,095,427
	Loan extended	-	1,630,000,000
	Loan repaid	-	1,630,000,000
Javedan Corporation Limited	Mark-up received	2,722,849	147,616
	Brokerage commission earned	322,500	-
	Purchase of plots	-	152,500,000
Power Cement Limited	Guarantee commission income	236,705	635,174
	Guarantee commission received	376,575	445,884
	Mark-up received	-	206,354
	Loan extended	-	232,000,000
	Loan repaid	-	232,000,000
Arif Habib Equity (Private) Limited	Brokerage commission earned	21,425	-
Arif Habib Dolmen REIT Management Ltd.	Brokerage commission earned	516,000	-
Rotocast Engineering Company (Private) Limited	Payment of rent and sharing of utilities, insurance and maintenance charges	11,713,768	17,920,092
	Brokerage commission earned	90,845	-
Arif Habib Securities Limited - Employees Provident Fund	Company's Contribution	688,774	688,329
Arif Habib Limited - Provident Fund	Company's Contribution	2,362,915	1,738,456
Mr. Arif Habib (CEO of Parent Company)	Brokerage commission earned	305,757	2,345,510
	Loan repaid	-	300,000,000
	Mark-up paid	-	16,745,906
Mr. Samad A. Habib (Director of Parent Company)	Brokerage commission earned	95,705	409,718

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2021

Name of the related party	Transactions during the period	Three months period ended	
		30 September 2021	30 September 2020
		(Rupees)	
Mr. Kashif A. Habib (Director of Parent Company)	Brokerage commission earned	-	6,363
Mr. Asadullah Khawaja (Director of Parent Company)	Meeting fee paid	50,000	50,000
Mr. Sirajuddin Cassim (Director of Parent Company)	Meeting fee paid	75,000	75,000
Ms. Zeba Bakhtiar (Director of Parent Company)	Meeting fee paid	50,000	75,000
Dr. Shamshad Akhtar (Chairman of Parent Company)	Meeting fee paid	-	50,000
Mr. Zafar Alam (Chairman of subsidiary company)	Brokerage Commission earned	156,294	49,359
	Meeting fee paid	-	25,000
Mr. Muhammad Shahid Ali (CEO of Subsidiary Company)	Brokerage commission earned	1,944,662	3,896,135
Ms. Sharmin Shahid (Director of Subsidiary Company)	Brokerage commission earned	-	1,510,320
	Meeting fee paid	-	25,000
Ms. Nida Ahsan (Director of Subsidiary Company)	Brokerage commission earned	118,975	125,000
Mr. Mohsin Madni (CFO of Parent Company and Director of Subsidiary Company)	Brokerage commission earned	4,764	5,853
Mr. Muhammad Haroon (Director of Subsidiary Company)	Brokerage commission earned	147,840	43,935
	Meeting fee paid	-	25,000
Mr. Muhammad Sohail Salat (Director of Subsidiary Company)	Meeting fee paid	-	25,000
Remuneration of chief Executive Officer, Directors, Key Management Personnel and Executives			
- Managerial Remuneration		23,727,179	25,104,665
- Contribution to provident fund		1,463,223	1,079,487
- Gratuity (Provision)		972,225	827,036
- Bouns		1,283,000	704,372
- Other perquisites and benefits		39,040,400	4,525,176

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2021

Balances as at:

		Unaudited 30 September 2021	Audited 30 June 2021
		(Rupees)	
Aisha Steel Mills Limited	Long term loan	149,187,387	163,404,133
	Mark-up receivable	4,190,510	8,589,238
	Commission on guarantee receivable	325,614	1,051,623
Javedan Corporation Limited	Balance receivable	40,000	-
	Mark-up receivable	-	2,722,849
Power Cement Limited	Commission on guarantee receivable	236,705	376,575
Rotocast Engineering Company (Private) Limited	Payable against monthly expense		
	Contribution	903,368	1,194,110
	Balance receivable	4,188	-
Arif Habib Equity (Private) Limited	Balance payable	5,780,172	-
Arif Habib Dolmen REIT Management Ltd.	Balance receivable	3,556	-
Key Management Personnel			
Mr. Arif Habib (CEO of the Parent Company)	Trade Receivable	108,664	49,556
Mr. Zafar Alam (Chairman of subsidiary company)	Balance payable	64,749	1,129,484
Mr. Muhammad Shahid Ali (CEO of Subsidiary Company)	Balance payable	74,763,643	112,754,445
Mr. Muhammad Haroon (Director of subsidiary company)	Balance receivable	14,469	-
	Meeting Fee Payable	-	25,000
	Balance payable	-	29,147
Ms. Sharmin Shahid (Director of subsidiary company)	Balance payable	11,694	-
	Balance receivable	-	8,340
Ms. Nida Ahsan (Director of subsidiary company)	Balance payable	1,691,491	9,346,762
	Meeting Fee Payable	-	25,000
Mr. Mohsin Madni (CFO Parent Company & Director Subsidiary Company)	Balance payable		191,512
	Balance receivable	6,948	-
Mr. Samad A. Habib (Director of Parent Company)	Balance payable	302,850	872,251
Mr. Kashif A. Habib (Director of Parent Company)	Balance receivable	11,866	4,075,266
Mr. Muhammad Sohail Salat (Director of Subsidiary Company)	Trade receivable	599	599
Mr. Ahsan Mehnti (Director of Subsidiary Company)	Balance payable	-	3,862,500

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2021

18. REPORTABLE SEGMENTS

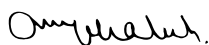
- 18.1** The group has four reportable segments: Capital Market Operations, Brokerage, Energy Development and Others. The capital market operations' segment is principally engaged in trading of equity securities and maintaining strategic and trading portfolios. The brokerage segment is principally engaged in brokerage, underwriting, corporate consultancy, research and corporate finance services. The energy development is principally engaged in energy development. Others includes assets of multi commodities entities.
- 18.2** The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies in the annual audited consolidated financial statements for the year ended 30 June 2019. The group evaluates performance on the basis of profit or loss from operations before tax expense not including non-recurring gains and losses and foreign exchange gains and losses. The group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at current market price unless disclosed otherwise.
- 18.3** The group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology, professional skills and marketing strategies. Most of the businesses were acquired as individual units, and the management at the time of the acquisition was retained.
- 18.4** The group does not allocate tax expense / tax income or non-recurring gains and losses to reportable segments. In addition, not all reportable segments have material non-cash items other than depreciation, amortisation and remeasurement of equity and debt instruments in profit or loss.

19. CORRESPONDING FIGURES

Guarantee commission of Rs. 1.75 million for the period ended 30 September 2020 has been included in Operating revenue in the Statement of profit or loss. Other than this, no material reclassifications have been made.

20. DATE OF AUTHORISATION FOR ISSUE

- 20.1** These condensed interim consolidated financial statements have been authorised for issue on 29 October 2021 by the Board of Directors of the Parent Company.



Chief Executive Officer



Director



Chief Financial Officer



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