



Arif Habib Corp

TOGETHER WE GROW

Third Quarterly Report
31st March 2022



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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: +92 21 32460717-9
Fax: +92 21 32468117, 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 period ended 31st March 2022.

The Economy

During the period under review, Pakistan's foreign exchange reserves and value of Rupee have been under pressure mainly due to commodity prices super cycle. These were responsible for higher inflation resulting in a tight Monetary Policy with rising interest rates. Additionally, signs of slow down are visible in the economy. Uncertainty of continuity of IMF Programme and political turmoil are factors that are affecting investors sentiment.

Financial Results

During the nine months period ended 31st March 2022 (9MFY22) under review, on a consolidated basis, your Company posted a profit after tax (attributable to the shareholders) of PKR 3,719 million as opposed to profit after tax of PKR 5,331 million during the same period last year (SPLY). This translates to an earning of PKR 9.10 per share as compared with earnings of PKR 13.05 per share in the SPLY. On an unconsolidated basis, the Company recorded a profit after tax of PKR 4,764 million translating into an earnings of PKR 11.67 per share as compared to profit after tax of PKR 3,124 million i.e. earnings per share of PKR 7.65 in the SPLY.

Performance of Subsidiaries and Associates

During the period under review, your group's fertilizer, wind power and real estate businesses have performed well, whereas financial services, steel and cement businesses have remained under pressure.

Securities brokerage subsidiary, Arif Habib Limited (AHL) posted profit after tax of PKR 777 million compared to PKR 1,587 million and asset management company, MCB-Arif Habib Savings & Investment Limited (MCB-AH) recorded a profit after tax of PKR 185 million as compared to PKR 288 million in the SPLY.

The fertilizer manufacturing associate, Fatima Fertilizer Company Limited's (FATIMA) financial and operational performance remained remarkable with FATIMA posting a profit after tax of PKR 5,690 million during its first quarter as compared to PKR 3,773 million in the comparative period.

Aisha Steel Mills Limited's profits declined due to volatility in HRC prices coupled with rupee depreciation and dampened demand. Aisha has recorded a profit after tax of PKR 513.64 million as compared to PKR 4,751.72 million in the SPLY.

Sachal Energy has posted an after-tax profit of PKR 1,050 million during 9MFY22. Our real estate company, Javedan Corporation Limited has performed well and recorded a profit after tax of 1,386.86 million as compared to PKR 186.14 million in the SPLY.

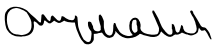
Future Outlook

Abrupt hike in the interest rate is expected to keep economic activity muted in the short term. Whereas hike in domestic fuel and energy costs going forward, following surge in international oil prices and passing of two new gas bills will further build cost pressure on industries. Albeit, the silver lining has been demand for various sectors such as fertilizer, steel and cement, which has not tapered off significantly despite several price hikes by manufacturers to pass on the impact to some extent. Therefore, we view pressure on profitability to be a temporary phenomenon. On the financial services front, the equity bourse, which had previously suffered under heavy political clouds, is expected to post a breather. This will further be supported by Pakistan's reclassification in the MSCI FM index effective from 1st May 2022 whereby augmented foreign activity will aid volumes and interest in the bourse. On an overall basis, your company is confident that its well diversified portfolio will keep earnings cushioned.

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

Karachi: 28th April 2022



Mr. Asadullah Khawaja
Chairman

**CONDENSED INTERIM
UNCONSOLIDATED
FINANCIAL STATEMENTS**
FOR THE NINE MONTHS PERIOD
ENDED 31ST MARCH 2022





CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st March 2022

	Note	Unaudited 31 March 2022	Audited 30 June 2021
(Rupees)			
ASSETS			
NON-CURRENT ASSETS			
Properties and equipments	4	47,420,312	61,035,337
Intangible assets		489,400	606,095
Long term investments	5	20,733,541,844	16,321,392,392
Long term loan to related party	6	106,537,149	134,970,641
Long term deposits and other receivables		5,087,578	2,964,728
		20,893,076,283	16,520,969,193
CURRENT ASSETS			
Loans and advances	7	2,019,525,279	634,834,491
Mark-up receivable	8	14,054,514	15,759,219
Prepayments, trade and other receivables	9	8,403,174	15,648,067
Short term investments	10	3,882,813,342	5,238,368,312
Taxation - net		-	42,300,846
Cash and bank balances		32,781,286	296,132,153
		5,957,577,595	6,243,043,088
TOTAL ASSETS		26,850,653,878	22,764,012,281

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

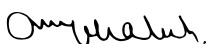
As at 31st March 2022

	Note	Unaudited 31 March 2022	Audited 30 June 2021
(Rupees)			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital		10,000,000,000	10,000,000,000
Share capital			
Issued, subscribed and paid up share capital		4,083,750,000	4,083,750,000
Revenue reserves			
General reserve		4,000,000,000	4,000,000,000
Unappropriated profit		16,799,866,437	13,260,702,933
Fair value reserve		(92,710,362)	20,085,153
		24,790,906,075	21,364,538,086
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred taxation - net		168,374,040	240,963,798
Lease liability		4,636,073	17,941,122
		173,010,113	258,904,920
CURRENT LIABILITIES			
Accrued expenses		12,711,356	5,761,262
Short term borrowings	11	1,754,762,284	1,102,687,110
Current portion of lease liability		17,124,869	14,782,306
Taxation - net		82,752,054	-
Unclaimed dividend		19,387,127	17,338,597
		1,886,737,690	1,140,569,275
		2,059,747,803	1,399,474,195
TOTAL LIABILITIES			
Contingencies and commitments	12		
TOTAL EQUITY AND LIABILITIES		26,850,653,878	22,764,012,281

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



Chief Financial Officer



Chief Executive Officer



Director

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

For the nine months period ended 31st March 2022

	Note	Nine months period ended		Three months period ended	
		31 March 2022	31 March 2021	31 March 2022	31 March 2021
(Rupees)					
Operating revenue	13	644,230,368	251,826,263	61,734,892	60,246,713
Gain on sale of investments - net		865,565,031	204,628,142	7,673,691	61,177,255
Gain on remeasurement of investments - net	14	3,523,916,159	3,081,192,256	1,420,018,535	584,694,937
		5,033,711,558	3,537,646,661	1,489,427,118	706,118,905
Administrative expenses		(93,565,754)	(85,652,163)	(30,583,354)	(25,532,627)
Other income		1,140,304	969,400	380,443	-
Finance cost	15	(30,765,839)	(19,249,663)	(9,259,471)	(1,315,388)
Other charges		(35,250)	(50,365,392)	(14,464)	-
Profit before tax		4,910,485,019	3,383,348,843	1,449,950,272	679,270,890
Taxation	16	(146,196,515)	(259,333,905)	19,916,980	(45,358,308)
Profit for the period		4,764,288,504	3,124,014,938	1,469,867,252	633,912,582
Earnings per share - basic and diluted	17	11.67	7.65	3.60	1.55

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



Chief Financial Officer



Chief Executive Officer



Director

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

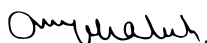
For the nine months period ended 31st March 2022

	Nine months period ended		Three months period ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	(Rupees)			
Profit for the period	4,764,288,504	3,124,014,938	1,469,867,252	633,912,582
Other comprehensive loss:				
<i>Items that will not be reclassified to profit or loss</i>				
Investment in associate at fair value through other comprehensive income - net of deferred tax	(112,795,515)	-	(42,932,161)	-
Total comprehensive income	4,651,492,989	3,124,014,938	1,426,935,091	633,912,582

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



Chief Financial Officer



Chief Executive Officer



Director

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the nine months period ended 31st March 2022


	Issued, subscribed and paid up share capital	Revenue Reserves		Fair value reserve *	Total
		General reserve	Unappropriated profit		
(Rupees)					
Balance as at 1 July 2020	4,083,750,000	4,000,000,000	9,999,201,190	20,085,153	18,103,036,343
Total comprehensive income for the nine months period ended 31 March 2021					
Profit for the period	-	-	3,124,014,938	-	3,124,014,938
Other comprehensive income for the period	-	-	-	-	-
	-	-	3,124,014,938	-	3,124,014,938
Transactions with owners of the Company recorded directly in equity distributions					
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)
Balance as at 31 March 2021	4,083,750,000	4,000,000,000	12,510,653,628	20,085,153	20,614,488,781
Total comprehensive income for the three months period ended 30 June 2021					
Profit for the period	-	-	750,049,305	-	750,049,305
Other comprehensive income for the period	-	-	-	-	-
	-	-	750,049,305	-	750,049,305
Balance as at 30 June 2021	4,083,750,000	4,000,000,000	13,260,702,933	20,085,153	21,364,538,086
Total comprehensive income for the nine months period ended 31 March 2022					
Profit for the period	-	-	4,764,288,504	-	4,764,288,504
Other comprehensive loss for the period	-	-	-	(112,795,515)	(112,795,515)
	-	-	4,764,288,504	(112,795,515)	4,651,492,989
Transactions with owners of the Company recorded directly in equity - Distribution					
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 31 March 2022	4,083,750,000	4,000,000,000	16,799,866,437	(92,710,362)	24,790,906,075

* 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 Financial Officer



Chief Executive Officer



Director

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)


For the nine months period ended 31st March 2022

	Note	Nine months period ended	
		31 March 2022	31 March 2021
(Rupees)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash (used in) / generated from operations	18	(193,518,412)	874,510,247
Income tax paid		(93,733,373)	(174,741,103)
Finance cost paid		(21,200,505)	(38,421,118)
Dividend received		601,480,539	854,092,874
Markup received		33,150,004	37,812,010
Net cash generated from operating activities		326,178,253	1,553,252,910
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(2,780,690)	(1,025,874)
Proceeds from sale of properties and equipment		44,497	1,366,000
Change in long term deposits		(2,122,850)	(607,698)
Net cash used in investing activities		(4,859,043)	(267,572)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liability		(12,643,836)	(11,494,395)
Dividend paid		(1,225,125,000)	(612,562,500)
Net cash used in financing activities		(1,237,768,836)	(624,056,895)
Net (decrease) / increase in cash and cash equivalents		(916,449,626)	928,928,443
Cash and cash equivalents at beginning of the period		(806,554,957)	(635,585,115)
Effect of exchange rate fluctuations on cash held		1,023,585	(340,392)
Cash and cash equivalents at end of the period	19	(1,721,980,998)	293,002,936

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



Chief Financial Officer



Chief Executive Officer



Director

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months period ended 31st March 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** 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 the 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 statements 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. Condensed interim consolidated financial statements are prepared separately.

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

Name of Companies

Shareholding

Subsidiaries

- Arif Habib Limited - a brokerage house	69.44%
- 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>

Associates

- MCB-Arif Habib Savings and Investments Limited - a pension fund manager, asset management company and investment advisor	30.09%
- 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>

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim unconsolidated financial statements of the company 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; and
- Provisions of and directives issued under the Companies Act, 2017.

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

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months period ended 31st March 2022

2.2 These condensed interim unconsolidated financial statements does not include all the information 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.

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

2.4 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.

2.5 Functional and presentation currency

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, unless otherwise indicated.

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.

a) New standards, interpretations and amendments adopted by the Company

There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after 1 July 2021 but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore are not detailed in these condensed interim unconsolidated financial statements.

b) Standards, interpretations and amendments to published approved accounting standards that are not yet effective

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after 1 July 2022. However, these will not have any impact on the Company's financial reporting and, therefore, have not been disclosed in these condensed interim unconsolidated financial statements.

3.2 Accounting estimates, judgements and financial risk management

The preparation of condensed interim unconsolidated financial statements requires management to make judgments, 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 judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual financial statements as at and for the year 30 June 2021.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2021.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months period ended 31st March 2022

4. PROPERTIES AND EQUIPMENTS

Following is the cost / written down value of properties and equipments that have been added / disposed off during the period:

	Unaudited			
	Nine months period ended 31 March 2022		Nine months period ended 31 March 2021	
	Additions	Disposals	Additions	Disposals
	(Rupees)			
Office equipment	111,990	16,036	32,000	-
Computer equipment	2,176,900	16,897	529,974	-
Vehicle	491,800	-	463,900	396,600
	2,780,690	32,933	1,025,874	396,600

Note	Unaudited 31 March 2022	Audited 30 June 2021
	(Rupees)	

5. LONG TERM INVESTMENTS

Subsidiaries - at cost	5.1	4,903,984,832	4,903,984,832
Associates - at FVTPL	5.2	13,892,359,027	9,967,414,060
Associates - at FVOCI	5.3	1,380,997,985	1,449,993,500
Other equity securities - at FVOCI	5.4	556,200,000	-
		20,733,541,844	16,321,392,392

Carrying amount

Unaudited 31 March 2022	Audited 30 June 2021
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5.1 Subsidiaries - at cost

Quoted Entity

Arif Habib Limited (AHL)

45,370,472 Ordinary Shares

(30 June 2021: 41,245,844 Ordinary Shares)

5.1.1	2,157,519,772	2,157,519,772
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Un-Quoted Entities

Sachal Energy Development (Private) Limited (SEDPL)

274,646,506 Ordinary Shares

(30 June 2021: 274,646,506 Ordinary Shares)

2,746,465,060	2,746,465,060
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Black Gold Power Limited (BGPL)

5,000,000 Ordinary Shares

(30 June 2021: 5,000,000 Ordinary Shares)

50,000,000	50,000,000
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Less: Provision for impairment

(50,000,000)	(50,000,000)
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-	-
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4,903,984,832	4,903,984,832
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5.1.1 During the period, the Company received 4.12 million bonus shares from AHL.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months period ended 31st March 2022

5.2 Associates - at FVTPL

	Cost	Unrealised appreciation on remeasurement of investments to date	Carrying amount	
			Unaudited 31 March 2022	Audited 30 June 2021
(Rupees)				
Quoted Entities				
MCB - Arif Habib Savings and Investments Limited (MCB-AH)				
21,664,167 Ordinary Shares (30 June 2021: 21,664,167 Ordinary Shares)				
	477,694,882	96,405,544	574,100,426	796,158,137
Fatima Fertilizer Company Limited (FFCL)				
319,000,206 Ordinary Shares (30 June 2021: 319,000,206 Ordinary Shares)				
	3,512,782,225	9,805,476,376	13,318,258,601	9,171,255,923
	3,990,477,107	9,901,881,920	13,892,359,027	9,967,414,060

5.3 Associates - at FVOCI

	Cost	Unrealised appreciation on remeasurement of investments to date	Carrying amount	
			Unaudited 31 March 2022	Audited 30 June 2021
(Rupees)				
Un-Quoted Entities				
Pakarab Fertilizers Limited (PFL)				
135,000,000 Ordinary Shares (30 June 2021: 135,000,000 Ordinary Shares)				
	1,324,332,073	25,667,927	1,350,000,000	1,350,000,000
National Resources (Private) Limited (NRPL)				
9,999,350 Ordinary Shares (30 June 2021: 9,999,350 Ordinary Shares)				
	99,993,500	(68,995,515)	30,997,985	99,993,500
	1,424,325,573	(43,327,588)	1,380,997,985	1,449,993,500

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months period ended 31st March 2022

5.4 Other equity securities - at FVOCI

	Note	Cost	Unrealised appreciation on remeasurement of investments to date	Carrying amount	
				Unaudited 31 March 2022	Audited 30 June 2021
(Rupees)					
Un-Quoted Entities					
Silk Islamic Development REIT (SIDR)					
60,000,000 Units (30 June 2021: Nil)	5.4.1	600,000,000	(43,800,000)	556,200,000	-
Sun Biz (Private) Limited (SBL)					
10,000 Ordinary Shares (30 June 2021: 10,000 Ordinary Shares)	5.4.2	-	-	-	-
Al-Khabeer Financial Services Private) Limited (AKFS)					
5,000 Ordinary Shares (30 June 2021: 5,000 Ordinary Shares)	5.4.2	-	-	-	-
		600,000,000	(43,800,000)	556,200,000	-

5.4.1 This represents 60 million units held in a privately placed closed-end shariah compliant apartment development REIT scheme which constitutes 20% of the total 300 million units issued. This REIT Scheme is managed by Arif Habib Dolmen REIT Management Company Limited - a related party. The said REIT is in a pre-development phase therefore net asset value at the reporting date is the best estimate of its fair value.

5.4.2 Investment in SBL (unquoted) and AKFS (unquoted) were fully impaired in previous years and no change in fair value has been recognised in current period.

5.5 Fair value of long term investments pledged with banking companies against various financing facilities amounts to Rs. 5,724 million (30 June 2021: Rs. 3,581.86 million).

	Unaudited 31 March 2022	Audited 30 June 2021
(Rupees)		
6. LONG TERM LOAN TO RELATED PARTY		
Secured		
Aisha Steel Mills Limited	134,970,641	163,404,133
Less: Current portion of long term loan	(28,433,492)	(28,433,492)
	106,537,149	134,970,641

6.1 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 on 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 is 10.94% (30 June 2021: ranged between 10.49% to 10.60%) per annum. Mark-up is payable on semi-annual basis.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months period ended 31st March 2022

- 6.2** 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. 163.40 million).

	Note	Unaudited 31 March 2022	Audited 30 June 2021
7. LOANS AND ADVANCES			
- considered good			
At amortised cost			
Unsecured			
Loans to related parties			
- Black Gold Power Limited		5,500,000	5,500,000
- Safe Mix Concrete Limited	7.1	142,100,000	-
- Power Cement Limited	7.2	750,000,000	-
- Pakarab Fertilizers Limited	7.3	813,153,536	-
Advance for			
- Investment in Pakistan Corporate CBD REIT	7.4	279,026,250	-
- Investment in SILK Islamic Development REIT		-	600,000,000
Secured			
Current portion of long term loan to Aisha Steel Mills Limited	6	28,433,492	28,433,492
Advance against salaries to employees		1,312,001	900,999
		2,019,525,279	634,834,491

- 7.1** The Company entered into a loan agreement with Safe Mix Concrete Limited (SMCL). The loan is repayable within 30 business days notice of demand. The mark-up rate on the said loan is 3 month KIBOR + 1.80% per annum. Mark-up is payable on quarterly basis. The effective mark-up charged during the period was 12.34% per annum (30 June 2021: Nil).
- 7.2** The Company entered into a loan agreement with Power Cement Limited (Power). The loan is repayable within 30 business days notice of demand. The mark-up rate on the said loan is 3 month KIBOR + 1.80% per annum. Mark-up is payable on quarterly basis. The effective mark-up charged during the period was 13.09% per annum (30 June 2021: ranged between 9.04% to 9.51% per annum).
- 7.3** The Company entered into a loan agreement with Pakarab Fertilizers Limited (Pakarab). The loan is repayable within 30 business days notice of demand. The mark-up rate on the said loan is 3 month KIBOR + 1.80% per annum. Mark-up is payable on quarterly basis. The effective mark-up charged during the period was 13.73% per annum (30 June 2021: Nil).
- 7.4** This represent advance paid for equity investment in a Shariah Compliant Development REIT Scheme. This REIT Scheme is managed by Arif Habib Dolmen REIT Management Company Limited - a related party. The said REIT scheme is in process of acquiring two immovable properties from the Lahore Central Business District Development Authority, subsequent to bidding process. The REIT scheme has been approved by the Securities and Exchange Commission of Pakistan (SECP) on 22 December 2021 vide its letter.
- 7.5** Maximum balance due from related parties in respect of loans and advances as at the end of any month during the period was Rs. 1,710.75 million (30 June 2021: Rs. 922.50 million).

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months period ended 31st March 2022

	Unaudited 31 March 2022	Audited 30 June 2021
8. MARK-UP RECEIVABLE		(Rupees)
From related parties:		
- Aisha Steel Mills Limited	8,217,494	8,589,238
- Safe Mix Concrete Limited	1,818,274	-
- Power Cement Limited	3,406,987	-
- Pakarab Fertilizers Limited	611,759	-
- Arif Habib Limited	-	4,447,132
- Javedan Corporation Limited	-	2,722,849
	14,054,514	15,759,219

- 8.1** 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. 14.39 million (30 June 2021: Rs. 15.76 million). Further, the said receivable from related parties are on account of loans provided to them which are current and not past due.

	Note	Unaudited 31 March 2022	Audited 30 June 2021
9. PREPAYMENTS, TRADE AND OTHER RECEIVABLES			(Rupees)
Prepayments		2,805,109	784,153
Guarantee commission receivable	9.1	3,824,804	4,307,736
Others		1,773,261	10,556,178
		8,403,174	15,648,067

- 9.1** This represents 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 in respect of guarantee commission receivable as at the end of any month during the year was Rs. 3.99 million (30 June 2021: Rs. 5.16 million).

	Note	Unaudited 31 March 2022	Audited 30 June 2021
10. SHORT TERM INVESTMENTS			(Rupees)
Investment in ordinary shares of related parties	10.1	3,187,063,048	3,286,748,289
Investment in preference shares of related parties	10.2	438,881,996	854,461,693
Investment in ordinary shares of other companies		256,868,298	1,097,158,330
		3,882,813,342	5,238,368,312

- 10.1** These include investments in Aisha Steel Mills Limited, Power Cement Limited and Javedan Corporation Limited.

- 10.2** This include investments in Aisha Steel Mills Limited and Power Cement Limited.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months period ended 31st March 2022

10.3 During the period, the company received 43.6 million bonus ordinary shares from Aisha Steel Mills Limited.

10.4 Fair value of short term investments pledged with banking companies against various financing facilities amounting to Rs. 811.68 million (30 June 2021: Rs. 1,497.88 million).

11. SHORT TERM BORROWINGS

11.1 Running finance facilities are available from various commercial banks, under mark-up arrangements, amounting to Rs. 2,950 million (30 June 2021: Rs. 3,200 million). These facilities have various maturity dates up to 31 December 2022, which are secured against pledge of marketable securities.

11.2 These running finance facilities carry mark-up ranging from 1-month KIBOR+1% to 3-month KIBOR+1.75% per annum (30 June 2021: 1-month KIBOR+1% to 3-month KIBOR+1.75% per annum) calculated on a daily product basis, and is payable quarterly. The aggregate amount of these facilities which have not been availed as at the reporting date amounts to Rs. 1,195 million (30 June 2021: Rs. 2,097 million).

12. CONTINGENCIES AND COMMITMENTS

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

- The Company has further pledged shares for securing running finance facilities obtained by AHL for additional financing facility of Rs. 1,727 million.
- The exposure against corporate guarantee on behalf of the subsidiary company, Sachal Energy Development (Private) Limited, has been reduced by USD 5 million. The total exposure has been reduced to USD 55 million (equivalent to Rs. 10,105.15 millions) out of USD 100 million due to timely repayment of loan.
- The exposure against Corporate Guarantee on behalf of an associated concern, Power Cement Limited (PCL) to the extent of USD 10.127 million has been terminated due to fulfilment of payment obligation by PCL.

	Unaudited			
	Nine months period ended		Three months period ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	(Rupees)			
13. OPERATING REVENUE				
Dividend	601,480,539	216,092,462	43,328,334	48,744,376
Mark-up on loans	28,448,900	18,353,793	14,054,515	5,000,042
Guarantee commission	11,304,530	14,571,491	3,824,804	4,493,245
Mark-up on bank deposits	2,996,399	2,808,517	527,239	2,009,050
	644,230,368	251,826,263	61,734,892	60,246,713
14. GAIN ON REMEASUREMENT OF INVESTMENTS - NET				
Long Term Investment - at FVTPL	3,924,944,967	1,173,779,318	1,642,896,968	304,011,952
Short Term Investment - at FVTPL	(401,028,808)	1,907,412,938	(222,878,433)	280,682,985
	3,523,916,159	3,081,192,256	1,420,018,535	584,694,937

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months period ended 31st March 2022

	Unaudited			
	Nine months period ended		Three months period ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
(Rupees)				
15. FINANCE COST				
Mark-up on running finance	29,028,420	12,782,321	8,774,253	702,752
Mark-up on loan from Sponsor	-	4,355,592	-	25,934
Bank charges	56,069	19,126	6,368	4,148
Interest expense - Lease Liability	1,681,350	2,092,624	478,850	582,554
	30,765,839	19,249,663	9,259,471	1,315,388
16. TAXATION				
Current	219,951,236	132,498,853	7,942,823	10,335,658
Prior	(1,164,963)	-	-	-
Deferred	(72,589,758)	126,835,052	(27,859,803)	35,022,650
	146,196,515	259,333,905	(19,916,980)	45,358,308

- 16.1** Deferred tax assets have not been recognised in respect unused tax losses and the deductible temporary differences as it is not probable that future taxable profits under normal tax regime will be available against which the Company can use the benefits therefrom.

17. 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:

	Unaudited			
	Nine months period ended		Three months period ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
(Rupees)				
Profit for the period	4,764,288,504	3,124,014,938	1,469,867,252	633,912,582
(Number)				
Weighted average number of ordinary shares	408,375,000	408,375,000	408,375,000	408,375,000
(Rupees)				
Earnings per share - basic and diluted	11.67	7.65	3.60	1.55

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months period ended 31st March 2022

	Note	Unaudited	
		Nine months period ended 31 March 2022	31 March 2021
(Rupees)			
18. NET CASH (USED IN) / GENERATED FROM OPERATIONS			
Profit before tax		4,910,485,019	3,383,348,843
Adjustments for:			
Depreciation		16,362,782	14,723,042
Amortisation		116,695	-
Dividend income		(601,480,539)	(216,092,462)
Mark-up on loans		(28,448,900)	(18,353,793)
Markup on bank deposit		(2,996,399)	(2,808,517)
Gain on remeasurement of long term investments		(3,924,944,967)	(1,173,779,318)
Loss / (gain) on remeasurement of short term investments - net		401,028,808	(1,907,412,938)
Gain on disposal of assets		(11,564)	(969,400)
Exchange (gain) / loss		(1,023,585)	340,392
Impairment loss on investments		-	50,000,000
Finance cost		30,765,839	17,157,039
		(4,110,631,830)	(3,237,195,955)
		799,853,189	146,152,888
Effect on cash flow due to working capital changes			
<i>(Increase) / decrease in current assets</i>			
Loans and advances		(1,956,257,296)	(970,986)
Prepayments, trade and other receivables		7,244,893	(9,892,702)
Short term investments		954,526,162	738,942,248
		(994,486,241)	728,078,560
<i>Increase / (decrease) in current liabilities</i>			
Accrued expenses		(933,890)	(267,159)
Unclaimed dividend		2,048,530	545,958
		1,114,640	278,799
Net cash (used in) / generated from operations		(193,518,412)	874,510,247
19. CASH AND CASH EQUIVALENTS			
Cash and bank balances		32,781,286	293,002,936
Short term borrowings	11	(1,754,762,284)	-
		(1,721,980,998)	293,002,936

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months period ended 31st March 2022

20. FAIR VALUE MEASUREMENTS

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and the fair values estimates.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

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

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

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

	Level 1	Level 2 (Rupees)	Level 3	Total
As at 31 March 2022				
Financial assets measured at fair value				
Long term investments - associates	13,892,359,027	-	1,937,197,985	15,829,557,012
Short term investments	3,882,813,342	-	-	3,882,813,342
Financial assets not measured at fair value				
Long term investments - subsidiaries*	2,027,152,689	-	-	2,027,152,689
	19,802,325,058	-	1,937,197,985	21,739,523,043

As at 30 June 2021

Financial assets measured at fair value

Long term investments - associates	9,967,414,060	-	1,449,993,500	11,417,407,560
Short term investments	5,238,368,312	-	-	5,238,368,312

Financial assets not measured at fair value

Long term investments - subsidiaries*	3,345,866,110	-	-	3,345,866,110
	18,551,648,482	-	1,449,993,500	20,001,641,982

* This represents investment in a subsidiary company, Arif Habib Limited, which is quoted on the Pakistan Stock Exchange Limited. It is carried at cost and fair value is determined for disclosure purposes.

There were no transfers amongst the levels during the period. Further, there were no changes in the valuation techniques during the period.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months period ended 31st March 2022

21. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of group companies (including subsidiaries and associates), sponsor, directors, 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 key management personnel 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.

Transactions 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	Unaudited Nine months period ended	
		31 March 2022	31 March 2021
		(Rupees)	
Subsidiaries			
Arif Habib Limited	Services availed	4,629,654	4,714,428
	Dividend income / received	412,458,840	103,114,710
	Guarantee commission income	2,251,672	1,411,734
	Guarantee commission received	1,871,560	1,408,936
	Loan extended	650,000,000	-
	Loan repaid	650,000,000	-
	Markup income	3,099,721	-
	Markup received	7,546,853	-
Sachal Energy Development (Private) Limited	Guarantee commission income	7,415,471	8,209,789
	Guarantee commission received	7,387,851	8,676,921
Associates			
MCB-Arif Habib Savings and Investment Limited	Dividend income / received	102,904,793	97,488,752
	Dividend received	-	638,000,412
Pakarab Fertilizers Limited	Loan extended	813,153,536	-
	Markup income	611,759	-

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months period ended 31st March 2022

Name of the related party	Transactions during the period	Unaudited Nine months period ended	
		31 March 2022	31 March 2021
(Rupees)			
<i>Associated companies by virtue of common directorship</i>			
Aisha Steel Mills Limited	Mark-up on loan	19,512,160	16,185,768
	Mark-up received	19,883,903	33,356,858
	Loan extended	1,725,000,000	1,630,000,000
	Loan repayment	1,753,433,492	1,630,000,000
	Guarantee commission income	976,842	3,358,084
	Guarantee commission received	1,702,851	3,377,221
	Dividend income / received	58,143,232	-
Javedan Corporation Limited	Mark-up received	2,722,849	1,393,518
	Mark-up on loan	-	1,245,902
	Loan extended	-	200,000,000
	Loan repaid	-	200,000,000
Power Cement Limited	Mark-up on loan	3,406,987	922,124
	Mark-up received	-	206,354
	Loan extended	750,000,000	462,000,000
	Loan repaid	-	462,000,000
	Guarantee commission income	976,842	1,591,884
	Guarantee commission received	825,200	1,656,694
Safe Mix Concrete Limited	Mark-up on loan	1,818,274	-
	Loan extended	167,100,000	-
	Loan repaid	25,000,000	-
Rotocast Engineering Company (Private) Limited	Payment of rent and sharing of utilities, insurance and maintenance charges	22,335,238	20,311,500
Arif Habib Dolmen REIT Management Limited	Bank charges recovered	8,814,000	-
Above are considered as associated companies under the Companies Act, 2017			
Others			
Mr. Arif Habib	Dividend paid	986,762,901	482,924,951
	Loan received from sponsor	-	541,000,000
	Loan repaid to sponsor	-	541,000,000
	Markup on loan	-	4,355,592
Employees retirement benefit fund - Provident fund	Company's Contribution	2,134,268	2,105,301

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months period ended 31st March 2022

Name of the related party	Transactions during the period	Unaudited Nine months period ended	
		31 March 2022	31 March 2021
(Rupees)			
<i>Remuneration of chief executive officer, directors, key management personnel and executives</i>			
Managerial Remuneration		23,457,010	22,961,138
Contribution to provident fund		1,619,253	1,621,251
Bonus		4,607,616	2,246,771
Other perquisites and benefits		2,963,874	3,079,050
Mr. Asadullah Khawaja	Meeting fee paid	150,000	150,000
	Dividend paid	243,018	121,509
Mr. Sirajuddin Cassim	Meeting fee paid	225,000	150,000
	Dividend paid	689,679	344,840
Ms. Zeba Bakhtiar	Meeting fee paid	150,000	-
	Dividend paid	300	-
Mr. Nasim Beg	Dividend paid	15,234	37,617
Mr. Abdus Samad	Dividend paid	3,018	1,509
Mr. Muhammad Ejaz	Dividend paid	363	182
Mr. Muhammad Kashif	Dividend paid	105,870	52,935
Dr. Shamshad Akhtar	Meeting fee paid	-	150,000
	Dividend paid	-	150
Balances as at:		Unaudited 31 March 2022	Audited 30 June 2021
(Rupees)			
Arif Habib Limited	CDC charges payable	41,588	33,093
Rotocast Engineering Company (Private) Limited	Payable against monthly expense contribution	592,244	1,194,110

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months period ended 31st March 2022

22. CORRESPONDING FIGURES


Comparative information has been reclassified, re-arranged or additionally incorporated in these financial statements, wherever necessary, to facilitate comparison and to confirm with presentation in the current period.

23. DATE OF AUTHORISATION FOR ISSUE

These condensed interim unconsolidated financial statements have been authorised for issue on 28 April 2022 by the Board of Directors of the Company.



Chief Financial Officer



Chief Executive Officer



Director

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**CONDENSED INTERIM
CONSOLIDATED
FINANCIAL STATEMENTS**
FOR THE NINE MONTHS PERIOD
ENDED 31ST MARCH 2022





CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31st March 2022

	Note	Unaudited 31 March 2022	Audited 30 June 2021
(Rupees)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	14,720,785,864	13,925,492,267
Intangible assets		4,341,857	2,602,558
Goodwill		910,206,117	910,206,117
Trading right entitlement certificate, membership cards and offices		3,500,000	8,100,000
Investment properties		1,074,800,000	1,968,800,000
Equity accounted investees	6	16,755,467,649	14,581,256,714
Other long term investments	7	599,833,673	54,754,771
Long term loan to related party		106,537,149	134,970,641
Long term deposits and other receivables		77,768,583	35,083,233
		34,253,240,892	31,621,266,301
CURRENT ASSETS			
Trade debts		4,335,284,854	4,539,307,282
Loans and advances		2,510,948,110	913,450,854
Deposits and prepayments		208,666,883	164,004,678
Accrued mark-up and other receivables		427,793,071	606,648,024
Short term investments	8	8,665,174,821	8,008,666,359
Cash and bank balances		3,180,219,854	3,913,744,772
Assets held for sale	9	49,015,955	-
		19,377,103,548	18,145,821,969
TOTAL ASSETS		53,630,344,440	49,767,088,270

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

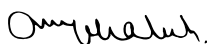
As at 31st March 2022

	Unaudited 31 March 2022	Audited 30 June 2021
	Note	
		(Rupees)
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised share capital	10,000,000,000	10,000,000,000
Issued, subscribed and paid-up share capital	4,083,750,000	4,083,750,000
Surplus on revaluation of fixed assets	15,432,500	15,432,500
Other reserves	28,356,700,600	25,906,142,354
Equity attributable to owners of the Parent Company	32,455,883,100	30,005,324,854
Non-controlling interest	3,098,861,787	2,885,565,940
TOTAL EQUITY	35,554,744,887	32,890,890,794
NON-CURRENT LIABILITIES		
Long term loans - secured	7,864,619,427	7,437,261,481
Land lease liability	10,659,716	10,710,114
Lease liability against right-of-use asset	11,368,390	21,466,537
Loan under State Bank of Pakistan scheme	-	9,476,424
Deferred liability - gratuity	31,979,241	23,064,751
Deferred taxation - net	2,067,398,520	1,808,391,130
	9,986,025,294	9,310,370,437
CURRENT LIABILITIES		
Trade and other payables	1,140,274,249	2,150,650,604
Mark-up accrued on borrowings	199,305,009	79,028,184
Short term borrowings	4,629,004,817	3,437,053,359
Current portion of long term loans - secured	1,832,000,000	1,583,000,000
Current portion of lease liability against right-of-use assets	29,730,834	41,479,177
Current portion of loan under State Bank of Pakistan Scheme	13,496,578	15,547,461
Current portion of land lease liability	1,360,000	1,360,000
Payable against purchase of investment - net	7,032,402	53,758,623
Taxation - net	198,720,910	171,691,021
Unclaimed dividend	38,649,460	32,258,610
	8,089,574,259	7,565,827,039
TOTAL LIABILITIES	18,075,599,553	16,876,197,476
Contingencies and commitments	10	
TOTAL EQUITY AND LIABILITIES	53,630,344,440	49,767,088,270

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



Chief Financial Officer



Chief Executive Officer



Director

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

For the nine months period ended 31st March 2022

Note	Nine months period ended		Three months period ended		
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	
(Rupees)					
Continuing operations					
Revenue					
	11	3,472,172,144	3,632,311,570	903,841,519	1,060,562,319
		(781,415,807)	2,079,897,329	(487,200,858)	(247,307,197)
		196,500,000	129,500,000	98,817,810	129,500,000
		1,171,939,823	1,203,305,069	148,805,659	608,170,491
		355,500,000	500,000	-	500,000
		4,414,696,160	7,045,513,968	664,264,130	1,551,425,613
		(955,239,653)	(918,422,087)	(295,320,630)	(287,723,540)
		(582,401,953)	(561,132,300)	(188,741,128)	(205,977,490)
		128,702,156	77,661,831	65,156,647	21,710,009
		(571,513,329)	(585,200,182)	(182,968,623)	(123,361,432)
		(6,958,132)	(21,774,092)	(200,199)	1,301,427
		2,427,285,249	5,036,647,138	62,190,197	957,374,587
		2,286,758,644	1,588,375,169	887,992,497	674,565,870
		4,714,043,893	6,625,022,307	950,182,694	1,631,940,457
	12	(606,029,039)	(645,769,552)	(135,723,206)	(299,312,672)
		4,108,014,854	5,979,252,755	814,459,488	1,332,627,785
Discontinued operation					
		2,016,855	1,148,379	748,993	66,045
		4,110,031,709	5,980,401,134	815,208,481	1,332,693,830
Profit attributable to:					
		3,718,051,652	5,330,192,560	770,913,376	1,219,133,667
		1,400,504	797,434	520,101	45,862
		3,719,452,156	5,330,989,994	771,433,477	1,219,179,529
		389,963,202	649,060,195	43,546,112	113,494,118
		616,351	350,945	228,892	20,183
		390,579,553	649,411,140	43,775,004	113,514,301
		4,110,031,709	5,980,401,134	815,208,481	1,332,693,830
Earnings per share - basic & diluted					
		9.10	13.05	1.88	2.99
		0.00	0.00	0.00	0.00
	13	9.10	13.05	1.88	2.99

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



Chief Financial Officer



Chief Executive Officer



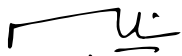
Director

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the nine months period ended 31st March 2022

	Nine months period ended		Three months period ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	(Rupees)			
Profit for the period	4,110,031,709	5,980,401,134	815,208,481	1,332,693,830
Other comprehensive (loss) / income:				
Items that will not be reclassified to profit or loss				
Share of other comprehensive income of equity-accounted investees - net of tax	-	767,551	-	767,551
Items that will not be reclassified to profit or loss				
Investment in associate at fair value through other comprehensive income - net of deferred tax	(43,800,000)	(253,364,390)	12,117,640	21,671,070
Share of other comprehensive (loss) / income of equity-accounted associates - net of tax	(9,642,916)	2,219,867	-	2,219,867
	(53,442,916)	(251,144,523)	12,117,640	23,890,937
Other comprehensive (loss) / income for the period	(53,442,916)	(250,376,972)	12,117,640	24,658,488
Total comprehensive income for the period	4,056,588,793	5,730,024,162	827,326,121	1,357,352,318
Total comprehensive income attributable to:				
Equity holders of the Parent Company	3,666,009,240	5,158,041,180	783,551,117	1,237,215,338
Non-controlling interests	390,579,553	571,982,982	43,775,004	120,136,980
	4,056,588,793	5,730,024,162	827,326,121	1,357,352,318

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



Chief Financial Officer



Chief Executive Officer



Director

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the nine months period ended 31st March 2022

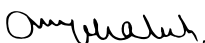
	Equity attributable to owners of the Parent					Non-controlling interests	Total equity	
	Issued, subscribed and paid up share capital	Surplus on revaluation	Fair value reserve *	General reserve	Unappropriated profit			Total
	(Rupees)							
Balance as at 1 July 2020	4,083,750,000	15,432,500	277,909,628	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 nine months period 31 March 2021								
Profit for the period	-	-	-	-	5,330,989,994	5,330,989,994	649,411,140	5,980,401,134
Other comprehensive loss	-	-	(173,716,365)	-	767,551	(172,948,814)	(77,428,158)	(250,376,972)
	-	-	(173,716,365)	-	5,331,757,545	5,158,041,180	571,982,982	5,730,024,162
Transactions with owners recorded directly in equity								
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)
Gain realised on disposal of equity securities at FVOCI	-	-	(156,712,450)	-	156,712,450	-	-	-
Distribution by subsidiary	-	-	-	-	-	-	(45,385,290)	(45,385,290)
Balance as at 31 March 2021 - restated	4,083,750,000	15,432,500	(52,519,187)	4,019,567,665	19,754,832,436	27,821,063,414	2,613,315,214	30,434,378,628
Total comprehensive income for the three months period ended 30 June 2021								
Profit for the period	-	-	-	-	2,155,474,106	2,155,474,106	259,443,399	2,414,917,505
Other comprehensive income	-	-	24,836,719	-	3,950,615	28,787,334	12,807,327	41,594,661
	-	-	24,836,719	-	2,159,424,721	2,184,261,440	272,250,726	2,456,512,166
Gain realised on disposal of equity securities at FVOCI	-	-	47,087,327	-	(47,087,327)	-	-	-
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
Balance as at 1 July 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 nine months period 31 March 2022								
Profit for the period	-	-	-	-	3,719,452,156	3,719,452,156	390,579,553	4,110,031,709
Other comprehensive loss	-	-	(53,442,916)	-	-	(53,442,916)	-	(53,442,916)
	-	-	(53,442,916)	-	3,719,452,156	3,666,009,240	390,579,553	4,056,586,793
Gain realised on disposal of equity securities at FVOCI	-	-	(19,404,859)	-	29,078,865	9,674,006	4,257,454	13,931,460
Transactions with owners recorded directly in equity								
Distributions								
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)	-	(1,225,125,000)
Distribution by subsidiary	-	-	-	-	-	-	(181,541,160)	(181,541,160)
Balance as at 31 March 2022	4,083,750,000	15,432,500	(53,442,916)	4,019,567,665	24,390,575,851	32,455,883,100	3,098,861,787	35,554,744,887

* 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 Financial Officer



Chief Executive Officer



Director

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)

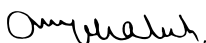
For the nine months period ended 31st March 2022

	Note	Nine months period ended	
		31 March 2022	31 March 2021
(Rupees)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash (used in) / generated from operations	14	(573,888,010)	5,797,209,590
Income tax paid		(319,991,760)	(288,445,677)
Finance cost paid		(352,878,558)	(498,701,584)
Mark-up received		23,611,699	46,254,715
Dividend received		190,377,951	47,481,201
Gratuity paid		(818,225)	(2,082,063)
Net cash generated from operating activities		(1,033,586,903)	5,101,716,182
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(35,795,417)	(28,630,520)
Proceeds from sale of property, plant and equipment		44,497	1,366,000
Proceeds from sale of investment property		1,419,000,000	153,000,000
Long term deposit paid		(42,685,350)	(208,778)
Dividend from equity accounted investee		102,904,793	735,489,164
Acquisition of investment properties		-	(152,500,000)
Net cash generated from investing activities		1,443,468,523	708,515,866
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan under State Bank of Pakistan scheme		(11,527,307)	13,880,999
Lease rentals paid		(25,804,529)	(25,075,981)
Repayment of long term loan		(890,000,000)	(1,293,287,261)
Land lease liability		(1,360,000)	(1,360,000)
Dividend paid		(1,225,125,000)	(612,562,500)
Distribution by subsidiary to non-controlling interest		(181,541,160)	(45,385,290)
Loan received from sponsor		-	1,951,000,000
Loan repaid to sponsor		-	(1,951,000,000)
Repayment of subordinated loan		-	(300,000,000)
Net cash used in financing activities		(2,335,357,996)	(2,263,790,033)
Net (decrease) / increase in cash and cash equivalents		(1,925,476,376)	3,546,442,015
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	15	(1,448,784,963)	1,477,118,276

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



Chief Financial Officer



Chief Executive Officer



Director

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months period ended 31st March 2022

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 nine months period ended 31 March 2022 comprise of the Parent Company and following subsidiary companies (here-in-after referred to as "the Group").

<i>Name of companies</i>	<i>Note</i>	<i>Effective holding</i>
Subsidiaries		
- Arif Habib Limited, a brokerage house	1.1.1	<u>69.44%</u>
- Arif Habib Commodities (Private) Limited, investment management of commodities [wholly owned subsidiary of Arif Habib Limited]	1.1.2	<u>69.44%</u>
- Arif Habib 1857 (Private) Limited, investments and share brokerage company [wholly owned subsidiary of Arif Habib Limited]	1.1.3 & 9	<u>69.44%</u>
- Sachal Energy Development (Private) Limited, a wind power generation company	1.1.4	<u>85.83%</u>
- Black Gold Power Limited, a coal power generation company	1.1.5	<u>100.00%</u>
Associates		
- MCB-Arif Habib Savings and Investments Limited - a pension fund manager, asset management company and investment advisor	1.1.6	<u>30.09%</u>
- Fatima Fertilizer Company Limited, a fertilizer company	1.1.7	<u>15.19%</u>
- Pakarab Fertilizers Limited, a fertilizer company	1.1.8	<u>30.00%</u>
- National Resources (Private) Limited, a mining company	1.1.9	<u>9.57%</u>

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 (AHCL) 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 AHCL is located at Arif Habib Centre, 23, M.T. Khan Road, Karachi. The principal activity of AHCL is to effectively manage investment portfolios in commodities. AHCL is a wholly owned subsidiary of Arif Habib Limited. AHCL holds license of Pakistan Mercantile Exchange (PMEX).

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months period ended 31st March 2022

- 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). AH1857 has been classified as held for sale (refer note 9 to these condensed interim consolidated financial statements)
- 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 2021. The fund under management is Rs. 172.29 billion (30 June 2021: Rs. 155.4 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) and 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 Mukhtargarh - Sadiqabad, Khanewal Road -Multan and Chichoki Mallian - Sheikhpura, 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, NRPL is in its pre-feasibility stage and has not yet commenced its operations and has yet to apply for a mining license.

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;

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months period ended 31st March 2022

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

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

These condensed interim consolidated financial statements does not include all the information required for full annual financial statements and should be read in conjunction with the audited annual consolidated 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 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 nine months period ended 31 March 2021.

These condensed interim consolidated 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, unless otherwise indicated.

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.

a) New standards, interpretations and amendments adopted by the Group

There are certain new and amended standards, interpretations and amendments that are mandatory for the Group's accounting periods beginning on or after 1 July 2021 but are considered not to be relevant or do not have any significant effect on the Group's operations and therefore are not detailed in these condensed interim consolidated financial statements.

b) Standards, interpretations and amendments to published approved accounting standards that are not yet effective

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Group's annual accounting periods beginning on or after 1 July 2022. However, these will not have any impact on the Group's financial reporting and, therefore, have not been disclosed in these condensed interim consolidated financial statements.

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.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months period ended 31st March 2022

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.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2021.

5. PROPERTY, PLANT AND EQUIPMENT

Capital expenditure incurred during the period amounted to Rs. 35.8 million (30 June 2021: 28.22 million). The exchange gain of Rs. 1,468 million (30 June 2021: exchange gain of Rs. 755.85 million) has also been recognised. Further, assets having written down value of Rs. 0.03 million (30 June 2021: 2.35 million) were disposed off during the period .

6. EQUITY ACCOUNTED INVESTEEES

	Note	Unaudited 31 March 2022	Audited 30 June 2020
(Rupees)			
Fatima Fertilizer Company Limited (FFCL)	6.1	16,245,633,302	13,999,653,270
MCB - Arif Habib Savings and Investments Limited (MCB-AH)	6.2	435,100,884	482,381,693
National Resources (Private) Limited (NRPL)	6.3	74,733,463	99,221,751
Pakarab Fertilizers Limited (PFL)	6.4	-	-
		<u>16,755,467,649</u>	<u>14,581,256,714</u>

6.1 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 31 March 2022. Fair value per share as at 31 March 2022 is Rs. 41.75 (30 June 2021: Rs. 28.75) which is based on quoted share price on stock exchange at reporting date.

6.2 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 31 March 2022. Market value per share as at 31 March 2022 was Rs. 26.50 (30 June 2021: Rs. 36.75) which is based on quoted share price on stock exchange at reporting date.

6.3 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 31 March 2022. 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.

6.4 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 31 March 2022, 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. 217.22 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.

7. OTHER LONG TERM INVESTMENTS

	Note	Unaudited 31 March 2022	Audited 30 June 2021
(Rupees)			
Equity securities - at FVOCI	7.1	556,200,000	-
Equity securities - designated at FVTPL	7.2	43,633,673	54,754,771
		<u>599,833,673</u>	<u>54,754,771</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months period ended 31st March 2022

7.1 Equity securities - at FVOCI

	Cost	Unrealised diminution on remeasurement of investments to date	Carrying Amount	
			(Unaudited) 31 March 2022	(Audited) 30 June 2021
----- (Rupees) -----				
Un-Quoted Entities				
Silk Islamic Development REIT				
60,000,000 Units (30 June 2021: Nil)	600,000,000	(43,800,000)	556,200,000	-
Sun Biz (Private) Limited				
10,000 Ordinary Shares (30 June 2021: 10,000 Ordinary Shares)	-	-	-	-
Al-Khabeer Financial Services (Private) Limited				
5,000 Ordinary Shares (30 June 2021: 5,000 Ordinary Shares)	-	-	-	-
	600,000,000	(43,800,000)	556,200,000	-

7.2 Equity securities - designated at FVTPL

	Note	Unaudited	Audited
		31 March 2022	30 June 2021
(Rupees)			
ISE Towers REIT Management Company Limited		28,889,430	37,841,512
LSE Financial Services Limited		14,744,243	16,913,259
		43,633,673	54,754,771

8. SHORT TERM INVESTMENTS

Equity securities - at FVTPL	8.1	8,665,174,821	7,632,492,911
Equity securities - at FVOCI		-	206,907,980
Corporate debt securities - mandatorily at FVTPL		-	169,265,468
		8,665,174,821	8,008,666,359

8.1 These includes investments in related parties, namely, Aisha Steel Mills Limited, Power Cement Limited and Javedan Corporation Limited. During the period, the company received 43.6 million bonus ordinary shares from Aisha Steel Mills

8.2 Fair value of short term investments pledged with various banking companies against various finance facilities amounts of Rs.7.662 million (30 June 2021: Rs. 7,141 million).

9. ASSETS HELD FOR SALE

During the period, the Board of Directors of the Subsidiary Company, AHL decided to disinvest / sell AHL's 100% shareholding in Arif Habib 1857 (Private) Limited (a wholly owned subsidiary of AHL) for total consideration of PKR 50 million i.e., PKR 10 per share, subject to obtaining necessary corporate and regulatory approvals. Accordingly the net assets of AH1857 has been classified as an 'Asset held for sale' in these condensed interim consolidated financial statements. The realisable value of underlying AH1857 is higher than its carrying amount and therefore, management does not expect to incur impairment thereagainst.

AH1857 was not previously classified as Assets held for sale. The comparative condensed interim consolidated statement of profit or loss has been re-presented to show the discontinued operation separately from continuing operations.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months period ended 31st March 2022

10. CONTINGENCIES AND COMMITMENTS

10.1 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

10.1.1 The Parent Company has further pledged shares for securing running finance facilities obtained by the subsidiary company, Arif Habib Limited (AHL) for additional financing facility of Rs. 1,727 million.

10.1.2 The exposure against corporate guarantee on behalf of the subsidiary company, Sachal Energy Development (Private) Limited, has been reduced by USD 5 million. The total exposure has been reduced to USD 55 million (equivalent to Rs. 10,105.15 millions) out of USD 100 million due to timely repayment of loan.

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

AHL, Subsidiary Company

10.2 Following commitments are outstanding:

	Unaudited 31 March 2022	Audited 30 June 2021
	(Rupees)	
- Outstanding Settlements against Marginal Trading contracts	<u>575,046,055</u>	<u>788,579,531</u>
- Outstanding Settlements against sale / (purchase) of securities in regular market	<u>27,331,496</u>	<u>34,264,836</u>
- Financial guarantee given by a commercial bank on behalf of AHL	<u>750,000,000</u>	<u>750,000,000</u>

11. OPERATING REVENUE

	Nine months period ended		Three months period ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	(Rupees)			
Dividend	190,377,951	47,481,201	49,073,000	30,400,000
Mark-up on loans	25,039,130	18,494,621	13,744,466	5,000,042
Mark-up on term finance certificates	7,535,481	15,103,781	425,303	4,778,115
Brokerage income	414,584,076	530,893,611	129,636,763	222,266,727
Mark-up on bank deposits	96,172,772	49,457,061	50,291,316	23,243,698
Guarantee commission	1,637,387	4,949,968	537,534	1,457,364
Revenue from sale of energy - net	2,404,283,623	2,492,430,063	651,035,469	582,222,109
Underwriting, consultancy and placement commission	332,541,724	473,501,264	9,097,668	191,194,264
	<u>3,472,172,144</u>	<u>3,632,311,570</u>	<u>903,841,519</u>	<u>1,060,562,319</u>

12. TAXATION

Current	356,413,147	388,919,630	27,094,920	166,671,234
Prior	(9,391,498)	-	-	-
Deferred	259,007,390	256,849,922	108,628,286	132,641,438
	<u>606,029,039</u>	<u>645,769,552</u>	<u>135,723,206</u>	<u>299,312,672</u>

13. 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 period. There is no dilutive effect on the basic earnings per share of the Parent Company:

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months period ended 31st March 2022

	Nine months period ended		Three months period ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	(Rupees)			
Profit after tax from continuing operation attributable to ordinary shareholders	3,718,051,652	5,330,192,560	770,913,376	1,219,133,667
Profit after tax from discontinued operation attributable to ordinary shareholders	1,400,504	797,434	520,101	45,862
	(Numbers)			
Weighted average number of ordinary shares	408,375,000	408,375,000	408,375,000	408,375,000
	(Rupees)			
Earnings per share - continuing operation	9.10	13.05	1.88	2.99
Earnings per share - discontinued operation	0.00	0.00	0.00	0.00

14. NET CASH (USED IN) / GENERATED FROM OPERATIONS

Note	Nine months period ended	
	31 March 2022	31 March 2021
	(Rupees)	
Profit before tax	4,714,043,893	6,626,513,708
Adjustments for:		
Depreciation	708,849,246	687,628,744
Amortisation	360,702	312,959
Dividend income	(190,377,951)	(47,481,201)
Gain on sale of property, plant and equipment	(11,564)	(969,400)
Unrealised loss / (gain) on remeasurement of other long term investment	11,121,098	(13,936,000)
Unrealised loss / (gain) on remeasurement of short term investments	770,294,709	(2,065,961,329)
Unrealised gain on investment property	(196,500,000)	(129,500,000)
Gain on sale of investments property	(355,500,000)	(500,000)
Share of profit of equity-accounted associates - net of tax	(2,286,758,644)	(1,588,375,169)
Mark-up on loans and advances	(25,039,130)	(18,494,621)
Mark-up income on term finance certificates	(7,535,481)	(15,103,781)
Amortisation of land lease rent	1,309,602	1,309,602
Amortisation of transaction cost	98,357,946	83,435,470
Interest expense on lease	3,958,039	6,571,471
Finance cost	469,197,344	495,298,177
Provision for gratuity	9,732,715	4,012,435
Adjustment and written off from property, plant and equipment	-	1,949,793
	(988,541,369)	(2,599,802,850)
Operating profit before working capital changes	3,725,502,524	4,026,710,858

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months period ended 31st March 2022

	Nine months period ended	
	31 March 2022	31 March 2021
	(Rupees)	
Changes in working capital:		
<i>(Increase) / decrease in current assets</i>		
Trade debts	204,022,428	(599,208,867)
Loans and advances	(1,569,063,764)	(183,584,915)
Deposits and prepayments	(44,662,205)	(109,418,734)
Accrued mark-up and other receivables	187,817,865	(190,297,176)
Short term investments	(2,026,793,132)	2,358,617,390
Advance sales tax	-	(15,923,813)
<i>(Decrease) / increase in current liabilities</i>		
Trade and other payables	(1,010,376,355)	508,622,414
Payable against sale of securities - net	(46,726,221)	(104,854)
Unclaimed dividend	6,390,850	1,797,287
Net cash (used in) / generated from operations	(4,299,390,534)	1,770,498,732
	(573,888,010)	5,797,209,590
14.1 Profit before tax		
Profit before tax from continuing operations	4,714,043,893	6,625,022,307
Profit before tax from discontinued operations	-	1,491,401
	4,714,043,893	6,626,513,708

15. CASH AND CASH EQUIVALENTS

	Nine months period ended	
	31 March 2022	31 March 2021
	(Rupees)	
Cash and bank balances	3,180,219,854	1,890,114,965
Short term borrowings	(4,629,004,817)	(412,996,689)
	(1,448,784,963)	1,477,118,276

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 nine months period ended 31st March 2022

Name of the related party	Transactions during the period	Nine months period ended	
		31 March 2022	31 March 2021
		(Rupees)	
Associates			
Fatima Fertilizer Company Limited	Dividend received	-	638,000,412
MCB-Arif Habib Savings and Investment Limited	Dividend income / received	102,904,793	97,488,752
Pakarab Fertilizers Limited	Loan extended	813,153,536	-
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	19,512,160	11,914,876
	Mark-up received	19,883,903	33,356,858
	Loan extended	1,725,000,000	1,630,000,000
	Loan repaid	1,753,433,492	1,630,000,000
	Guarantee commission income	976,842	3,358,084
	Guarantee commission received	1,702,851	3,377,221
	Dividend income / received	58,143,232	-
Javedan Corporation Limited	Mark-up received	2,722,849	1,393,518
	Mark-up paid	17,012,778	-
	Loan received	880,000,000	-
	Loan repaid to	880,000,000	-
	Sale of plots	1,446,000,000	-
	Brokerage commission earned	322,500	-
	Mark-up on loan	-	1,245,902
	Loan extended	280,000,000	200,000,000
	Loan repayment	-	200,000,000
	Advance paid for purchase of property	-	152,500,000
Arif Habib Equity (Private) Limited	Brokerage commission earned	754,625	-
Arif Habib Dolmen REIT Management Limited	Brokerage commission earned	516,000	-
	Bank charges recovered	8,814,000	-
Power Cement Limited	Guarantee commission income	976,842	1,591,884
	Guarantee commission received	825,200	1,656,694
	Mark-up on loan	3,406,987	922,124
	Mark-up received	-	206,354
	Loan extended	750,000,000	462,000,000
	Loan repaid	-	462,000,000
Safe Mix Concrete Limited	Mark-up on loan	1,818,274	-
	Loan extended	167,100,000	-
	Loan repaid	25,000,000	-
Rotocast Engineering Company (Private) Limited	Payment of rent and sharing of utilities, insurance and maintenance charges	62,596,683	57,708,422
	Brokerage commission earned	246,007	-

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months period ended 31st March 2022

		Nine months period ended	
		31 March 2022	31 March 2021
		(Rupees)	
Arif Habib Securities Limited - Employees Provident Fund	Company's Contribution	1,374,427	2,105,301
Arif Habib Limited - Provident Fund	Company's Contribution	7,737,645	5,579,088
Mr. Arif Habib (CEO of Parent Company)	Dividend paid	1,004,867,901	490,952,471
	Brokerage commission earned	4,471,829	4,832,575
	Loan received	-	1,951,000,000
	Loan repaid	-	2,251,000,000
	Mark-up on loan	-	4,355,592
	Mark-up paid	-	21,101,498
Mr. Samad A. Habib (Director of Parent Company)	Brokerage commission earned	418,300	1,696,097
	Dividend paid	-	1,509
Mr. Asadullah Khawaja (Director of Parent Company)	Meeting fee paid	150,000	150,000
	Dividend paid	243,018	121,509
Mr. Sirajuddin Cassim (Director of Parent Company)	Meeting fee paid	225,000	150,000
	Dividend paid	689,679	344,840
Ms. Zeba Bakhtiar (Director of Parent Company)	Meeting fee paid	150,000	-
	Dividend paid	300	-
Mr. Nasim Beg (Director of Parent Company)	Dividend paid	15,234	37,617
Mr. Abdus Samad (Director of Parent Company)	Dividend paid	3,018	-
Mr. Muhammad Ejaz (Director of Parent Company)	Dividend paid	363	182
Mr. Muhammad Kashif (Director of Parent Company)	Dividend paid	105,870	52,935
Dr. Shamshad Akhtar (Ex - Director of Parent Company)	Meeting fee paid	-	150,000
	Dividend paid	-	150
Mr. Zafar Alam (Chairman of subsidiary company)	Brokerage Commission earned	164,692	687,196
	Meeting fee paid	50,000	50,000
	Dividend paid	651,000	91,500
Mr. Muhammad Shahid Ali (CEO of Subsidiary Company)	Brokerage commission earned	6,579,740	12,564,434
	Dividend paid	8,780	2,195

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months period ended 31st March 2022

		Nine months period ended	
		31 March	31 March
		2022	2021
		(Rupees)	
Ms. Sharmin Shahid (Director of Subsidiary Company)	Brokerage commission earned	679,550	2,326,163
	Meeting fee paid	50,000	50,000
	Dividend paid	10,990	2,748
Ms. Nida Ahsan (Director of Subsidiary Company)	Brokerage commission earned	608,239	350,000
	Meeting fee paid	50,000	25,000
	Dividend paid	10,990	2,748
Mr. Mohsin Madni (CFO of Parent Company and Director of Subsidiary Company)	Brokerage commission earned	9,780	11,713
	Dividend paid	5,000	1,250
Mr. Muhammad Haroon (Director of Subsidiary Company)	Brokerage commission earned	358,815	264,042
	Meeting fee paid	50,000	50,000
	Dividend paid	15,570	3,893
Mr. Sohail Salat (Director of Subsidiary Company)	Meeting fee paid	50,000	50,000
	Dividend paid	1,500	1,500
Remuneration of chief executive officer, directors, key management personnel and executives			
Managerial Remuneration		113,610,292	140,521,205
Contribution to provident fund		5,366,918	7,478,546
Gratuity		6,751,884	2,393,062
Bonus		15,444,537	6,127,725
Other perquisites and benefits		53,885,711	67,786,761
		Unaudited	Audited
		31 March	30 June
		2022	2021
		(Rupees)	
Balances as at:			
Aisha Steel Mills Limited	Long term loan	134,970,641	163,404,133
	Mark-up receivable	8,217,494	8,589,238
	Commission on guarantee receivable	325,614	1,051,623
Javedan Corporation Limited	Balance receivable	80,000	-
	Receivable against sale of plots	27,000,000	-
	Advance against booking of flats	56,250,000	-
	Mark-up receivable	-	2,722,849
Power Cement Limited	Short term loan	750,000,000	-
	Mark-up receivable	3,406,987	-
	Commission on guarantee receivable	211,920	376,575
Safe Mix Concrete Limited	Short term loan	142,100,000	-
	Mark-up receivable	1,818,274	-

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months period ended 31st March 2022

		Unaudited 31 March 2022	Audited 30 June 2021
		(Rupees)	
Pakarab Fertilizers Limited	Short term loan	813,153,536	-
Rotocast Engineering Company (Private) Limited	Payable against monthly expense Contribution	1,897,965	1,194,110
	Balance receivable	8,141	31,083
Arif Habib Equity (Private) Limited	Balance receivable	151,810	156,484
Arif Habib Dolmen REIT Management Ltd.	Balance receivable	10,556	-
Key Management Personnel			
Mr. Arif Habib (CEO of the Parent Company)	Trade Receivable	67,123	49,556
Mr. Zafar Alam (Chairman of subsidiary company)	Balance payable	303,500	1,129,484
	Meeting Fee Payable	-	25,000
Mr. Muhammad Shahid Ali (CEO of Subsidiary Company)	Balance payable	69,803,809	112,754,445
Mr. Muhammad Haroon (Director of subsidiary company)	Balance payable	279,795	29,147
	Meeting Fee Payable	-	25,000
Ms. Sharmin Shahid (Director of subsidiary company)	Balance payable	533,753	-
	Balance receivable	-	8,340
Ms. Nida Ahsan (Director of subsidiary company)	Balance receivable	9,051	-
	Balance payable	-	9,346,762
	Meeting Fee Payable	-	25,000
Mr. Mohsin Madni (CFO Parent Company & Director Subsidiary Company)	Balance payable	4,035	191,512
Mr. Samad A. Habib (Director of Parent Company)	Balance payable	638,025	872,251
Mr. Kashif A. Habib (Director of Parent Company)	Balance receivable	12,666	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 nine months period ended 31st March 2022

18. REPORTABLE SEGMENTS

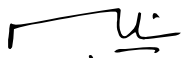
- 18.1** The group has four reportable segments: Capital Market Operations, Brokerage, Energy Development and Others. The capital market operations' segment is principally engaged in trading of equity securities and maintaining strategic and trading portfolios. The brokerage segment is principally engaged 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 2021. 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

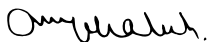
Comparative information has been reclassified, re-arranged or additionally incorporated in these financial statements, wherever necessary, to facilitate comparison and to confirm with presentation in the current period.

20. DATE OF AUTHORISATION FOR ISSUE

- 20.1** These condensed interim consolidated financial statements have been authorised for issue on 28 April 2022 by the Board of Directors of the Parent Company.



Chief Financial Officer



Chief Executive Officer



Director



Arif Habib Corp

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