



Arif Habib Corp

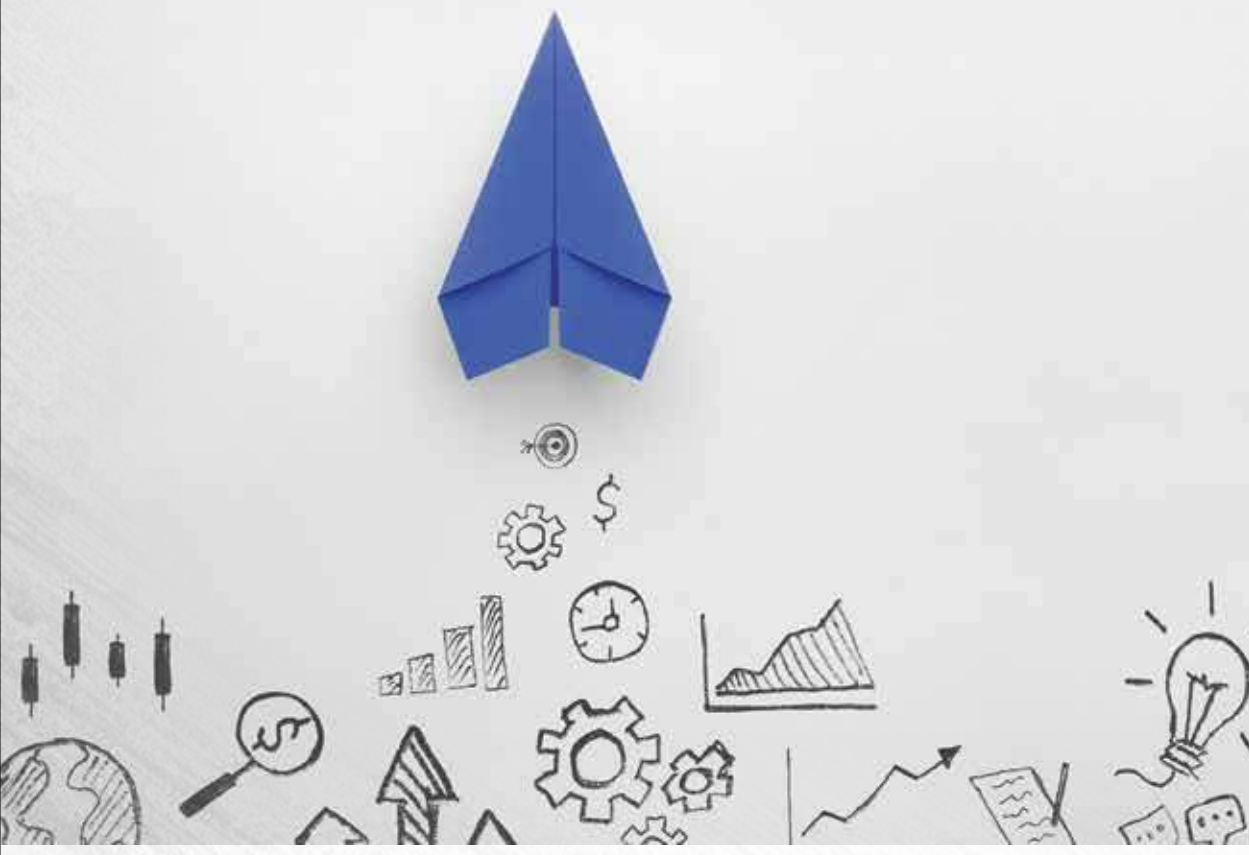
TOGETHER WE GROW

Half Yearly Report
31st December 2021



Content

02	Company Information
04	Directors' Review Report
06	Condensed Interim Unconsolidated Financial Statements
07	Independent Auditor's Review Report
08	Condensed Interim Unconsolidated Statement of Financial Position
10	Condensed Interim Unconsolidated Statement of Profit or Loss (Unaudited)
11	Condensed Interim Unconsolidated Statement of Comprehensive Income (Unaudited)
12	Condensed Interim Unconsolidated Statement of Changes in Equity (Unaudited)
13	Condensed Interim Unconsolidated Statement of Cash Flow (Unaudited)
14	Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)
32	Condensed Interim Consolidated Financial Statements
34	Condensed Interim Consolidated Statement of Financial Position
36	Condensed Interim Consolidated Statement of Profit or Loss (Unaudited)
37	Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited)
38	Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)
39	Condensed Interim Consolidated Statement of Cash Flow (Unaudited)
40	Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)



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

The Directors of Arif Habib Corporation Limited (AHCL) present herewith the Directors' report of the Company together with interim condensed consolidated and unconsolidated financial statements for the quarter ended 31st December 2021.

The Economy

Higher inflation rate and especially high Current Account deficit are responsible for the increase in markup rates and decline in the value of rupee resulting in dampened investor sentiment. However, growth in export, revenue collection and remittances have had a positive contribution in the economy. GDP Growth rate is expected to be 5 percent plus. Imports are expected to decline February 2022 onwards, while it will affect FBR revenues, this will contribute towards reducing pressure on the value of Rupee. Going forward international commodity prices trend will determine the health of Pakistan's economy.

Financial Results

During the six months period ended 31 December 2021 (1HFY22) under review, on a consolidated basis, your Company posted a profit after tax (attributable to the shareholders) of PKR 2,948 million as opposed to profit after tax of PKR 4,112 million during the same period last year (SPLY). This translates to an earnings of PKR 7.22 per share as compared with earnings of PKR 10.07 per share in the SPLY. On an unconsolidated basis, the Company recorded a profit after tax of PKR 3,294 million translating into an earnings of PKR 8.07 per share as compared to profit after tax of PKR 2,490 million i.e. earnings per share of PKR 6.10 in the SPLY.

Performance of Subsidiaries and Associates

Declining traded volumes and values at PSX has affected the financial performance of our Securities brokerage subsidiary, Arif Habib Limited (AHL) and asset management company, MCB-Arif Habib Savings & Investment Limited (MCB-AH). AHL has posted profit after tax of PKR 758 million compared to PKR 1,315 million and MCB-AH has recorded a profit after tax of PKR 138 million as compared to PKR 210 million in the comparative period.

With the combined name plate capacity of 2.57 million MT/year representing almost one third of total name plate production capacity of fertilizers in Pakistan, the fertilizer manufacturing associate, Fatima Fertilizer Company Limited's (FATIMA), performance remained impressive. Fatima's revenues and profit after tax significantly increased mainly contributed by NP and CAN. While Pakarab Fertilizer Limited (PAFL) has commenced sale of fertilizer products through toll manufacturing operations. However, PAFL is mainly focused on trading of imported DAP and sale of Liquefied Carbon Dioxide (LCO₂).

Owing to volatility in HRC prices compounded with rupee depreciation, local demand dampened resulted in decline in profitability of Aisha Steel Mills Limited.

Our Wind Power Project Company, Sachal Energy is progressing efficiently and actual power generation of 67,114 MWh has surpassed power generation benchmark of 66,300 MWh. Sachal Energy has posted an after-tax profit of PKR 794 million during 1HFY22. Our real estate company, Javedan Corporation Limited has launched Naya Nazimabad Apartments offering 825 apartments on sale of which 75% of the units on offer have been booked and ground breaking for construction has taken place. This has contributed significantly in the profitability of Javedan Corporation Limited.

Power Cement performed satisfactorily and is expected to break even.

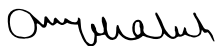
Future Outlook

Fertiliser and real estate businesses of the Group are doing well and are expected to do better. Wind power business is stable. However, financial services, steel and cement may witness dip in their profitability. On an overall basis, the Company is expected to repeat last year's performance.

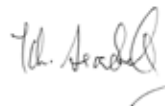
Acknowledgement

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

For and on behalf of the Board,



Mr. Arif Habib
Chief Executive



Mr. Asadullah Khawaja
Chairman

Karachi: 26th February 2022

CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD
ENDED 31ST DECEMBER 2021



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Arif Habib Corporation Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of Arif Habib Corporation Limited as at 31 December 2021 and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity, condensed interim unconsolidated statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the condensed interim unconsolidated statement of profit or loss and condensed interim unconsolidated statement of comprehensive income for the three-month period ended 31 December 2021 and 31 December 2020 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended 31 December 2021.

Scope of Review

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

Conclusion

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

Other Matter

The condensed interim unconsolidated financial statements of the Company for the six-month period ended 31 December 2020 and the unconsolidated financial statements for the year ended 30 June 2021 were reviewed and audited respectively by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated 27 February 2021 and 01 October 2021 respectively.

The engagement partner on the audit resulting in this independent auditor's report is Farrukh Rahman.


Chartered Accountants
Karachi

Date: 26 February 2022

UDIN: RR2021100592krq8NoID

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32425662-6/32425711-5; Fax: +92 (21) 32425007/32425935/32424740; <www.pwc.com/pk>

* KARACHI • LAHORE • ISLAMABAD

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st December 2021

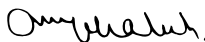
	Note	Unaudited 31 December 2021	Audited 30 June 2021
(Rupees)			
ASSETS			
NON-CURRENT ASSETS			
Properties and equipments	4	52,379,039	61,035,337
Intangible assets		528,725	606,095
Long term investments	5	19,133,577,037	16,321,392,392
Long term loan to related party	6	120,753,895	134,970,641
Long term deposits and other receivables		2,853,828	2,964,728
		19,310,092,524	16,520,969,193
CURRENT ASSETS			
Loans and advances	7	1,313,241,239	634,834,491
Mark-up receivable	8	14,394,384	15,759,219
Prepayments, trade and other receivables	9	19,660,988	15,648,067
Short term investments	10	4,028,696,517	5,238,368,312
Taxation - net		-	42,300,846
Cash and bank balances		35,814,072	296,132,153
		5,411,807,200	6,243,043,088
TOTAL ASSETS		24,721,899,724	22,764,012,281

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st December 2021

	Note	Unaudited 31 December 2021	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		15,329,999,185	13,260,702,933
Fair value reserve		(49,778,201)	20,085,153
		23,363,970,984	21,364,538,086
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred taxation - net		196,233,843	240,963,798
Lease liability against right of use assets		9,170,127	17,941,122
		205,403,970	258,904,920
CURRENT LIABILITIES			
Accrued expenses		9,424,695	5,761,262
Short term borrowings	11	1,024,094,681	1,102,687,110
Current portion of lease liability		16,326,577	14,782,306
Taxation - net		83,168,497	-
Unclaimed dividend		19,510,320	17,338,597
		1,152,524,770	1,140,569,275
TOTAL LIABILITIES		1,357,928,740	1,399,474,195
Contingencies and commitments	12		
TOTAL EQUITY AND LIABILITIES		24,721,899,724	22,764,012,281

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



Chief Executive Officer



Chief Financial Officer



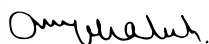
Director

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

For the six months period and three months period ended 31st December 2021

		Six months period ended		Three months period ended	
	Note	31 December 2021	31 December 2020	31 December 2021	31 December 2020
(Rupees)					
Operating revenue	13	582,495,476	191,579,550	161,258,562	75,208,347
Gain / (loss) on sale of investments - net		857,891,340	143,450,887	(112,645,875)	4,827,001
Gain on remeasurement of investments - net	14	2,103,897,624	2,496,497,319	2,333,897,061	642,018,415
		3,544,284,440	2,831,527,756	2,382,509,748	722,053,763
Administrative expenses		(62,982,400)	(60,119,536)	(37,098,298)	(31,762,333)
Other income		759,861	969,400	759,861	5,400
Finance cost	15	(21,506,368)	(17,934,275)	(6,408,295)	(6,509,523)
Other charges		(20,786)	(50,365,392)	(20,786)	(50,357,392)
Profit before tax		3,460,534,747	2,704,077,953	2,339,742,230	633,429,915
Taxation	16	(166,113,495)	(213,975,597)	(39,846,331)	(177,638,744)
Profit for the period		3,294,421,252	2,490,102,356	2,299,895,899	455,791,171
Earnings per share - basic and diluted	17	8.07	6.10	5.63	1.12

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



Chief Executive Officer



Chief Financial Officer



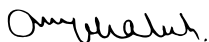
Director

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the six months period and three months period ended 31st December 2021

	Six months period ended		Three months period ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	(Rupees)			
Profit for the period	3,294,421,252	2,490,102,356	2,299,895,899	455,791,171
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	(69,863,354)	-	(69,863,354)	-
Total comprehensive income	3,224,557,898	2,490,102,356	2,230,032,545	455,791,171

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



Chief Executive Officer



Chief Financial Officer



Director

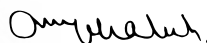
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months period and three months period ended 31st December 2021

	Issued, subscribed and paid up share capital	Revenue Reserves General reserve	Unappropriated profit	Fair value reserve *	Total
	(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 six months period ended 31 December 2020					
Profit for the period	-	-	2,490,102,356	-	2,490,102,356
Other comprehensive income for the period	-	-	-	-	-
	-	-	2,490,102,356	-	2,490,102,356
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 December 2020	4,083,750,000	4,000,000,000	11,876,741,046	20,085,153	19,980,576,199
Total comprehensive income for the six months period ended 30 June 2021					
Profit for the period	-	-	1,383,961,887	-	1,383,961,887
Other comprehensive income for the period	-	-	-	-	-
	-	-	1,383,961,887	-	1,383,961,887
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 six months period ended 31 December 2021					
Profit for the period	-	-	3,294,421,252	-	3,294,421,252
Other comprehensive loss for the period	-	-	-	(69,863,354)	(69,863,354)
	-	-	3,294,421,252	(69,863,354)	3,224,557,898
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 December 2021	4,083,750,000	4,000,000,000	15,329,999,185	(49,778,201)	23,363,970,984

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

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



Chief Executive Officer



Chief Financial Officer



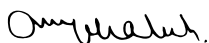
Director

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six months period and three months period ended 31st December 2021

		Six months period ended	
	Note	31 December 2021	31 December 2020
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash generated from operations	18	577,559,589	234,698,103
Income tax paid		(85,374,107)	(166,124,601)
Finance cost paid		(15,390,797)	(34,674,831)
Dividend received		558,152,205	805,348,498
Markup received		18,228,380	25,926,298
Net cash generated from operating activities		1,053,175,270	865,173,467
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(2,225,459)	(809,748)
Proceeds from sale of properties and equipment		8,000	1,366,000
Change in long term deposits		110,900	(43,900)
Net cash generated from investing activities		(2,106,559)	512,352
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan from a sponsor - net		-	15,000,000
Payment of lease liability		(8,429,224)	(7,662,930)
Dividend paid		(1,225,125,000)	(612,562,500)
Net cash used in financing activities		(1,233,554,224)	(605,225,430)
Net (decrease) / increase in cash and cash equivalents		(182,485,513)	260,460,389
Cash and cash equivalents at beginning of the period		(806,554,957)	(635,585,115)
Effect of exchange rate fluctuations on cash held		759,861	340,392
Cash and cash equivalents at end of the period	19	(988,280,609)	(374,784,334)

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



Chief Executive Officer



Chief Financial Officer



Director

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2021

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	85.83%
- Black Gold Power Limited - a coal power generation company	100.00%
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	30.00%
- Fatima Fertilizer Company Limited - a fertilizer company	15.19%
- National Resources (Private) Limited - a mining exploration company	9.57%

- 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.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 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.

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.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2021

3. SIGNIFICANT ACCOUNTING POLICIES

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

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 six months period ended 31st December 2021

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		Unaudited	
	Six months period ended 31 December 2021		Six months period ended 31 December 2020	
	Additions	Disposals	Additions	Disposals
	(Rupees)			
Office equipment	34,125	16,036	32,000	-
Computer equipment	1,889,334	-	313,848	-
Vehicle	302,000	-	463,900	396,600
	2,225,459	16,036	809,748	396,600

Note	Unaudited 31 December 2021	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	12,249,462,059	9,967,414,060
Associates - at FVOCI	5.3	1,395,801,346	1,449,993,500
Other equity securities - at FVOCI	5.4	584,328,800	-
		19,133,577,037	16,321,392,392

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2021

		Carrying amount	
		Unaudited 31 December 2021	Audited 30 June 2021
Note		(Rupees)	
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
	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
	Black Gold Power Limited (BGPL)		
	5,000,000 Ordinary Shares	50,000,000	50,000,000
	(30 June 2021: 5,000,000 Ordinary Shares)		
	Less: Provision for impairment	(50,000,000)	(50,000,000)
		-	-
		4,903,984,832	4,903,984,832

5.1.1 During the period, the Company received 4.12 million bonus shares from AHL.

5.2	Associates - at FVTPL				
		Cost	Unrealised appreciation on remeasurement of investments to date	Carrying amount	
				Unaudited 31 December 2021	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	290,949,763	768,644,645	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	7,968,035,189	11,480,817,414	9,171,255,923
		3,990,477,107	8,258,984,952	12,249,462,059	9,967,414,060

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2021

5.3 Associates - at FVOCI

	Cost	Unrealised appreciation / (diminution) on remeasurement of investments to date	Carrying amount	
			Unaudited 31 December 2021	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	(54,192,154)	45,801,346	99,993,500
	1,424,325,573	(28,524,227)	1,395,801,346	1,449,993,500

5.4 Other equity securities - at FVOCI

	Note	Cost	Unrealised diminution on remeasurement of investments to date	Carrying Amount	
				Unaudited 31 December 2021	Audited 30 June 2021
Un-Quoted Entities					
Silk Islamic Development REIT (SIDR)					
60,000,000 Units					
(30 June 2021: Nil)	5.4.1	600,000,000	(15,671,200)	584,328,800	-
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	(15,671,200)	584,328,800	

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2021

- 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. 5,010.35 million (30 June 2021: Rs. 3,581.86 million).

	Unaudited 31 December 2021	Audited 30 June 2021
6. LONG TERM LOAN TO RELATED PARTY		
<i>Secured</i>		
Aisha Steel Mills Limited	149,187,387	163,404,133
Less: Current portion of long term loan	(28,433,492)	(28,433,492)
	120,753,895	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.
- 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).

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2021

	Note	Unaudited 31 December 2021	Audited 30 June 2021
7. LOANS AND ADVANCES			
- considered good			
At amortised cost			
<i>Unsecured</i>			
Loans to related parties			
- Black Gold Power Limited		5,500,000	5,500,000
- Aisha Steel Mills Limited	7.1	1,000,000,000	-
Advance for			
- Investment in Pakistan Corporate CBD REIT	7.2	279,026,250	-
- Investment in SILK Islamic Development REIT		-	600,000,000
<i>Secured</i>			
Current portion of long term loan			
to Aisha Steel Mills Limited	6	28,433,492	28,433,492
Advance against salaries to employees		281,497	900,999
		1,313,241,239	634,834,491

- 7.1** This represent loan balances under agreement dated 1 July 2013 for working capital. As per the terms of the agreement, the loan is repayable within 30 business days of notice of demand. The mark-up rate on the said loan is 3 month KIBOR + 3% per annum and is payable on quarterly basis. The effective mark-up charged during the period was 10.78% per annum (30 June 2021: Nil).
- 7.2** 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.
- 7.3** Maximum balance due from related parties in respect of loans and advances as at the end of any month during the period was Rs. 1,005.50 million (30 June 2021: Rs. 922.50 million).

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2021

	Note	Unaudited 31 December 2021	Audited 30 June 2021
(Rupees)			
8. MARK-UP RECEIVABLE			
From related parties:			
- Aisha Steel Mills Limited	6.1 & 7.1	11,294,663	8,589,238
- Arif Habib Limited	8.1	3,099,721	4,447,132
- Javedan Corporation Limited		-	2,722,849
		14,394,384	15,759,219

8.1 Represent the mark up receivable on a loan of Rs.650 million given to the borrower, that was also repaid during the period. The mark-up on the said loan is 3-months KIBOR + 1.80% (30 June 2021: 3-months KIBOR + 2%). Mark-up is payable on quarterly basis.

8.2 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 December 2021	Audited 30 June 2021
(Rupees)			
9. PREPAYMENTS, TRADE AND OTHER RECEIVABLES			
Prepayments		5,130,790	784,153
Guarantee commission receivable	9.1	3,996,198	4,307,736
Others	9.2	10,534,000	10,556,178
		19,660,988	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).

9.2 This includes Rs. 8.81 million deducted by a bank from the Company's bank account on account of the charges due by Arif Habib Dolmen REIT Management Company Limited - a related party to the said Bank. Arrangements have been made for the reversal of the deduction from the Company's bank account.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2021

	Note	Unaudited 31 December 2021 (Rupees)	Audited 30 June 2021
10. SHORT TERM INVESTMENTS			
Investment in ordinary shares of related parties	10.1	3,328,243,795	3,286,748,289
Investment in preference shares of related parties	10.2	468,735,002	854,461,693
Investment in ordinary shares of other companies		231,717,720	1,097,158,330
		4,028,696,517	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.		
10.3	Fair value of short term investments pledged with banking companies against various financing facilities amounting to Rs. 858.42 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. 1,926 million (30 June 2021: Rs. 2,097 million).		

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2021

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. 1,036 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. 9,720.15 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

Six months period ended		Three months period ended	
31 December 2021	31 December 2020	31 December 2021	31 December 2020
(Rupees)			

13. OPERATING REVENUE

Dividend	558,152,205	167,348,086	145,693,365	64,233,376
Mark-up on loans	14,394,385	13,353,751	10,203,874	5,541,211
Guarantee commission	7,479,726	10,078,246	3,996,198	4,928,180
Mark-up on bank deposits	2,469,160	799,467	1,365,125	505,580
	582,495,476	191,579,550	161,258,562	75,208,347

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2021

	Unaudited			
	Six months period ended		Three months period ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	(Rupees)			
14. GAIN ON REMEASUREMENT OF INVESTMENTS - NET				
Long Term Investment - at FVTPL	2,282,047,999	869,767,366	2,036,900,753	(226,831,961)
Short Term Investment - at FVTPL	(178,150,375)	1,626,729,953	296,996,308	868,850,376
	2,103,897,624	2,496,497,319	2,333,897,061	642,018,415
15. FINANCE COST				
Mark-up on running finance	20,254,167	12,079,569	5,803,339	1,479,170
Bank charges	49,701	14,978	43,904	(2,422)
Interest expense - Lease Liability	1,202,500	1,510,070	561,052	703,117
Mark-up on loan from Sponsor	-	4,329,658	-	4,329,658
	21,506,368	17,934,275	6,408,295	6,509,523
16. TAXATION				
Current	212,008,413	122,163,195	66,416,956	5,593,487
Prior	(1,164,963)	-	(1,164,963)	-
Deferred	(44,729,955)	91,812,402	(25,405,662)	172,045,257
	166,113,495	213,975,597	39,846,331	177,638,744

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			
	Six months period ended		Three months period ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	(Rupees)			
Profit for the period	3,294,421,252	2,490,102,356	2,299,895,899	455,791,171
	(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	8.07	6.10	5.63	1.12

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2021

		Unaudited Six months period ended	
		31 December 2021	31 December 2020
		(Rupees)	
18.	NET CASH GENERATED FROM OPERATIONS		
	Profit before tax	3,460,534,747	2,704,077,953
	Adjustments for:		
	Depreciation	10,865,721	9,790,362
	Amortisation	77,370	-
	Dividend income	(558,152,205)	(167,348,086)
	Mark-up on loans and advances	(14,394,385)	(13,353,751)
	Mark-up on bank deposit	(2,469,160)	(799,467)
	Gain on remeasurement of long term investments	(2,282,047,999)	(869,767,366)
	Loss / (gain) on remeasurement of short term investments - net	178,150,375	(1,626,729,953)
	Loss / (gain) on disposal of assets	8,036	(969,400)
	Exchange gain	(759,861)	(340,392)
	Impairment loss on investments	-	50,000,000
	Finance cost	21,506,368	17,934,275
		(2,647,215,740)	(2,601,583,778)
		813,319,007	102,494,175
	Effect on cash flow due to working capital changes		
	(Increase) / decrease in current assets		
	Loans and advances	(1,264,190,002)	(859,835)
	Prepayments, trade and other receivables	(4,012,921)	(13,505,322)
	Short term investments	1,031,521,420	146,790,694
		(236,681,503)	132,425,537
	Increase / (decrease) in current liabilities		
	Accrued expenses	(1,249,638)	(1,347,607)
	Unclaimed dividend	2,171,723	1,125,998
		922,085	(221,609)
	Net cash generated from operations	577,559,589	234,698,103
19.	CASH AND CASH EQUIVALENTS		
	Cash and bank balances	35,814,072	37,114,988
	Short term borrowings	(1,024,094,681)	(411,899,322)
		(988,280,609)	(374,784,334)

Note

11

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2021

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	Level 3 (Rupees)	Total
As at 31 December 2021				
Financial assets measured at fair value				
Long term investments				
- associates	12,249,462,059	-	1,980,130,146	14,229,592,205
Short term investments	4,028,696,517	-	-	4,028,696,517
Financial assets not measured at fair value				
Long term investments				
- subsidiaries*	1,967,263,666	-	-	1,967,263,666
	18,245,422,242	-	1,980,130,146	20,225,552,388
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 six months period ended 31st December 2021

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:

		Unaudited	
		Six months period ended	
Name of the related party	Transactions during the period	31 December	31 December
		2021	2020
		(Rupees)	
Subsidiaries			
Arif Habib Limited	Services availed	4,026,249	3,455,693
	Dividend income / received	412,458,840	103,114,710
	Guarantee commission income	1,406,677	954,566
	Guarantee commission received	920,542	932,474
	Loan extended	650,000,000	-
	Loan repaid	650,000,000	-
	Mark-up income	3,099,721	-
	Mark-up received	4,447,132	-
Sachal Energy Development (Private) Limited	Guarantee commission income	4,973,196	5,631,076
	Guarantee commission received	4,880,205	5,971,320
Associates			
MCB-Arif Habib Savings and Investment Limited	Dividend income / received	59,576,459	48,744,376
Fatima Fertilizer Company Limited	Dividend received	-	638,000,412

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2021

		Unaudited	
		Six months period ended	
		31 December	31 December
		2021	2020
Name of the related party	Transactions during the period	(Rupees)	
<i>Associated companies by virtue of common directorship and related concern</i>			
Aisha Steel Mills Limited	Mark-up on loan	11,294,666	11,914,876
	Mark-up received	8,589,238	24,739,478
	Loan extended	1,725,000,000	1,630,000,000
	Loan repayment	739,216,746	1,630,000,000
	Guarantee commission income	651,228	2,281,794
	Guarantee commission received	1,377,237	2,206,740
	Dividend income / received	58,143,232	-
Javedan Corporation Limited	Mark-up received	2,722,849	147,616
	Mark-up on loan	-	1,245,902
	Loan extended	-	200,000,000
	Loan repaid	-	200,000,000
Power Cement Limited	Guarantee commission income	448,625	1,210,810
	Guarantee commission received	613,280	1,081,058
	Mark-up on loan	-	206,354
	Mark-up received	-	206,354
	Loan extended	-	232,000,000
	Loan repaid	-	232,000,000
Rotocast Engineering Company (Private) Limited	Payment of rent and sharing of utilities, insurance and maintenance charges	18,745,984	13,696,643

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	-	526,000,000
	Markup on loan	-	4,329,658
Employees retirement benefit fund - Provident fund	Company's Contribution	1,374,427	1,376,658

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2021

		Unaudited	
		Six months period ended	
		31 December	31 December
		2021	2020
Name of the related party	Transactions during the period	(Rupees)	
Remuneration of chief executive officer, directors, key management personnel and executives			
Managerial Remuneration		15,250,096	15,160,626
Contribution to provident fund		1,049,340	1,062,954
Bonus		2,201,978	2,196,771
Other perquisites and benefits		1,770,294	2,042,556
Mr. Asadullah Khawaja	Meeting fee paid	100,000	50,000
	Dividend paid	243,018	121,509
Mr. Sirajuddin Cassim	Meeting fee paid	150,000	75,000
	Dividend paid	689,679	344,840
Ms. Zeba Bakhtiar	Meeting fee paid	100,000	-
	Dividend paid	300	-
Mr. Nasim Beg	Dividend paid	15,234	3,117
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	Dividend paid	-	150
	Meeting fee paid	-	50,000
		Unaudited	Audited
		31 December	30 June
		2021	2021
Balances as at:		(Rupees)	
Arif Habib Limited	CDC charges payable	37,305	33,093
Rotocast Engineering Company (Private) Limited	Payable against monthly expense contribution	892,794	1,194,110

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

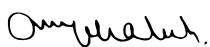
For the six months period ended 31st December 2021

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 26 February 2022 by the Board of Directors of the Company.



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD
ENDED 31ST DECEMBER 2021





CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st December 2021

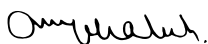
	Note	Unaudited 31 December 2021	Audited 30 June 2021
(Rupees)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	14,657,787,317	13,925,492,267
Intangible assets		2,357,781	2,602,558
Goodwill		910,206,117	910,206,117
Trading right entitlement certificate, membership cards and offices		8,100,000	8,100,000
Investment properties		975,982,190	1,968,800,000
Equity accounted investees	6	15,910,803,486	14,581,256,714
Other long term investments	7	627,962,473	54,754,771
Long term loan to related party		120,753,895	134,970,641
Long term deposits and other receivables		54,392,333	35,083,233
		33,268,345,592	31,621,266,301
CURRENT ASSETS			
Trade debts		4,300,677,277	4,539,307,282
Loans and advances		1,625,266,195	913,450,854
Deposits and prepayments		237,326,403	164,004,678
Accrued mark-up and other receivables		477,110,547	606,648,024
Short term investments	8	7,954,254,818	8,008,666,359
Cash and bank balances		2,686,038,713	3,913,744,772
		17,280,673,953	18,145,821,969
TOTAL ASSETS		50,549,019,545	49,767,088,270

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st December 2021

	Note	Unaudited 31 December 2021	Audited 30 June 2021
(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		27,575,774,789	25,906,142,354
Equity attributable to owners of the Parent Company		31,674,957,289	30,005,324,854
Non-controlling interest		3,038,530,017	2,885,565,940
TOTAL EQUITY		34,713,487,306	32,890,890,794
NON-CURRENT LIABILITIES			
Long term loans - secured		7,621,642,592	7,437,261,481
Land lease liability		10,229,555	10,710,114
Lease liability against right-of-use asset		14,620,470	21,466,537
Loan under State Bank of Pakistan scheme		17,339,014	9,476,424
Deferred liability - gratuity		25,500,540	23,064,751
Deferred taxation - net		1,958,770,234	1,808,391,130
		9,648,102,405	9,310,370,437
CURRENT LIABILITIES			
Trade and other payables		1,293,856,611	2,150,650,604
Mark-up accrued on borrowings		101,474,098	79,028,184
Short term borrowings		2,574,405,722	3,437,053,359
Current portion of long term loans - secured		1,785,000,000	1,583,000,000
Current portion of lease liability against right-of-use assets		29,437,959	41,479,177
Current portion of loan under State Bank of Pakistan Scheme		-	15,547,461
Current portion of land lease liability		1,360,000	1,360,000
Payable against purchase of investment - net		157,065,139	53,758,623
Taxation - net		206,057,651	171,691,021
Unclaimed dividend		38,772,654	32,258,610
		6,187,429,834	7,565,827,039
TOTAL LIABILITIES		15,835,532,239	16,876,197,476
Contingencies and commitments	9		
TOTAL EQUITY AND LIABILITIES		50,549,019,545	49,767,088,270

The annexed notes 1 to 19 form an integral part of these condensed interim consolidated financial statements.



Chief Executive Officer



Chief Financial Officer



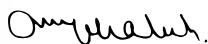
Director

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

For the six months period and three months period ended 31st December 2021

		Six months period ended		Three months period ended	
	Note	31 December 2021	31 December 2020	31 December 2021	31 December 2020
		(Rupees)			
Revenue					
Operating revenue	10	2,570,153,481	2,573,481,867	882,977,218	818,445,250
(Loss) / gain on remeasurement of investments - net		(294,214,949)	2,327,204,526	360,473,664	1,192,807,013
Gain on remeasurement of investment property		97,682,190	-	(183,817,810)	-
Gain on sale of investments - net		1,023,134,164	595,134,578	(3,245,474)	115,418,559
Gain on sale of investments property		355,500,000	-	355,500,000	-
		3,752,254,886	5,495,820,971	1,411,887,598	2,126,670,822
Cost of energy sales		(659,919,023)	(630,698,547)	(341,383,074)	(309,970,056)
Administrative expenses		(393,837,107)	(355,481,798)	(227,358,449)	(203,433,273)
Other income		63,545,509	55,951,822	49,774,783	28,611,814
Finance cost		(388,544,706)	(461,838,750)	(198,187,651)	(215,714,662)
Other charges		(6,757,933)	(23,075,519)	(6,698,547)	(23,065,817)
		2,366,741,626	4,080,678,179	688,034,660	1,403,098,828
Share of profit of equity-accounted associates investees - net of tax		1,398,766,147	913,809,299	660,274,608	569,882,679
Profit before tax		3,765,507,773	4,994,487,478	1,348,309,268	1,972,981,507
Taxation	11	(470,684,545)	(346,780,174)	(177,331,106)	(335,155,564)
Profit after tax		3,294,823,228	4,647,707,304	1,170,978,162	1,637,825,943
Profit attributable to:					
Equity holders of the Parent Company		2,948,018,679	4,111,810,465	1,030,378,592	1,477,122,658
Non-controlling interests		346,804,549	535,896,839	140,599,570	160,703,285
		3,294,823,228	4,647,707,304	1,170,978,162	1,637,825,943
Earnings per share - basic & diluted					
	12	7.22	10.07	2.52	3.62

The annexed notes 1 to 19 form an integral part of these condensed interim consolidated financial statements.



Chief Executive Officer



Chief Financial Officer



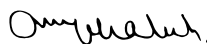
Director

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the six months period and three months period ended 31st December 2021

	Six months period ended		Three months period ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	(Rupees)			
Profit for the period	3,294,823,228	4,647,707,304	1,170,978,162	1,637,825,943
Other comprehensive loss:				
Items that will not be reclassified to profit or loss				
Investment in associate at fair value through other comprehensive income net - of deferred tax	(55,917,640)	-	(3,287,680)	-
Share of other comprehensive income of equity-accounted associates - net of tax	(9,642,916)	(275,035,460)	(9,642,916)	(79,047,054)
Other comprehensive income	(65,560,556)	(275,035,460)	(12,930,596)	(79,047,054)
Total comprehensive income	3,229,262,672	4,372,671,844	1,158,047,566	1,558,778,889
Total comprehensive income attributable to:				
Equity holders of the Parent Company	2,894,757,435	3,920,825,842	1,013,663,592	1,422,232,384
Non-controlling interests	334,505,237	451,846,002	144,383,974	136,546,505
	3,229,262,672	4,372,671,844	1,158,047,566	1,558,778,889

The annexed notes 1 to 19 form an integral part of these condensed interim consolidated financial statements.



Chief Executive Officer



Chief Financial Officer



Director

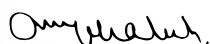
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months period and three months period ended 31st December 2021

	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		
	(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	25,362,302,256
Total comprehensive income for the six months period 31 December 2020							
Profit for the period	-	-	-	-	4,111,810,465	4,111,810,465	4,647,707,304
Other comprehensive loss	-	-	(190,984,623)	-	(190,984,623)	(84,050,837)	(275,035,460)
	-	-	(190,984,623)	-	4,111,810,465	4,111,810,465	4,372,671,844
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 December 2020 - resated	4,083,750,000	15,432,500	(69,787,445)	4,019,567,665	18,534,885,356	26,583,848,076	29,077,026,310
Total comprehensive income for the six months period ended 30 June 2021							
Profit for the period	-	-	-	-	3,374,653,635	3,374,653,635	3,747,611,335
Other comprehensive loss	-	-	42,104,977	-	4,718,166	19,430,006	66,253,149
	-	-	42,104,977	-	3,379,371,801	3,421,476,778	3,813,864,484
Gain realised on disposal of equity securities at FVOCI	-	-	47,087,327	-	(47,087,327)	-	-
	4,083,750,000	15,432,500	19,404,859	4,019,567,665	21,867,169,830	30,005,324,854	32,890,890,794
Transactions with owners recorded directly in equity							
Distributions							
Final cash dividend at the rate of Rs 1.5 per share for the year ended 30 June 2020	-	-	-	-	-	-	-
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	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	32,890,890,794
Total comprehensive income for the six months period 31 December 2021							
Profit for the period	-	-	-	-	2,948,018,679	2,948,018,679	3,294,823,228
Other comprehensive loss	-	-	(53,261,244)	-	(53,261,244)	(12,299,312)	(65,560,556)
	-	-	(53,261,244)	-	2,948,018,679	2,894,757,435	3,229,262,672
Distribution by subsidiary	-	-	-	-	-	(181,541,160)	(181,541,160)
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)
Balance as at 31 December 2021	4,083,750,000	15,432,500	(33,856,385)	4,019,567,665	23,690,063,509	31,674,957,289	34,713,487,306

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

The annexed notes 1 to 19 form an integral part of these condensed interim consolidated financial statements.



Chief Executive Officer



Chief Financial Officer



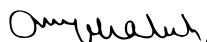
Director

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)

For the six months period and three months period ended 31st December 2021

		Six months period ended	
	Note	31 December 2021	31 December 2020
(Rupees)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash generated from operations activities	13	985,592,401	3,450,681,711
Income taxes paid		(285,938,811)	(244,860,735)
Finance cost paid		(296,098,047)	(447,298,461)
Mark-up received		10,158,172	35,787,429
Dividend received		141,304,951	17,081,201
Gratuity paid		(549,660)	(1,523,242)
Net cash generated from operating activities		554,469,006	2,809,867,903
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(25,323,401)	(16,515,425)
Proceeds from sale of property, plant and equipment		8,000	1,366,000
Proceeds from sale of investment property		1,400,000,000	-
Long term deposit (paid) / recovered		(19,309,100)	185,630
Dividend from equity accounted investee		59,576,459	686,744,788
Acquisition of investment properties		-	(152,500,000)
Net cash generated from investing activities		1,414,951,958	519,280,993
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan under State Bank of Pakistan scheme		(7,684,871)	15,754,164
Lease rentals paid		(28,768,355)	(16,235,302)
Repayment of long term loan		(890,000,000)	(836,653,928)
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 from sponsor - net		-	15,000,000
Repayment of subordinated loan		-	(300,000,000)
Net cash used in financing activities		(2,334,479,386)	(1,781,442,856)
Net (decrease) / increase in cash and cash equivalents		(365,058,422)	1,547,706,040
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	14	111,632,991	(521,617,699)

The annexed notes 1 to 19 form an integral part of these condensed interim consolidated financial statements.



Chief Executive Officer



Chief Financial Officer



Director

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2021

1. STATUS AND NATURE OF BUSINESS

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

- 1.1 These condensed interim consolidated financial statements of Arif Habib Corporation Limited for the six months period ended 31 December 2021 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>
<i>Subsidiaries</i>		
- 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	<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>
<i>Associates</i>		
- 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 (AHCPL) was incorporated on 2 April 2012 as a private limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The registered office of AHCPL is located at Arif Habib Centre, 23, M.T. Khan Road, Karachi. The principal activity of AHCPL is to effectively manage investment portfolios in commodities. AHCPL is a wholly owned subsidiary of Arif Habib Limited. AHCPL holds license of Pakistan Mercantile Exchange (PMEX).

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2021

- 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).
- 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. 161.346 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). FFCL is listed on Pakistan Stock Exchange. Fatimafert Limited (FFT) is wholly owned subsidiary of FFCL and it was incorporated in Pakistan under the Companies Act, 2017. The principal activity of FFCL and FFT are manufacturing, producing, buying, selling, importing and exporting fertilizers and chemicals. Registered office of FFCL and FFT are situated at E-110, Khayaban-e-Jinnah, Lahore Cantt. The manufacturing facilities of FFCL is located at Mukhtargarh-Sadiqabad, Khanewal Road-Multan and at 28-km Sheikhpura Road-Chichoki Mallian, Pakistan.
- 1.1.8** Pakarab Fertilizers Limited (PFL) was incorporated as a private limited company in Pakistan under the Companies Act, 1913, (now Companies Act, 2017). PFL changed to a non-listed public company from 7 June 2007. PFL Term Finance Certificates were listed at the Karachi Stock Exchange Limited (now merged as Pakistan Stock Exchange Limited) during the period from March 2008 to March 2013. Thereafter PFL is a non-listed public company. PFL on 12 April 2011 incorporated a wholly owned subsidiary company, Fatima Packaging Limited (FPL) (formerly Reliance Sacks Limited). PFL is principally engaged in the sale of chemical fertilizers while the FPL is principally engaged in the manufacturing and sale of polypropylene sacks, cloth, liners and cement bags. Manufacturing facility of FPL is located in Sadiqabad, Rahim Yar Khan. Registered office of the PFL is situated at E-110, "Khayaban-e-Jinnah, Lahore Cantt".
- 1.1.9** National Resources (Private) Limited (NRPL) was incorporated in Pakistan as a Private Limited Company, on 8th February 2019 in Pakistan under Companies Act, 2017. The registered office of NRPL is situated at Flat No.1, Plot No. 34-C, Yousaf Homes, Essa Khan Road, Quetta, Balochistan. The principal line of business of NRPL is to carry on the business of exploring, operating and working on mines, quarries and other related activities. Currently, NRPL is in its pre-feasibility stage and has not yet commenced its operations and has yet to apply for a mining license.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2021

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34 'Interim Financial Reporting' issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- 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 six months period ended 31 December 2020.

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.

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 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. 25.32 million (30 June 2021: 28.22 million). The exchange gain of Rs. 1,209.5 million (30 June 2021: exchange gain of Rs. 755.85 million) has also been recognised. Further, assets having written down value of Rs. 0.016 million (30 June 2021: 2.35 million) were disposed off during the period.

6. EQUITY ACCOUNTED INVESTEEES

	Note	Unaudited 31 December 2021	Audited 30 June 2021
		(Rupees)	
Fatima Fertilizer Company Limited (FFCL)	6.1	15,358,395,883	13,999,653,270
MCB - Arif Habib Savings and Investments Limited (MCB-AH)	6.2	464,352,458	482,381,693
National Resources (Private) Limited (NRPL)	6.3	88,055,145	99,221,751
Pakarab Fertilizers Limited (PFL)	6.4	-	-
		15,910,803,486	14,581,256,714

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 December 2021. Fair value per share as at 31 December 2021 is Rs. 35.99 (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 December 2021. Market value per share as at 31 December 2021 was Rs. 35.48 (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 December 2021. NRPL is in its pre-feasibility stage and has not yet commenced its operations and has yet to apply for a mining license. NRPL intends to carry on the business of exploring, operating and working on mines, quarries and other related activities.

6.4 Investment in PFL (unquoted) represents 135 million (2020: 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 December 2021, having cost of Rs. 1,324.33 million (30 June 2021: Rs. 1,324.33 million). The group has not recognised loss amounting to Rs. 236.35 million (30 June 2021: Rs. 661.11 million) in relation to its interest in PFL, because the Group has no obligation in respect of this loss.

7. OTHER LONG TERM INVESTMENTS

	Note	Unaudited 31 December 2021	Audited 30 June 2021
		(Rupees)	
Equity securities - at FVOCI	7.1	584,328,800	-
Equity securities - designated at FVTPL	7.2	43,633,673	54,754,771
		627,962,473	54,754,771

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2021

7.1 Equity securities - at FVOCI

	Cost	Unrealised diminution on remeasurement of investments to date	Carrying Amount Unaudited 31 December 2021	Audited 30 June 2021
Un-Quoted Entities				
(Rupees)				
Silk Islamic Development REIT				
60,000,000 Units				
(30 June 2021: Nil)	600,000,000	(15,671,200)	584,328,800	-
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	(15,671,200)	584,328,800	-
		Note	Unaudited 31 December 2021	Audited 30 June 2021
			(Rupees)	

7.2 Equity securities - designated at FVTPL

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	7,764,005,726	7,632,492,911
Equity securities - at FVOCI		166,661,540	206,907,980
Corporate debt securities - mandatorily at FVTPL		23,587,552	169,265,468
		7,954,254,818	8,008,666,359

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

8.2 Fair value of short term investments pledged with various banking companies against various finance facilities amounts of Rs. 7,023.77 million (30 June 2021: Rs. 1,498 million).

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2021

9. CONTINGENCIES AND COMMITMENTS

- 9.1 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

- 9.1.1 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. 1,036 million.
- 9.1.2 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. 9,720.15 millions) out of USD 100 million due to timely repayment of loan.
- 9.1.3 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

- 9.2 Following commitments are outstanding:

	Unaudited 31 December 2021	Audited 30 June 2021
	(Rupees)	
- Outstanding Settlements against Marginal Trading contracts	673,989,503	788,579,531
- Outstanding Settlements against sale / (purchase) of securities in regular market	26,965,350	34,264,836
- Financial guarantee given by a commercial bank on behalf of AHL	750,000,000	750,000,000

10. OPERATING REVENUE

	Six months period ended		Three months period ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	(Rupees)			
Dividend	141,304,951	17,081,201	141,304,951	17,081,201
Mark-up on loans	11,294,664	13,494,579	7,104,153	5,564,039
Mark-up on term finance certificates	7,110,178	10,325,666	7,110,178	10,325,666
Brokerage income	284,948,481	308,631,595	143,582,689	143,950,024
Mark-up on bank deposits	47,703,144	27,941,268	22,944,453	8,739,926
Guarantee commission	1,099,853	3,492,604	537,534	1,746,117
Revenue from sale of energy - net	1,753,248,154	1,910,207,954	365,602,401	367,332,118
Underwriting, consultancy and placement commission	323,444,056	282,307,000	194,790,859	263,706,159
	2,570,153,481	2,573,481,867	882,977,218	818,445,250

11. TAXATION

	Six months period ended		Three months period ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	(Rupees)			
Current	329,696,939	222,571,690	129,326,455	84,939,562
Prior	(9,391,498)	-	(9,391,498)	-
Deferred	150,379,104	124,208,484	57,396,149	250,216,002
	470,684,545	346,780,174	177,331,106	335,155,564

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2021

12. EARNINGS PER SHARE - BASIC & DILUTED

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

	Six months period ended		Three months period ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	(Rupees)			
Profit after tax attributable to ordinary shareholders	2,948,018,679	4,111,810,465	1,030,378,592	1,477,122,658
	(Numbers)			
Weighted average number of ordinary shares	408,375,000	408,375,000	408,375,000	408,375,000
	(Rupees)			
Earnings per share - basic & diluted	7.22	10.07	2.52	3.62

13. NET CASH GENERATED FROM OPERATIONS ACTIVITIES

	Six months period ended	
	31 December 2021	31 December 2020
	(Rupees)	
Profit before tax	3,765,507,773	4,994,487,478
Adjustments for:		
Depreciation	509,464,052	474,338,290
Amortisation	244,777	216,619
Dividend income	(141,304,951)	(17,081,201)
Loss / (gain) on sale of property, plant and equipment	8,036	(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	283,093,851	(2,313,268,526)
Unrealised gain on investment property	(97,682,190)	-
Gain on sale of investments property	(355,500,000)	-
Share of profit of equity-accounted associates - net of tax	(1,398,766,147)	(913,809,299)
Mark-up income	(11,294,664)	(23,820,245)
Amortisation of land lease rent	879,441	879,441
Amortisation of transaction cost	66,881,111	83,435,470
Interest expense on lease	3,119,634	4,659,361
Finance cost	321,663,595	373,743,919
Provision for gratuity	2,985,449	2,929,245
	(805,086,908)	(2,342,682,326)
Operating profit before working capital changes	2,960,420,865	2,651,805,152

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2021

Changes in working capital:

(Increase) / decrease in current assets

Trade debts
Loans and advances
Deposits and prepayments
Accrued mark-up and other receivables
Short term investments
Advance sales tax

(Decrease) / increase in current liabilities

Trade and other payables
Payable against sale of securities - net
Unclaimed dividend

Six months period ended	
31 December 2021	31 December 2020
(Rupees)	
238,630,005	(232,568,366)
(1,297,598,595)	(154,034,472)
(73,321,725)	(391,429,625)
84,673,969	(116,181,311)
(180,238,685)	1,380,341,711
-	(15,968,834)
(856,793,993)	354,521,577
103,306,516	(28,181,448)
6,514,044	2,377,327
(1,974,828,464)	798,876,559
985,592,401	3,450,681,711

Net cash generated from operations activities

14. CASH AND CASH EQUIVALENTS

Cash and bank balances
Short term borrowings

Six months period ended	
31 December 2021	31 December 2020
(Rupees)	
2,686,038,713	2,149,996,487
(2,574,405,722)	(2,671,614,186)
111,632,991	(521,617,699)

15. 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.

16. 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.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2021

		Six months period ended	
		31 December 2021	31 December 2020
		(Rupees)	
Arif Habib Securities Limited - Employees Provident Fund	Company's Contribution	1,374,427	1,376,658
Arif Habib Limited - Provident Fund	Company's Contribution	4,807,416	3,494,491
Mr. Arif Habib (CEO of Parent Company)	Dividend paid	986,762,901	482,924,951
	Brokerage commission earned	2,493,459	3,950,860
	Loan received	-	1,951,000,000
	Loan repaid	-	1,106,000,000
	Mark-up on loan	-	4,329,658
	Mark-up paid	-	16,745,906
Mr. Samad A. Habib (Director of Parent Company)	Brokerage commission earned	364,687	1,083,783
Mr. Asadullah Khawaja (Director of Parent Company)	Meeting fee paid	100,000	50,000
	Dividend paid	243,018	121,509
Mr. Sirajuddin Cassim (Director of Parent Company)	Meeting fee paid		
	Dividend paid	150,000	75,000
		689,679	344,840
Ms. Zeba Bakhtiar (Director of Parent Company)	Meeting fee paid		
	Dividend paid	100,000	-
		300	121,509
Mr. Nasim Beg (Director of Parent Company)	Dividend paid	15,234	3,117
Mr. Abdus Samad (Director of Parent Company)	Dividend paid	3,018	1,509
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 (Chairman of Parent Company)	Dividend paid	-	150
	Meeting fee paid	-	50,000
Mr. Zafar Alam (Chairman of subsidiary company)	Brokerage Commission earned	160,278	49,734
	Meeting fee paid	25,000	-
Mr. Muhammad Shahid Ali (CEO of Subsidiary Company)	Brokerage commission earned	4,509,074	7,427,705

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2021

		Six months period ended	
		31 December 2021	31 December 2020
		(Rupees)	
Ms. Sharmin Shahid (Director of Subsidiary Company)	Brokerage commission earned	366,548	1,796,058
	Meeting fee paid	25,000	-
Ms. Nida Ahsan (Director of Subsidiary Company)	Brokerage commission earned	218,935	125,000
	Meeting fee paid	25,000	-
Mr. Mohsin Madni (CFO of Parent Company and Director of Subsidiary Company)	Brokerage commission earned	9,562	7,599
Mr. Muhammad Haroon (Director of Subsidiary Company)	Brokerage commission earned	265,800	140,375
	Meeting fee paid	25,000	-
Mr. Sohail Salat (Director of Subsidiary Company)	Meeting fee paid	25,000	-
Remuneration of chief executive officer, directors, key management personnel and executives			
Managerial Remuneration		67,031,629	50,209,330
Contribution to provident fund		3,461,524	2,158,974
Gratuity		1,712,069	1,654,071
Bonus		5,038,899	5,130,773
Other perquisites and benefits		44,710,559	9,050,351
		Unaudited 31 December 2021	Audited 30 June 2021
		(Rupees)	
Balances as at:			
Aisha Steel Mills Limited	Long term loan	149,187,387	163,404,133
	Short term loan	1,000,000,000	-
	Mark-up receivable	11,294,663	8,589,238
	Commission on guarantee receivable	325,614	1,051,623
Javedan Corporation Limited	Balance receivable	40,000	-
	Receivable against sale of plots	46,000,000	-
	Advance against booking of flats	18,750,000	-
	Mark-up on loan payable	17,012,778	-
	Mark-up receivable	-	2,722,849
Power Cement Limited	Commission on guarantee receivable	211,920	376,575
Rotocast Engineering Company (Private) Limited	Payable against monthly expense		
	Contribution	892,794	1,194,110
	Balance receivable	13,727	-
Arif Habib Equity (Private) Limited	Balance receivable	44,803	156,484

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2021

		Unaudited 31 December 2021	Audited 30 June 2021
		(Rupees)	
Arif Habib Dolmen REIT Management Ltd.	Balance receivable	3,556	-
Key Management Personnel			
Mr. Arif Habib (CEO of the Parent Company)	Trade Receivable	66,286	49,556
Mr. Zafar Alam (Chairman of subsidiary company)	Balance payable	669	1,129,484
Mr. Muhammad Shahid Ali (CEO of Subsidiary Company)	Balance payable	81,100,384	112,754,445
Mr. Muhammad Haroon (Director of subsidiary company)	Balance payable	122,759	29,147
	Meeting Fee Payable	-	25,000
Ms. Sharmin Shahid (Director of subsidiary company)	Balance receivable	11,017	8,340
Ms. Nida Ahsan (Director of subsidiary company)	Balance receivable	7,283	-
	Meeting Fee Payable	-	25,000
	Balance payable	-	9,346,762
Mr. Mohsin Madni (CFO Parent Company & Director Subsidiary Company)	Balance payable	52,586	191,512
Mr. Samad A. Habib (Director of Parent Company)	Balance payable	506,269	872,251
Mr. Kashif A. Habib (Director of Parent Company)	Balance receivable	11,866	4,075,266
Mr. Muhammad Sohail Salat (Director of Subsidiary Company)	Trade receivable	599	599
Mr. Ahsan Mehnti (Director of Subsidiary Company)	Balance payable	-	3,862,500

17. REPORTABLE SEGMENTS

- 17.1** 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.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2021

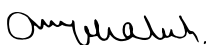
- 17.2 The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies in the annual audited consolidated financial statements for the year ended 30 June 2021. The group evaluates performance on the basis of profit or loss from operations 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.
- 17.3 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.
- 17.4 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.

18. 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.

19. DATE OF AUTHORISATION FOR ISSUE

- 19.1 These condensed interim consolidated financial statements have been authorised for issue on 26 February 2022 by the Board of Directors of the Parent Company.



Chief Executive Officer



Chief Financial Officer



Director

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