



**TOGETHER
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Quarterly Report 30th September 2022



Arif Habib Corp

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COMPANY

Board of Directors

Asadullah Khawaja
Chairman

Arif Habib
Chief Executive Officer

Khawaja Jalaluddin Roomi
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

Khawaja Jalaluddin Roomi
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

INFORMATION

Auditors

A. F. Ferguson & Co.
Chartered Accountants

Legal Advisors

Bawaney & Partners
Akhund Forbes

Registered & Corporate Office

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

Registrar & Share Transfer Agent

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

DIRECTORS' REVIEW REPORT

Dear Shareholders,

The Directors of Arif Habib Corporation Limited (AHCL) present herewith the Directors' report of the Company together with interim condensed consolidated and unconsolidated financial statements for the quarter ended 30th September 2022.

The Economy

Adding risk to the already vulnerable situation of the country, the out-going quarter witnessed devastating floods causing an economic and humanitarian crisis, with government officially declaring it a 'national emergency'. The external front showed some resilience supported by lower international commodity prices, with current account deficit reducing 37% year-on-year during the first quarter of the current fiscal year. However, despite disbursement of IMF's tranche of USD 1.1 billion, no major capital inflows were witnessed during the period, causing the foreign liquid reserves to fall to USD 13.6 billion by September 2022 end. Resultantly, PKR dwindled against the USD, closing the out-going quarter at 228.45, down 10.3% since the beginning of current fiscal year.

Financial Results

During the first quarter under review, on a consolidated basis, your Company posted a profit after tax of PKR 2,045.8 million as opposed to profit after tax (attributable to the shareholders) of PKR 1,917.64 million during corresponding quarter last year. This translates to an earning of PKR 5.01 per share as compared with earnings of PKR 4.70 per share in the corresponding period.

On an unconsolidated basis, the Company recorded a profit after tax of PKR 482.86 million translating into an earnings of PKR 1.18 per share as compared to profit after tax of PKR 994.53 million i.e. earnings per share of PKR 2.44 in the corresponding period last year.

Performance of Subsidiaries and Associates

The Brokerage house due to volatility and uncertainty in the Market has not performed as well as in the corresponding period while the Asset Management Company has performed satisfactorily. Fatima Fertilizer Company Limited, Sachal Energy and Javedan Corporation Limited's performance remained impressive and in line with expectations. Aisha Steel Mills Limited has gone through a challenging phase on account of the uncertain market and economic conditions.

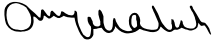
Future Outlook

Recent floods have wreaked havoc on agricultural crops, hence diminishing farmer income which may hamper the fertilizer business. Moreover, the financial services and steel businesses are expected to remain under pressure given erosion in demand in the first half of the year, rendering a decline in profitability. However, the Wind Power Company is expected to maintain last year's profitability. Once disbursements from Foreign Institutional Investors (FIIs) comes through and the rehabilitation process commences, we believe business activity will pick up. On an overall basis, your company is confident to show a satisfactory performance going forward attributable to its excellently diversified portfolio.

Acknowledgement

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

For and on behalf of the Board,



Mr. Arif Habib
Chief Executive



Mr. Asadullah Khawaja
Chairman

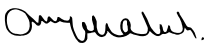
Karachi: 27th October 2022

**CONDENSED INTERIM
UNCONSOLIDATED
FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD
ENDED 30TH SEPTEMBER 2022**

**CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF FINANCIAL POSITION**

As at 30th September 2022

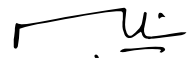
	Note	Unaudited 30 September 2022	Audited 30 June 2022
(Rupees)			
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	33,681,799	37,430,437
Intangible assets		412,670	451,355
Long term investments	6	19,358,150,162	19,184,747,220
Long term loan to related party	7	92,320,403	106,537,149
Long term deposits and other receivable		6,207,578	5,087,578
		19,490,772,612	19,334,253,739
CURRENT ASSETS			
Loans and advances	8	1,136,938,016	1,145,638,900
Mark-up receivable	9	41,398,670	56,655,241
Prepayments and other receivables	10	160,647,171	7,901,910
Short term investments	11	5,190,967,776	5,478,335,260
Cash and bank balances		46,188,206	41,034,791
		6,576,139,839	6,729,566,102
TOTAL ASSETS		26,066,912,451	26,063,819,841



Chief Executive Officer



Director



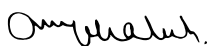
Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th September 2022

	Note	Unaudited 30 September 2022	Audited 30 June 2022
(Rupees)			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital		10,000,000,000	10,000,000,000
<i>Share capital</i>			
Issued, subscribed and paid up share capital		4,083,750,000	4,083,750,000
<i>Revenue reserves</i>			
General reserve		4,000,000,000	4,000,000,000
Unappropriated profit		16,276,158,478	15,793,296,784
<i>Fair value reserve</i>		(43,327,588)	(43,327,588)
TOTAL EQUITY		24,316,580,890	23,833,719,196
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred taxation - net		164,607,730	132,728,896
CURRENT LIABILITIES			
Other payables		85,613,906	51,376,407
Short term borrowings	12	1,438,603,843	1,990,793,918
Current portion of lease liability		6,032,524	5,762,209
Taxation - net		36,226,856	30,232,789
Unclaimed dividend		19,246,702	19,206,426
TOTAL LIABILITIES		1,585,723,831	2,097,371,749
Contingencies and commitments	13	1,750,331,561	2,230,100,645
TOTAL EQUITY AND LIABILITIES		26,066,912,451	26,063,819,841

The annexed notes from 1 to 48 form an integral part of these financial statements.



Chief Executive Officer



Director



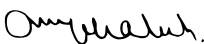
Chief Financial Officer

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

For the three months period ended 30th September 2022

	Note	Three months period ended	
		30 September 2022	30 September 2021
(Rupees)			
Revenue	14	198,177,633	421,236,914
Gain on sale of securities - net		71,231,509	970,537,215
Gain / (loss) on remeasurement of investments - net		369,051,107	(229,999,437)
		638,460,249	1,161,774,692
Administrative expenses		(32,327,197)	(25,884,102)
Finance cost		(77,933,249)	(15,098,073)
Operating profit		528,199,803	1,120,792,517
Other charges		(18,295)	-
Profit before income tax		528,181,508	1,120,792,517
Income tax expense	15	(45,319,814)	(126,267,164)
Profit for the period		482,861,694	994,525,353
Other comprehensive income		-	-
Total comprehensive income for the period		482,861,694	994,525,353
Earnings per share - basic and diluted	16	1.18	2.44

The annexed notes 1 to 21 form an integral part of these condensed interim unconsolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

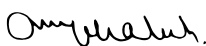
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the three months period ended 30th September 2022

	Reserves				Sub total	Total
	Issued, subscribed and paid up share capital	Revenue Reserves				
		General reserve	Unappropriated profit	Fair value reserve *		
----- (Rupees) -----						
Balance as at 1 July 2021	4,083,750,000	4,000,000,000	13,260,702,933	20,085,153	17,280,788,086	21,364,538,086
Total comprehensive income for the three months period ended 30 September 2021						
Profit for the period	-	-	994,525,353	-	994,525,353	994,525,353
Other comprehensive income for the period	-	-	-	-	-	-
	-	-	994,525,353	-	994,525,353	994,525,353
Transactions with owners of the Company recorded directly in equity						
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 30 September 2021	4,083,750,000	4,000,000,000	13,030,103,286	20,085,153	17,050,188,439	21,133,938,439
Total comprehensive income for the nine months period ended 30 June 2022						
Profit for the period	-	-	2,763,193,498	-	2,763,193,498	2,763,193,498
Other comprehensive income for the period	-	-	-	(63,412,741)	(63,412,741)	(63,412,741)
	-	-	2,763,193,498	(63,412,741)	2,699,780,757	2,699,780,757
Balance as at 30 June 2022	4,083,750,000	4,000,000,000	15,793,296,784	(43,327,588)	19,749,969,196	23,833,719,196
Total comprehensive income for the three months period ended 30 September 2022						
Profit for the period	-	-	482,861,694	-	482,861,694	482,861,694
Other comprehensive income for the period	-	-	-	-	-	-
	-	-	482,861,694	-	482,861,694	482,861,694
Balance as at 30 September 2022	4,083,750,000	4,000,000,000	16,276,158,478	(43,327,588)	20,232,830,890	24,316,580,890

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

The annexed notes 1 to 21 form an integral part of these condensed interim unconsolidated financial statements.



Chief Executive Officer



Director



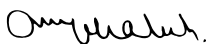
Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the three months period ended 30th September 2022

	Note	Three months period ended	
		30 September 2022	30 September 2021
(Rupees)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash generated from operations	17	553,688,225	1,513,026,637
Income tax paid		(7,446,913)	(631,126)
Interest received		57,145,156	16,863,255
Finance cost paid		(44,710,176)	(896,066)
Net cash generated from operating activities		558,676,291	1,528,362,700
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(227,801)	(1,081,475)
Long term deposit (paid) / recovered		(1,120,000)	110,900
Proceeds from sale of property and equipment		15,000	-
Net cash used in investing activities		(1,332,801)	(970,575)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liability		-	(4,214,612)
Net cash used in financing activities		-	(4,214,612)
Net increase in cash and cash equivalents		557,343,491	1,523,177,513
Cash and cash equivalents at beginning of the period		(1,949,759,128)	(806,554,957)
Cash and cash equivalents at end of the period	18	(1,392,415,637)	716,622,556

The annexed notes 1 to 21 form an integral part of these condensed interim unconsolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2022

1. STATUS AND NATURE OF BUSINESS

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

These condensed interim unconsolidated financial statements are separate financial statements of the Company in which investments in subsidiaries have been accounted for at cost less accumulated impairment losses, if any. Investments in associates are carried at fair value through profit and loss and fair value through other comprehensive income based on their classification. The condensed interim consolidated financial statements of the Company and its subsidiaries have been prepared separately.

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	<u>63.01%</u>
- Sachal Energy Development (Pvt) Limited, a wind power generation company	<u>85.83%</u>
- Black Gold Power Limited, a coal power generation company	<u>100.00%</u>
Associates	
- MCB-Arif Habib Savings and Investments Limited - a pension fund manager, asset management company and investment advisor	<u>30.09%</u>
- Pakarab Fertilizers Limited - a fertilizer company	<u>30.00%</u>
- Fatima Fertilizer Company Limited - a fertilizer company	<u>15.19%</u>

There is no change shareholding in long term investments from the preceding annual audited unconsolidated financial statements for the year ended 30 June 2022.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- 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 are unaudited and do not include all the statements required for full annual financial statements and should be read in conjunction with the audited annual unconsolidated financial statements of the Company as at and for the year ended 30 June 2022.

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

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2022

2.4 Basis of measurement

These condensed interim unconsolidated financial statements have been prepared under the historical cost convention, as modified by remeasurement of certain financial assets at fair value 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 2022.

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.

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 2022.

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 2022 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 2023. 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.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

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

4.2 The significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited unconsolidated financial statements as at and for the year ended 30 June 2022.

4.3 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 2022.

5. PROPERTIES AND EQUIPMENT

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

	Three months period ended 30 September 2022		Three months period ended 30 September 2021	
	Additions (Unaudited)	Disposals (Unaudited)	Additions (Unaudited)	Disposals (Unaudited)
	(Rupees)			
Computer and allied equipment	227,801	-	1,081,475	-
Office Equipment	-	30,295	-	-
	227,801	30,295	1,081,475	-

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2022

6. LONG TERM INVESTMENTS

	Note	Unaudited 30 September 2022	Audited 30 June 2022
(Rupees)			
Subsidiaries - at cost (net of impairment)	6.1	4,704,260,592	4,704,260,592
Associates - designated at fair value through profit and loss	6.2	12,703,889,570	12,530,486,628
Associates - designated at fair value through other comprehensive income	6.3	1,350,000,000	1,350,000,000
Other equity securities - designated at fair value through other comprehensive income	6.4	600,000,000	600,000,000
		19,358,150,162	19,184,747,220

6.1 Subsidiaries - at cost (net of impairment)

	Unaudited 30 September 2022	Audited 30 June 2022
(Rupees)		
Quoted Entity		
Arif Habib Limited (AHL) 41,170,472 fully paid ordinary shares of Rs. 10 each	1,957,795,532	1,957,795,532
Unquoted Entities		
Sachal Energy Development (Private) Limited (SEDPL) 274,646,506 fully paid ordinary shares of Rs. 10 each	2,746,465,060	2,746,465,060
Black Gold Power Limited (BGPL) 5,000,000 fully paid ordinary shares of Rs. 10 each	50,000,000	50,000,000
Less: Provision for impairment	(50,000,000)	(50,000,000)
	-	-
	4,704,260,592	4,704,260,592

6.2 Associates - designated at fair value through profit and loss

	Cost	Appreciation / (diminution) on remeasurement of investments	Carrying amount (at fair value)	
			Unaudited 30 September 2022	Audited 30 June 2022
(Rupees)				
Quoted Entities				
MCB - Arif Habib Savings and Investments Limited (MCB-AH) 21,664,167 fully paid ordinary shares of Rs. 10 each	477,694,882	(1,083,208)	476,611,674	472,278,841
Fatima Fertilizer Company Limited (FFCL) 319,000,206 fully paid ordinary shares of Rs. 10 each	3,512,782,225	8,714,495,671	12,227,277,896	12,058,207,787
	3,990,477,107	8,713,412,463	12,703,889,570	12,530,486,628

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2022

6.3 Associates - designated at fair value through other comprehensive income	Cost	Appreciation / (diminution) on remeasurement of investments	Carrying amount	
			Unaudited 30 September 2022	Audited 30 June 2022
----- (Rupees) -----				
Unquoted entity				
Pakarab Fertilizers Limited (PFL) 135,000,000 fully paid ordinary shares of Rs. 10 each	1,324,332,073	25,667,927	1,350,000,000	1,350,000,000
	1,324,332,073	25,667,927	1,350,000,000	1,350,000,000

6.4 Other equity securities - designated at fair value through other comprehensive income	Cost	Appreciation / (diminution) on remeasurement of investments	Carrying amount	
			Unaudited 30 September 2022	Audited 30 June 2022
----- (Rupees) -----				
Un-Quoted Entities				
Silk Islamic Development REIT (SIDR) 60,000,000 units of Rs 10 each	600,000,000	-	600,000,000	600,000,000
Sun Biz (Private) Limited (SBL) 10,000 fully paid ordinary shares of Rs. 100 each	-	-	-	-
Al-Khabeer Financial Services (Private) Limited (AKFS) 5,000 fully paid ordinary shares of Rs. 100 each	-	-	-	-
	600,000,000	-	600,000,000	600,000,000

6.5 Fair value of long term investments pledged with banking companies against various financing facilities availed by the company amounts to Rs. 5,075.21 million (30 June 2022: Rs. 6,354.01 million).

7. LONG TERM LOAN TO RELATED PARTY

At amortised cost

	Note	Unaudited 30 September 2022	Audited 30 June 2022
(Rupees)			
Secured - considered good		120,753,895	134,970,641
Aisha Steel Mills Limited	8	(28,433,492)	(28,433,492)
Less: Current portion of long term loan		92,320,403	106,537,149

7.1 This represents long term loan secured against first charge on all present and future fixed assets, accounts receivables and interest in any insurance claim and equitable mortgage of land and building. The mark-up rate in the said loan is 6 month KIBOR + 3.25% per annum (30 June 2022: 6 months KIBOR + 3.25% per annum). The rate of mark-up on the loan during the period was 18.6% (30 June 2022: ranged between 10.94% to 14.71%) per annum. Mark-up is payable on semi-annual basis.

7.2 The maximum amount outstanding from the above related party at the end of any month during the period was Rs. 120.75 million (30 June 2022 :Rs.149.19 million).

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2022

8. LOANS AND ADVANCES	Note	Unaudited 30 September 2022	Audited 30 June 2022
(Rupees)			
At Amortised cost			
Unsecured			
Loans to related parties			
- Black Gold Power Limited (BGPL)		5,500,000	5,500,000
- Safe Mix Concrete Limited	8.1	9,879,399	18,118,274
- Pakarab Fertilizers Limited	8.2	813,153,536	813,153,536
Advance for investment in Pakistan Corporate CBD REIT		279,026,250	279,026,250
Secured			
Current portion of long term loan to Aisha Steel Mills Limited (ASL)	7.1	28,433,492	28,433,492
Advance against salaries to employees		945,339	1,407,348
		1,136,938,016	1,145,638,900

8.1 The Company entered into a loan agreement with Safe Mix Concrete Limited, a related party (SMCL). The loan is repayable within 30 business days of notice of demand. The mark-up rate on the said loan is 3 month KIBOR + 1.80% per annum. Mark-up is payable on quarterly basis. The rate of mark-up on the loan during the period was 16.96% per annum (30 June 2022: 12.34% to 13.75%).

8.2 The Company entered into a loan agreement with Pakarab Fertilizers Limited, an associated company (Pakarab). The loan is repayable within 30 business days of notice of demand. The mark-up rate on the said loan is 3 month KIBOR + 1.80% per annum. Mark-up is payable on half-yearly basis. The rate of mark-up on the loan during the period was 17.12% per annum (30 June 2022: 13.73% to 13.69%).

8.3 The carrying values of the loans and advances are neither past due nor impaired. The maximum amount outstanding from the above related parties in respect of loans and advances at end of any month during the period was Rs.828.53 million (30 June 2022: Rs. 1,855.07 million).

9. MARK-UP RECEIVABLE	Unaudited 30 September 2022	Audited 30 June 2022
(Rupees)		
Considered good		
From related parties:		
- Aisha Steel Mills Limited	5,791,611	9,948,630
- Power Cement Limited	-	16,179,794
- Pakarab Fertilizers Limited	35,089,023	28,365,692
- Safe Mix Concrete Limited	518,036	2,161,125
	41,398,670	56,655,241

9.1 The maximum amount due from above related parties in respect of mark-up receivable as at the end of any month during the period was Rs. 41.4 million (30 June 2022: Rs. 56.66 million).

10. PREPAYMENTS AND OTHER RECEIVABLES	Unaudited 30 September 2022	Audited 30 June 2022
Note	(Rupees)	
Prepayment	2,638,123	2,192,469
Guarantee commission receivable	4,044,580	3,989,441
Dividend receivable	152,244,468	-
Others	1,720,000	1,720,000
	160,647,171	7,901,910

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2022

10.1 Guarantee commission receivable

	Unaudited 30 September 2022	Audited 30 June 2022
	(Rupees)	
Aisha Steel Mills Limited	325,614	325,614
Sachal Energy Development (Private) Limited	2,791,179	2,547,645
Power Cement Limited	211,920	211,920
Arif Habib Limited	715,867	904,262
	4,044,580	3,989,441

10.2 The maximum amount due in respect of guarantee commission receivable as at the end of any month during the period was Rs. 4.04 million (30 June 2022: Rs. 3.99 million).

10.3 This represent dividend receivable from Javedan Corporation Limited.

11. SHORT TERM INVESTMENTS

	Unaudited 30 September 2022	Audited 30 June 2022
	(Rupees)	
Equity securities at fair value through profit or loss		
Investment in ordinary shares of related parties	2,915,287,270	2,639,628,987
Investment in preference shares of related parties	619,000,392	605,168,208
Investment in ordinary shares of other companies	1,625,682,129	2,202,540,080
	5,159,969,791	5,447,337,275
Equity securities at fair value through other comprehensive income		
Investment in ordinary shares of related parties	30,997,985	30,997,985
	5,190,967,776	5,478,335,260

11.1 Fair value of short term investments pledged with banking companies against various financing facilities availed by the Company amounts to Rs. 2,008 million (30 June 2022: Rs. 1,103 million).

12. SHORT TERM BORROWINGS

Running finance facilities are available from various commercial banks, under mark-up arrangements, amounting to Rs. 3,450 million (30 June 2022: Rs. 2,950 million). These facilities have various maturity dates up to 28 February, 2026 and are generally renewable. These arrangements are secured against the pledge of marketable securities having margin ranging from 30% to 50%.

These running finance facilities carry mark-up ranging from 3-month KIBOR plus 0.75% to 3-month KIBOR plus 1.75% per annum (30 June 2022: 1-month KIBOR plus 1% to 3-month KIBOR plus 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. 2,011 million (30 June 2022: Rs. 959 million).

13. CONTINGENCIES AND COMMITMENTS

13.1 There is no other change in the status of contingencies and commitments as disclosed in the preceding annual audited unconsolidated financial statements as at and in the year ended 30 June 2022 except for the following:

13.1.1 The Company has further pledged 3 million shares of Fatima Fertilizers Limited with various banks for running finance facilities obtained by Arif Habib Limited, a subsidiary company. The increase in the exposure of this guarantee at the reporting date was Rs. 0.12 billion.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2022

14. REVENUE

	Three months period ended	
	30 September 2022	30 September 2021
	(Rupees)	
Dividend income	152,244,468	412,458,840
Mark-up income on loans and advances	41,398,671	4,190,511
Guarantee commission income	4,044,580	3,483,528
Mark-up income on bank deposits	489,914	1,104,035
	198,177,633	421,236,914

15. INCOME TAX EXPENSE

Current	13,440,980	145,591,457
Deferred	31,878,834	(19,324,293)
	45,319,814	126,267,164

- 15.1 The provision for current year tax represents tax on taxable income under final tax regime as per the applicable rate and minimum tax per annum under normal tax regime. The Company computes current tax expense based on the generally accepted interpretation of the tax laws to ensure that sufficient provision for the purpose of taxation is available. According to management, the tax provision made in these condensed interim financial statements is sufficient.

16. EARNINGS PER SHARE - BASIC AND DILUTED

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

	Three months period ended	
	30 September 2022	30 September 2021
	(Rupees)	
Profit for the period	482,861,694	994,525,353
Weighted average number of ordinary shares	408,375,000	408,375,000
Earnings per share - basic and diluted	1.18	2.44

17. NET CASH GENERATED FROM OPERATIONS

Profit before income tax	528,181,508	1,120,792,517
Adjustments for:		
Depreciation	3,946,145	5,370,491
Amortisation	38,685	37,884
Dividend income	(152,244,468)	(412,458,840)
Mark-up on loans and advances	(41,398,671)	(4,190,511)
Mark-up on bank deposits	(489,914)	(1,104,035)
Gain on remeasurement of long term investments	(173,402,942)	(245,147,246)
(Gain) / loss on remeasurement of short term investments	(195,648,165)	475,146,683
Finance cost	77,933,249	15,098,073
Loss on disposal of fixed assets	15,295	-
	(481,250,786)	(167,247,501)
	46,930,722	953,545,016

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2022

	Three months period ended	
	30 September 2022	30 September 2021
Effect on cash flow due to working capital changes		
<i>(Increase) / decrease in current assets</i>		(Rupees)
Loans and advances	22,917,630	14,503,913
Prepayments, commission and other receivables	(500,793)	(4,108,190)
Short term investments	483,015,649	548,444,868
	505,432,486	558,840,591
<i>Increase / (decrease) in current liabilities</i>		
Other payables	1,284,741	641,030
Unclaimed dividend	40,276	-
	1,325,017	641,030
Net cash generated from operations	553,688,225	1,513,026,637
18. CASH AND CASH EQUIVALENTS		
Cash and bank balances	46,188,206	716,622,556
Short term borrowings	(1,438,603,843)	-
	(1,392,415,637)	716,622,556

19. FAIR VALUE MEASUREMENTS

The accounting policies and disclosure requirement for the measurement of fair values are consistent with those disclosed in the annual audited unconsolidated financial statements of the Company as at and for the year ended 30 June 2022.

20. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

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

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

Name of the related party	Transactions during the period	Three months period ended	
		30 September 2022	30 September 2021
			(Rupees)
Subsidiaries			
Arif Habib Limited	Services availed	1,191,489	1,853,981
	Dividend income	-	412,458,840
	Mark-up received	-	4,447,132
	Guarantee commission income	715,867	455,659
	Guarantee commission received	904,262	464,883
Sachal Energy Development (Private) Limited	Guarantee commission income	2,791,179	2,465,550
	Guarantee commission received	2,547,645	2,414,655
Associates			
Pakarab Fertilizers Limited	Mark-up on loan	35,089,023	-
	Mark-up received	28,365,692	-


NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2022

		Three months period ended	
		30 September 2022	30 September 2021
		(Rupees)	
Associated companies by virtue of common directorship			
Aisha Steel Mills Limited	Mark-up on loan	5,791,611	4,190,511
	Mark-up received	9,948,630	8,589,238
	Guarantee commission income	325,614	325,614
	Guarantee commission received	325,614	1,051,623
Javedan Corporation Limited	Mark-up received	-	2,722,849
	Dividend Income	152,244,468	-
Power Cement Limited	Guarantee commission income	211,920	236,705
	Guarantee commission received	211,920	376,575
	Mark-up received	16,179,794	-
Safe Mix Concrete Limited	Mark-up on loan	518,036	-
	Mark-up received	2,161,125	-
Rotocast Engineering Company (Private) Limited	Payment of rent and sharing of utilities, insurance and maintenance charges	3,222,421	11,713,768
Others			
Employees retirement benefit - Provident fund	Company's Contribution	771,868	688,774
Key management employees compensation	Salaries and other employee benefits	7,326,084	5,853,616
	Contributions to Provident fund	430,314	405,744
Mr. Asadullah Khawaja	Meeting fee	50,000	50,000
Mr. Sirajuddin Cassim (Ex Director)	Meeting fee	-	75,000
Ms. Zeba Bakhtiar	Meeting fee	50,000	50,000
Mr. Khawaja Jallaluddin	Meeting fee	75,000	-
Balances as at:		Unaudited 30 September 2022	Audited 30 June 2022
		(Rupees)	
Arif Habib Limited	CDC charges payable	114,743	41,224
Rotocast Engineering Company (Private) Limited	Payable against monthly expense contribution	830,039	1,093,096

21. DATE OF AUTHORISATION FOR ISSUE

These condensed interim unconsolidated financial statements have been authorised for issue on 27 October 2022 by the Board of Directors of the Company.



Chief Executive Officer



Director



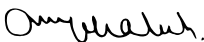
Chief Financial Officer

**CONDENSED INTERIM
CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD
ENDED 30TH SEPTEMBER 2022**

**CONDENSED INTERIM CONSOLIDATED
STATEMENT OF FINANCIAL POSITION**

As at 30th September 2022

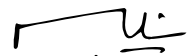
	Note	Unaudited 30 September 2022	Audited 30 June 2022
(Rupees)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	16,588,654,744	15,670,619,559
Intangible assets		1,848,646	1,941,485
Goodwill		910,206,117	910,206,117
Trading right entitlement certificate, membership cards and offices		5,600,000	5,600,000
Investment properties		1,916,702,860	1,657,331,341
Equity accounted investees	6	16,212,753,834	15,574,980,504
Other long term investments		642,745,423	642,745,423
Long term loan to related party		92,320,403	106,537,149
Long term deposits and other receivables		21,609,190	20,499,190
		36,392,441,217	34,590,460,768
CURRENT ASSETS			
Trade debts		5,300,566,035	4,179,622,743
Loans and advances		1,143,537,910	1,149,316,418
Deposits and prepayments		92,133,488	82,241,103
Receivable under margin trading system		10,472,012	9,233,629
Accrued mark-up and other receivables		1,034,503,614	862,366,406
Short term investments	7	11,235,512,938	10,710,609,048
Cash and bank balances		3,464,401,580	2,586,858,066
		22,281,127,577	19,580,247,413
Assets classified as held for sale	8	82,148,766	80,673,277
TOTAL ASSETS		58,755,717,560	54,251,381,458



Chief Executive Officer



Director



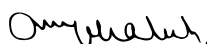
Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th September 2022

	Note	Unaudited 30 September 2022	Audited 30 June 2022
(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
Capital reserve			
Surplus on revaluation		15,432,500	15,432,500
Fair value reserve		-	-
Revenue reserves			
General reserve		4,019,567,665	4,019,567,665
Unappropriated profit		25,966,576,284	23,920,777,173
Equity attributable to owners of the Parent Company		34,085,326,449	32,039,527,338
Non-controlling interest		3,791,657,636	3,570,144,157
TOTAL EQUITY		37,876,984,085	35,609,671,495
NON-CURRENT LIABILITIES			
Long term loans - secured		8,902,127,758	7,914,826,418
Land lease liability		11,534,377	11,094,657
Lease liability against right-of-use assets		2,936,989	3,683,389
Staff retirement benefits		36,055,362	33,327,829
Deferred taxation - net		2,518,036,858	2,369,239,920
		11,470,691,344	10,332,172,213
CURRENT LIABILITIES			
Trade and other payables		1,095,721,619	1,267,311,521
Accrued mark-up		468,695,856	204,691,207
Sales tax payable		111,292,559	134,898,204
Short term borrowings		5,203,465,575	4,422,763,535
Current portion of long term loans - secured		2,299,500,000	2,060,000,000
Current portion of lease liability against right-of-use assets		22,339,639	21,656,279
Current portion of loan under State Bank of Pakistan scheme		5,811,706	9,654,142
Current portion of land lease liability		1,360,000	1,360,000
Payable against purchase of investment - net		6,861,839	21,078,278
Taxation - net		153,730,297	127,134,106
Unclaimed dividend		38,411,403	38,371,131
		9,407,190,493	8,308,918,403
Liabilities directly associated with assets classified as held for sale	8	851,638	619,347
TOTAL LIABILITIES		20,878,733,475	18,641,709,963
Contingencies and commitments	9		
TOTAL EQUITY AND LIABILITIES		58,755,717,560	54,251,381,458

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



Chief Executive Officer



Director



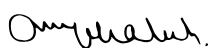
Chief Financial Officer

**CONDENSED INTERIM CONSOLIDATED
STATEMENT OF PROFIT OR LOSS (UNAUDITED)**

For the three months period ended 30th September 2022

	Note	Three months period ended	
		30 September 2022	30 September 2021
(Rupees)			
Revenue	10	2,462,821,926	1,697,964,956
Loss on remeasurement of investments - net		(16,818,074)	(654,688,613)
Gain on remeasurement of investment properties		233,700,000	281,500,000
Gain on sale of investments - net		114,997,100	1,026,379,638
		2,794,700,952	2,351,155,981
Cost of energy sales		(376,341,936)	(318,535,949)
Administrative expenses		(177,095,679)	(166,379,752)
Other income		928,125	1,951,047
Finance cost		(413,208,699)	(190,357,055)
Other charges		(3,000)	(59,386)
		1,828,979,763	1,677,774,886
Share of profit of equity-accounted associates investees - net of tax		637,773,330	738,491,539
Profit before tax		2,466,753,093	2,416,266,425
Income tax expense	11	(200,683,701)	(293,139,061)
Profit from continuing operations		2,266,069,392	2,123,127,364
Discontinued operation			
Profit from discontinued operation, net of tax		1,243,198	717,702
Profit for the year		2,267,312,590	2,123,845,066
Profit attributable to:			
Equity holders of the Parent Company - continuing operations		2,045,015,777	1,917,141,715
Equity holders of the Parent Company - discontinued operation		783,334	498,372
		2,045,799,111	1,917,640,087
Non-controlling interests - continuing operations		221,053,615	205,985,649
Non-controlling interests - discontinued operation		459,864	219,330
		221,513,479	206,204,979
		2,267,312,590	2,123,845,066
Earnings per share - basic & diluted			
For continuing operations		5.01	4.70
For discontinued operation		0.00	0.00
	14	5.01	4.70

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



Chief Executive Officer



Director



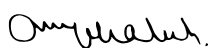
Chief Financial Officer

**CONDENSED INTERIM CONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**

For the three months period ended 30th September 2022

	Three months period ended	
	30 September 2022	30 September 2021
	(Rupees)	
Profit for the year	2,267,312,590	2,123,845,066
Other comprehensive income		
<i>Items that will not be reclassified subsequently to consolidated statement of profit or loss</i>		
Loss on investment in equity securities at FVOCI - net	-	(52,629,960)
Other comprehensive loss for the period - net of tax	-	(52,629,960)
Total comprehensive income for the period	2,267,312,590	2,071,215,106
Total comprehensive income attributable to:		
Equity holders of the Parent Company - continuing operations	2,045,015,777	1,880,595,471
Equity holders of the Parent Company - discontinued operation	783,334	498,372
	2,045,799,111	1,881,093,843
Non-controlling interests - continuing operations	221,053,615	189,901,933
Non-controlling interests - discontinued operation	459,864	219,330
	221,513,479	190,121,263
	2,267,312,590	2,071,215,106


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



Chief Executive Officer



Director



Chief Financial Officer

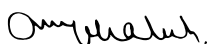
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the three months period ended 30th September 2022

	Equity attributable to owners of the Parent					Total	Non- controlling interests	Total equity
	Issued, subscribed and paid up share capital	Capital reserve Surplus on revaluation	Fair value reserve *	Revenue Reserves				
				General reserve	Unappropriated profit			
(Rupees)								
Balance as at 1 July 2021	4,083,750,000	15,432,500	19,404,859	4,019,567,665	21,867,169,830	30,005,324,854	2,885,565,940	32,890,890,794
Total comprehensive income for the three months period 30 September 2021								
Profit for the period	-	-	-	-	1,917,640,087	1,917,640,087	206,204,979	2,123,845,066
Other comprehensive loss	-	-	(36,546,244)	-	1,917,640,087	(36,546,244)	(16,083,716)	(52,629,960)
			(36,546,244)		1,917,640,087	1,881,093,843	190,121,263	2,071,215,106
Gain realised on disposal of equity securities at FVOCI	-	-	-	-	-	-	-	-
Transactions with owners recorded directly in equity								
Final cash dividend at the rate of Rs 3 per share for the year ended 30 June 2021	-	-	-	-	(1,225,125,000)	(1,225,125,000)	-	(1,225,125,000)
Distribution by a subsidiary (AHL)	-	-	-	-	-	-	(181,541,160)	(181,541,160)
Balance as at 30 September 2021	4,083,750,000	15,432,500	(17,141,385)	4,019,567,665	22,559,684,917	30,661,293,697	2,894,146,043	33,555,439,740
Total comprehensive income for the nine months period ended 30 June 2022								
Profit for the period	-	-	-	-	1,555,887,852	1,555,887,852	330,960,970	1,886,848,822
Other comprehensive income / (loss)	-	-	18,273,121	-	(20,842,047)	(2,568,926)	8,041,859	5,472,933
			18,273,121		1,535,045,805	1,553,318,926	339,002,829	1,892,321,755
Gain / (loss) realised on disposal of equity securities at FVOCI	-	-	(1,131,736)	-	1,629,805	498,069	(498,069)	-
	4,083,750,000	15,432,500	-	4,019,567,665	24,096,360,527	32,215,110,692	3,232,650,803	35,447,761,495
Disposal of equity interest in subsidiary without change in control	-	-	-	-	(175,583,354)	(175,583,354)	337,493,354	161,910,000
Balance as at 30 June 2022	4,083,750,000	15,432,500	-	4,019,567,665	23,920,777,173	32,039,527,338	3,570,144,157	35,609,671,495
Total comprehensive income for the three months period 30 September 2022								
Profit for the period	-	-	-	-	2,045,799,111	2,045,799,111	221,513,479	2,267,312,590
Other comprehensive loss	-	-	-	-	-	-	-	-
					2,045,799,111	2,045,799,111	221,513,479	2,267,312,590
Gain realised on disposal of equity securities at FVOCI	-	-	-	-	-	-	-	-
Balance as at 30 September 2022	4,083,750,000	15,432,500	-	4,019,567,665	25,966,576,284	34,085,326,449	3,791,657,636	37,876,984,085

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

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



Chief Executive Officer



Director



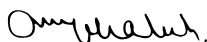
Chief Financial Officer

**CONDENSED INTERIM CONSOLIDATED
STATEMENT OF CASH FLOW (UNAUDITED)**

For the three months period ended 30th September 2022

	Note	Three months period ended	
		30 September 2022	30 September 2021
(Rupees)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	12	226,367,071	936,958,497
Income taxes paid		(25,290,572)	(23,718,117)
Finance cost paid		(119,219,350)	(80,040,689)
Mark-up received		47,027,930	6,821,237
Dividend received		1,684,488	-
Gratuity paid		(702,076)	-
Net cash generated from operating activities		129,867,491	840,020,928
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(1,670,662)	(6,964,006)
Long term deposit and other receivable paid		(1,110,000)	(409,100)
Proceeds from sale of property, plant and equipment		15,000	-
Development charges incurred in relation to investment property		(25,671,519)	-
Net cash used in investing activities		(28,437,181)	(7,373,106)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of loan under State Bank of Pakistan scheme		(3,842,436)	(2,551,766)
Lease rentals paid		(746,400)	(12,049,291)
Net cash used in financing activities		(4,588,836)	(14,601,057)
Net increase in cash and cash equivalents		96,841,474	818,046,765
Cash and cash equivalents at beginning of the period		(1,835,905,469)	476,691,413
Cash and cash equivalents at end of the period	13	(1,739,063,995)	1,294,738,178

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



Chief Executive Officer



Director



Chief Financial Officer

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2022

1. STATUS AND NATURE OF BUSINESS

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

- 1.1 These condensed interim consolidated financial statements of Arif Habib Corporation Limited for the three months period ended 30 September 2022 comprise of the Parent Company and following subsidiary and associated companies (here-in-after referred to as "the Group").

Name of companies

	Note	% of Effective holding
Subsidiaries		
- Arif Habib Limited, a brokerage house	1.1.1	<u>63.01%</u>
- Arif Habib Commodities (Private) Limited, investment management of commodities [wholly owned subsidiary of Arif Habib Limited]	1.1.2	<u>63.01%</u>
- Arif Habib 1857 (Private) Limited, investments and share brokerage company [wholly owned subsidiary of Arif Habib Limited]	1.1.3	<u>63.01%</u>
- Sachal Energy Development (Private) Limited, a wind power generation company	1.1.4	<u>85.83%</u>
- Black Gold Power Limited, a coal power generation company	1.1.5	<u>100.00%</u>
Associates		
- MCB-Arif Habib Savings and Investments Limited - a pension fund manager, asset management company and investment advisor	1.1.6	<u>30.09%</u>
- Fatima Fertilizer Company Limited, a fertilizer company	1.1.7	<u>15.19%</u>
- Pakarab Fertilizers Limited, a fertilizer company	1.1.8	<u>30.00%</u>

- 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). The shareholders of AHL have decided to sell or liquidate its entire shareholding of AHCPL in its meeting held on 15 October 2022.

- 1.1.3 Arif Habib 1857 (Private) Limited (AH1857) was incorporated on 17 July 2014 as a private limited company in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The registered office of the AH1857 is located at Arif Habib Centre, 23, M.T. Khan Road, Karachi. The principal activities of AH1857 are investments and shares brokerage. AH1857 is a wholly owned subsidiary of Arif Habib Limited. AH1857 holds Trading Right Entitlement Certificate (TREC). The shareholder of AHL has accorded its approval to sell its entire shareholding of AH1857 for the total consideration of Rs. 50 million to Ms. Nida Ahsan (Director of AHL). Accordingly, assets and liabilities of AH1857 is being presented in note 8 as disposal group classified as held for sale.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2022

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

- 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. BGPL intends 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 (2021: AM1) by the Pakistan Credit Rating Agency Limited (PACRA). The rating was determined by PACRA on October 6, 2021.
- 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. The principal activity of FFCL is manufacturing, producing, buying, selling, importing and exporting fertilizers and chemicals. Registered office of the FFCL is situated at E-110, "Khayaban-e-Jinnah, Lahore Cantt. The manufacturing facilities of the FFCL is located at Mukhtargarh, Sadiqabad and near Chichoki Mallian, at" Sheikhpura road, Pakistan.
- 1.1.7.1** Fatima Fertilizer Company Limited (FFCL) and Pakarab Fertilizers Limited (PFL) had entered into an agreement dated 1 December 2018 ('the agreement') for acquisition of production and operating plants including Ammonia, Nitric Acid, Urea, Calcium Ammonium Nitrate, Nitrophos and Clean Development Mechanism along with installed catalyst ('PFL assets') and all costs and benefits associated with ECC approved gas arrangement available with PFL. The agreement was signed pursuant to the approval given by the shareholders in the Extra Ordinary General Meeting held on 19 November 2018. The regulatory approvals required for transfer of above mentioned PFL assets has been obtained and above mentioned assets have been transferred in the name of the FFCL with effect from 1 September 2020. With completion of this transaction, the FFCL via its three plants in operations at Sadiqabad, Multan and Sheikhpura is operational with cumulative capacity of 2.57 million MT/year.
- 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 manufacturing and sale of chemical fertilizers while the FPL is principally engaged in the manufacturing and sale of polypropylene sacks, cloth, liners and cement bags. As explained in note no. 1.1.7.1 above, with effect from 1 September 2020, the fertilizer manufacturing business of PFL has been discontinued and transferred to FFCL. PFL and FPL registered address is E-110, Khayaban-e-Jinnah, Lahore Cantt. Manufacturing facility of PFL is located in Multan while manufacturing facility of FPL is located in Sadiqabad, Rahim Yar Khan.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2022

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim consolidated 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 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 directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim consolidated financial statements are unaudited and do not include all the information required for full annual financial statements and should be read in conjunction with the annual audited consolidated financial statements of the Group as at and for the year ended 30 June 2022.

2.3 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 2022.

2.4 Functional and presentation currency

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

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 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 2022.

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 2022 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 2023. 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, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

4.1 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.

4.2 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 2022.

4.3 The financial risk management objectives and policies are consistent with those disclosed in the annual audited consolidated financial statements of the Group as at and for the year ended 30 June 2022.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2022

5. PROPERTY, PLANT AND EQUIPMENT

Capital expenditure incurred during the period amounted to Rs. 1.67 million (30 June 2022: Rs. 32.84 million). The exchange loss of Rs. 1,198 million (30 June 2022: Rs. 2,650 million) has also been recognised. Further, assets having written down value of Rs. 0.03 million (30 June 2022: Rs. 0.032 million) were disposed off during the period.

6. EQUITY ACCOUNTED INVESTEEES

	Note	Unaudited 30 September 2022	Audited 30 June 2022
(Rupees)			
Fatima Fertilizer Company Limited (FFCL)	6.1	15,758,700,536	15,143,342,092
MCB - Arif Habib Savings and Investments Limited (MCB-AH)	6.2	454,053,298	431,638,412
Pakarab Fertilizers Limited (PFL)		-	-
		16,212,753,834	15,574,980,504

6.1 Investment in FFCL (quoted) represents 319 million (30 June 2022: 319 million) fully paid ordinary shares of Rs. 10 each, representing 15.19% (30 June 2022: 15.19%) of FFCL's paid up share capital as at 30 September 2022. Fair value per share as at 30 September 2022 is Rs. 38.33 (30 June 2022: Rs. 37.80) 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 2022: 21.66 million) fully paid ordinary shares of Rs. 10 each, representing 30.09% (30 June 2022: 30.09%) of MCB-AH's paid up share capital as at 30 September 2022. Market value per share as at 30 September 2022 was Rs. 22 (30 June 2022: Rs. 21.80) which is based on quoted share price on stock exchange at reporting date.

7. SHORT TERM INVESTMENTS

	Note	Unaudited 30 September 2022	Audited 30 June 2022
(Rupees)			
Equity securities - at FVTPL	7.1	10,213,913,031	9,688,906,755
Corporate debt securities - mandatorily at FVTPL		1,021,599,907	1,021,702,293
		11,235,512,938	10,710,609,048

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

7.2 Fair value of short term investments pledged with various banking companies against various finance facilities availed by the Group amounts of Rs. 9,597.21 million (30 June 2022: Rs. 7,747.22 million).

8. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

	Note	Unaudited 30 September 2022	Audited 30 June 2022
(Rupees)			

ASSETS CLASSIFIED AS HELD FOR SALE

National Resources (Private) Limited	8.1	30,997,985	30,997,985
Arif Habib 1857 (Private) Limited		51,150,781	49,675,292
		82,148,766	80,673,277

LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

Arif Habib 1857 (Private) Limited		851,638	619,347
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8.1 The Parent Company has entered into share sale agreement for the sale of its entire shareholding in National Resources (Private) Limited (NRPL), with the remaining Joint venture partners of NRPL at a price of Rs. 3.10 per share subject to completion of necessary formalities. Accordingly, the investment in NRPL has been classified as Assets held for sale in this condensed interim consolidated financial statements.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2022

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 2022 except for the following:

Parent Company

9.1.1 The Company has further pledged 3 million shares of Fatima Fertilizers Limited with various banks for running finance facilities obtained by Arif Habib Limited, a subsidiary company. The increase in the exposure of this guarantee at the reporting date was Rs. 0.12 billion.

AHL, Subsidiary Company

Note	Three months period ended	
	30 September 2022	30 September 2021
		(Rupees)

Following commitments are outstanding:

- Outstanding Settlements against Marginal Trading contracts	389,725,262	372,222,968
- Outstanding Settlements against sale / (purchase) of securities in regular market	71,284,810	277,978,515
- Financial guarantee given by a commercial bank on behalf of AHL	750,000,000	750,000,000
- Against purchase of investment property	299,342,801	312,057,120
- Against development cost of investment property	97,077,107	110,034,327

10. REVENUE

Revenue from sale of energy - net	1,917,899,124	1,387,645,753
Mark-up income on loans and advances	41,398,671	4,190,511
Mark-up income on corporate debt securities	5,612,951	1,746,966
Dividend income	153,928,956	-
Brokerage income	116,560,941	141,365,077
Mark-up income on bank deposits	65,686,445	23,728,420
Guarantee Commission income	537,534	562,319
Underwriting, consultancy and placement commission	143,886,378	128,653,197
Mark-up income on margin financing	17,310,926	10,072,713
	2,462,821,926	1,697,964,956

11. TAXATION

- Current	51,886,763	200,156,106
- Deferred	148,796,938	92,982,955
	200,683,701	293,139,061

12. CASH GENERATED FROM OPERATIONS

Profit before tax	12.1	2,468,367,636	2,417,198,505
Adjustments for:			
Depreciation		280,729,421	246,510,923
Amortisation of intangible assets		92,839	124,146
Loss on sale of property, plant and equipment		(15,295)	-
Unrealised loss on remeasurement of investments		16,818,074	654,688,613
Share of profit of equity-accounted associates - net of tax		(637,773,330)	(738,491,539)
Mark-up income		(112,698,067)	(4,190,511)
Amortisation of land lease rent		439,720	439,720
Amortisation of transaction cost		29,301,340	33,912,285
Finance cost		383,907,359	156,444,770
Provision for gratuity		3,429,608	1,635,322
Gain on remeasurement of investment properties		(233,700,000)	(281,500,000)
		(269,468,331)	69,573,729
Operating profit before working capital changes		2,198,899,305	2,486,772,234

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2022

	Three months period ended	
	30 September 2022	30 September 2021
	(Rupees)	
Changes in working capital:		
<i>(Increase) / decrease in current assets</i>		
Trade debts	(1,120,943,292)	(459,718,793)
Loans and advances	19,995,254	25,950,547
Deposits and prepayments	(9,892,385)	(260,091,247)
Accrued mark-up and other receivables	(108,116,552)	317,805,699
Short term investments	(541,721,964)	(331,279,749)
Receivable under margin trading system	(1,238,383)	-
Assets held for sale	(1,243,198)	-
	(1,763,160,520)	(707,333,543)
<i>(Decrease) / increase in current liabilities</i>		
Trade and other payables	(195,195,547)	(802,672,112)
Payable against sale of securities - net	(14,216,439)	(39,808,082)
Unclaimed dividend	40,272	-
	(209,371,714)	(842,480,194)
Cash generated from operations	226,367,071	936,958,497
12.1 Profit before tax		
Profit before tax from continuing operations	2,466,753,093	2,416,266,425
Profit before tax from discontinued operations	1,614,543	932,080
	2,468,367,636	2,417,198,505
13. CASH AND CASH EQUIVALENTS		
Cash and bank balances	3,464,401,580	3,503,104,876
Short term borrowings	(5,203,465,575)	(2,208,366,698)
	(1,739,063,995)	1,294,738,178
14. EARNINGS PER SHARE - BASIC & DILUTED		
14.1 Basic earnings per share		
Profit after tax from continuing operations attributable to ordinary shareholders	2,045,015,777	1,917,141,715
Profit after tax from discontinued operation attributable to ordinary shareholders	783,334	498,372
Weighted average number of ordinary shares	408,375,000	408,375,000
Earnings per share - continuing operations	5.01	4.70
Earnings per share - discontinued operation	0.00	0.00
14.2 Diluted earnings per share		

Diluted earnings per share has not been presented as there is no convertible instruments in issue as at September 30, 2022 and September 30, 2021 which would have any effect on the earnings per share if the option to convert is exercised.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2022

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 2022.

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.

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

Name of the related party	Transactions during the period	Three months period ended	
		30 September 2022	30 September 2021
Associates		(Rupees)	
Pakarab Fertilizers Limited	Mark-up on loan	35,089,023	-
	Mark-up received	28,365,692	-
Associated companies by virtue of common directorship and other related parties			
Aisha Steel Mills Limited	Mark-up on loan	5,791,611	4,190,511
	Mark-up received	9,948,630	8,589,238
	Guarantee commission income	325,614	325,614
	Guarantee commission received	325,614	1,051,623
Power Cement Limited	Guarantee commission income	211,920	236,705
	Guarantee commission received	211,920	376,575
	Mark-up received	16,179,794	-
Safe Mix Concrete Limited	Loan repaid	8,238,875	-
	Markup on loan	518,036	-
	Markup received	2,161,125	-
Javedan Corporation Limited	Mark-up received	-	2,722,849
	Brokerage commission earned	-	322,500
	Dividend Income	152,244,468	-
Arif Habib Dolmen REIT Management Limited	Brokerage commission earned	-	516,000
	Payment of rent and sharing of utilities, insurance and maintenance charges	3,222,421	11,713,768
Rotocast Engineering Company (Private) Limited	Brokerage commission earned	124,725	90,845
	Company's Contribution	771,868	688,774
Arif Habib Securities Limited Employees Provident Fund	Company's Contribution	139,726	21,425
Arif Habib Equity (Private) Limited	Brokerage commission earned	2,721,146	2,362,915
Arif Habib Limited - Employees Provident Fund Trust	Company's Contribution	-	-

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2022

		Three months period ended	
		30 September 2022	30 September 2021
		(Rupees)	
Key management personnel			
Mr. Arif Habib (CEO of Parent Company)	Brokerage commission earned	1,524,593	305,757
Mr. Samad A. Habib (Director of Parent Company)	Brokerage commission earned	170,874	95,705
Mr. Asadullah Khawaja (Director of Parent Company)	Meeting fee	50,000	50,000
Mr. Sirajuddin Cassim (ex-Director of Parent Company)	Meeting fee	-	75,000
Ms. Zeba Bakhtiar (Director of Parent Company)	Meeting fee	50,000	50,000
Mr. Khawaja Jallaluddin (Director of Parent Company)	Meeting fee	75,000	-
Mr. Zafar Alam (Chairman of subsidiary company)	Brokerage Commission earned	10,556	156,294
Mr. Muhammad Shahid Ali (CEO of Subsidiary Company)	Brokerage commission earned	2,307,565	1,944,662
Ms. Nida Ahsan (Director of Subsidiary Company)	Brokerage commission earned	125,000	118,975
Mr. Mohsin Madni (CFO of Parent Company and Director of Subsidiary Company)	Brokerage commission earned	-	4,764
Mr. Muhammad Haroon (Director of Subsidiary Company)	Brokerage commission earned	59,872	147,840
Remuneration of chief executive officer, directors, key management personnel and executives			
- Managerial Remuneration		39,240,500	23,727,179
- Contribution to provident funds		3,352,241	1,463,223
- Gratuity (Provision)		1,019,324	972,225
- Other perquisites and benefits		12,210,601	40,323,400
Balances as at:		Unaudited 30 September 2022	Audited 30 June 2022
		(Rupees)	
Aisha Steel Mills Limited	Long term loan	120,753,895	134,970,641
	Mark-up receivable	5,791,612	9,948,630
	Commission on guarantee receivable	325,614	325,614
Power Cement Limited	Mark-up receivable	-	16,179,794
	Commission on guarantee receivable	211,920	211,920
Pakarab Fertilizers Limited	Mark-up receivable	35,089,023	-
Safe Mix Concrete Limited	Short term Loan	9,879,399	18,118,274
	Mark-up receivable	518,036	2,161,125

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2022

		Unaudited 30 September 2022	Audited 30 June 2022
		(Rupees)	
Javedan Corporation Limited	Advance against committed sale of investment property	77,657,179	64,942,880
	Receivable against sale of investment property	5,126,734	5,126,734
	Loan payable	800,000,000	800,000,000
	Mark up receivable	10,192,861	10,192,861
	Mark up payable	37,842,712	3,144,411
	Balance receivable at period end	80,000	80,000
	Dividend receivable	152,244,468	-
Rotocast Engineering Company (Private) Limited	Payable against monthly expense Contribution	830,039	1,093,096
	Prepaid rent	-	746,370
	Balance receivable	7,458	4,194
Arif Habib Equity (Private) Limited	Balance payable	445,283	-
	Balance receivable	-	20,208
Arif Habib Dolmen REIT Management Limited	Trade Receivable	10,556	10,556
Key Management Personnel			
Mr. Arif Habib (CEO of the Parent Company)	Trade Receivable	35,616	51,962
Zafar Alam (Chairman of subsidiary company)	Balance payable	117,165	52,721
Muhammad Shahid Ali (CEO of Subsidiary Company)	Balance payable	56,329,828	108,175,990
Muhammad Haroon (Director of subsidiary company)	Balance payable	178,131	24,876
Sharmin Shahid (Director of subsidiary company)	Balance receivable	42,133	4,283
Nida Ahsan (Director of subsidiary company)	Balance receivable	3,158	7,928
Mohsin Madni (CFO Parent Company & Director Subsidiary Company)	Balance payable	115	485
Samad A. Habib (Director of Parent Company)	Balance receivable	1,127,192	1,667,893
Kashif A. Habib (Director of Parent Company)	Balance receivable	12,666	12,666
Muhammad Sohail Salat (Director of Subsidiary Company)	Balance receivable	599	599
Ahsan Mehnti (Director of Subsidiary Company)	Balance receivable	-	45,569,134

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2022

17. REPORTABLE SEGMENTS

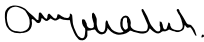
- 17.1** The group has four reportable segments: Capital Market Operations, Brokerage, Energy Development and Others. The capital market operations' segment is principally engaged in trading of equity securities and maintaining strategic and trading portfolios. The brokerage segment is principally engaged 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.
- 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 2022. 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

Reclassified from component	Reclassified to component	Amount (Rupees)
Markup on margin financing (Other income)	Markup on margin financing (Operating revenue)	<u>10,072,713</u>
Markup on corporate debt securities (Other income)	Markup on corporate debt securities (Operating revenue)	<u>1,746,966</u>

19. DATE OF AUTHORISATION FOR ISSUE

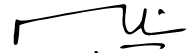
- 19.1** These condensed interim consolidated financial statements have been authorised for issue on 27 October 2022 by the Board of Directors of the Parent Company.



Chief Executive Officer



Director



Chief Financial Officer



Arif Habib Corp

Arif Habib Centre
23, M. T. Khan Road
Karach-74000

Tel: +02 21 32460717-19

Fax: +92 21 32468117, 32429653

Company website: www.arifhabibcorp.com

Group website: www.arifhabib.com.pk