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Arif Habib Corp

Half Yearly Report 31st December 2024

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Company Information

Board of Directors

Asadullah Khawaja
Chairman

Arif Habib
Chief Executive Officer

Khawaja Najamuddin 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 Najamuddin Roomi
Chairman

Kashif A. Habib
Member

Muhammad Ejaz
Member

Management

Arif Habib
Chief Executive Officer

Mohsin Madni
Chief Financial Officer &
Chief Operating Officer

Manzoor Raza
Company Secretary

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Bank Islami Pakistan
Limited
Bank Makramah 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
Soneri Bank Limited
The Bank Of Khyber
The Bank Of Punjab
United Bank Limited

Auditors

A. F. Ferguson & Co.
Chartered Accountants

Legal Advisors

Bawaney & Partners
Akhund Forbes

Registered & Corporate Office

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

Registrar & Share Transfer Agent

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

Directors' Report

DEAR FELLOW SHAREHOLDERS,

The Directors of Arif Habib Corporation Limited (AHCL) are pleased to present the Directors' Report, along with the condensed interim consolidated and unconsolidated financial statements for the six-month and quarter ended December 31, 2024.



THE ECONOMY

The first half of FY 2025 showed continued economic recovery, supported by key policy measures and external financing. Pakistan secured a USD 7 billion Extended Fund Facility (EFF) from the IMF, which strengthened macroeconomic stability and reinforced investor confidence. Foreign exchange reserves improved rising to USD 15.9 billion, inflation declined to 4.1%, and the State Bank of Pakistan (SBP) reduced the policy rate to 13% in December 2024, followed by a further cut to 12% in January 2025, signaling improved macro-economic conditions.

The current account balance shifted from a USD 1.1 billion deficit in 1HFY24 to a USD 1.2 billion surplus in 1HFY25, driven by resilient remittances and external inflows. The Pakistani Rupee remained stable, closing at PKR 278.5 against the US Dollar. While these indicators reflect progress, sustaining economic momentum will require structural reforms, fiscal discipline, and a focus on investment-led growth.

FINANCIAL RESULTS

Your company continued its strong financial performance during the period under review. Consolidated profit after tax (attributable to equity holders) stood at PKR 5,986 million, compared to PKR 5,431 million (restated) in the same period last year, translating into earnings per share (EPS) of PKR 14.66, compared to PKR 13.30 (restated).

On an unconsolidated basis, AHCL posted a profit after tax of PKR 15,157 million, with an EPS of PKR 35.94, compared to PKR 4,519 million (restated) and an EPS of PKR 10.72 (restated) in the previous year. The strong performance was driven by higher dividend income, remeasurement gains on investments, and strategic portfolio management.

PERFORMANCE OF SUBSIDIARIES AND ASSOCIATES

The Group companies exhibited mixed performance during the period. Arif Habib Limited recorded a profit after tax of PKR 509.95 million, up from PKR 189.87 million in the same period last year, benefiting from favorable market conditions. Sachal Energy Development remained strong, delivering a profit of PKR 1,508.45 million, though slightly lower than the previous year. Power Cement Limited significantly improved its performance, reporting a profit after tax of PKR 32.37 million, compared to a loss of PKR 469.8 million in the previous year, due to better cost management and operational efficiencies. Fatima Fertilizer witnessed notable growth in profitability, driven by operational efficiencies and improved margins. Javedan Corporation Limited delivered a strong performance, benefiting from a robust real estate sector. SafeMix Concrete Limited remained profitable, though with a slight decline compared to the previous year. On the other hand, Aisha Steel Mills Limited faced challenges due to adverse market conditions in the steel sector, resulting in a downturn in its financial performance compared to the same period last year.

PROPOSED SHARE SUBDIVISION AND CAPITAL RESTRUCTURING

To enhance market liquidity, improve investor accessibility, and align AHCL's stock price with broader market participation, the Board of Directors has proposed a subdivision of the Company's shares, changing the face value from Rs. 10/- to Re. 1/- per share. As a result, the subscribed and paid-up capital of Arif Habib Corporation Limited, currently comprising 421,696,747 ordinary shares of Rs. 10/- each, will be restructured into 4,216,967,470 ordinary shares of Re. 1/- each, with no change in the total paid-up capital. Shareholders will receive 10 shares of Re. 1/- each for every one share of Rs. 10/- held as of the effective date, which will be announced upon completion of the necessary regulatory approvals in compliance with Section 85(1)(c) of the Companies Act, 2017. To obtain shareholders' approval for this corporate action, the Board has decided to convene an Extra-Ordinary General Meeting (EOGM) on March 19, 2025, where special resolution(s) will be presented for consideration and approval.

FUTURE OUTLOOK

With economic stability improving, inflation easing, and interest rates declining, Pakistan's business environment is expected to remain favorable. IMF support, strong remittances, and fiscal discipline will reinforce macroeconomic stability. AHCL is well-positioned to benefit, with continued strong performance in the fertilizer and brokerage sectors, stable performance in wind power, and resilience in real estate, cement, and steel, supported by improved market sentiment. With a strategic focus on efficiency and growth, the Company remains confident in sustaining strong financial performance in the near term.

ACKNOWLEDGEMENT

The Directors are grateful to the Company's stakeholders for their continuing confidence and patronage. We wish to place on record our appreciation and thanks for the faith and trust reposed by our Business Partners, Bankers & Financial Institutions. We thank the Ministry of Finance, the Securities & Exchange Commission of Pakistan, the State Bank of Pakistan, the Competition Commission of Pakistan, Central Depository Company of Pakistan and the Management of Pakistan Stock Exchange for their continued support and guidance which has gone a long way in giving present shape to the Company. We acknowledge the hard work put in by employees of the Company during the period. We also appreciate the valuable contribution and active role of the members.

For and on behalf of the Board



Mr. Arif Habib
Chief Executive

Karachi: February 18, 2025



Mr. Asadullah Khawaja
Chairman

Condensed Interim Unconsolidated Financial Statements

For the six months period ended 31st December 2024

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Arif Habib Corporation Limited Report on review of Condensed Interim Unconsolidated Financial Statements

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of Arif Habib Corporation Limited as at December 31, 2024 and the related condensed interim unconsolidated statement of profit or loss and other comprehensive income, condensed interim unconsolidated statement of changes in equity, and condensed interim unconsolidated statement of cash flows, and notes to and forming part of the condensed interim unconsolidated financial statements for the six-month period then ended (here-in-after referred to as the "condensed interim unconsolidated financial statements"). Management is responsible for the preparation and presentation of these condensed interim unconsolidated 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 condensed interim unconsolidated financial statements based on our review. The figures of the condensed interim unconsolidated statement of profit or loss and other comprehensive income for the quarters ended December 31, 2024 and December 31, 2023 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended December 31, 2024.

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 condensed interim unconsolidated 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 condensed interim unconsolidated 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.

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



A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: February 21, 2025

UDIN: RR202410059xEi4sLeyC

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Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

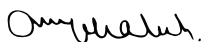
■ KARACHI ■ LAHORE ■ ISLAMABAD

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st December 2024

	Note	Unaudited 31 December 2024 (Rupees)	Audited 30 June 2024
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	42,154,922	49,532,593
Intangible assets		64,505	141,875
Investment property	5	1,779,020,000	169,000,000
Long term investments	6	50,186,286,023	26,363,022,014
Long term loan to related party	7	-	49,670,165
Long term deposits and other receivable		5,880,378	5,880,378
		52,013,405,828	26,637,247,025
CURRENT ASSETS			
Loans and advances	8	5,551,479,976	4,088,591,568
Mark-up receivable	9	104,418,814	77,280,288
Prepayments and other receivables	10	924,665,128	660,748,917
Short term investments	11	2,931,554,166	6,794,188,359
Cash and bank balances		51,601,128	45,975,441
		9,563,719,212	11,666,784,573
TOTAL ASSETS		61,577,125,040	38,304,031,598

The annexed notes 1 to 25 form an integral part of these condensed interim unconsolidated financial statements.



Chief Executive Officer



Director



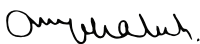
Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st December 2024

	Note	Unaudited 31 December 2024	Audited 30 June 2024
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Share Capital		10,000,000,000	10,000,000,000
Share Capital			
Issued, subscribed and paid up share capital		4,216,967,470	4,083,750,000
Shares to be issued under scheme of arrangement		-	133,217,470
		4,216,967,470	4,216,967,470
Revenue reserves			
General reserve		4,000,000,000	4,000,000,000
Unappropriated profit		38,057,679,308	25,852,471,316
TOTAL EQUITY		46,274,646,778	34,069,438,786
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred taxation - net		3,722,723,873	1,317,575,057
Contributions from Musharaka participants	12	522,537,950	-
Lease liability against right of use assets		9,905,471	17,904,171
		4,255,167,294	1,335,479,228
CURRENT LIABILITIES			
Short term borrowings	13	6,998,057,056	501,329,430
Loan from sponsor		-	800,000,000
Other payables		409,403,424	970,937,063
Current portion of lease liability		15,184,841	12,823,623
Taxation - net		975,989,342	591,841,742
Unpaid dividend	14	2,620,099,051	-
Unclaimed dividend		28,577,254	22,181,726
		11,047,310,968	2,899,113,584
TOTAL LIABILITIES		15,302,478,262	4,234,592,812
Contingencies and commitments	15		
TOTAL EQUITY AND LIABILITIES		61,577,125,040	38,304,031,598


The annexed notes 1 to 25 form an integral part of these condensed interim unconsolidated financial statements.



Chief Executive Officer



Director



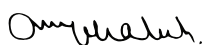
Chief Financial Officer

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

For the six months period ended 31st December 2024

	Note	Six months period ended		Three months period ended	
		31 December 2024	31 December 2023 (Restated)	31 December 2024	31 December 2023 (Restated)
----- (Rupees) -----					
Dividend income		3,339,662,907	2,001,314,802	2,251,081,299	394,675,007
Other revenue	16	67,742,376	60,563,473	34,367,325	30,004,040
Gross revenue		3,407,405,283	2,061,878,275	2,285,448,624	424,679,047
Gain on sale of securities - net		477,756,717	120,222,227	345,151,901	185,610,767
Administrative expenses		(92,484,901)	(84,530,812)	(50,477,917)	(51,047,561)
Net finance cost	17	(324,820,441)	(130,233,195)	(112,825,097)	(24,474,880)
		3,467,856,658	1,967,336,495	2,467,297,511	534,767,373
Gain on remeasurement of investments - net		14,787,685,799	3,221,091,327	11,764,843,293	3,440,262,510
Net change in fair value of investment properties		(12,436,679)	-	(13,636,679)	-
		18,243,105,778	5,188,427,822	14,218,504,125	3,975,029,883
Other income		8,384	-	8,384	-
Other charges		(4,575,207)	(2,207,900)	(2,519,735)	(2,205,650)
Profit before levies and income tax		18,238,538,955	5,186,219,922	14,215,992,774	3,972,824,233
Levies - Final tax	18	(1,800,062)	(2,737,350)	(1,800,062)	(2,737,350)
Profit before income tax		18,236,738,893	5,183,482,572	14,214,192,712	3,970,086,883
Income tax expense	19	(3,079,653,672)	(664,528,764)	(2,396,510,646)	(385,469,509)
Profit for the period		15,157,085,221	4,518,953,808	11,817,682,066	3,584,617,374
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		15,157,085,221	4,518,953,808	11,817,682,066	3,584,617,374
Earnings per share - basic and diluted	20	35.94	10.72	28.02	8.50

The annexed notes 1 to 25 form an integral part of these condensed interim unconsolidated financial statements.



Chief Executive Officer



Director



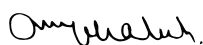
Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months period ended 31st December 2024

	Issued, subscribed and paid up share capital	Shares to be issued under scheme of arrangement	Reserves		Sub total	Total
			General reserve	Unappropriated profit		
			Revenue Reserves			
----- (Rupees) -----						
Balance as at 1 July 2023	4,083,750,000	-	4,000,000,000	12,385,423,995	16,385,423,995	20,469,173,995
Total comprehensive income for the six months period ended 31 December 2023						
Profit for the period (Restated)	-	-	-	4,518,953,808	4,518,953,808	4,518,953,808
Other comprehensive income for the period	-	-	-	-	-	-
Transactions with owners of the Company recorded directly in equity - distributions						
Effect of scheme of arrangement / merger - note 1.3	-	133,217,470	-	4,036,449,816	4,169,667,286	4,169,667,286
Balance as at 31 December 2023 (restated)	4,083,750,000	133,217,470	4,000,000,000	20,940,827,619	25,074,045,089	29,157,795,089
Total comprehensive income for the six months period ended 30 June 2024						
Profit for the period (Restated)	-	-	-	4,911,643,697	4,911,643,697	4,911,643,697
Other comprehensive income for the period	-	-	-	-	-	-
Balance as at 30 June 2024	4,083,750,000	133,217,470	4,000,000,000	25,852,471,316	29,985,688,786	34,069,438,786
Total comprehensive income for the six months period ended 31 December 2024						
Profit for the period	-	-	-	15,157,085,221	15,157,085,221	15,157,085,221
Other comprehensive income for the period	-	-	-	-	-	-
Transactions with owners of the Company recorded directly in equity - distributions						
Final cash dividend at the rate of Rs. 7 per share for the year ended 30 June 2024	-	-	-	(2,951,877,229)	(2,951,877,229)	(2,951,877,229)
Shares issued under scheme of arrangement	133,217,470	(133,217,470)	-	-	-	-
Balance as at 31 December 2024	4,216,967,470	-	4,000,000,000	38,057,679,308	42,190,896,778	46,274,646,778

The annexed notes 1 to 25 form an integral part of these condensed interim unconsolidated financial statements.



Chief Executive Officer



Director



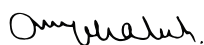
Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six months period ended 31st December 2024

	Note	Six months period ended	
		31 December 2024	31 December 2023 (Restated)
(Rupees)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operations	21	(2,539,414,987)	(836,323,066)
Income tax and levies paid		(292,157,320)	(198,935,556)
Finance cost paid		(446,505,981)	(474,834,626)
Mark-up received		76,716,295	290,631,565
Net cash used in operating activities		(3,201,361,993)	(1,219,461,683)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		(1,891,869)	(1,403,538)
Acquisition of long term investments		(4,773,982,607)	(11,379,390)
Proceeds from disposal of long term investments		386,281,486	-
Acquisition of investment properties		(1,710,020,000)	-
Proceeds from disposal of investment properties		87,563,321	-
Dividends received		3,339,662,907	2,001,314,802
Advance for purchase of investment properties		-	(136,480,000)
Proceeds from disposal of property and equipment		65,000	-
Net cash (used in) / generated from investing activities		(2,672,321,762)	1,852,051,874
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease rental paid		(8,186,340)	(13,878,000)
Short term loans obtained		6,300,000,000	-
Loan repaid to sponsor		(800,000,000)	-
Contributions received from Musharaka participants		522,537,950	-
Dividend paid		(331,778,178)	-
Net cash generated from / (used in) financing activities		5,682,573,432	(13,878,000)
Net change in cash and cash equivalents		(191,110,323)	618,712,191
Cash and cash equivalents at beginning of the period		(455,353,989)	(2,273,932,057)
Effect of exchange rate fluctuations on cash held		8,384	(179,900)
Cash and cash equivalents at end of the period	22	(646,455,928)	(1,655,399,766)

The annexed notes 1 to 25 form an integral part of these condensed interim unconsolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Arif Habib Corporation Limited ("the Company") was incorporated in Pakistan on November 14, 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 companies / undertakings as allowed under the Companies Act, 2017. The registered office of the Company is situated at 2nd Floor, Arif Habib Centre, 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.

1.2 The Company has following long term investments in subsidiaries and associates and its underlying shareholding in respective subsidiaries and associates:

Name of Companies	Shareholding
Subsidiaries	
- Arif Habib Limited, a brokerage house (AHL)	<u>74.94%</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	
- Fatima Fertilizer Company Limited - a fertilizer manufacturing company	<u>15.19%</u>
- Safe Mix Concrete Limited, a ready mix concrete manufacturing company	<u>27.63%</u>
- Power Cement Limited , a cement manufacturing company	<u>25.31%</u>
- Javedan Corporation Limited , a real estate company	<u>39.52%</u>

1.3 Scheme of Arrangement / Merger

On 21 October, 2024, the High Court of Sindh sanctioned the Scheme of Arrangement (the "Scheme") approved by the shareholders of Arif Habib Corporation Limited (AHCL) and Arif Habib Limited (AHL). The Scheme involves the demerger of certain non-core businesses from AHL, with these businesses being merged into AHCL, effective from 1 July 2023. In consideration for this merger, AHCL has allotted 13,321,747 ordinary shares to AHL's shareholders (excluding AHCL itself) based on a swap ratio of 0.8673 shares of AHCL for every 1 share of AHL. These shares were issued on 18 November 2024.

Since AHL is a subsidiary of AHCL, this transaction qualifies as a common control transaction and has been accounted for using the predecessor method, as required by the Accounting Standard on Common Control Transactions. Under this method, the net assets of the Demerged Undertaking have been recognized at their carrying values as of 1 July 2023, the effective date of the Scheme.

1.4 Restatement of Comparative Information for the period ended 31 December 2024

In accordance with the Accounting Standard on Common Control Transactions, the comparative information for the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows has been restated to reflect the inclusion of the Demerged Undertaking as part of the Company's operations from 1 July 2023. The comparative balance sheet has not been restated, as the Scheme's impact was already incorporated into the balances reported as of 30 June 2024. The restatement ensures that financial performance and movements in equity are presented consistently as if the restructuring had occurred at the beginning of the earliest comparative period presented, with adjustments to comparatives reflecting the transfer of income, expenses, and cash flows related to the Demerged Undertaking.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2024

Further, The Institute of Chartered Accountant of Pakistan (ICAP) have withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes" via circular No. 07/2024 dated 15 May 2024. The said guidance requires certain amounts of tax paid under minimum and final tax regime to be shown separately as a levy instead of showing it in current tax.

Accordingly, the impact has been incorporated in these condensed interim financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) - 'Accounting Policies, Change in Accounting Estimates and Errors'. This requirement was already applied in the financial statements of the Company for the year ended 30 June 2024. Accordingly the figures of prior period in these condensed interim financial statements have been restated. There is no effect on the statement of financial position, the statement of changes in equity, the statement of cash flows and earning per share as a result of this change.

	Six months period ended 31 December 2024			Six months period ended 31 December 2023		
	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of changes in accounting policy	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of changes in accounting policy
(Rupees)						
Effect on statement on profit or loss and other comprehensive income						
Levies	-	(1,800,062)	(1,800,062)	-	(2,737,350)	(2,737,350)
Profit before income tax	18,238,538,955	(1,800,062)	18,236,738,893	5,186,219,922	(2,737,350)	5,183,482,572
Income tax expense	(3,081,453,734)	1,800,062	(3,079,653,672)	(667,266,114)	2,737,350	(664,528,764)

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 and includes the impact of the Scheme of Arrangement prospectively from the effective date, 1 July 2023. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34 'Interim Financial Reporting' issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as 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 do 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 2024.

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 2024.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2024

2.5 Functional and presentation currency

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

3. MATERIAL ACCOUNTING POLICY INFORMATION

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 2024, with the exception of adjustments related to the Scheme of Arrangement as explained in note 1.3 and 1.4 in these condensed interim unconsolidated financial statements.

a) Standards and amendments to approved accounting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on 1 July 2024. However, these do not have any significant impact on the Company's financial reporting.

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

There are standards certain other amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after 1 July 2025. 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.

The following standard and amendment are not effective for the accounting periods beginning on or after 1 January 2024 and have not been early adopted by the Company:

Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments

These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the sole payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

3.2 Significant 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 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 audited annual unconsolidated financial statements as at and for the year ended 30 June 2024.

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 2024.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2024

4. PROPERTY AND EQUIPMENT

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

	Unaudited		Six months period ended	
	Six months period ended 31 December 2024		Six months period ended 31 December 2023	
	Additions	Disposals	Additions	Disposals
	(Rupees)			
Office equipment	418,200	110,207	-	-
Computer equipment	1,363,169	-	233,333	-
Vehicle	110,500	-	-	-
Leashold improvement	-	-	1,170,205	-
	1,891,869	110,207	1,403,538	-
Right of use of asset	-	-	35,278,875	-

5. INVESTMENT PROPERTIES

Open plots of land - at fair value

Note	Unaudited 31 December 2024	Audited 30 June 2024
	(Rupees)	

5.1 Movement is as follows:

Opening carrying amount (at fair value)	169,000,000	-
Additions during the period / year	1,710,020,000	155,500,000
Disposals during the period / year	(87,563,321)	-
- Sale during the period / year		
Net change in fair value - recognised in profit or loss	(12,436,679)	13,500,000
Closing carrying amount (at fair value)	1,779,020,000	169,000,000

5.1.1 This represents the cost of two plots, FL-06 and COM-11, located in Naya Nazimabad, Karachi, acquired during the period from Javedan Corporation Limited (JCL), a related party, under an Agreement.

As per the terms of the Agreement, an installment of Rs. 266.55 million related to this purchase is payable by December 31, 2025. Additionally, JCL has undertaken to execute the conveyance deed in favor of the Company upon demand and to complete all necessary registrations, entries, and mutations in the records of the relevant authorities.

6. LONG TERM INVESTMENTS

	Note	Unaudited 31 December 2024	Audited 30 June 2024
		(Rupees)	
Subsidiaries - at cost (net of impairment)	6.1	5,033,310,997	4,937,599,953
Associates - designated at fair value through profit or loss	6.2	37,249,292,799	16,623,107,664
Debt instrument - at amortised cost	6.3	860,847,747	798,161,476
Debt instruments - at fair value through profit or loss	6.4	7,042,834,480	4,004,152,921
Other equity securities - designated at fair value through other comprehensive income	6.5	-	-
		50,186,286,023	26,363,022,014

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2024

6.1	Subsidiaries - at cost (net of impairment)	Note	Carrying amount	
			Unaudited 31 December 2024 (Rupees)	Audited 30 June 2024
	Quoted Entity			
	Arif Habib Limited (AHL) 48,966,130 (30 June 2024: 47,648,522) fully paid ordinary shares of Rs. 10 each	6.1.1	2,286,845,937	2,191,134,893
	Unquoted Entities			
	Sachal Energy Development (Private) Limited (SEDPL) 274,646,506 (30 June 2024: 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 (30 June 2024: 5,000,000) fully paid ordinary shares of Rs. 10 each Impairment recognised		50,000,000 (50,000,000)	50,000,000 (50,000,000)
			-	-
			5,033,310,997	4,937,599,953

6.1.1 During the period, the Company has purchased 1.31 million shares on net basis of AHL, a subsidiary Company, resulting in increase in the Company's holding from 72.92% to 74.94%.

6.2 Associates - designated at fair value through profit or loss

	Note	Cost	Appreciation on remeasurement of investments	Carrying amount (at fair value)	
				Unaudited 31 December 2024	Audited 30 June 2024
Quoted Entity					
Fatima Fertilizer Company Limited (FFCL) 319,000,206 (30 June 2024: 319,000,206) fully paid ordinary shares of Rs. 10 each		3,512,782,225	21,458,553,901	24,971,336,126	16,466,790,634
Safe Mix Concrete Limited (SMCL) 6,908,018 (30 June 2024: 8,099,328) fully paid ordinary shares of Rs. 10 each	6.2.1	88,330,602	61,849,709	150,180,311	156,317,030
Power Cement Limited (PCL) 310,954,117 (30 June 2024: 72,244,478) fully paid ordinary shares of Rs. 10 each	6.2.2	1,647,615,007	1,166,519,752	2,814,134,759	-
Power Cement Limited (PCL) 23,171,114 (30 June 2024: 23,171,114) fully paid preference shares of Rs. 10 each	6.2.2	227,843,961	73,380,521	301,224,482	-
Javedan Corporation Limited (JCL) 150,533,107 (30 June 2024: 75,553,117) fully paid ordinary shares of Rs. 10 each	6.2.3	5,355,454,479	3,656,962,642	9,012,417,121	-
		10,832,026,274	26,417,266,525	37,249,292,799	16,623,107,664

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2024

- 6.2.1** During the period, the Company has sold 1.19 million shares of SMCL, resulting in decrease in the Company's holding from 32.4% to 27.63%.
- 6.2.2** During the period, the Company has purchased 238.71 million ordinary shares on net basis of PCL, resulting in increase in the Company's holding in ordinary shares from 6.50% to 27.97%. The shareholding increased from 7.23% to 25.31% of the ordinary and preference shares issued by PCL. Accordingly, the investment has been reclassified from short term investment to long term investment.
- 6.2.3** During the period, the Company has purchased 74.98 million shares on net basis of JCL, resulting in increase in the Company's holding from 19.84% to 39.52%. Accordingly, the investment has been reclassified from short term investment to long term investment.

6.3 Debt instrument - at amortised cost

	Fair value at initial recognition	Cumulative unwinding of interest income	Carrying amount	
			Unaudited 31 December 2024	Audited 30 June 2024
(Rupees)				
Un-Quoted Entity				
Fatima Fertilizer Company Limited (FFCL) 135,000,000 (30 June 2024: 135,000,000) redeemable class A shares of Rs. 10 each	591,315,343	269,532,404	860,847,747	798,161,476

6.4 Debt instruments - at fair value through profit or loss

	Note	Cost	Appreciation on remeasurement of investments	Carrying amount (at fair value)	
				Unaudited 31 December 2024	Audited 30 June 2024
Quoted entity (REIT)					
(Managed by Arif Habib Dolmen REIT Management Limited - a related party)					
Globe Residency REIT (GRF) 89,332,023 (30 June 2024: 89,332,023) Units of Rs. 10 each		902,112,509	403,028,347	1,305,140,856	1,205,982,310
Un-Quoted Entities (REITs)					
(Managed by Arif Habib Dolmen REIT Management Limited - a related party)					
Silk Islamic Development REIT (SIDR) 60,000,000 (30 June 2024: 60,000,000) Units of Rs. 10 each		600,000,000	276,000,000	876,000,000	859,200,000
Naya Nazimabad Apartment REIT (NNR) 76,375,000 (30 June 2024: 76,375,000) Units of Rs. 10 each		763,750,000	316,435,062	1,080,185,062	926,547,262
Rahat Residency REIT (RRR) 50,000,000 (30 June 2024: 50,000,000) Units of Rs. 10 each		500,000,000	175,936,057	675,936,057	587,877,567
Signature Residency REIT (SRR) 13,329,896 (30 June 2024: 13,329,896) Units of Rs. 10 each		133,298,960	1,122,726	134,421,686	134,421,686
Park View Apartment REIT 126,213,644 (30 June 2024: Nil) Units of Rs. 10 each	8.4	1,262,136,440	-	1,262,136,440	-
Gymkhana Apartment REIT 120,000,000 (30 June 2024: Nil) Units of Rs. 10 each	8.4	1,200,000,000	33,276,295	1,233,276,295	-
Musharaka Arrangements					
(Managed by Javedan Corporation Limited - a related party)					
Investment in JCL Musharaka Arrangement I		273,400,000	45,338,084	318,738,084	290,124,096
Investment in JCL Musharaka Arrangement II		157,000,000	-	157,000,000	-
		5,791,697,909	1,251,136,571	7,042,834,480	4,004,152,921

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2024

6.5 Other equity securities - designated at fair value through other comprehensive income

This represents investments made in Sun Biz (Private) Limited and Al-Khabeer Financial Services which were reassessed by the management on initial application of IFRS-9 and based on the available information, it was concluded that the fair value does not differ materially from carrying amount as at 31 December 2024.

6.6 Fair value of long term investments pledged with banking companies against various financing facilities availed by the company amounts to Rs. 20,842.55 million (30 June 2024: Rs. 11,593 million).

	Unaudited 31 December 2024	Audited 30 June 2024
7. LONG TERM LOAN TO RELATED PARTY		
At amortised cost		
Secured - Considered good Aisha Steel Mills Limited, a related company	-	78,103,657
Less: Current portion of long term loan	-	(28,433,492)
	<u>-</u>	<u>49,670,165</u>

7.1 During the period, Aisha Steel Mills Limited, a related party has fully repaid the outstanding long term loan. The repayment, comprising outstanding principal and markup due was received in full on 13 December 2024.

	Note	Unaudited 31 December 2024	Audited 30 June 2024
8. LOANS AND ADVANCES			
At amortised cost			
<i>Unsecured</i>			
Loans to related parties			
- Black Gold Power Limited		5,900,000	5,700,000
- Javedan Corporation Limited	8.1	400,000,000	200,000,000
- Globe Residency REIT		114,306,441	38,170,720
- Arif Habib Limited	8.2	1,585,000,000	-
- Aisha Steel Mills Limited	8.3	2,400,000,000	-
Advance for investment in			
- Pakistan Corporate CBD REIT		-	279,026,250
- Park View Apartment REIT	8.4	-	1,262,136,440
- Gymkhana Apartment REIT	8.4	-	1,200,000,000
- Silk Islamic Development REIT (SIDR)		100,000,000	100,000,000
Advance for purchase of investment properties - net		944,797,468	971,310,189
<i>Secured</i>			
- Current portion of long term loan to Aisha Steel Mills Limited	7	-	28,433,492
- Advance against salaries to employees		1,476,067	3,814,477
		<u>5,551,479,976</u>	<u>4,088,591,568</u>

8.1 The loan is repayable within 30 business days of notice of demand. The mark-up rate on the loan is 3 month KIBOR + 1.80% per annum and payable on quarterly basis. The effective rate of mark-up on the loan during the period ranged between 14.06% to 22.04% per annum (30 June 2024: ranged between 23.79% to 24.70%).

8.2 The loan is repayable within 30 business days of notice of demand. The effective rate of mark-up on the loan during the period was 16.50% fixed per annum and payable on quarterly basis.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2024

- 8.3** The loan is repayable within 30 business days of notice of demand. The mark-up rate on the loan is 3 month KIBOR + 1.80% per annum and payable on quarterly basis. The effective rate of mark-up on the loan during the period ranged between 15.54% to 22.04% per annum (30 June 2024: ranged between 23.43% to 24.71%).
- 8.4** Units corresponding to these advances have been issued in the current period. Accordingly, these advances have been reclassified to long term investments.
- 8.5** The carrying values of the loans and advances are neither past due nor impaired. The maximum amount outstanding from above related parties in respect of loans and advances at end of any month during the period was Rs. 4,505.20 million (30 June 2024: Rs. 2,553.10 million).

9. MARK-UP RECEIVABLE	Unaudited 31 December 2024	Audited 30 June 2024
	(Rupees)	
- Considered good		
From related parties:		
- Aisha Steel Mills Limited	50,027,411	46,264,840
- Javedan Corporation Limited	4,939,072	10,558,850
- Globe Residency REIT	7,301,665	1,455,228
- Silk Islamic Development REIT	29,387,507	19,001,370
- Power Cement Limited	1,445,966	-
- Arif Habib Limited	11,317,193	-
	104,418,814	77,280,288

- 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. 104.20 million (30 June 2024: Rs. 147.52 million).

10. PREPAYMENTS AND OTHER RECEIVABLES	Note	Unaudited 31 December 2024	Audited 30 June 2024
		(Rupees)	
Prepayments		12,887,378	1,392,768
Receivable from Arif Habib Limited	10.1	255,487,577	-
Receivable from Rahat Residency REIT		651,630,000	651,630,000
Guarantee commission receivable	10.2 & 10.3	2,389,491	2,742,750
Sales tax receivable		-	2,816,342
Others		2,270,682	2,167,057
		924,665,128	660,748,917

- 10.1** This represent amount receivable from Arif Habib Limited, brokerage house against sale of equity securities under T+2 mechanism.

10.2 Guarantee commission receivable	Unaudited 31 December 2024	Audited 30 June 2024
	(Rupees)	
Aisha Steel Mills Limited	283,284	283,284
Sachal Energy Development (Private) Limited	1,894,287	2,247,546
Power Cement Limited	211,920	211,920
	2,389,491	2,742,750

- 10.3** The maximum amount due in respect of guarantee commission receivable as at the end of any month during the period was Rs. 2.58 million (30 June 2024: Rs. 4.64 million).

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2024

11. SHORT TERM INVESTMENTS	Unaudited 31 December 2024 (Rupees)	Audited 30 June 2024
Equity securities at fair value through profit or loss		
Investment in ordinary shares of related parties	1,408,499,651	5,357,818,648
Investment in preference shares of related parties	455,981,487	558,976,188
Investment in ordinary shares of other companies	1,067,073,028	877,393,523
	<u>2,931,554,166</u>	<u>6,794,188,359</u>

11.1 Fair value of short term investments pledged with banking companies against various financing facilities availed by the Company amounts to Rs. 877.57 million (30 June 2024: Rs. 792.2 million).

12. CONTRIBUTIONS FROM MUSHARAKA PARTICIPANTS

This represents contributions received from Musharaka participants, namely Mr. Haji Ghani Usman and Mr. Iqbal Usman, under the Musharaka Agreement dated 27 December 2024.

The Musharaka Agreement establishes a joint arrangement for the acquisition, management, and potential development of Plot No. FL-06 and Plot No. COM-11, located in Naya Nazimabad, Karachi (refer note 5.1.1). Under the agreement:

- The company, as the managing partner, holds the legal title to the properties and is responsible for managing all operational aspects, including decisions regarding renting, selling, or reinvesting proceeds.
- The beneficial ownership of the properties is shared proportionately among the Musharaka participants in the following contribution and profit-sharing ratios:
 - Arif Habib Corporation Limited (AHCL): 63.8%
 - Mr. Haji Ghani Usman: 31.2%
 - Mr. Iqbal Usman: 5.0%

13. SHORT TERM BORROWINGS	Note	Unaudited 31 December 2024	Audited 30 June 2024
Running finance facilities	13.1	698,057,056	501,329,430
Short term loans	13.1	6,300,000,000	-
		<u>6,998,057,056</u>	<u>501,329,430</u>

13.1 The Company has short-term financing facilities from various commercial banks under mark-up arrangements, with a total available limit of Rs. 12,450 million (30 June 2024: Rs. 6,200 million). As of the reporting date, Rs. 698 million (30 June 2024: Rs. 501 million) has been utilized under running finance facilities, while Rs. 6,300 million (30 June 2024: Rs. Nil) has been availed as a short-term loan maturing upto 31 March 2025. Running finance facilities carry mark-up ranging from 3-month KIBOR plus 0.7% to 3-month KIBOR plus 1.75% per annum (30 June 2024: 3-month KIBOR plus 0.7% to 3-month KIBOR plus 1.75% per annum), calculated on a daily product basis payable quarterly, while short term loan carry mark-up at 3-month KIBOR minus 1.5% and 1-month KIBOR minus 1.0% (30 June 2024: Nil) calculated on a daily product basis payable quarterly. The running finance facilities have varying maturity dates, with the latest maturing on 28 February 2026, and are generally renewable. All financing facilities are secured against the pledge of marketable securities, with a margin requirement ranging from 30% to 50%.

14. UNPAID DIVIDEND

This represents dividend payable to Mr. Arif Habib, Mrs. Nida Ahsan, Mrs. Sharmin Shahid and Arif Habib 1857 (Private) Limited withheld on the instructions of these shareholders.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2024

15. CONTINGENCIES AND COMMITMENTS

15.1 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 for the year ended 30 June 2024 except for the following:

- Number of shares of Fatima Fertilizer Company Limited pledged with various banks for running finance facilities obtained by Arif Habib Limited, a subsidiary company has been reduced from 115.85 million to 100.85 million.
- The exposure against corporate guarantee on behalf of a subsidiary company, Sachal Energy Development (Private) Limited, has been reduced by USD 5 million. The total exposure has been reduced to USD 25 million (equivalent to Rs. 6,950 millions) out of USD 100 million due to timely repayment of loan.

Note	Unaudited			
	Six months period ended		Three months period ended	
	31 December 2024	31 December 2023 (Restated)	31 December 2024	31 December 2023 (Restated)
----- (Rupees) -----				

16. OTHER REVENUE

Guarantee commission income	5,056,105	6,630,026	2,431,823	2,527,661
Unwinding of interest on debt instrument	62,686,271	53,933,447	31,935,502	27,476,379
	67,742,376	60,563,473	34,367,325	30,004,040

16.1 This is the notional income that emerges from the unwinding of interest income on Fatima Fertilizer Company Limited (FFCL) - redeemable class A shares. This unwinding is determined by discounting the interest income to its present value at the point of initial recognition.

	Unaudited			
	Six months period ended		Three months period ended	
	31 December 2024	31 December 2023 (Restated)	31 December 2024	31 December 2023 (Restated)
----- (Rupees) -----				

17. NET FINANCE COST

Mark-up income on loans to associates and related parties	102,484,548	217,105,412	80,527,680	87,624,423
Mark-up income on bank deposits	1,370,272	876,648	708,289	423,828
Finance income	103,854,820	217,982,060	81,235,969	88,048,251
Mark-up on running finance under mark-up arrangement	385,456,461	344,953,029	191,763,066	110,897,035
Mark-up on sponsor loan	39,602,461	-	-	-
Bank charges	1,067,481	50,640	1,023,571	20,303
Interest expense - Lease Liability	2,548,858	3,211,586	1,274,429	1,605,793
Finance cost	428,675,261	348,215,255	194,061,066	112,523,131
Net Finance cost	(324,820,441)	(130,233,195)	(112,825,097)	(24,474,880)

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2024

	Unaudited			
	Six months period ended		Three months period ended	
	31 December	31 December	31 December	31 December
	2024	2023	2024	2023
		(Restated)		(Restated)
	----- (Rupees) -----			
18. LEVIES - FINAL TAX				
Final tax u/s 5	1,800,062	2,737,350	1,800,062	2,737,350

- 18.1** This represents final tax paid under section 5 of Income Tax Ordinance (ITO 2001), representing levy in terms of requirements of IFRIC 21 / IAS 37.

	Unaudited			
	Six months period ended		Three months period ended	
	31 December	31 December	31 December	31 December
	2024	2023	2024	2023
		(Restated)		(Restated)
	----- (Rupees) -----			
19. INCOME TAX EXPENSE				
Current	674,141,231	320,613,302	407,132,425	148,908,434
Prior	363,625	(4,780,706)	363,625	(4,780,706)
Deferred	2,405,148,816	348,696,168	1,989,014,596	241,341,781
	3,079,653,672	664,528,764	2,396,510,646	385,469,509

- 19.1** 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 and super tax. 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 unconsolidated financial statements is sufficient.

- 19.2** During the financial year 2021, the petition filed by the Company against the imposition of super tax for rehabilitation of temporarily displaced persons under section 4B of the Income Tax Ordinance, 2001 for the tax years 2015 to 2019 in the Honourable High Court of Sindh was rejected vide order dated 21 July 2020. The Company, in consultation with its legal and tax advisors, has filed an appeal against the decision of the Honourable High Court of Sindh in the Supreme Court of Pakistan.

Consequent to the High Court judgement, the tax authorities issued notices to the Company and subsequently framed orders for the recovery of super tax for the relevant tax years. An appeal has been filed against these orders with the Commissioner Inland Revenue (Appeals) along with stay against recovery of demand based on certain contentious and factual grounds. Further, through an interim order dated 26 November 2020, the Honourable Supreme Court of Pakistan has ordered for no coercive action against the petitioners who deposit 50% of outstanding tax demand, accordingly the Company had made the required deposit. The management has assessed the sufficiency of tax provision on account of super tax and considers that these are sufficient for the purpose.

- 19.3** The Government has levied a special tax from tax year 2022 and onwards on high earning persons. As per section 4C of the Income Tax Ordinance 2001 (the Ordinance), among others, where income exceeds Rs. 500 million, super tax shall be charged at a rate of 10% of income calculated under section 4C of the Ordinance. The Company has filed a constitutional petition against the imposition of such super tax on high earning persons including specified sectors in the Honourable Islamabad High Court and have obtained the stay order on its payment. The Company in consultation with its legal and tax advisor expects a positive outcome, however a provision amounting to Rs. 303.72 million for tax year 2023, Rs. 358.41 million for the tax year 2024 and Rs. 307.53 million for the tax year 2025 has been recorded in these condensed interim unconsolidated financial statements.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2024

- 19.4 Deferred tax assets have not been recognised in respect of 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.

20. 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 2024	31 December 2023 (Restated)	31 December 2024	31 December 2023 (Restated)
Profit for the period	15,157,085,221	4,518,953,808	11,817,682,066	3,584,617,374
Weighted average number of ordinary shares	421,696,747	421,696,747	421,696,747	421,696,747
Earnings per share - basic and diluted	35.94	10.72	28.02	8.50

21. NET CASH USED IN OPERATIONS

	Unaudited	
	Six months period ended	31 December
	31 December 2024	2023 (Restated)
Profit before levies and income tax	18,238,538,955	5,186,219,922
Adjustments for:		
Depreciation	9,159,334	8,485,167
Amortisation	77,370	77,370
Dividend income	(3,339,662,907)	(2,001,314,802)
Mark-up on loans and advances	(102,484,548)	(217,105,412)
Mark-up on bank deposits	(1,370,272)	(876,648)
Gain on remeasurement of long term investments	(13,830,049,705)	(1,762,554,656)
Gain on remeasurement of short term investments - net	(957,636,094)	(1,458,536,671)
Capital gain on sale of long term investment	(49,291,591)	-
Loss on disposal of assets	45,207	-
Net change in fair value of investment properties	12,436,679	-
Exchange (gain)/loss on foreign currency translation	(8,384)	179,900
Unwinding of interest income on debt instrument	(62,686,271)	(53,933,447)
Finance cost	428,675,261	348,215,255
	(17,892,795,921)	(5,137,363,944)
	345,743,034	48,855,978
Effect on cash flow due to working capital changes		
(Increase) / Decrease in current assets		
Loans and advances	(3,908,630,978)	(221,241,886)
Prepayments and other receivables	(263,916,211)	329,095,244
Short term investments	1,822,147,701	113,327,377
	(2,350,399,488)	221,180,735
(Decrease) / increase in current liabilities		
Other payables	(541,154,061)	(1,106,316,014)
Unclaimed dividend	6,395,528	(43,765)
	(534,758,533)	(1,106,359,779)
Net cash used in operations	(2,539,414,987)	(836,323,066)

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2024

		Unaudited Six months period ended	
		31 December 2024	31 December 2023 (Restated)
		(Rupees)	
22.	CASH AND CASH EQUIVALENTS	Note	
	Cash and bank balances		39,947,543
	Short term running finance	13	(1,695,347,309)
			<u>(646,455,928)</u>

23. 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	Total
	----- (Rupees) -----			
As at 31 December 2024				
Financial assets measured at fair value				
Long term investments	38,554,433,655	-	5,737,693,624	44,292,127,279
Short term investments	2,931,554,166	-	-	2,931,554,166
Financial assets not measured at fair value				
Long term investments - subsidiaries*	2,791,069,410	-	-	2,791,069,410
	<u>44,277,057,231</u>	<u>-</u>	<u>5,737,693,624</u>	<u>50,014,750,855</u>
As at 30 June 2024				
Financial assets measured at fair value				
Long term investments	17,829,089,974	-	2,798,170,611	20,627,260,585
Short term investments	6,794,188,359	-	-	6,794,188,359
Financial assets not measured at fair value				
Long term investments - subsidiaries*	2,811,739,283	-	-	2,811,739,283
	<u>27,435,017,616</u>	<u>-</u>	<u>2,798,170,611</u>	<u>30,233,188,227</u>

* 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.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2024

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

24. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of group companies (including subsidiaries and associates), 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 terms. Remuneration and benefits to key management personnel of the Company are in accordance with the terms of the employment while contribution to the provident fund is in accordance with staff service rules.

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

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

Name of the related party	Transactions during the period	Unaudited Six months period ended	
		31 December 2024	31 December 2023 (Restated)
(Rupees)			
Subsidiaries			
Arif Habib Limited	Services availed	6,583,100	1,368,115
	Loan extended	1,585,000,000	-
	Markup income	11,317,193	-
	Dividend income / received	249,899,890	119,121,305
	Guarantee commission received	686,383	1,178,822
Sachal Energy Development (Private) Limited	Guarantee commission income	3,981,037	5,554,958
	Guarantee commission received	4,334,294	5,731,744
	Dividend income / received	1,373,232,530	686,616,265
Black Gold Power Limited	Loan extended	200,000	-
Associates			
Fatima Fertilizer Company Limited	Dividend income / received	932,250,567	639,266,897
	Mark-up income on loan	-	100,667,963
	Mark-up received	-	86,227,246

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2024

Name of the related party	Transactions during the period	Unaudited Six months period ended	
		31 December 2024	31 December 2023 (Restated)
		(Rupees)	
Javedan Corporation Limited	Mark-up income on loan	7,834,962	102,446,480
	Mark-up received	13,454,740	91,943,567
	Dividend income / received	602,132,428	257,304,702
	Loan extended	795,400,000	4,450,000,000
	Loan repayment	595,400,000	4,424,250,000
	Advance against musharaka contribution	-	136,920,000
	Investment properties sold	49,363,321	-
Power Cement Limited	Guarantee commission income	423,840	423,840
	Guarantee commission received	423,840	415,958
	Loan extended	875,000,000	-
	Loan repayment	875,000,000	-
	Markup income	1,445,966	-
Safe Mix Concrete Limited	Dividend income / received	13,816,036	-
Associated companies by virtue of common directorship			
Aisha Steel Mills Limited	Mark-up income on loan	65,653,852	13,990,969
	Mark-up received	61,891,280	72,847,074
	Loan extended	3,650,000,000	890,000,000
	Loan repayment	1,250,000,000	904,216,746
	Guarantee commission income	651,228	651,228
	Guarantee commission received	651,228	630,650
Rotocast Engineering Company (Private) Limited	Payment of rent and sharing of utilities, insurance and maintenance charges	26,685,968	20,752,551
Globe Residency REIT	Dividend income / received	156,331,040	280,756,633

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2024

Name of the related party	Transactions during the period	Unaudited Six months period ended	
		31 December 2024	31 December 2023 (Restated)
		(Rupees)	
Others			
Employees retirement benefit fund - Provident fund	Company's Contribution	1,893,168	1,819,003
Mr. Arif Habib (Chief Executive Officer)	Loan received	2,864,000,000	-
	Loan repaid	3,664,000,000	-
Remuneration of chief executive officer, directors, key management personnel and executives			
Salaries and other benefits		28,860,895	23,497,866
Contribution to provident fund		1,370,502	1,382,424
Mr. Asadullah Khawaja	Meeting fee paid	150,000	150,000
	Dividend paid	567,042	-
Ms. Zeba Bakhtiar	Meeting fee paid	150,000	150,000
	Dividend paid	700	-
Mr. Nasim Beg	Meeting fee paid	150,000	200,000
	Dividend paid	14,546	-
Mr. Abdus Samad	Meeting fee paid	150,000	200,000
	Dividend paid	7,042	-
Mr. Muhammad Ejaz	Meeting fee paid	150,000	275,000
	Dividend paid	847	-
Mr. Muhammad Kashif	Meeting fee paid	150,000	275,000
	Dividend paid	247,030	-
Mr. Khawaja Najamuddin Roomi	Meeting fee paid	75,000	200,000
	Dividend paid	1,911,000	-


NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2024

Name of the related party	Nature of balance	Unaudited	Audited
		31 December 2024 (Rupees)	30 June 2024
Balances as at:			
Arif Habib Limited	Receivable against sale of securities	255,505,545	-
	Payable against CDC charges	17,968	50,646
Rotocast Engineering Company (Private) Limited	Payable against monthly expense contribution	1,119,756	1,376,222
	Prepaid Rent	9,004,974	-
Mr. Arif Habib (Chief Executive Officer)	Dividend payable	2,325,297,366	-
	Mark-up payable	7,681,868	-
	Loan payable	-	800,000,000
Javedan Corporation Limited	Payable against purchase of investment properties	266,545,000	-

25. DATE OF AUTHORISATION FOR ISSUE


These condensed interim unconsolidated financial statements have been authorised for issue February 18, 2025 on by the Board of Directors of the Company.



Chief Executive Officer



Director



Chief Financial Officer

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Condensed Interim Consolidated Financial Statements

For the six months period ended 31st December 2024

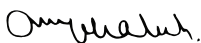
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CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st December 2024

	Note	Unaudited 31 December 2024 (Rupees)	Audited 30 June 2024
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	16,176,314,848	16,862,656,879
Intangible assets		796,634	978,594
Goodwill		910,206,117	910,206,117
Trading right entitlement certificate, membership cards and offices		5,600,000	5,600,000
Investment properties	6	1,817,920,000	207,900,000
Equity accounted investees	7	29,743,764,127	19,528,823,031
Other long term investments	8	7,944,454,710	4,832,776,004
Long term loan to related party		-	49,670,165
Long term deposits and other receivables		32,000,751	56,374,711
		56,631,057,187	42,454,985,501
CURRENT ASSETS			
Trade debts		4,779,445,089	5,766,986,879
Loans and advances		3,974,297,316	4,088,604,166
Deposits and prepayments		678,078,315	304,237,366
Receivable under margin trading system		3,643,354	12,631,269
Accrued mark-up and other receivables		2,519,754,169	1,233,332,362
Short term investments	9	5,260,474,976	7,344,894,001
Cash and bank balances		5,364,929,936	3,768,472,554
		22,580,623,155	22,519,158,597
TOTAL ASSETS		79,211,680,342	64,974,144,098

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



Chief Executive Officer



Director



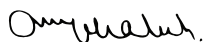
Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st December 2024

	Note	Unaudited 31 December 2024	Audited 30 June 2024
(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		4,216,967,470	4,083,750,000
Shares to be issued under scheme of arrangement		-	133,217,470
		4,216,967,470	4,216,967,470
Capital reserve			
Surplus on revaluation		7,835,000	7,835,000
Revenue reserves			
General reserve		4,019,567,665	4,019,567,665
Unappropriated profit		37,767,302,931	34,805,458,414
Equity attributable to owners of the Parent Company		46,011,673,066	43,049,828,549
Non-controlling interest		2,375,748,286	2,364,303,954
TOTAL EQUITY		48,387,421,352	45,414,132,503
NON-CURRENT LIABILITIES			
Long term loans - secured		4,079,659,364	5,449,490,891
Contributions from Musharaka participants	10	522,537,950	-
Land lease liability		34,581,062	11,868,514
Lease liability against right-of-use assets		36,676,556	84,203,968
Staff retirement benefits		48,167,832	46,016,466
Deferred taxation - net		5,319,827,499	4,095,822,090
		10,041,450,263	9,687,401,929
CURRENT LIABILITIES			
Trade and other payables		5,589,977,570	3,717,948,719
Accrued mark-up		216,336,803	264,357,754
Sales tax payable		84,951,011	208,926,360
Short term borrowings		7,031,184,587	1,165,647,311
Loan from sponsor		1,250,000,000	800,000,000
Current portion of long term loans - secured		2,788,500,000	2,788,000,000
Current portion of lease liability against right-of-use assets		44,061,986	51,881,487
Current portion of land lease liability		9,280,000	1,360,000
Payable against purchase of investment - net		-	198,721,206
Taxation - net		1,096,588,636	631,925,278
Unpaid dividend		2,620,099,051	-
Unclaimed dividend		51,829,083	43,841,551
		20,782,808,727	9,872,609,666
TOTAL LIABILITIES		30,824,258,990	19,560,011,595
Contingencies and commitments	11		
TOTAL EQUITY AND LIABILITIES		79,211,680,342	64,974,144,098


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



Chief Executive Officer



Director



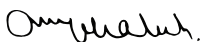
Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

For the six months period ended 31st December 2024

	Note	Six months period ended		Three months period ended	
		31 December 2024	31 December 2023 (Restated)	31 December 2024	31 December 2023 (Restated)
(Rupees)					
Revenue	12	4,714,323,702	5,178,016,562	1,551,560,619	1,742,692,917
Gain on remeasurement of investments - net		2,098,035,666	1,596,231,134	1,854,214,488	1,493,958,820
Gain / (loss) on sale of investments - net		868,590,487	(919,567)	706,162,474	64,353,614
Loss on remeasurement of investment properties		(76,899,675)	(749,029)	(56,481,100)	(749,029)
Gain on sale of investments property		64,462,996	649,029	42,844,421	649,029
		7,668,513,176	6,773,228,129	4,098,300,902	3,300,905,351
Cost of energy sales		(966,128,806)	(962,774,287)	(488,954,193)	(484,137,059)
Administrative expenses		(1,299,292,508)	(653,150,146)	(1,027,764,170)	(282,010,245)
Other income		52,312,650	11,583,086	25,658,125	3,846,370
Finance cost		(869,948,595)	(1,008,586,524)	(408,560,124)	(452,844,876)
Other charges		(51,279,655)	(5,651,813)	(49,224,184)	(5,649,563)
		4,534,176,262	4,154,648,445	2,149,456,356	2,080,109,978
Share of profit of equity-accounted associates investees - net of tax		3,905,618,189	2,674,308,109	2,337,519,266	1,495,839,504
Profit before levies and income tax		8,439,794,451	6,828,956,554	4,486,975,622	3,575,949,482
Levies - Final tax		(68,403,343)	-	(68,403,343)	-
Profit before income tax		8,371,391,108	6,828,956,554	4,418,572,279	3,575,949,482
Income tax expense	13	(2,048,659,218)	(1,079,978,187)	(1,291,210,667)	(701,808,378)
Profit for the period		6,322,731,890	5,748,978,367	3,127,361,612	2,874,141,104
Profit attributable to:					
Equity holders of the Parent Company		5,986,287,149	5,431,206,984	3,081,921,078	2,816,907,214
Non-controlling interests		336,444,741	317,771,383	45,440,534	57,233,890
		6,322,731,890	5,748,978,367	3,127,361,612	2,874,141,104
Earnings per share - basic & diluted	16	14.66	13.30	7.55	6.90

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



Chief Executive Officer



Director



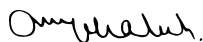
Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the six months period ended 31st December 2024

	<u>Six months period ended</u>		<u>Three months period ended</u>	
	31 December 2024	31 December 2023 (Restated)	31 December 2024	31 December 2023 (Restated)
	(Rupees)			
Profit for the period	6,322,731,890	5,748,978,367	3,127,361,612	2,874,141,104
Other comprehensive income				
<i>Items that will not be reclassified subsequently to consolidated statement of profit or loss</i>				
Share of other comprehensive income of equity-accounted associates - net of tax	(9,442,712)	(14,825,440)	(25,949,444)	(14,825,440)
Other comprehensive loss for the period - net of tax	(9,442,712)	(14,825,440)	(25,949,444)	(14,825,440)
Total comprehensive income for the period	6,313,289,178	5,734,152,927	3,101,412,168	2,859,315,664
Total comprehensive income attributable to:				
Equity holders of the Parent Company	5,976,844,437	5,416,381,544	3,055,971,634	2,802,081,774
Non-controlling interests	336,444,741	317,771,383	45,440,534	57,233,890
	6,313,289,178	5,734,152,927	3,101,412,168	2,859,315,664

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



Chief Executive Officer



Director



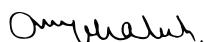
Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months period ended 31st December 2024

	Equity attributable to owners of the Parent					Non-controlling interests	Total equity	
	Issued, subscribed and paid up share capital	Shares to be issued under scheme of arrangement	Capital reserve	Revenue reserves				Total
			Surplus on revaluation	General reserve	Unappropriated profit			
	(Rupees)							
Balance as at 1 July 2023	4,083,750,000	-	7,835,000	4,019,567,665	26,004,636,795	34,115,789,460	3,070,755,570	37,186,545,030
Transactions with owners of the Company recorded directly in equity								
Effect of scheme of arrangement - note 1.1.1	-	133,217,470	-	-	995,762,895	1,128,980,365	(1,128,980,365)	-
Total comprehensive income for the six months period 31 December 2023								
Profit for the period (restated)	-	-	-	-	5,431,206,984	5,431,206,984	317,771,383	5,748,978,367
Other comprehensive loss (restated)	-	-	-	-	(14,825,440)	(14,825,440)	-	(14,825,440)
	-	-	-	-	5,416,381,544	5,416,381,544	317,771,383	5,734,152,927
Distribution by subsidiaries	-	-	-	-	-	-	(157,612,430)	(157,612,430)
Balance as at 31 December 2023 (restated)	4,083,750,000	133,217,470	7,835,000	4,019,567,665	32,416,781,234	40,661,151,369	2,101,934,158	42,763,085,527
Total comprehensive income for the six months period ended 30 June 2024								
Profit for the period (restated)	-	-	-	-	2,388,975,711	2,388,975,711	375,753,531	2,764,729,242
Other comprehensive loss (restated)	-	-	-	-	(298,531)	(298,531)	-	(298,531)
	-	-	-	-	2,388,677,180	2,388,677,180	375,753,531	2,764,430,711
Distribution by subsidiaries	-	-	-	-	-	-	(113,383,735)	(113,383,735)
Balance as at 30 June 2024	4,083,750,000	133,217,470	7,835,000	4,019,567,665	34,805,458,414	43,049,828,549	2,364,303,954	45,414,132,503
Total comprehensive income for the six months period ended 31 December 2024								
Profit for the period	-	-	-	-	5,986,287,149	5,986,287,149	336,444,741	6,322,731,890
Other comprehensive income	-	-	-	-	(9,442,712)	(9,442,712)	-	(9,442,712)
	-	-	-	-	5,976,844,437	5,976,844,437	336,444,741	6,313,289,178
Transactions with owners of the Company recorded directly in equity								
Final cash dividend at the rate of Rs. 7 per share for the year ended 30 June 2024	-	-	-	-	(2,951,877,229)	(2,951,877,229)	-	(2,951,877,229)
Distribution by subsidiaries	-	-	-	-	-	-	(303,567,580)	(303,567,580)
Acquisition of equity interest in subsidiary without change in control - net	-	-	-	-	(63,122,691)	(63,122,691)	(21,432,829)	(84,555,520)
Shares issued under scheme of arrangement	133,217,470	(133,217,470)	-	-	-	-	-	-
Balance as at 31 December 2024	4,216,967,470	-	7,835,000	4,019,567,665	37,767,302,931	46,011,673,066	2,375,748,286	48,387,421,352

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



Chief Executive Officer



Director



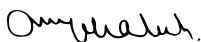
Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six months period ended 31st December 2024

	Note	Six months period ended	
		31 December 2024	31 December 2023
(Rupees)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	14	2,069,586,515	3,128,545,697
Income taxes paid		(428,393,794)	(279,849,221)
Finance cost paid		(868,343,610)	(1,077,759,709)
Mark-up received		405,378,387	510,967,131
Dividend received		229,093,412	645,588,757
Gratuity paid		(969,501)	(2,146,200)
Net cash generated from operating activities		1,406,351,409	2,925,346,455
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(6,564,454)	(4,201,585)
Acquisition of long term investments		(157,000,000)	(11,379,389)
Acquisition of investment properties		(1,710,020,000)	-
Acquisition of equity interest in subsidiary - net		(84,555,520)	-
Acquisition of equity accounted investees		(4,507,198,513)	-
Proceeds from sale of equity accounted investees		284,116,507	-
Proceeds from sale of property, plant and equipment		134,000	320,000
Proceeds from sale of investment property		87,563,321	7,500,000
Long term deposit and other receivables recovered / (paid)		24,373,960	(22,000)
Dividend from equity accounted investee		1,493,199,031	558,250,361
Net cash (used in) / generated from investing activities		(4,575,951,668)	550,467,387
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan received from sponsor - net		450,000,000	-
Contributions received from Musharaka participants		522,537,950	-
Lease rentals paid		(40,921,828)	(29,189,820)
Repayment of long term loan		(1,395,750,000)	(1,474,500,000)
Dividend paid		(331,778,178)	-
Distribution by subsidiary to non-controlling interest		(303,567,580)	(157,612,430)
Net cash used in financing activities		(1,099,479,636)	(1,661,302,250)
Net change in cash and cash equivalents		(4,269,079,894)	1,814,511,592
Cash and cash equivalents at beginning of the period		2,602,825,243	(2,287,798,647)
Cash and cash equivalents at end of the period	15	(1,666,254,651)	(473,287,055)

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



Chief Executive Officer



Director



Chief Financial Officer

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2024

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. 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 2024 comprise of the Parent Company and following subsidiaries and associated companies (here-in-after referred to as "the Group").

Name of Companies	Note	Effective holding
Subsidiaries		
- Arif Habib Limited, a brokerage house	1.1.1	<u>74.94%</u>
- Rayaan Commodities (Private) Limited, (formerly Arif Habib Commodities (Private) Limited), investment management of commodities [wholly owned subsidiary of Arif Habib Limited]	1.1.2	<u>74.94%</u>
- Sachal Energy Development (Private) Limited, a wind power generation company	1.1.3	<u>85.83%</u>
- Black Gold Power Limited, a coal power generation company	1.1.4	<u>100.00%</u>
Associate		
- Fatima Fertilizer Company Limited, a fertilizer company	1.1.5	<u>15.19%</u>
- Safe Mix Concrete Limited, a ready mix concrete manufacturing company	1.1.6	<u>27.63%</u>
- Power Cement Limited, a cement manufacturing company	1.1.7	<u>25.31%</u>
- Javedan Corporation Limited, a real estate company	1.1.8	<u>39.52%</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. During the period, the Parent Company has purchased 1.31 million shares on net basis of AHL, a subsidiary Company, resulting in increase in the Company's holding from 72.92% to 74.94%.

Scheme of Arrangement / Merger

On 21 October, 2024, the High Court of Sindh sanctioned the Scheme of Arrangement (the "Scheme") approved by the shareholders of Arif Habib Corporation Limited (AHCL), and Arif Habib Limited (AHL). The Scheme involves the demerger of certain non-core businesses from AHL, with these businesses being merged into AHCL, effective from 01 July, 2023. In consideration for this merger, AHCL has allotted 13,321,747 ordinary shares to AHL's shareholders (excluding AHCL itself) based on a swap ratio of 0.8673 shares of AHCL for every 1 share of AHL. These shares were issued on 18 November 2024.

The transaction represents a common control transaction, as AHCL holds a controlling interest in AHL. The merger is accounted for using the predecessor method of accounting, whereby the assets and liabilities of the Demerged Undertaking are recognized in AHCL's financial statements at their historical carrying values.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2024

Restatement of Comparative Information for the period ended 31 December 2024

In accordance with the Accounting Standard on Common Control Transactions, the comparative information for the Consolidated Statement of Profit or Loss and Other Comprehensive Income and Consolidated Statement of Changes in Equity have been restated to reflect the inclusion of the Demerged Undertaking as part of the Company's operations from July 1, 2023. The comparative consolidated Statement of Financial Position has not been restated, as the Scheme's impact was already incorporated into the balances reported as of June 30, 2024. The restatement ensures that financial performance and movements in equity are presented consistently as if the restructuring had occurred at the beginning of the earliest comparative period presented, with adjustments to comparatives reflecting the transfer of income and expenses and non controlling interest related to the Demerged Undertaking.

Further, The Institute of Chartered Accountant of Pakistan (ICAP) have withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes" via circular No. 07/2024 dated 15 May 2024. The said guidance requires certain amounts of tax paid under minimum and final tax regime to be shown separately as a levy instead of showing it in current tax.

Accordingly, the impact has been incorporated in these condensed interim consolidated financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) - 'Accounting Policies, Change in Accounting Estimates and Errors'. This requirement was already applied in the consolidated financial statements of the Company for the year ended 30 June 2024. Accordingly the figures of prior period in these condensed interim consolidated financial statements have been restated. There is no effect on the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows and consolidated earning per share as a result of this change.

	Six months period ended 31 December 2024			Six months period ended 31 December 2023		
	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of changes in accounting policy	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of changes in accounting policy
	(Rupees)					
Effect on consolidated statement of profit or loss and other comprehensive income						
Levies	-	(68,403,343)	(68,403,343)	-	-	-
Profit before income tax	8,439,794,451	(68,403,343)	8,371,391,108	6,828,956,554	-	6,828,956,554
Income tax expense	(2,117,062,561)	68,403,343	(2,048,659,218)	(1,079,978,187)	-	(1,079,978,187)

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

1.1.3 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.

1.1.4 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.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2024

- 1.1.5** Fatima Fertilizer Company Limited (FFCL) was incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) and is listed on Pakistan Stock Exchange. Fatimafert Limited, Fatima Cement Limited, Fatima Packaging Limited and Pan-Africa Fertilizers Limited are wholly owned subsidiaries of the FFCL. Fatimafert Limited, Fatima Cement and Fatima Packaging Limited are incorporated in Pakistan under the Companies Act, 2017 and Pan Africa Fertilizers Limited is incorporated in Kenya. The principal activity of the FFCL and its subsidiaries is manufacturing, producing, buying, selling, importing and exporting fertilizers, chemicals, cement and polypropylene sacks, cloth, liner & bags. The registered office of the FFCL, Fatimafert Limited, Fatima Packaging Limited and Fatima Cement Limited is situated at E-110, Khayaban-e-Jinnah, Lahore Cantt, whereas the registered office of Pan Africa Fertilizers Limited is situated at Westlands District, Nairobi, Kenya. The manufacturing facilities of the FFCL are located at Mukhtargarh - Sadiqabad, Khanewal Road - Multan and Chichoki Mallian - Sheikhpura, Pakistan.

The Parent company has its representation on the Board of FFCL and accordingly treated as an 'Associate'.

- 1.1.6** Safe Mix Concrete Limited (SMCL) was incorporated on 04 April 2005 as a Private Limited Company. Subsequently, it was converted into Public Limited Company on 21 February 2007 in accordance with the provisions of section 45 read with section 41(3) of the Companies Ordinance, 1984 (now Companies Act, 2017). On 16 March 2010 SMCL was listed on Karachi Stock Exchange. The principal activity of SMCL is production and supply of ready mix concrete. Based on the shareholding percentage, it is classified as an associate.
- 1.1.7** Power Cement Limited (PCL) was incorporated in Pakistan as a private limited company on December 1, 1981 and was converted into a public limited company on July 9, 1987. The Company is listed on Pakistan Stock Exchange. The Company's principal activity is manufacturing, selling and marketing of cement. The registered office of the Company is situated at Arif Habib Centre, 23 M.T.Khan Road, Karachi and its production facility is situated at Deh Kalo Kohar, Nooriabad Industrial Estate, District Jamshoro (Sindh). Based on the shareholding percentage, it is classified as an associate.
- 1.1.8** Javedan Corporation Limited (JCL) was incorporated in Pakistan on June 08, 1961, as a public limited company under the repealed Companies Act, 1913 (now Companies Act, 2017) and is listed on Pakistan Stock Exchange Limited. The registered office of the Company is located at Arif Habib Centre, 23, M.T Khan Road, Karachi. The Company has ceased its cement business since July 01, 2010 and the management has developed business diversification strategy for utilizing the Company's land having area of 1,367 acres for developing a housing scheme, "Naya Nazimabad", that includes bungalows, open plots, flat sites and commercial sites. Based on the shareholding percentage, it is classified as an associate.

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
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, 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 2024.

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 2024.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2024

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. MATERIAL ACCOUNTING POLICY INFORMATION

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 2024, with the exception of adjustments related to the Scheme of Arrangement as explained in note 1.1.1 in these condensed interim consolidated financial statements.

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 2024 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 2025. 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.

The following standard and amendment are not effective for the accounting periods beginning on or after 1 January 2024 and have not been early adopted by the Company:

Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments are:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

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 2024.

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 2024.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2024

5. PROPERTY, PLANT AND EQUIPMENT

Capital expenditure incurred during the period amounted to Rs. 6.56 million (30 June 2024: Rs. 9.94 million). The exchange gain of Rs. 7 million (30 June 2024: Rs. 245.5 million) has also been recognised. Further, assets having written down value of Rs. 0.24 million (30 June 2024: Rs. 0.62 million) were disposed off during the period.

	Note	Unaudited 31 December 2024	Audited 30 June 2024
(Rupees)			
6. INVESTMENT PROPERTIES			
Open plots of land - at fair value	6.1	1,817,920,000	207,900,000
6.1 Movement is as follows:			
Opening carrying amount (at fair value)	6.2	207,900,000	202,000,000
Additions during the period / year		1,710,020,000	-
Disposals during the period / year - Sale proceeds		(87,563,321)	(7,500,000)
Net change in fair value		(12,436,679)	13,400,000
Closing carrying amount (at fair value)		1,817,920,000	207,900,000

6.2 This represents the cost of two plots, FL-06 and COM-11, located in Naya Nazimabad, Karachi, acquired during the period by Parent Company from Javedan Corporation Limited (JCL), a related party, under an Agreement.

As per the terms of the Agreement, an installment of Rs. 266.55 million related to this purchase is payable by December 31, 2025. Additionally, JCL has undertaken to execute the conveyance deed in favor of the Parent Company upon demand and to complete all necessary registrations, entries, and mutations in the records of the relevant authorities.

	Note	Unaudited 31 December 2024	Audited 30 June 2024
(Rupees)			
7. EQUITY ACCOUNTED INVESTEES			
Fatima Fertilizer Company Limited (FFCL)	7.1	21,935,296,818	19,356,207,950
Safemix Concrete Limited (SMCL)	7.2	140,909,640	172,615,081
Power Cement Limited (PCL)	7.3	1,903,929,748	-
Javedan Corporation Limited (JCL)	7.4	5,763,627,921	-
		29,743,764,127	19,528,823,031

7.1 Investment in FFCL (quoted) represents 319 million (30 June 2024: 319 million) fully paid ordinary shares of Rs. 10 each, representing 15.19% (30 June 2024: 15.19%) of FFCL's paid up share capital as at 31 December 2024. Fair value per share as at 31 December 2024 is Rs. 78.28 (30 June 2024: Rs. 51.62) which is based on quoted share price on stock exchange at reporting date.

7.2 Investment in SMCL (quoted) represents 6.90 million (30 June 2024: 8.09 million) fully paid ordinary shares of Rs. 10 each, representing 27.63% (30 June 2024: 32.40%) of SMCL's paid up share capital as at 31 December 2024. Fair value per share as at 31 December 2024 is Rs. 21.74 (30 June 2024: Rs. 19.30) which is based on quoted share price on stock exchange at reporting date.

7.3 During the period, the Parent Company has purchased 238.71 million ordinary shares on net basis of PCL, resulting in increase in the Company's holding in ordinary shares from 6.50% to 27.97%. The shareholding increased from 7.23% to 25.31% of the ordinary and preference shares issued by PCL. As a result, PCL has been classified as an associate under IAS 28 "Investments in Associates and Joint Ventures".

7.4 During the period, the Parent Company has purchased 74.98 million shares on net basis of JCL, resulting in increase in the Company's holding from 19.84% to 39.52%, thereby obtaining significant influence over the company. As a result, JCL has been classified as an associate under IAS 28 "Investments in Associates and Joint Ventures".

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2024

Note	Unaudited 31 December 2024 (Rupees)	Audited 30 June 2024
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8. OTHER LONG TERM INVESTMENTS

Equity securities - at FVOCI	-	-
Equity securities - designated at FVTPL	40,772,483	30,461,607
Debt instruments - at FVTPL	7,042,834,480	4,004,152,921
Debt instrument - at amortised cost	860,847,747	798,161,476
	<u>7,944,454,710</u>	<u>4,832,776,004</u>

8.1 This includes investment in limited life REIT Schemes managed by Arif Habib Dolmen REIT Management Limited and Musharka funds managed by JCL.

Unaudited 31 December 2024 (Rupees)	Audited 30 June 2024
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9. SHORT TERM INVESTMENTS

Equity securities - at fair value through profit and loss	5,260,474,976	7,279,016,292
Debt securities - at fair value through profit and loss	-	65,877,709
	<u>5,260,474,976</u>	<u>7,344,894,001</u>

9.1 Fair value of short term investments pledged with various banking companies against various finance facilities availed by the Group amounts of Rs. 877.57 million (30 June 2024: Rs. 1,924.82 million).

10. CONTRIBUTIONS FROM MUSHARAKA PARTICIPANTS

This represents contributions received by Parent Company from Musharaka participants, namely Mr. Haji Ghani Usman and Mr. Iqbal Usman, under the Musharaka Agreement dated 27 December 2024.

The Musharaka Agreement establishes a joint arrangement for the acquisition, management, and potential development of Plot No. FL-06 and Plot No. COM-11, located in Naya Nazimabad, Karachi (refer note 6.2). Under the agreement:

- The Parent company, as the managing partner, holds the legal title to the properties and is responsible for managing all operational aspects, including decisions regarding renting, selling, or reinvesting proceeds.
- The beneficial ownership of the properties is shared proportionately among the Musharaka participants in the following contribution and profit-sharing ratios:
- Arif Habib Corporation Limited, Parent Company: 63.8%
- Mr. Haji Ghani Usman: 31.2%
- Mr. Iqbal Usman: 5.0%

11. CONTINGENCIES AND COMMITMENTS

11.1 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 2024 except for the following:

Parent Company

11.1.1 Number of shares of Fatima Fertilizer Company Limited pledged with various banks for running finance facilities obtained by Arif Habib Limited, a subsidiary company has been reduced from 115.85 million to 100.85 million.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2024

- 11.1.2** 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 25 million (equivalent to Rs. 6,950 millions) out of USD 100 million due to timely repayment of loan.

AHL, Subsidiary Company

Unaudited
31 December
2024
(Rupees)

Audited
30 June
2024

- 11.2** Following commitments are outstanding:

- Outstanding Settlements against Marginal Trading contracts	823,593,612	138,417,338
- Outstanding Settlements against sale / (purchase) of securities in regular market	478,268,924	97,136,093
- Financial guarantee given by a commercial bank on behalf of AHL	647,500,000	750,000,000

Unaudited

Six months period ended		Three months period ended	
31 December	31 December	31 December	31 December
2024	2023	2024	2023
----- (Rupees) -----			

12. REVENUE

Revenue from sale of energy - net	3,204,252,821	3,589,383,007	663,076,648	942,270,904
Dividend income	229,093,412	645,588,757	17,731,622	278,821,823
Brokerage income	620,554,037	387,878,382	408,284,631	234,992,936
Mark-up income on loans and advances	91,167,355	217,105,412	69,210,487	87,624,423
Mark-up income on bank deposits	330,537,122	180,850,115	252,144,133	104,196,998
Unwinding of interest of debt instrument	62,686,271	53,933,447	31,935,502	27,476,379
Underwriting, consultancy and placement commission	138,138,850	48,095,648	85,643,700	26,094,780
Mark-up income on margin financing	33,646,632	27,431,909	20,075,074	16,789,582
Mark-up income on corporate debt securities	3,172,134	23,867,759	2,921,288	21,080,500
Guarantee Commission income	1,075,068	3,882,126	537,534	3,344,592
	4,714,323,702	5,178,016,562	1,551,560,619	1,742,692,917

Unaudited

Six months period ended		Three months period ended	
31 December	31 December	31 December	31 December
2024	2023	2024	2023
----- (Rupees) -----			

13. TAXATION

Current	824,290,185	391,798,494	503,482,321	185,057,076
Prior	363,625	(4,780,706)	363,625	(4,780,706)
Deferred	1,224,005,408	692,960,399	787,364,721	521,532,008
	2,048,659,218	1,079,978,187	1,291,210,667	701,808,378

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2024

14. CASH GENERATED FROM OPERATIONS	Unaudited	
	Six months period ended	
	31 December 2024	31 December 2023
Profit before levies and income tax	8,439,794,451	6,828,956,554
Adjustments for:		
Depreciation	687,132,365	692,840,659
Amortisation of intangible assets	181,960	139,692
Dividend income	(229,093,412)	(645,588,757)
Loss on sale of property, plant and equipment	102,320	302,588
Unrealised gain on remeasurement of investments	(2,098,035,666)	(1,596,231,134)
Loss on disposal of equity-accounted associates - net	18,183,686	-
Share of profit of equity-accounted associates - net of tax	(3,905,618,189)	(2,674,308,109)
Mark-up income	(424,876,611)	(421,823,286)
Unwinding of interest income on debt instrument	(62,686,271)	(53,933,447)
Amortisation of land lease rent	30,632,548	(480,559)
Amortisation of transaction cost	33,418,473	47,327,421
Interest expense on lease	16,207,463	12,166,626
Finance cost	836,530,122	961,259,103
Provision for gratuity	3,120,867	4,150,914
Provision for expected credit losses	-	1,854,955
Exchange loss on foreign currency translation	152,876	179,900
Mark up on reverse repo transactions	-	(9,133,216)
Net change in fair value of investment properties	12,436,679	100,000
	(5,082,210,790)	(3,681,176,650)
Operating profit before working capital changes	3,357,583,661	3,147,779,904
Changes in working capital:		
<i>(Increase) / decrease in current assets</i>		
Trade debts	987,541,790	(685,317,106)
Loans and advances	(2,298,159,425)	(11,954,996)
Deposits and prepayments	(373,840,949)	(153,947,110)
Accrued mark-up and other receivables	(1,061,915,180)	185,494,774
Short term investments	(107,931,124)	(320,072,327)
Receivable under margin trading system	8,987,915	(1,664,180)
	(2,845,316,973)	(987,460,945)
<i>Increase / (decrease) in current liabilities</i>		
Trade and other payables	1,748,053,502	967,539,730
Payable against sale of securities - net	(198,721,206)	-
Unclaimed dividend	7,987,532	687,008
	1,557,319,828	968,226,738
Cash generated from operations	2,069,586,515	3,128,545,697

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2024

		Unaudited	
		Six months period ended	
15. CASH AND CASH EQUIVALENTS		31 December 2024	31 December 2023
(Rupees)			
Cash and bank balances		5,364,929,936	2,298,826,409
Short term borrowings		(7,031,184,587)	(2,772,113,464)
		<u>(1,666,254,651)</u>	<u>(473,287,055)</u>

16. EARNINGS PER SHARE - BASIC & DILUTED

Diluted earnings per share has not been presented as there is no convertible instruments in issue as at 31 December 2024 and 31 December 2023 which would have any effect on the earnings per share if the option to convert is exercised.

17. 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 2024.

18. 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:

		Unaudited	
		Six months period ended	
Name of the related party	Transactions during the period	31 December 2024	31 December 2023 (Restated)
(Rupees)			
Associates			
Fatima Fertilizer Company Limited	Dividend income / received	932,250,567	639,266,897
	Mark-up income on loan	-	100,667,963
	Mark-up received	-	86,227,246

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2024

Name of the related party	Transactions during the period	Unaudited Six months period ended	
		31 December 2024	31 December 2023 (Restated)
		(Rupees)	
Associates			
Javedan Corporation Limited	Mark-up on loan	7,834,962	102,446,480
	Mark-up received	13,454,740	130,680,597
	Loan Extended	795,400,000	4,450,000,000
	Loan repaid	595,400,000	5,416,250,000
	Dividend income / received	602,132,428	257,304,702
	Brokerage commission earned	3,741	-
	Investment properties sold	49,363,321	-
Power Cement Limited	Guarantee commission income	423,840	423,840
	Guarantee commission received	423,840	415,958
	Mark-up on loan	1,445,966	-
	Loan extended	875,000,000	-
	Loan repaid	875,000,000	-
Safe Mix Concrete Limited	Dividend income / received	13,816,036	-
Associated companies by virtue of common directorship and other related parties			
Aisha Steel Mills Limited	Mark-up on loan	65,653,852	13,990,969
	Mark-up received	61,891,281	72,847,074
	Loan extended	3,650,000,000	890,000,000
	Loan repaid	1,328,103,657	904,216,746
	Guarantee commission income	651,228	651,228
	Guarantee commission received	651,228	630,650
	Brokerage commission earned	925,491	857,821
Rotocast Engineering Company (Private) Limited	Payment of rent and sharing of utilities, insurance and maintenance charges	26,685,968	35,233,523
Arif Habib Dolmen REIT Management Limited	Dividend income / received	-	2,822,181
	Dividend income / received	156,331,040	280,756,633
Arif Habib Securities Limited - Employees Provident Fund	Company's Contribution	1,893,168	1,819,003
	Company's Contribution	2,541,134	5,111,235

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2024

Name of the related party Key management personnel	Transactions during the period	Unaudited Six months period ended	
		31 December 2024	31 December 2023
Mr. Arif Habib (CEO of Parent Company)	Dividend paid	5	3
	Brokerage commission earned	141,778	3,981,495
	Loan received	4,114,000,000	-
	Loan repaid	3,664,000,000	-
	Markup on loan	720,000	-
Mr. Samad A. Habib (Director of Parent Company)	Brokerage commission earned	3,469,325	31,325
	Dividend paid	7,042	-
	Meeting fee paid	150,000	200,000
Mr. Muhammad Shahid Ali CEO of Subsidiary Company	Brokerage commission earned	6,904,783	7,414,745
	Commission on profit	98,895,430	118,208,056
	Salaries and other benefits	7,274,424	6,474,423
	Dividend paid	-	2,413
Ms. Nida Ahsan (Director of Subsidiary Company)	Brokerage commission earned	3,151,473	39,294
	Meeting fee paid	-	100,000
	Dividend paid	-	3,020
Ms. Sharmin Shahid (Director of Subsidiary Company)	Brokerage commission earned	557,599	-
	Meeting fee paid	-	100,000
	Dividend paid	-	3,020
Mr. Muhammad Sohail Salat (Director of Subsidiary Company)	Meeting fee paid	-	100,000
	Dividend paid	-	1,650
Mr. Asadullah Khawaja (Director of Parent Company)	Meeting fee paid	150,000	150,000
	Dividend paid	567,042	-
Ms. Zeba Bakhtiar (Director of Parent Company)	Meeting fee paid	150,000	150,000
	Dividend paid	700	-
Mr. Nasim Beg (Director of Parent Company)	Meeting fee paid	150,000	200,000
	Dividend paid	14,546	-
Mr. Muhammad Ejaz (Director of Parent Company)	Meeting fee paid	150,000	275,000
	Dividend paid	847	3
Mr. Muhammad Kashif (Director of Parent Company)	Brokerage commission earned	-	6,500
	Meeting fee paid	150,000	275,000
	Dividend paid	247,030	-
Mr. Zafar Alam (Chairman of subsidiary company)	Brokerage Commission earned	1,470,401	159,388
	Meeting fee paid	100,000	100,000
	Dividend paid	-	187,500
Mr. Mohsin Madni (CFO of Parent Company and Director of Subsidiary Company)	Dividend paid	-	1,375
	Brokerage commission earned	533,913	70,576
Mr. Muhammd Haroon Non-executive Director	Brokerage commission earned	263,685	288,942
	Meeting fee paid	-	100,000
	Dividend paid	-	4,280
Mr. Khawaja Najam Ud'din Roomi (Director of Parent Company)	Meeting fee paid	200,000	200,000
	Dividend paid	1,911,000	-
Mr. Kashif Mateen Ansari (CEO of Subsidiary Company)	Dividend paid	226,767,455	113,383,728
	Royalty paid	320,000,000	160,000,000

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2024

Name of the related party <i>Remuneration of chief executive officer, directors, key management personnel and executives</i>	Transactions during the period	Unaudited Six months period ended	
		31 December 2024	31 December 2023
		(Rupees)	
- Salaries and other benefits		471,355,698	132,364,400
- Contribution to provident funds		3,485,798	3,434,076
- Gratuity (Provision)		1,750,874	1,705,524
		Unaudited 31 December 2024	Audited 30 June 2024
		(Rupees)	
Name of related party	Nature of balance		
Aisha Steel Mills Limited	Long term loan	-	78,103,657
	Short term loan	2,400,000,000	-
	Mark-up receivable	50,027,411	33,409,388
	Commission on guarantee receivable	283,284	283,284
Power Cement Limited	Commission on guarantee receivable	211,920	211,920
	Mark-up receivable	1,445,966	-
Javedan Corporation Limited	Receivable against sale of investment property	-	5,126,734
	Loan receivable	400,000,000	200,000,000
	Mark up receivable	4,939,072	10,558,850
	Balance receivable at period end	-	270,192
	Payable against purchase of investment properties	266,545,000	-
Rotocast Engineering Company (Private) Limited	Payable against monthly expense contribution	1,119,756	1,376,222
	Prepaid rent	17,546,994	-
	Balance receivable	58,399	43,550
Arif Habib Equity (Private) Limited	Balance payable	-	7,895,397
	Balance receivable	2,486	35,464
Arif Habib Dolmen REIT Management Limited	Balance receivable	2,456	2,456
Key Management Personnel			
Mr. Arif Habib (CEO of the Parent Company)	Trade receivable	250	30,318
	Mark-up payable	7,681,868	1,863,890
	Dividend payable	2,325,297,366	-
Zafar Alam (Chairman of subsidiary company)	Balance payable	264,094	51,359
Muhammad Shahid Ali (CEO of Subsidiary Company)	Balance payable	129,984,807	249,003,382
Muhammad Haroon (Director of subsidiary company)	Balance payable	2,628,966	17,055
Sharmin Shahid (Director of subsidiary company)	Balance receivable	9,515	43,263
Nida Ahsan (Director of subsidiary company)	Balance payable	24,341	24,341
	Balance receivable	11,241	3,788
Mohsin Madni (CFO Parent Company and Director Subsidiary Company)	Balance payable	3,224,841	289,099
Samad A. Habib (Director of Parent Company)	Balance receivable	46,999	87,860

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months period ended 31st December 2024

Name of the related party	Nature of balance	Unaudited 31 December 2024 (Rupees)	Audited 30 June 2024
Kashif A. Habib (Director of Parent Company)	Balance payable	244	244
Muhammad Sohail Salat (Director of Subsidiary Company)	Balance receivable	1,899	1,899

19. REPORTABLE SEGMENTS

19.1 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.

19.2 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 2024. 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.

19.3 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.

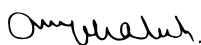
19.4 The group does not allocate tax expense / tax income or non-recurring gains and losses to reportable segments. In addition, not all reportable segments have material non-cash items other than depreciation, amortisation and remeasurement of equity and debt instruments in profit or loss.

20. CORRESPONDING FIGURES

Reclassified from component	Reclassified to component	Amount (Rupees)
Land Lease Liabilities	Lease liability against right-of-use assets	22,433,149
Current portion of land lease liability	Current portion of lease liability against right-of-use assets	7,920,000

21. DATE OF AUTHORISATION FOR ISSUE

21.1 These condensed interim consolidated financial statements have been authorised for issue on February 18, 2025 by the Board of Directors of the Parent Company.



Chief Executive Officer



Director



Chief Financial Officer



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