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Arif Habib Corp

Quarterly Report 30th September 2024

Table of Content

02	Company Information
04	Directors' Review Report
07	Condensed Interim Unconsolidated Financial Statements
25	Condensed Interim Consolidated Financial Statements



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@arifhaibcorp.com
Company website:
www.arifhaibcorp.com
Group website:
www.arifhaib.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) present herewith the Directors' report of the Company together with condensed interim consolidated and unconsolidated financial statements for the first quarter ended September 30, 2024.



THE ECONOMY

The first quarter of Fiscal Year 2025 marked notable progress toward economic stabilization, with key macroeconomic indicators showing encouraging trends. Pakistan achieved its first quarterly fiscal surplus in nearly two decades, amounting to PKR 1.69 trillion (1.4% of GDP). Inflation averaged 9.2%, a significant improvement from 29% in the prior year, while the current account deficit narrowed by 92% year-over-year, supported by strong remittance inflows.

The State Bank of Pakistan reduced policy rates by 300 basis points, signaling economic stability. Foreign exchange reserves increased to USD 15.4 billion, aided by USD 1.03 billion in IMF Special Drawing Rights, while the Rupee appreciated by 0.2% against the US Dollar. While these developments offer an optimistic outlook, consistent fiscal discipline, export growth, and foreign investment attraction are essential for sustained progress.

FINANCIAL RESULTS

Consolidated Financial Results:

For the first quarter, AHCL reported a consolidated profit after tax (attributable to equity holder of the Company) of PKR 2,904 million, compared to PKR 2,614 million (restated) in the same period last year, resulting in earnings per share (EPS) of PKR 6.89, compared to PKR 6.20 (restated).

Unconsolidated Financial Results:

On an unconsolidated basis, the Company recorded a profit after tax of PKR 3,339 million for the first quarter, translating into an EPS of PKR 7.92, compared to PKR 934.33 million (restated) and an EPS of PKR 2.22 (restated) in the corresponding quarter of the previous year.

PERFORMANCE OF SUBSIDIARIES AND ASSOCIATES

The Group companies showed mixed performance during the quarter. Arif Habib Limited posted a significant improvement in profitability, with consolidated profit after tax increasing to PKR 140.22 million compared to PKR 60.01 million in the corresponding quarter last year, driven by favorable market conditions. Sachal Energy Development maintained its strong performance, delivering a profit of PKR 1,823.51 million, slightly higher than the previous year. Similarly, Fatima Fertilizer recorded an impressive consolidated profit of PKR 9,187.87 million, reflecting continued growth in its operations. The real estate associate, Javedan Corporation Limited, also posted robust results, with profit after tax rising to PKR 909.85 million from PKR 619.10 million, supported by an improved operating environment in the real estate sector. SafeMix Concrete Limited performed steadily, recording a profit of PKR 21.78 million, albeit lower than the previous year.

On the other hand, Aisha Steel Mills Limited and Power Cement Limited continued to face challenges. Aisha Steel Mills Limited reported a loss after tax of PKR 843.12 million during the quarter under review, compared to a profit of PKR 35.24 million in the same period last year, primarily due to adverse market conditions in the steel sector. Power Cement Limited also incurred a loss of PKR 393.80 million, narrowing slightly from a loss of PKR 540.93 million in the corresponding quarter last year, as it focused on cost management and operational improvements.

POST BALANCE SHEET EVENTS

On October 21, 2024, the Honorable High Court of Sindh sanctioned the Scheme of Arrangement between the Company and its subsidiary, Arif Habib Limited (AHL), with an effective date of July 1, 2023. Under the Scheme, the Demerged Undertaking of AHL was transferred and vested into the Company. Pursuant to the Scheme, the Board of Directors, in their meeting held on October 31, 2024, resolved to issue 13,321,747 ordinary shares of the Company to the eligible shareholders of AHL (other than the Company itself) as of the Record Date of October 31, 2024. These shares were subsequently credited to the entitled shareholders' accounts on November 18, 2024.

As a result of the Scheme, the financial information for the period ended September 30, 2023 has been adjusted to include the impact of the Demerged Undertaking. The comparative figures for the Statement of Profit or Loss, Statement of Cash Flows, and Statement of Changes in Equity have been restated to reflect the inclusion of the Demerged Undertaking as part of the Company's operations from the effective date, in accordance with the Accounting Standard on Common Control Transactions.

Additionally, the Board of Directors, in their meeting held on October 31, 2024, recommended a final cash dividend of PKR 7 per share (70%) for the year ended June 30, 2024. This dividend is subject to approval at the Annual General Meeting (AGM) to be held on November 27, 2024. The financial statements for the period ended September 30, 2024 do not include the impact of the proposed dividend, which will be accounted for in the period it is approved.

FUTURE OUTLOOK

Looking ahead, we expect continued economic momentum in Pakistan, propelled by fiscal consolidation measures and anticipated further reductions in the policy rate, all supported by easing inflation. The Pakistani Rupee is projected to remain stable against the US Dollar, strengthened by robust remittance inflows, additional IMF tranches, and support from both multilateral and bilateral partners, which will further bolster foreign exchange reserves.

Our Company is well-positioned to harness these positive economic developments. We anticipate improved financial performance across our core sectors of fertilizer, wind power, and brokerage, with expectations of accelerated growth and profitability. Our focus remains on leveraging these favorable conditions to drive sustained performance and growth as we navigate this promising economic landscape.

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 year. We also appreciate the valuable contribution and active role of the members of the audit and other committees in supporting and guiding the management on matters of great importance.

For and on behalf of the Board



Mr. Arif Habib
Chief Executive

Karachi: November 25, 2024



Mr. Asadullah Khawaja
Chairman

Condensed Interim Unconsolidated Financial Statements

For the three months period ended 30th September 2024

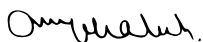
- 08 Condensed Interim Unconsolidated Statement of Financial Position
- 10 Condensed Interim Unconsolidated Statement of Profit or Loss and other Comprehensive Income (Unaudited)
- 11 Condensed Interim Unconsolidated Statement of Changes in Equity (Unaudited)
- 12 Condensed Interim Unconsolidated Statement of Cash Flows (Unaudited)
- 13 Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th September 2024

	Note	Unaudited 30 September 2024 (Rupees)	Audited 30 June 2024
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	46,615,813	49,532,593
Intangible assets		103,190	141,875
Investment property		146,500,000	169,000,000
Long term investments	6	39,529,080,462	26,363,022,014
Long term loan to related party	7	35,453,419	49,670,165
Long term deposits and other receivable		5,880,378	5,880,378
		39,763,633,262	26,637,247,025
CURRENT ASSETS			
Loans and advances	8	1,975,498,786	4,088,591,568
Mark-up receivable	9	55,268,916	77,280,288
Prepayments and other receivables	10	845,239,594	660,748,917
Short term investments	11	2,140,836,961	6,794,188,359
Cash and bank balances		42,552,606	45,975,441
		5,059,396,863	11,666,784,573
TOTAL ASSETS		44,823,030,125	38,304,031,598

The annexed notes 1 to 22 form an integral part of these condensed interim unconsolidated financial statements.



Chief Executive Officer



Director



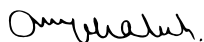
Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th September 2024

	Note	Unaudited 30 September 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		4,083,750,000	4,083,750,000
Shares to be issued under scheme of arrangement		133,217,470	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		29,191,874,471	25,852,471,316
TOTAL EQUITY		37,408,841,941	34,069,438,786
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred taxation - net		1,733,709,277	1,317,575,057
Lease liability against right of use assets		15,314,193	17,904,171
		1,749,023,470	1,335,479,228
CURRENT LIABILITIES			
Running finance under markup arrangement	12	4,244,989,175	501,329,430
Loan from sponsor		-	800,000,000
Other payables		670,661,152	970,937,063
Current portion of lease liability		12,594,860	12,823,623
Taxation - net		714,848,901	591,841,742
Unclaimed dividend		22,070,626	22,181,726
		5,665,164,714	2,899,113,584
TOTAL LIABILITIES		7,414,188,184	4,234,592,812
Contingencies and commitments	13		
TOTAL EQUITY AND LIABILITIES		44,823,030,125	38,304,031,598

The annexed notes 1 to 22 form an integral part of these condensed interim unconsolidated financial statements.



Chief Executive Officer



Director



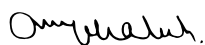
Chief Financial Officer

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

For the three months period ended 30th September 2024

	Note	Three months period ended	
		30 September 2024	30 September 2023 (Restated)
(Rupees)			
Dividend income		1,088,581,608	1,606,639,795
Other revenue	14	33,375,051	30,559,433
Gross revenue		1,121,956,659	1,637,199,228
Gain / (Loss) on sale of securities - net		132,604,816	(65,388,540)
Gain on sale of investment property		21,618,575	-
Administrative expenses		(42,006,984)	(33,483,251)
Net finance cost		(211,995,344)	(105,758,315)
		1,022,177,722	1,432,569,122
Gain/ (loss) on remeasurement of investments - net		3,022,842,506	(219,171,183)
Net change in unrealized loss on investment property		(20,418,575)	-
		4,024,601,653	1,213,397,939
Other charges		(2,055,472)	(2,250)
Profit before income tax		4,022,546,181	1,213,395,689
Income tax expense	15	(683,143,026)	(279,059,255)
Profit for the period		3,339,403,155	934,336,434
Other comprehensive income		-	-
Total comprehensive income for the period		3,339,403,155	934,336,434
Earnings per share - basic and diluted	16	7.92	2.22

The annexed notes 1 to 22 form an integral part of these condensed interim unconsolidated financial statements.



Chief Executive Officer



Director



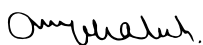
Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the three months period ended 30th September 2024

	Issued, subscribed and paid up share capital	Shares to be issued under scheme of arrangement	Reserves		Sub total	Total
			Revenue Reserves			
			General reserve	Unappropriated profit		
(Rupees)						
Balance as at July 1, 2023	4,083,750,000	-	4,000,000,000	12,385,423,995	16,385,423,995	20,469,173,995
Transactions with owners of the Company recorded directly in equity						
Effect of scheme of arrangement / merger - note 1.1	-	133,217,470	-	4,036,449,816	4,169,667,286	4,169,667,286
Total comprehensive income for the three months period ended 30 September 2023						
Profit for the period (Restated)	-	-	-	934,336,434	934,336,434	934,336,434
Other comprehensive income for the period (Restated)	-	-	-	934,336,434	934,336,434	934,336,434
Balance as at 30 September 2023 (Restated)	4,083,750,000	133,217,470	4,000,000,000	17,356,210,245	21,489,427,715	25,573,177,715
Total comprehensive income for the nine months period ended 30 June 2024						
Profit for the period (Restated)	-	-	-	8,496,261,071	8,496,261,071	8,496,261,071
Other comprehensive income for the period (Restated)	-	-	-	8,496,261,071	8,496,261,071	8,496,261,071
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 three months period ended 30 September 2024						
Profit for the period	-	-	-	3,339,403,155	3,339,403,155	3,339,403,155
Other comprehensive income for the period	-	-	-	3,339,403,155	3,339,403,155	3,339,403,155
Balance as at 30 September 2024	4,083,750,000	133,217,470	4,000,000,000	29,191,874,471	33,325,091,941	37,408,841,941

The annexed notes 1 to 22 form an integral part of these condensed interim unconsolidated financial statements.



Chief Executive Officer



Director



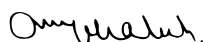
Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the three months period ended 30th September 2024

	Note	Three months period ended	
		30 September 2024	30 September 2023 (Restated)
(Rupees)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash generated from / (used in) operations	17	689,980,888	(1,160,702,213)
Income tax paid		(144,001,647)	(118,609,050)
Interest received		44,630,223	157,922,683
Finance cost paid		(142,923,377)	(242,296,472)
Net cash generated from / (used in) operating activities		447,686,087	(1,363,685,052)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase for acquisition of property and equipment		(1,453,669)	-
Dividend received		932,250,567	688,256,124
Acquisition of long term investments		(4,645,287,569)	-
Proceeds from disposal of long term investments		327,776,568	-
Proceeds from disposal of property and equipment		131,778	-
Net cash (used in) / generated from investing activities		(3,386,582,325)	688,256,124
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease rental paid		(8,186,340)	(6,939,000)
Loan repaid to sponsor		(800,000,000)	-
Net cash used in financing activities		(808,186,340)	(6,939,000)
Net change in cash and cash equivalents		(3,747,082,579)	(682,367,928)
Cash and cash equivalents at beginning of the period		(455,353,990)	(2,273,932,058)
Cash and cash equivalents at end of the period	18	(4,202,436,569)	(2,956,299,986)

The annexed notes 1 to 22 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 UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2024

1. STATUS AND NATURE OF BUSINESS

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

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

The Company has following long term investments and its underlying shareholding in respective investee companies as at 30 September 2024:

Name of Companies	Note	Shareholding
Subsidiaries		
- Arif Habib Limited, a brokerage house	6.1.1	<u>76.49%</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%</u>
Associates		
- Fatima Fertilizer Company Limited - a fertilizer manufacturing company		<u>15.19%</u>
- Safe Mix Concrete Limited, a ready mix concrete manufacturing company	6.2.1	<u>27.63%</u>
- Power Cement Limited , a cement manufacturing company	6.2.2	<u>25.24%</u>
- Javedan Corporation Limited , a real estate company	6.2.3	<u>39.52%</u>

1.1 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 subsequently 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 01 July, 2023, the effective date of the Scheme.

1.2 Restatement of Comparative Information for the period ended 30 September 2023

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 July 1, 2023. The comparative balance sheet 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, expenses, and cash flows related to the Demerged Undertaking.

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

For the three months period ended 30th September 2024

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 of the Scheme of Arrangement prospectively from the effective date , 01 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 are unaudited and do not include all the statements required for full annual financial statements and should be read in conjunction with the audited annual unconsolidated financial statements of the Company as at and for the year ended 30 June 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, as modified by remeasurement of certain financial assets at fair value and should be read in conjunction with the audited annual unconsolidated financial statements of the Company as at and for the year ended 30 June 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.

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 1.1 and 1.2 in these condensed interim unconsolidated financial statements.

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

There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after 1 July 2024 but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore are not detailed in these condensed interim unconsolidated financial statements.

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

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

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

For the three months period ended 30th September 2024

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

- 4.1** The preparation of these condensed interim unconsolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience. Actual results may differ from these estimates.
- 4.2** The significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited unconsolidated financial statements as at and for the year ended 30 June 2024.
- 4.3** The company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2024.

5. PROPERTY AND EQUIPMENT

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

	Three months period ended 30 September 2024		Three months period ended 30 September 2023	
	Additions	Disposals	Additions	Disposals
	(Unaudited)		(Unaudited)	
	(Rupees)			
Computer and allied equipment	1,343,169	-	-	-
Office Equipment	-	176,750	-	-
Vehicles	110,500	-	-	-
Right-of-use asset	-	-	35,278,875	-
	1,453,669	176,750	35,278,875	-

	Note	Unaudited 30 September 2024	Audited 30 June 2024
		(Rupees)	
6. LONG TERM INVESTMENTS			
Subsidiaries - at cost (net of impairment)	6.1	5,080,660,342	4,937,599,953
Associates - designated at fair value through profit and loss	6.2	27,213,964,289	16,623,107,664
Debt instrument - at amortised cost	6.3	828,912,245	798,161,476
Debt instruments - at fair value through profit and loss	6.4	6,405,543,586	4,004,152,921
Other equity securities - designated at fair value through other comprehensive income		-	-
		39,529,080,462	26,363,022,014
6.1 Subsidiaries - at cost (net of impairment)			
Quoted Entity			
Arif Habib Limited (AHL) 49,979,978 (30 June 2024: 47,648,522) fully paid ordinary shares of Rs. 10 each	6.1.1	2,334,195,282	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		50,000,000	50,000,000
Less: Provision for impairment		(50,000,000)	(50,000,000)
		5,080,660,342	4,937,599,953

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

For the three months period ended 30th September 2024

6.1.1 During the period, the Company has purchased 2.33 million shares of AHL, a subsidiary Company, resulting in increase in the Company's holding from 72.92% to 76.49%.

6.2 Associates - designated at fair value through profit and loss

	Note	Cost	Appreciation / (diminution) on remeasurement of investments (Rupees)	Carrying amount (at fair value)	
				Unaudited 30 September 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	15,483,680,042	18,996,462,267	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	78,892,462	37,231,320	116,123,782	156,317,030
Power Cement Limited (PCL) 333,149,813 (30 June 2024: 95,415,592) fully paid ordinary and preference shares of Rs. 10 each	6.2.2	1,860,288,282	(63,215,626)	1,797,072,656	-
Javedan Corporation Limited (JCL) 150,532,607 (30 June 2024: 75,552,617) fully paid ordinary shares of Rs. 10 each	6.2.3	5,355,399,432	948,906,152	6,304,305,584	-
		10,807,362,401	16,406,601,888	27,213,964,289	16,623,107,664

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 237.73 million shares on net basis of PCL, resulting in increase in the Company's holding from 6.5% to 25.24%. Accordingly, the investment has been reclassified from Short Term Investment to Long Term Investment. The shareholding percentage includes both ordinary and preference shares.

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 30 September 2024	Audited 30 June 2024
Unquoted entity				
Fatima Fertilizer Company Limited (FFCL) - 135,000,000 redeemable class A shares of Rs. 10 each	591,315,343	237,596,902	828,912,245	798,161,476
	591,315,343	237,596,902	828,912,245	798,161,476

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

For the three months period ended 30th September 2024

6.4 Debt instruments - at fair value through profit and loss

	Note	Cost	Appreciation on remeasurement of investments (Rupees)	Carrying amount (at fair value)	
				Unaudited 30 September 2024	Audited 30 June 2024
Quoted entity					
Globe Residency REIT (GRR) 89,332,023 (30 June 2024: 89,332,023) Units of Rs. 10 each		902,112,509	243,124,026	1,145,236,535	1,205,982,310
Un-Quoted Entities					
Silk Islamic Development REIT (SIDR) 60,000,000 (30 June 2024: 60,000,000) Units of Rs. 10 each		600,000,000	259,200,000	859,200,000	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	162,797,262	926,547,262	926,547,262
Rahat Residency REIT (RRR) 50,000,000 (30 June 2024: 50,000,000) Units of Rs. 10 each		500,000,000	87,877,567	587,877,567	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: 126,213,644) Units of Rs. 10 each	8.2	1,262,136,440	-	1,262,136,440	-
Gymkhana Apartment REIT 120,000,000 (30 June 2024: 120,000,000) Units of Rs. 10 each	8.2	1,200,000,000	-	1,200,000,000	-
Investment in JCL Musharika Arrangement		273,400,000	16,724,096	290,124,096	290,124,096
		5,634,697,909	770,845,677	6,405,543,586	4,004,152,921

6.5 Fair value of long term investments pledged with banking companies against various financing facilities availed by the company amounts to Rs. 12,933.38 million (30 June 2024: Rs. 11,593 million).

7. LONG TERM LOAN TO RELATED PARTY

	Note	Unaudited	Audited
		30 September 2024	30 June 2024
At amortised cost			
(Rupees)			
Secured - considered good			
Aisha Steel Mills Limited		63,886,911	78,103,657
Less: Current portion of long term loan	8	(28,433,492)	(28,433,492)
		35,453,419	49,670,165

7.1 This represents long term loan secured against first charge on all present and future fixed assets, accounts receivables and interest in any insurance claim and equitable mortgage of land and building. The mark-up rate in the said loan is 6 month KIBOR + 3.25% per annum (30 June 2023: 6 months KIBOR + 3.25% per annum). The effective rate of mark-up on the loan during the period was 23.39% (30 June 2024: ranged between 24.74% to 26.22%) per annum. Mark-up is payable on semi-annual basis.

7.2 The maximum amount outstanding from the above related party at the end of any month during the period was Rs. 63.89 million (30 June 2024: Rs. 92.32 million).

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

For the three months period ended 30th September 2024

8. LOANS AND ADVANCES	Note	Unaudited 30 September 2024 (Rupees)	Audited 30 June 2024
At Amortised cost			
<i>Unsecured</i>			
Loans to related parties			
- Black Gold Power Limited		5,700,000	5,700,000
- Javedan Corporation Limited		-	200,000,000
- Aisha Steel Mills Limited	8.1	450,000,000	-
- Globe Residency REIT		75,524,188	38,170,720
Advance for investment in			
- Park View Apartment REIT	8.2	-	1,262,136,440
- Gymkhana Apartment REIT	8.2	-	1,200,000,000
- Silk Islamic Development REIT (SIDR)		100,000,000	100,000,000
- Pakistan Corporate CBD REIT		279,026,250	279,026,250
- Burj Modaraba		39,115,000	-
Advance for purchase of investment properties - net		994,960,971	971,310,189
Secured			
Current portion of long term loan to Aisha Steel Mills Limited (ASML)	7.1	28,433,492	28,433,492
Advance against salaries to employees		2,738,885	3,814,477
		<u>1,975,498,786</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 was 22.04% per annum (30 June 2024: ranged between 23.43% to 24.71%).

8.2 Units corresponding to these advances have been issued in the current period. Accordingly, these advances have been reclassified to long term Investments.

8.3 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.493.87 million (30 June 2024: Rs. 2,553.10 million).

9. MARK-UP RECEIVABLE	Unaudited 30 September 2024 (Rupees)	Audited 30 June 2024
Considered good		
From related parties:		
- Aisha Steel Mills Limited	23,335,192	46,264,840
- Javedan Corporation Limited	2,895,890	10,558,850
- Globe Residency REIT	4,260,409	1,455,228
- Silk Islamic Development REIT	24,777,425	19,001,370
	<u>55,268,916</u>	<u>77,280,288</u>

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. 46.49 million (30 June 2024: Rs. 147.52 million).

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

For the three months period ended 30th September 2024

10. PREPAYMENTS AND OTHER RECEIVABLES

	Note	Unaudited 30 September 2024	Audited 30 June 2024
		(Rupees)	
Prepayments		8,880,609	1,392,768
Receivable from Rahat Residency REIT		651,630,000	651,630,000
Guarantee commission receivable	10.1 & 10.2	2,581,950	2,742,750
Dividend receivable	10.3	156,331,041	-
Sales tax receivable		-	2,816,342
Receivable against sale of investment property		23,700,000	-
Others		2,115,994	2,167,057
		<u>845,239,594</u>	<u>660,748,917</u>

10.1 Guarantee commission receivable

Aisha Steel Mills Limited	283,284	283,284
Sachal Energy Development (Private) Limited	2,086,746	2,247,546
Power Cement Limited	211,920	211,920
	<u>2,581,950</u>	<u>2,742,750</u>

10.2 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).

10.3 This represent dividend receivable from Globe Residency REIT, a related party.

11. SHORT TERM INVESTMENTS

	Unaudited 30 September 2024	Audited 30 June 2024
	(Rupees)	
Equity securities at fair value through profit or loss		
Investment in ordinary shares of related parties	1,073,483,295	5,357,818,648
Investment in preference shares of related parties	322,694,591	558,976,188
Investment in ordinary shares of other companies	744,659,075	877,393,523
	<u>2,140,836,961</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. 828.30 million (30 June 2024: Rs. 792.2 million).

12. SHORT TERM BORROWINGS

Running finance facilities are available from various commercial banks, under mark-up arrangements, amounting to Rs. 6,200 million (30 June 2024: Rs. 6,200 million). These facilities have various maturity dates up to 28 February, 2026 and are generally renewable. These arrangements are secured against the pledge of marketable securities having margin ranging from 30% to 50%.

These running finance facilities carry mark-up ranging from 3-month KIBOR plus 0.75% to 3-month KIBOR plus 1.75% per annum (30 June 2023: 3-month KIBOR plus 0.7% to 3-month KIBOR plus 1.75% per annum) calculated on a daily product basis, and is payable quarterly. The aggregate amount of these facilities which have not been availed as at the reporting date amounts to Rs. 1,955 million (30 June 2024: Rs. 5,698 million).

13. CONTINGENCIES AND COMMITMENTS

13.1 There is no other change in the status of contingencies and commitments as disclosed in the preceding annual audited unconsolidated financial statements as at and in the year ended 30 June 2024 except for the following:

13.1.1 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 105.85 million.

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

For the three months period ended 30th September 2024

14. OTHER REVENUE

Note	Three months period ended	
	30 September 2024	30 September 2023 (Restated)
	(Rupees)	
	2,624,282	4,102,365
14.1	30,750,769	26,457,068
	<u>33,375,051</u>	<u>30,559,433</u>

14.1 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.

15. INCOME TAX EXPENSE

	Three months period ended	
	30 September 2024	30 September 2023 (Restated)
	(Rupees)	
Current	267,008,806	171,704,868
Deferred	416,134,220	107,354,387
	<u>683,143,026</u>	<u>279,059,255</u>

15.1 The provision for current year tax represents tax on taxable income under final tax regime as per the applicable rate, minimum tax per annum under normal tax regime and super tax at the applicable rate as levied under Finance Act, 2024. The Company computes current tax expense based on the generally accepted interpretation of the tax laws to ensure that sufficient provision for the purpose of taxation is available. According to management, the tax provision made in these condensed interim financial statements is sufficient.

16. EARNINGS PER SHARE - BASIC AND DILUTED

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year and to be issued due to the effect of scheme of arrangement as explained in detail in annual audited unconsolidated financial statements of the Company as at and for the year ended 30 June 2024. There is no dilutive effect on the basic earnings per shares of the Company:

	Three months period ended	
	30 September 2024	30 September 2023 (Restated)
	(Rupees)	
Profit for the period	3,339,403,155	934,336,434
	(Number)	
Weighted average number of ordinary shares	421,696,747	421,696,747
	(Rupees)	
Earnings per share - basic and diluted	7.92	2.22

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

For the three months period ended 30th September 2024

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

Three months period ended
30 September 2024 30 September 2023
 (Restated)
(Rupees)

Profit before income tax	4,022,546,181	1,213,395,689
Adjustments for:		
Depreciation	4,578,678	4,194,953
Amortisation	38,685	38,685
Dividend income	(1,088,581,608)	(1,606,639,795)
Mark-up on loans and advances	(21,956,868)	(129,480,989)
Mark-up on bank deposits	(661,983)	(452,820)
(Gain) / Loss on remeasurement of long term investments	(3,047,700,678)	352,867,387
Capital gain on sale of long term investments	(18,443,526)	-
Loss / (gain) on remeasurement of short term investments	24,858,172	(133,696,204)
Gain on sale of investment property	(21,618,575)	-
Net change in unrealized loss on investment property	20,418,575	-
Finance cost	234,570,285	235,661,787
Unwinding of interest income on debt instrument	(30,750,769)	(26,457,068)
Loss on disposal of fixed assets	44,972	-
	(3,945,204,640)	(1,303,964,064)
	77,341,541	(90,568,375)
Effect on cash flow due to working capital changes		
Decrease / (Increase) in current assets		
Loans and advances	(334,826,912)	(1,206,202,210)
Prepayments, commission and other receivables	(751,395)	(93,963,266)
Short term investments	1,338,977,145	144,060,559
	1,003,398,838	(1,156,104,917)
(Decrease) / increase in current liabilities		
Other payables	(390,648,391)	85,892,252
Unclaimed dividend	(111,100)	78,827
	(390,759,491)	85,971,079
Net cash generated from / (used in) operations	689,980,888	(1,160,702,213)

18. CASH AND CASH EQUIVALENTS

Cash and bank balances	42,552,606	41,138,495
Short term borrowings	(4,244,989,175)	(2,997,438,481)
	(4,202,436,569)	(2,956,299,986)

19. FAIR VALUE MEASUREMENTS

The accounting policies and disclosure requirement for the measurement of fair values are consistent with those disclosed in the annual audited unconsolidated financial statements of the Company as at and for the year ended 30 June 2024.

20. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

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

For the three months period ended 30th September 2024

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

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

Name of the related party	Transactions during the period	Three months period ended	
		30 September 2024	30 September 2023 (Restated)
		(Rupees)	
Subsidiaries			
Arif Habib Limited	Services availed	3,870,096	421,135
Sachal Energy Development (Private) Limited	Guarantee commission income	2,086,748	2,908,565
	Guarantee commission received	2,247,546	3,401,568
	Dividend income	-	686,616,265
Associate			
Fatima Fertilizer Company Limited	Mark-up on loan	-	50,570,130
	Mark-up received	-	86,227,246
	Dividend Income	932,250,567	639,266,897
Javedan Corporation Limited	Mark-up on loan	2,895,890	71,021,232
	Mark-up received	10,558,850	-
	Loan extended	200,000,000	1,760,000,000
Power Cement Limited	Guarantee commission income	211,920	211,920
	Guarantee commission received	211,920	239,470
Associated companies by virtue of common directorship			
Aisha Steel Mills Limited	Mark-up on loan	10,479,741	7,889,627
	Mark-up received	33,409,388	71,242,617
	Guarantee commission income	325,614	325,614
	Guarantee commission received	283,284	367,944
	Loan extended	1,250,000,000	890,000,000
	Loan repaid	814,216,746	904,216,746
Rotocast Engineering Company (Private) Limited	Payment of rent and sharing of utilities, insurance and maintenance charges	13,190,574	10,342,740
Globe Residency REIT	Dividend income	156,331,041	280,756,633
Others			
Employees retirement benefit - Provident fund	Company's Contribution	946,584	912,507
Key management personnel and executives	Salaries and other employee benefits	11,529,075	11,748,933
	Contributions to Provident fund	685,251	691,212

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

For the three months period ended 30th September 2024

Name of the related party	Transactions during the period	Three months period ended	
		30 September 2024	30 September 2023 (Restated)
		(Rupees)	
Mr. Asadullah Khawaja	Meeting fee	50,000	50,000
Ms. Zeba Bakhtiar	Meeting fee	50,000	50,000
Mr. Khawaja Jallaluddin	Meeting fee	75,000	75,000
Mr. Samad A. Habib	Meeting fee	50,000	50,000
Mr. Nasim Beg	Meeting fee	50,000	50,000
Mr. Muhammad Ejaz	Meeting fee	75,000	75,000
Mr. Kashif A. Habib	Meeting fee	75,000	75,000

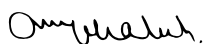
Name of the related party	Balances as at	Unaudited	Audited
		30 September 2024	30 June 2024
		(Rupees)	
Arif Habib Limited	Payable against CDC charges	-	50,646
	Receivable against sale of shares	1,638,125	-
Rotocast Engineering Company (Private) Limited	Payable against monthly expense	1,535,917	1,376,222
	Contribution		
	Prepaid Rent	4,093,170	-

21. NON ADJUSTING EVENT AFTER REPORTING DATE

The Board of Directors of the Company has proposed a cash dividend of Rs. 7.00 per share amounting to Rs. 2,951.87 million at its meeting held on 31st October, 2024 for the approval of the members at the annual general meeting to be held on 27th November, 2024. These condensed interim unconsolidated financial statements do not include the effect of the proposed final cash dividend.

22. DATE OF AUTHORISATION FOR ISSUE

These condensed interim unconsolidated financial statements have been authorised for issue on 25th November, 2024 by the Board of Directors of the Company.



Chief Executive Officer



Director



Chief Financial Officer

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Condensed Interim Consolidated Financial Statements

For the three months period ended 30th September 2024

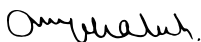
26	Condensed Interim Consolidated Statement of Financial Position
28	Condensed Interim Consolidated Statement of Profit or Loss
29	Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited)
30	Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)
31	Condensed Interim Consolidated Statement of Cash Flows (Unaudited)
32	Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th September 2024

	Note	Unaudited 30 September 2024 (Rupees)	Audited 30 June 2024
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	16,504,449,657	16,862,656,879
Intangible assets		916,539	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		185,400,000	207,900,000
Equity accounted investees	6	28,043,171,509	19,528,823,031
Other long term investments		7,264,917,438	4,832,776,004
Long term loan to related party		35,453,419	49,670,165
Long term deposits and other receivables		62,664,470	56,374,711
		53,012,779,149	42,454,985,501
CURRENT ASSETS			
Trade debts		6,719,839,368	5,766,986,879
Loans and advances		1,981,650,579	4,088,604,166
Deposits and prepayments		227,644,487	304,237,366
Receivable under margin trading system		3,588,792	12,631,269
Accrued mark-up and other receivables		1,501,905,288	1,233,332,362
Short term investments	7	2,728,522,751	7,344,894,001
Cash and bank balances		4,642,547,173	3,768,472,554
		17,805,698,438	22,519,158,597
TOTAL ASSETS		70,818,477,587	64,974,144,098

The annexed notes from 1 to 18 form an integral part of these condensed interim consolidated financial statements.



Chief Executive Officer



Director



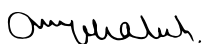
Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th September 2024

	Note	Unaudited 30 September 2024 (Rupees)	Audited 30 June 2024
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital		10,000,000,000	10,000,000,000
<i>Share capital</i>			
Issued, subscribed and paid-up share capital		4,083,750,000	4,083,750,000
Shares to be issued under scheme of arrangement		133,217,470	133,217,470
		4,216,967,470	4,216,967,470
<i>Capital reserve</i>			
Surplus on revaluation		7,835,000	7,835,000
<i>Revenue reserves</i>			
General reserve		4,019,567,665	4,019,567,665
Unappropriated profit		37,631,365,097	34,805,458,414
Equity attributable to owners of the Parent Company		45,875,735,232	43,049,828,549
Non-controlling interest		2,607,213,892	2,364,303,954
TOTAL EQUITY		48,482,949,124	45,414,132,503
NON-CURRENT LIABILITIES			
Long term loans - secured		5,453,419,407	5,449,490,891
Land lease liability		12,308,234	11,868,514
Lease liability against right-of-use assets		65,597,201	84,203,968
Staff retirement benefits		47,405,740	46,016,466
Deferred taxation - net		4,532,462,777	4,095,822,090
		10,111,193,359	9,687,401,929
CURRENT LIABILITIES			
Trade and other payables		3,316,046,557	3,717,948,719
Accrued mark-up		444,790,974	264,357,754
Sales tax payable		86,665,167	208,926,360
Short term borrowings		4,678,411,640	1,165,647,311
Loan from sponsor		-	800,000,000
Current portion of long term loans - secured		2,780,500,000	2,788,000,000
Current portion of lease liability against right-of-use assets		55,605,323	51,881,487
Current portion of land lease liability		1,360,000	1,360,000
Payable against purchase of investment - net		45,679,444	198,721,206
Taxation - net		771,545,548	631,925,278
Unclaimed dividend		43,730,451	43,841,551
		12,224,335,104	9,872,609,666
TOTAL LIABILITIES		22,335,528,463	19,560,011,595
Contingencies and commitments	8		
TOTAL EQUITY AND LIABILITIES		70,818,477,587	64,974,144,098

The annexed notes from 1 to 18 form an integral part of these condensed interim consolidated financial statements.



Chief Executive Officer



Director



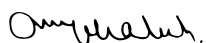
Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

For the three months period ended 30th September 2024

	Note	Three months period ended	
		30 September 2024	30 September 2023 (Restated)
(Rupees)			
Revenue	9	3,162,763,083	3,435,323,645
Gain on remeasurement of investments - net		243,821,178	102,272,314
Loss on remeasurement of investment properties		(20,418,575)	-
Gain / (loss) on sale of investments - net		162,428,013	(65,273,181)
Gain on sale of investment properties		21,618,575	-
		3,570,212,274	3,472,322,778
Cost of energy sales		(477,174,613)	(478,637,228)
Administrative expenses		(271,528,338)	(371,139,901)
Other income		26,654,525	7,736,716
Finance cost		(461,388,471)	(555,741,648)
Other charges		(2,055,471)	(2,250)
		2,384,719,906	2,074,538,467
Share of profit of equity-accounted associates investees-net of tax		1,568,098,923	1,178,468,605
Profit before tax		3,952,818,829	3,253,007,072
Income tax expense	10	(757,448,551)	(378,169,809)
Profit for the period		3,195,370,278	2,874,837,263
Profit attributable to:			
Equity holders of the Parent Company		2,904,366,071	2,614,299,770
Non-controlling interests		291,004,207	260,537,493
		3,195,370,278	2,874,837,263
Earnings per share - basic & diluted	13	6.89	6.20

The annexed notes from 1 to 18 form an integral part of these condensed interim consolidated financial statements.



Chief Executive Officer



Director



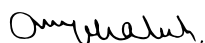
Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the three months period ended 30th September 2024

	<u>Three months period ended</u>	
	30 September 2024	30 September 2023 (Restated)
	(Rupees)	
Profit for the period	3,195,370,278	2,874,837,263
Other comprehensive income		
Items that may be reclassified subsequently to consolidated statement of profit or loss		
<i>Share of other comprehensive income of equity accounted investees - net of tax</i>	16,506,732	-
Other comprehensive income for the period	16,506,732	-
Total comprehensive income for the period	3,211,877,010	2,874,837,263
Total comprehensive income attributable to:		
Equity holders of the Parent Company - continuing operations	2,920,872,803	2,614,299,770
Non-controlling interests - continuing operations	291,004,207	260,537,493
	3,211,877,010	2,874,837,263

The annexed notes from 1 to 18 form an integral part of these condensed interim consolidated financial statements.



Chief Executive Officer



Director



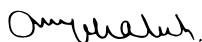
Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGE IN EQUITY (UNAUDITED)

For the three months period ended 30th September 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 Surplus on revaluation	Revenue reserves				Total
				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)	-
Distribution by subsidiary (SEDPL)	-	-	-	-	-	-	(113,360,000)	(113,360,000)
Total comprehensive income for the three months period ended 30 September 2023								
Profit for the period (restated)	-	-	-	-	2,614,299,770	2,614,299,770	260,537,493	2,874,837,263
Other comprehensive income (restated)	-	-	-	-	-	-	-	-
Balance as at 30 September 2023 (restated)	4,083,750,000	133,217,470	7,835,000	4,019,567,665	29,614,699,460	37,859,069,595	2,088,952,698	39,948,022,293
Total comprehensive income for the nine months period ended 30 June 2024								
Profit for the period (restated)	-	-	-	-	5,205,882,925	5,205,882,925	432,987,421	5,638,870,346
Other comprehensive loss (restated)	-	-	-	-	(15,123,971)	(15,123,971)	-	(15,123,971)
	-	-	-	-	5,190,758,954	5,190,758,954	432,987,421	5,623,746,375
Distribution by subsidiaries	-	-	-	-	-	-	(157,636,165)	(157,636,165)
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 three months period ended 30 September 2024								
Profit for the period	-	-	-	-	2,904,366,071	2,904,366,071	291,004,207	3,195,370,278
Other comprehensive income	-	-	-	-	16,506,732	16,506,732	-	16,506,732
Transactions with owners recorded directly in equity	-	-	-	-	2,920,872,803	2,920,872,803	291,004,207	3,211,877,010
Acquisition of equity interest in subsidiary without change in control	-	-	-	-	(94,966,120)	(94,966,120)	(48,094,269)	(143,060,389)
Balance as at 30 September 2024	4,083,750,000	133,217,470	7,835,000	4,019,567,665	37,631,365,097	45,875,735,232	2,607,213,892	48,482,949,124


The annexed notes from 1 to 18 form an integral part of these condensed interim consolidated financial statements.



Chief Executive Officer



Director



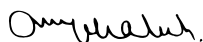
Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)

For the three months period ended 30th September 2024

	Note	Three months period ended	
		30 September 2024	30 September 2023 (Restated)
(Rupees)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	11	1,938,461,982	(1,444,081,837)
Income taxes paid		(181,187,594)	(152,832,377)
Finance cost paid		(255,155,676)	(274,789,857)
Mark-up received		121,088,264	275,406,258
Dividend received		55,030,749	86,034,036
Gratuity paid		(219,334)	(515,396)
Net cash generated from / (used in) operating activities		1,678,018,391	(1,510,779,173)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(4,875,635)	(258,011)
Long term deposit and other receivable paid		(6,289,759)	(18,000)
Proceeds from sale of property, plant and equipment		131,778	-
Proceeds from disposal of investment property		-	7,500,000
Acquisition of equity accounted investees		(4,502,227,180)	-
Proceeds from sale of equity accounted investees		284,116,507	-
Dividend from equity accounted investee		877,250,567	558,250,361
Acquisition of equity interest in subsidiary (AHL)		(143,060,389)	-
Net cash (used in) / generated from investing activities		(3,494,954,111)	565,474,350
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan repaid to sponsor		(800,000,000)	-
Lease rentals paid		(21,753,990)	(11,036,387)
Distribution by subsidiary to non-controlling interest		-	(113,360,000)
Net cash used in financing activities		(821,753,990)	(124,396,387)
Net change in cash and cash equivalents		(2,638,689,710)	(1,069,701,210)
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	12	(35,864,467)	(3,357,499,857)

The annexed notes from 1 to 18 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 CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 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 three months period ended 30 September 2024 comprise of the Parent Company and following subsidiary and associated companies (here-in-after referred to as "the Group").

<i>Name of Companies</i>	<i>Note</i>	<i>Effective holding</i>
Subsidiaries		
- Arif Habib Limited, a brokerage house	1.1.1	<u>76.49%</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>76.49%</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>
Associates		
- Fatima Fertilizer Company Limited - a fertilizer manufacturing 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>25.24%</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 2.33 million shares of AHL, a subsidiary Company, resulting in increase in the Company's holding from 72.92% to 76.49%.

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 subsequently 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 CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2024

Restatement of Comparative Information for the period ended 30 September 2023

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.

- 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.
- 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 - Sheikhupura, Pakistan.
- The 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.

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

For the three months period ended 30th September 2024

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.

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.

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

For the three months period ended 30th September 2024

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.

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.

5. PROPERTY, PLANT AND EQUIPMENT

Capital expenditure incurred during the period amounted to Rs. 4.88 million (30 June 2024: Rs. 9.94 million). The exchange gain of Rs. 22.5 million (30 June 2024: exchange gain of Rs. 245.5 million) has also been recognised. Further, assets having written down value of Rs. 0.18 million (30 June 2024: Rs. 0.62 million) were disposed off during the period.

6. EQUITY ACCOUNTED INVESTEEES

	Note	Unaudited 30 September 2024 (Rupees)	Audited 30 June 2024
Fatima Fertilizer Company Limited (FFCL)	6.1	19,874,594,836	19,356,207,950
Safemix Concrete Limited (SMCL)	6.2	153,243,824	172,615,081
Power Cement Limited (PCL)	6.3	1,782,785,906	-
Javedan Corporation Limited (JCL)	6.4	6,232,546,943	-
		<u>28,043,171,509</u>	<u>19,528,823,031</u>

6.1 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 30 September 2024. Fair value per share as at 30 September 2024 is Rs. 59.55 (30 June 2024: Rs. 51.62) which is based on quoted share price on stock exchange at reporting date.

6.2 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 30 September 2024. Fair value per share as at 30 September 2024 is Rs. 16.81 (30 June 2024: Rs. 19.30) which is based on quoted share price on stock exchange at reporting date.

6.3 During the period, the Parent Company has purchased 237.73 million shares on net basis of PCL, resulting in increase in the Company's holding from 6.5% to 25.24%, thereby obtaining significant influence over the company. As a result, PCL has been classified as an associate under IAS 28 "Investments in Associates and Joint Ventures". The shareholding percentage includes both ordinary and preference shares.

6.4 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 CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months period ended 30th September 2024

7. SHORT TERM INVESTMENTS	Unaudited 30 September 2024	Audited 30 June 2024
	(Rupees)	
Equity securities - at fair value through profit and loss	2,659,056,250	7,279,016,292
Debt securities - at fair value through profit and loss	65,877,709	65,877,709
	<u>2,724,933,959</u>	<u>7,344,894,001</u>

7.1 Fair value of short term investments pledged with various banking companies against various finance facilities availed by the Group amounts of Rs. 8,969.52 million (30 June 2024: Rs. 8,571.55 million).

8. CONTINGENCIES AND COMMITMENTS

8.1 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

8.1.1 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 105.85 million.

AHL, Subsidiary Company

Following commitments are outstanding:

- Outstanding Settlements against Marginal Trading contracts	208,494,029	138,417,338
- Outstanding Settlements against sale / (purchase) of securities in regular market	54,215,764	97,136,093
- Financial guarantee given by a commercial bank on behalf of AHL	750,000,000	750,000,000

9. REVENUE	Unaudited 30 September 2024	Audited 30 June 2024
	(Rupees)	
Revenue from sale of energy - net	2,541,176,173	2,647,112,103
Dividend income	211,361,790	366,766,934
Brokerage income	212,269,406	152,885,446
Mark-up income on loans and advances	21,956,868	129,480,989
Mark-up income on bank deposits	78,392,989	76,653,117
Unwinding of interest of debt instrument	30,750,769	26,457,068
Underwriting, consultancy and placement commission	52,495,150	22,000,868
Mark-up income on margin financing	13,571,558	10,642,327
Mark-up income on corporate debt securities	250,846	2,787,259
Guarantee Commission income	537,534	537,534
	<u>3,162,763,083</u>	<u>3,435,323,645</u>

10. TAXATION	Three months period ended	
	30 September 2024	30 September 2023
	(Rupees)	
Current	320,807,864	206,741,418
Deferred	436,640,687	171,428,391
	<u>757,448,551</u>	<u>378,169,809</u>

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

For the three months period ended 30th September 2024

11. CASH GENERATED FROM / (USED IN) OPERATIONS	Three months period ended	
	30 September 2024	30 September 2023
	(Rupees)	
Profit before tax	3,952,818,829	3,253,007,072
Adjustments for:		
Depreciation	341,241,087	346,090,079
Amortisation of intangible assets	62,055	69,846
Dividend Income	(211,361,790)	(366,766,934)
Unrealised gain on remeasurement of investments	(243,821,178)	(102,272,314)
Share of profit of equity-accounted associates - net of tax	(1,568,098,923)	(1,178,468,605)
Mark-up income	(100,600,703)	(208,921,365)
Unwinding of interest income on debt instrument	(30,750,769)	(26,457,068)
Amortisation of land lease rent	439,720	439,720
Amortisation of transaction cost	18,928,516	24,316,838
Finance cost	442,459,955	531,424,810
Provision for gratuity	1,608,608	2,429,569
Mark up on reverse repo transactions	(4,650,913)	-
Gain on sale of investment properties	(21,618,575)	-
Loss on remeasurement of investment properties	20,418,575	-
	(1,355,744,335)	(978,115,424)
Operating profit before working capital changes	2,597,074,494	2,274,891,648
Changes in working capital:		
<i>Decrease / (increase) in current assets</i>		
Trade debts	(952,852,489)	(2,325,236,128)
Loans and advances	(340,966,107)	(862,827,371)
Deposits and prepayments	76,592,879	2,966,248
Accrued mark-up and other receivables	(124,863,236)	(989,862,533)
Short term investments	1,351,750,181	(82,984,914)
Receivable under margin trading system	9,042,477	(1,197,083)
	18,703,705	(4,259,141,781)
<i>(Decrease) / increase in current liabilities</i>		
Trade and other payables	(524,163,355)	463,220,083
Payable against sale of securities - net	(153,041,762)	76,925,613
Unclaimed dividend	(111,100)	22,600
	(677,316,217)	540,168,296
Cash generated from / (used in) operations	1,938,461,982	(1,444,081,837)

12. CASH AND CASH EQUIVALENTS	Three months period ended	
	30 September 2024	30 September 2023
	(Rupees)	
Cash and bank balances	4,642,547,173	2,258,430,477
Short term borrowings	(4,678,411,640)	(5,615,930,334)
	(35,864,467)	(3,357,499,857)

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

For the three months period ended 30th September 2024

13. EARNINGS PER SHARE - BASIC & DILUTED	Three months period ended	
	30 September 2024	30 September 2023 (Restated)
13.1 Basic earnings per share	(Rupees)	
Profit after tax attributable to ordinary shareholders	2,904,366,071	2,614,299,770
	(Number)	
Weighted average number of ordinary shares	421,696,747	421,696,747
	(Rupees)	
Earnings per share	6.89	6.20

13.2 Diluted earnings per share

Diluted earnings per share has not been presented as there is no convertible instruments in issue as at September 30, 2024 and September 30, 2023 which would have any effect on the earnings per share if the option to convert is exercised.

14. 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.

15. TRANSACTIONS WITH RELATED PARTIES

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

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

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

For the three months period ended 30th September 2024

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

Name of the related party	Transactions during the period	Three months period ended	
		30 September 2024	30 September 2023
(Rupees)			
Associate			
Fatima Fertilizer Company Limited	Markup on loan	-	50,570,130
	Mark-up received	-	86,227,246
	Dividend income / received	932,250,567	558,250,361
Power Cement Limited	Guarantee commission income	211,920	211,920
	Guarantee commission received	211,920	239,470
Javedan Corporation Limited	Markup on loan	2,895,890	71,021,232
	Loan extended	200,000,000	1,590,000,000
	Mark-up received	10,558,850	-
Associated companies by virtue of common directorship and other related parties			
Aisha Steel Mills Limited	Mark-up on loan	10,479,741	7,889,627
	Mark-up received	33,409,388	71,242,617
	Loan extended	1,250,000,000	890,000,000
	Loan repaid	814,216,746	904,216,746
	Guarantee commission income	325,614	325,614
	Guarantee commission received	283,284	367,944
Rotocast Engineering Company (Private) Limited	Payment of rent and sharing of utilities, insurance and maintenance charges	13,190,574	17,583,226
Arif Habib Securities Limited - Employees Provident Fund	Company's Contribution	946,584	912,507
Arif Habib Equity (Private) Limited	Brokerage commission earned	500,000	857,821
Arif Habib Limited - Employees Provident Fund Trust	Company's Contribution	2,541,134	2,622,664
Globe Residency REIT	Dividend income	156,331,041	280,756,633
Key management personnel			
Mr. Arif Habib (CEO of Parent Company)	Brokerage commission earned	123,946	1,747,450
Mr. Samad A. Habib (Director of Parent Company)	Brokerage commission earned	-	31,325
	Meeting fee	50,000	50,000
Mr. Asadullah Khawaja (Director of Parent Company)	Meeting fee	50,000	50,000
Ms. Zeba Bakhtiar (Director of Parent Company)	Meeting fee	50,000	50,000
Mr. Khawaja Jallaluddin (Director of Parent Company)	Meeting fee	75,000	75,000
Mr. Nasim Beg (Director of Parent Company)	Meeting fee	50,000	50,000

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

For the three months period ended 30th September 2024

Name of the related party	Transactions during the period	Three months period ended	
		30 September 2024	30 September 2023
		(Rupees)	
Mr. Muhammad Ejaz (Director of Parent Company)	Meeting fee	75,000	75,000
Mr. Muhammad Kashif (Director of Parent Company)	Meeting Fee	75,000	75,000
	Brokerage Commission earned	-	6,500
Mr. Zafar Alam (Chairman of subsidiary company)	Brokerage Commission earned	575,742	11,125
	Meeting Fee	-	50,000
Mr. Muhammad Shahid Ali (CEO of Subsidiary Company)	Brokerage commission earned	1,648,992	3,220,191
Ms. Sharmin Shahid (Director of Subsidiary Company)	Brokerage commission earned	233,017	-
	Meeting Fee	-	50,000
Ms. Nida Ahsan (Director of Subsidiary Company)	Brokerage commission earned	934,823	19,769
	Meeting Fee	-	50,000
Mr. Mohsin Madni (CFO of Parent Company and Director of Subsidiary Company)	Brokerage commission earned	96,022	16,662
Mr. Muhammad Haroon (Director of Subsidiary Company)	Brokerage commission earned	111,981	134,967
	Meeting Fee	-	75,000
Mr. Sohail Salat (Director of Subsidiary Company)	Meeting Fee	-	75,000
Remuneration of chief executive officer, directors, key management personnel and executives			
- Salaries and other benefits		61,262,758	56,409,925
- Contribution to provident funds		1,760,825	1,768,200
- Gratuity (Provision)		875,437	852,762
Name of the related party	Balances as at	Unaudited	Audited
		30 September 2024	30 June 2024
		(Rupees)	
Aisha Steel Mills Limited	Long term loan	63,886,911	78,103,657
	Mark-up receivable	4,079,082	33,409,388
	Commission on guarantee receivable	283,284	283,284
Power Cement Limited	Commission on guarantee receivable	211,920	211,920
Javedan Corporation Limited	Receivable against sale of investment property	-	5,126,734
	Loan receivable	-	200,000,000
	Mark up receivable	2,895,890	10,558,850
	Balance recievable at period end	270,192	270,192

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

For the three months period ended 30th September 2024

Name of the related party	Balances as at	Unaudited	Audited
		30 September 2024	30 June 2024
		(Rupees)	
Rotocast Engineering Company (Private) Limited	Payable against monthly expense		
	Contribution	1,535,917	1,376,222
	Prepaid rent	4,093,170	-
	Balance receivable	52,122	43,550
Arif Habib Equity (Private) Limited	Balance payable	-	7,895,397
	Balance receivable	34,426	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	98,908	30,318
	Mark-up payable	-	1,863,890
Zafar Alam (Chairman of subsidiary company)	Balance payable	19,644,120	51,359
Muhammad Shahid Ali (CEO of Subsidiary Company)	Balance payable	150,562,080	249,003,382
Muhammad Haroon (Director of subsidiary company)	Balance payable	-	17,055
	Balance receivable	79	-
Sharmin Shahid (Director of subsidiary company)	Balance receivable	77,687	43,263
Nida Ahsan (Director of subsidiary company)	Balance payable	24,341	24,341
	Balance receivable	605,660	3,788
Mohsin Madni (CFO Parent Company & Director Subsidiary Company)	Balance payable	657,948	289,099
Samad A. Habib (Director of Parent Company)	Balance receivable	88,160	87,860
Kashif A. Habib (Director of Parent Company)	Balance receivable	244	244
Muhammad Sohail Salat (Director of Subsidiary Company)	Balance receivable	1,899	1,899

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

For the three months period ended 30th September 2024

16. REPORTABLE SEGMENTS

- 16.1** 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.
- 16.2** 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.
- 16.3** 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.
- 16.4** 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.

17. CORRESPONDING FIGURES

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

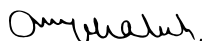
17. NON ADJUSTING EVENT AFTER REPORTING DATE

The Board of Directors of the Parent Company, has proposed a cash dividend of Rs. 7 per share amounting to Rs. 2,951.87 million at its meeting held on 31st October, 2024 for the approval of the members at the annual general meeting to be held on 27th November, 2024. These condensed interim consolidated financial statements do not include the effect of the proposed final cash dividend.

The Board of Directors of AHL, a subsidiary Company, has proposed a final cash dividend of Rs. 5 per share amounting to Rs. 326.70 million at its meeting held on 30th October, 2024 for the approval of the members at the annual general meeting to be held on 27th November, 2024. These condensed interim consolidated financial statements do not include the effect of the proposed final cash dividend.

18. DATE OF AUTHORISATION FOR ISSUE

- 18.1** These condensed interim consolidated financial statements have been authorised for issue on 25th November, 2024 by the Board of Directors of the Parent Company.



Chief Executive Officer



Director



Chief Financial Officer



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