



Arif Habib Corp

Together we are Stronger

Half Yearly Report 31st December 2023



Content

02	Company Information
04	Directors' Review Report
06	Condensed Interim Unconsolidated Financial Statements
07	Independent Auditor's Review Report
27	Condensed Interim Consolidated Financial Statements

Company Information

Board of Directors

Asadullah Khawaja
Chairman

Arif Habib
Chief Executive Officer

Khawaja Najam Ud Din 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 Najam Ud Din 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
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
Bank Makramah 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@garifhaibcorp.com
Company website:
www.arifhabibcorp.com
Group website:
www.arifhabib.com.pk

Registrar & Share Transfer Agent

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





Directors' Review Report

Dear Shareholders

The Directors of Arif Habib Corporation Limited (AHCL) present, herewith, the Directors' report of the Company together with interim condensed consolidated and unconsolidated financial statements for the six-months and quarter ended 31st December 2023.

The Economy

Pakistan's economy demonstrated resilience while strictly complying with the, USD 3 billion, IMF Stand By Agreement (SBA). Economic vitals appear to have stabilized. Foreign exchange market is calm, inflation has slowed down, and GDP growth is showing a positive trend propelled by improved performances in agriculture, industry, and services. Current Account Deficit (CAD) has declined impressively leading to improvement in foreign exchange reserves. Bond yields in the secondary market has eased suggesting that interest rates are likely to ease off in the fourth quarter of the current financial year.

Financial Results

For the six-month period ending 31st December 2023 ('1HFY24'), our consolidated profit after tax (attributable to AHCL shareholders) reached PKR 5,217 million, as compared to PKR 2,250 million in the same period last year ('SPLY'). Earnings Per Share (EPS) increased to PKR 12.77 from PKR 5.51 in SPLY. On an unconsolidated basis, we recorded a profit after tax of PKR 3,733 million, translating into earnings of PKR 9.14 per share, as compared to PKR 66 million and EPS of PKR 0.16 in SPLY. This enhanced profitability is attributable to dividend income and gains on remeasurements of investments.

Scheme of Arrangement

The Board of Directors of Arif Habib Corporation Limited (AHCL) in its meeting held on 17th November 2023, had accorded in-principle approval for the Scheme of Arrangement (Scheme) under Sections 279 to 283 and 285 of the Companies Act, 2017. The primary objective of the Scheme is to effectuate the bifurcation of Arif Habib Limited (AHL – subsidiary of AHCL), into two distinct segments, namely the Demerged Undertaking and the Retained Undertaking (as defined under the Scheme). Simultaneously, it entails the merger, through amalgamation, of the Demerged Undertaking into AHCL effective 1st July 2023. The Scheme is filed with the High Court of Sindh for formal sanction and approval of the Court. In compliance with the Court's order, separate Extraordinary General Meetings of AHCL and

AHL members were convened on 26th December 2023, where the overwhelming majority of respective shareholders voted in favor of the Scheme. Currently, the Scheme is under review by the Court, which may require additional hearings before the final approval considering reports from shareholders and creditors, and regulatory feedback. Consequently, the interim condensed consolidated and unconsolidated financial statements do not incorporate the potential impact of the Scheme of Arrangement.

Performance of Subsidiaries and Associates

Our subsidiaries and associates demonstrated strong performance during the period. The securities brokerage house, benefiting from market conditions, posted a profit after tax of PKR 974 million. The wind power project company maintained its performance, achieving a profit after tax of PKR 1,885 million. Fatima Fertilizer is expected to witness a significant increase in profitability in the last quarter.

We foresee the performance of other investee companies to be mixed. Javedan Corporation Limited is expected to record marginal profits while Globe Residency REIT is likely to perform as per projections. Aisha Steel Mills Limited is expected to achieve breakeven with a focus on export markets. Power Cement's operational performance has improved. However, it is anticipated that Power Cement may record a nominal loss due to high interest rates.

Future Outlook

Despite challenges in the business landscape, our diversified portfolio strategically places us for stability. Promising performances are anticipated in fertilizer, wind power, and the brokerage business, while stability is expected in the real estate, cement, and steel businesses with the anticipated economic revival and decline in interest rates. The Company is poised to maintain satisfactory performance in the short to medium term.

Acknowledgement

We extend our gratitude to the shareholders of the company for their unwavering confidence and support. We would also like to express our sincere appreciation to our bankers, business partners, the Securities & Exchange Commission of Pakistan, the State Bank of Pakistan, and the management of Pakistan Stock Exchange for their invaluable support and guidance. The unwavering dedication and commitment of our employees during the period is acknowledged and deeply appreciated.

For and on behalf of the Board



Mr. Arif Habib
Chief Executive



Mr. Asadullah Khawaja
Chairman

Karachi: 17th February 2024

Condensed Interim Unconsolidated Financial Statements

For the six months period ended 31st December 2023

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



INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF THE ARIF HABIB CORPORATION LIMITED REPORT ON REVIEW OF CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of Arif Habib Corporation Limited as at 31 December 2023 and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity, condensed interim unconsolidated statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "condensed interim unconsolidated financial statements"). Management is responsible for the preparation and presentation of these condensed interim unconsolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim unconsolidated financial statements based on our review. The figures of the condensed interim unconsolidated statement of profit or loss and condensed interim unconsolidated statement of comprehensive income for the three-month period ended 31 December 2023 and 31 December 2022 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended 31 December 2023.

Scope of Review

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

Conclusion

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

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

**Chartered Accountants
Karachi**

Date: February 19, 2024

UDIN: RR202310059MtcpJxzER

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

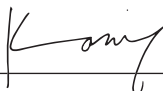
As at 31st December 2023

	Note	Unaudited 31 December 2023 (Rupees)	Audited 30 June 2023
ASSETS			
NON-CURRENT ASSETS			
Property and equipments	4	54,109,383	25,912,136
Intangible assets		219,245	296,615
Long term investments	5	19,734,003,606	17,881,945,203
Long term loan to related party	6	63,886,911	78,103,657
Long term deposits and other receivable		5,880,378	5,880,378
		19,858,099,523	17,992,137,989
CURRENT ASSETS			
Loans and advances	7	2,153,802,155	1,781,863,523
Mark-up receivable	8	114,855,670	186,088,244
Prepayments and other receivables	9	43,088,545	10,497,248
Short term investments	10	5,131,455,515	3,803,122,330
Cash and bank balances		39,947,543	40,348,417
		7,483,149,428	5,821,919,762
TOTAL ASSETS		27,341,248,951	23,814,057,751

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



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

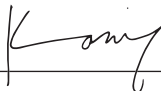
As at 31st December 2023

	Note	Unaudited 31 December 2023 (Rupees)	Audited 30 June 2023
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital		10,000,000,000	10,000,000,000
Share capital			
Issued, subscribed and paid up share capital		4,083,750,000	4,083,750,000
Revenue reserves			
General reserve		4,000,000,000	4,000,000,000
Unappropriated profit		16,118,600,274	12,385,423,995
TOTAL EQUITY		24,202,350,274	20,469,173,995
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred taxation - net		916,235,886	531,156,028
Lease liability against right of use assets		21,973,435	-
		938,209,321	531,156,028
CURRENT LIABILITIES			
Other payables		74,071,627	204,693,870
Short term borrowings	11	1,695,347,309	2,314,280,474
Current portion of lease liability		9,578,025	-
Taxation - net		399,534,783	272,552,007
Unclaimed dividend		22,157,612	22,201,377
		2,200,689,356	2,813,727,728
TOTAL LIABILITIES		3,138,898,677	3,344,883,756
Contingencies and commitments	12		
TOTAL EQUITY AND LIABILITIES		27,341,248,951	23,814,057,751

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



Chief Executive Officer



Director



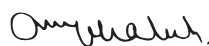
Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

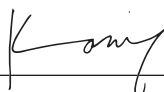
For the six months period ended 31st December 2023

	Note	Six months period ended		Three months period ended	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
(Rupees)					
Dividend income		1,819,196,039	1,674,182,859	342,562,007	1,521,938,391
Other revenue	13	61,894,083	8,083,086	31,334,650	4,038,506
Gross revenue		1,881,090,122	1,682,265,945	373,896,657	1,525,976,897
Gain / (loss) on sale of securities - net		5,451,053	32,533,240	61,321,968	(38,698,269)
Administrative expenses		(83,112,612)	(71,822,979)	(49,663,814)	(39,495,782)
Net finance cost	14	(23,140,057)	(40,869,504)	16,120,308	(4,824,840)
		1,780,288,506	1,602,106,702	401,675,119	1,442,958,006
Gain / (loss) on remeasurement of investments - net		2,643,855,647	(1,320,557,957)	2,920,591,792	(1,689,609,064)
		4,424,144,153	281,548,745	3,322,266,911	(246,651,058)
Other income		-	903,862	-	903,862
Other charges		(2,207,900)	(46,045)	(2,205,650)	(27,750)
Profit / (loss) before income tax		4,421,936,253	282,406,562	3,320,061,261	(245,774,946)
Income tax expense	15	(688,759,974)	(216,915,504)	(430,204,177)	(171,595,690)
Profit / (loss) for the period		3,733,176,279	65,491,058	2,889,857,084	(417,370,636)
Earnings / (loss) per share - basic and diluted	16	9.14	0.16	7.08	(1.02)

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



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

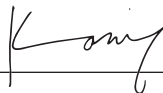
For the six months period ended 31st December 2023

	Six months period ended		Three months period ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	----- (Rupees) -----			
Profit / (loss) for the period	3,733,176,279	65,491,058	2,889,857,084	(417,370,636)
Other comprehensive income:				
<i>Items that will not be reclassified to statement statement of profit or loss</i>				
Investment in associate at fair value through other comprehensive income - net of deferred tax	-	(807,736,212)	-	(807,736,212)
Total comprehensive income / (loss) for the period	3,733,176,279	(742,245,154)	2,889,857,084	(1,225,106,848)

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



Chief Executive Officer



Director



Chief Financial Officer

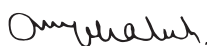
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months period ended 31st December 2023

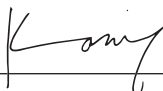
	Reserves			Sub total	Total	
	Issued, subscribed and paid up share capital	Revenue Reserves				
		General reserve	Unappropriated profit			Fair value reserve *
	(Rupees)					
Balance as at 1 July 2022	4,083,750,000	4,000,000,000	15,793,296,784	(43,327,588)	19,749,969,196	23,833,719,196
Total comprehensive income for the six months period ended 31 December 2022						
Profit for the period	-	-	65,491,058	-	65,491,058	65,491,058
Other comprehensive loss for the period	-	-	-	(807,736,212)	(807,736,212)	(807,736,212)
	-	-	65,491,058	(807,736,212)	(742,245,154)	(742,245,154)
Transactions with owners of the Company recorded directly in equity - distributions						
Final cash dividend at the rate of Rs. 4 per share for the year ended 30 June 2022	-	-	(1,633,500,000)	-	(1,633,500,000)	(1,633,500,000)
Balance as at 31 December 2022	4,083,750,000	4,000,000,000	14,225,287,842	(851,063,800)	17,374,224,042	21,457,974,042
Total comprehensive income for the six months period ended 30 June 2023						
Loss for the period	-	-	(1,037,851,602)	-	(1,037,851,602)	(1,037,851,602)
Other comprehensive income for the period	-	-	-	49,051,555	49,051,555	49,051,555
	-	-	(1,037,851,602)	49,051,555	(988,800,047)	(988,800,047)
Loss realized on disposal of investment in equity instruments at FVOCI	-	-	(802,012,245)	802,012,245	-	-
Balance as at 30 June 2023	4,083,750,000	4,000,000,000	12,385,423,995	-	16,385,423,995	20,469,173,995
Total comprehensive income for the six months period ended 31 December 2023						
Profit for the period	-	-	3,733,176,279	-	3,733,176,279	3,733,176,279
Other comprehensive income for the period	-	-	-	-	-	-
Balance as at 31 December 2023	4,083,750,000	4,000,000,000	16,118,600,274	-	20,118,600,274	24,202,350,274

* Fair value reserve comprises of the cumulative net change in the fair value of equity securities designated at fair value through other comprehensive income.

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



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

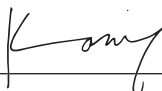
For the six months period ended 31st December 2023

	Note	Six months period ended	
		31 December 2023	31 December 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operations	17	(784,032,984)	(312,200,529)
Income tax paid		(176,697,342)	(52,288,875)
Finance cost paid		(328,507,129)	(123,056,072)
Mark-up received		251,894,535	58,316,057
Net cash used in operating activities		(1,037,342,920)	(429,229,419)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		(1,403,538)	(227,801)
Acquisition of long term investments		(11,379,390)	(233,339,361)
Dividends received		1,819,196,039	438,273,582
Advance for purchase of investment properties		(136,480,000)	-
Proceeds from sale of properties and equipment		-	127,773
Long term deposits paid		-	(792,800)
Net cash generated from investing activities		1,669,933,111	204,041,393
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liability		(13,878,000)	(6,308,220)
Dividend paid		-	(1,633,500,000)
Net cash used in financing activities		(13,878,000)	(1,639,808,220)
Net change in cash and cash equivalents		618,712,191	(1,864,996,246)
Cash and cash equivalents at beginning of the period		(2,273,932,057)	(1,949,759,127)
Effect of exchange rate fluctuations on cash held		(179,900)	903,862
Cash and cash equivalents at end of the period	18	(1,655,399,766)	(3,813,851,511)

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



Chief Executive Officer



Director



Chief Financial Officer

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the six months period ended 31st December 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Arif Habib Corporation Limited ("the Company") was incorporated in Pakistan on November 14, 1994 as a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Company is listed on the Pakistan Stock Exchange Limited. The principal activity of the Company is to make strategic investments in subsidiary companies and associates engaged in diversified sectors and investment in other securities. The Company also extends loans, advances and guarantees to its associated companies / 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.

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

Name of Companies	% of Shareholding
Subsidiaries	
- Arif Habib Limited, a brokerage house (AHL)	<u>72.92%</u>
- Sachal Energy Development (Private) Limited, a wind power generation company	<u>85.83%</u>
- Black Gold Power Limited, a coal power generation company	<u>100.00%</u>
Associates	
- Fatima Fertilizer Company Limited, a fertilizer company	<u>15.19%</u>

There is no change in shareholding in above mentioned subsidiaries and associate from the preceding annual audited unconsolidated financial statements for the year ended 30 June 2023.

- 1.3** The shareholders of the Company and its subsidiary, Arif Habib Limited (AHL), in their respective Extraordinary General Meetings (EGMs) convened on December 26, 2023, approved the Scheme of Arrangement dated November 17, 2023 (the Scheme). The Scheme was in compliance with the provisions outlined in Sections 279 to 283 and 285 of the Companies Act, 2017. The primary objective of the Scheme is to effectuate the bifurcation and separation of AHL, into two distinct segments, namely the Demerged Undertaking and the Retained Undertaking (as defined under the Scheme of Arrangement). Simultaneously, it entails the merger, through amalgamation, of the Demerged Undertaking into the Company, effective from July 1, 2023.

As per the stipulations set forth in the Scheme, in consideration for this transaction, shares of the Company will be issued to the shareholders of AHL (excluding AHCL itself) based on a swap ratio of 0.8673 ordinary shares of the Company for each share held in AHL on the Record Date, as defined in the Scheme.

It is imperative to note that the successful implementation of the Scheme is contingent upon obtaining necessary approvals, sanctions, consents, observations, and no-objection certificates from various stakeholders, including creditors, the Securities and Exchange Commission of Pakistan, Sindh High Court, or any other competent authority applicable to the matter. As at December 31, 2023, the petition seeking the sanctioning of the Scheme is still pending. Consequently, these financial statements do not incorporate the potential impact of the Scheme.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the six months period ended 31st December 2023

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

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

2.2 These condensed interim unconsolidated financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the audited annual unconsolidated financial statements of the Company as at and for the year ended 30 June 2023.

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

2.4 Basis of measurement

These condensed interim unconsolidated financial statements have been prepared under the historical cost convention except as stated otherwise and should be read in conjunction with the audited annual unconsolidated financial statements of the Company as at and for the year ended 30 June 2023.

2.5 Functional and presentation currency

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

3. ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements are the same as those applied in the preparation of annual audited unconsolidated financial statements of the Company as at and for the year ended 30 June 2023.

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 2023 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 2024. However, these will not have any impact on the Company's financial reporting and, therefore, have not been disclosed in these condensed interim unconsolidated financial statements.

3.2 Accounting estimates, judgements and financial risk management

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

The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual financial statements as at and for the year ended 30 June 2023.

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 2023.

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the six months period ended 31st December 2023

4. PROPERTY AND EQUIPMENTS

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

	Unaudited		Unaudited	
	Six months period ended 31 December 2023		Six months period ended 31 December 2022	
	Additions	Disposals	Additions	Disposals
	(Rupees)			
Office equipment	-	-	-	30,295
Computer equipment	233,333	-	227,801	112,774
Leashold improvement	1,170,205	-	-	-
	1,403,538	-	227,801	143,069
Right of use of asset	35,278,875	-	-	-

5. LONG TERM INVESTMENTS

	Note	Unaudited 31 December 2023 (Rupees)	Audited 30 June 2023
Subsidiaries - at cost (net of impairment)	5.1	4,937,599,953	4,937,599,953
Associates - designated at fair value through profit and loss	5.2	11,321,317,311	9,509,396,141
Debt instrument - at amortised cost	5.3	740,648,395	686,714,948
Debt instruments - at fair value through profit and loss	5.4	2,734,437,947	2,748,234,161
Other equity securities - designated at fair value through other comprehensive	5.5	-	-
		19,734,003,606	17,881,945,203

5.1 Subsidiaries - at cost (net of impairment)

	Unaudited 31 December 2023 (Rupees)	Audited 30 June 2023
Carrying amount		
Quoted Entity		
Arif Habib Limited (AHL) 47,648,522 (30 June 2023: 47,648,522) fully paid ordinary shares of Rs. 10 each	2,191,134,893	2,191,134,893
Unquoted Entities		
Sachal Energy Development (Private) Limited (SEDPL) 274,646,506 (30 June 2023: 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 2023: 5,000,000) fully paid ordinary shares of Rs. 10 each Impairment recognised	50,000,000 (50,000,000)	50,000,000 (50,000,000)
	4,937,599,953	4,937,599,953

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the six months period ended 31st December 2023

5.2 Associates - designated at fair value through profit and loss

	Cost	Appreciation on remeasurement of investments	Carrying amount (at fair value)	
			Unaudited 31 December 2023	Audited 30 June 2023
----- (Rupees) -----				
Quoted Entity				
Fatima Fertilizer Company Limited (FFCL) 319,000,206 (30 June 2023: 319,000,206) fully paid ordinary shares of Rs. 10 each	3,512,782,225	7,808,535,086	11,321,317,311	9,509,396,141

5.3 Debt instrument - at amortised cost

	Fair value at initial recognition	Cummulative unwinding of interest income	Carrying amount	
			Unaudited 31 December 2023	Audited 30 June 2023
----- (Rupees) -----				
Un-Quoted Entity				
Fatima Fertilizer Company Limited (FFCL) 135,000,000 (30 June 2023: 135,000,000) redeemable class A shares of Rs. 10 each	591,315,343	149,333,052	740,648,395	686,714,948
	591,315,343	149,333,052	740,648,395	686,714,948

5.4 Debt instruments - at fair value through profit and loss

	Cost	Appreciation on remeasurement of investments	Carrying amount (at fair value)	
			Unaudited 31 December 2023	Audited 30 June 2023
----- (Rupees) -----				
Quoted Entity				
Globe Residency REIT (GRR) 78,128,802 (30 June 2023: 77,255,802) Units of Rs. 10 each	786,036,011	260,889,936	1,046,925,947	1,060,722,161
Un-Quoted Entities				
Silk Islamic Development REIT (SIDR) 60,000,000 (30 June 2023: 60,000,000) Units of Rs. 10 each	600,000,000	341,400,000	941,400,000	941,400,000
Naya Nazimabad Apartment REIT (NNR) 48,575,000 (30 June 2023: 48,575,000) Units of Rs. 10 each	485,750,000	260,362,000	746,112,000	746,112,000
	1,871,786,011	862,651,936	2,734,437,947	2,748,234,161

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

This represents investments made in Sun Biz (Private) Limited and Al-Khabeer Financial Services which were reassessed by the management on initial application of IFRS-9 and based on the available information and it was concluded that the fair value does not differ materially from carrying amount as at June 30, 2023.

5.6 Fair value of long term investments pledged with banking companies against various financing facilities amounts to Rs. 5,767.48 million (30 June 2023: Rs. 4,361 million).

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the six months period ended 31st December 2023

		Unaudited 31 December 2023	Audited 30 June 2023
6. LONG TERM LOAN TO RELATED PARTY			
		(Rupees)	
At amortised cost			
Secured - Considered good			
Aisha Steel Mills Limited, a related company		92,320,403	106,537,149
Less: Current portion of long term loan		(28,433,492)	(28,433,492)
		63,886,911	78,103,657
6.1	This represents long term loan secured against first charge on all present and future fixed assets, accounts receivables and interest in any insurance claim and equitable mortgage of land and building. The mark-up rate in the said loan is 6 month KIBOR + 3.25% per annum (30 June 2023: 6 months KIBOR + 3.25% per annum). The rate of mark-up on the loan during the period was 26.22% (30 June 2023: ranged between 18.60% to 20.29%) per annum. Mark-up is payable on semi-annual basis.		
6.2	The maximum amount outstanding from the above related party at the end of any month during the period was Rs. 92.32 million (30 June 2023: Rs.120.75 million).		
7. LOANS AND ADVANCES			
	Note	Unaudited 31 December 2023	Audited 30 June 2023
			(Rupees)
At amortised cost			
<i>Unsecured</i>			
Loans to related parties			
- Black Gold Power Limited		5,700,000	5,700,000
- Javedan Corporation Limited		-	614,250,000
- Fatima Fertilizer Company Limited	7.1	813,153,536	813,153,536
Advance for investment in			
- Pakistan Corporate CBD REIT		279,026,250	279,026,250
- Park View Apartment REIT	7.2	612,136,440	-
- Silk Islamic Development REIT (SIDR)	7.3	100,000,000	-
Advance for purchase of investment properties	7.4	177,078,980	40,598,980
Advance against musharaka contribution		136,920,000	-
<i>Secured</i>			
- Current portion of long term loan to Aisha Steel Mills Limited	6	28,433,492	28,433,492
- Advance against salaries to employees		1,353,457	701,265
		2,153,802,155	1,781,863,523
7.1	The Company entered into a loan agreement with Fatima Fertilizer Company Limited, a related party. The term of the loan ends on 29 March 2024. The mark-up rate on the said loan is 3 month KIBOR + 1.80% per annum. Mark-up is payable on half-yearly basis. The rate of mark-up on the loan during the period ranged between 24.44% to 24.70% per annum (30 June 2023: 17.12% to 23.88%).		
7.2	This represents an advance payment for the issuance of units, accounting for 28.38% ownership in a limited-life, Shariah-compliant developmental REIT Scheme. The Scheme, managed by Arif Habib Dolmen REIT Management Company Limited, a related party, has recently acquired a real estate land parcel (FL-01 and FL-02) measuring 23,049 square yards in Naya Nazimabad, Karachi, with the aim of constructing and subsequently selling apartments. Units corresponding to this advance will be issued in due course.		

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the six months period ended 31st December 2023

- 7.3** The Company, along with the other investors of SIDR, has entered into an agreement to advance Rs. 100 million. According to the terms of the agreement, the advance will be converted into a Shariah-compliant Debt Instrument, which will be issued by SIDR in due course.
- 7.4** This represents advance paid to Javedan Corporation Limited (JCL), (a related party) and Silk Investment Developmental REIT (SIDR) amounting to Rs 136.48 million and Rs 40.60 million respectively, against the acquisition of investment properties.
- 7.5** The carrying values of the loans and advances are neither past due nor impaired. The maximum amount outstanding from above related parties in respect of loans and advances at end of any month during the period was Rs. 2,553.10 million (30 June 2023: Rs. 2,957.85 million).

8. MARK-UP RECEIVABLE	Unaudited 31 December 2023	Audited 30 June 2023
	(Rupees)	
Considered good		
From related parties:		
- Aisha Steel Mills Limited	12,386,512	71,242,617
- Fatima Fertilizer Company Limited	100,667,963	86,227,246
- Javedan Corporation Limited	1,801,195	28,618,381
	114,855,670	186,088,244

- 8.1** 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. 128.31 million (30 June 2023: Rs. 186.09 million).

9. PREPAYMENTS AND OTHER RECEIVABLES	Note	Unaudited 31 December 2023	Audited 30 June 2023
		(Rupees)	
Prepayments		10,106,369	1,085,484
Receivable from Arif Habib Limited	9.1	24,038,546	-
Guarantee commission receivable	9.2 & 9.3	3,858,298	4,650,422
Sales tax receivable		2,816,342	2,816,342
Others		2,268,990	1,945,000
		43,088,545	10,497,248

- 9.1** This represent ammount receivable from Arif Habib Limited, brokerage house against sale of equity securities under T+2 mechanisim.

9.2 Guarantee commission receivable	Unaudited 31 December 2023	Audited 30 June 2023
	(Rupees)	
Aisha Steel Mills Limited	325,614	367,944
Sachal Energy Development (Private) Limited	2,646,420	3,401,568
Power Cement Limited	211,920	239,470
Arif Habib Limited	674,344	641,440
	3,858,298	4,650,422

- 9.3** The maximum amount due in respect of guarantee commission receivable as at the end of any month during the period was Rs. 4.64 million (30 June 2023: Rs. 4.65 million).

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the six months period ended 31st December 2023

10. SHORT TERM INVESTMENTS	Unaudited 31 December 2023	Audited 30 June 2023
	(Rupees)	
Equity securities at fair value through profit or loss		
Investment in ordinary shares of related parties	3,618,847,714	2,343,840,809
Investment in preference shares of related parties	486,717,424	703,543,481
Investment in ordinary shares of other companies	1,025,890,377	755,738,040
	5,131,455,515	3,803,122,330

10.1 Fair value of short term investments pledged with banking companies against various financing facilities availed by the Company amounts to Rs. 1,833.76 million (30 June 2023: Rs. 1,426.65 million).

11. SHORT TERM BORROWINGS

11.1 Running finance facilities are available from various commercial banks, under mark-up arrangements, amounting to Rs. 6,200 million (30 June 2023: 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%.

11.2 These running finance facilities carry mark-up ranging from 3-month KIBOR plus 0.70% 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. 4,505 million (30 June 2023: Rs. 3,886 million).

12. CONTINGENCIES AND COMMITMENTS

12.1 There is no change in the status of contingencies and commitments as disclosed in the preceding audited annual unconsolidated financial statements of the Company as at and for the year ended 30 June 2023 except for the following:

- The Company has further pledged 0.45 million shares of Fatima Fertilizer Company Limited with various banks for running finance facilities obtained by Arif Habib Limited, a subsidiary company.
- The exposure against corporate guarantee on behalf of the subsidiary company, Sachal Energy Development (Private) Limited, has been reduced by USD 5 million. The total exposure has been reduced to USD 40 million (equivalent to Rs. 11,268 millions) out of USD 100 million due to timely repayment of loan.

13. OTHER REVENUE	Note	Unaudited			
		Six months period ended		Six months period ended	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
----- (Rupees) -----					
Guarantee commission income		7,960,636	8,083,086	3,858,271	4,038,506
Unwinding of interest on debt instrument	13.1	53,933,447	-	27,476,379	-
		61,894,083	8,083,086	31,334,650	4,038,506

13.1 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.

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the six months period ended 31st December 2023

	Unaudited			
	Six months period ended		Three months period ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	----- (Rupees) -----			
14. NET FINANCE COST				
Mark-up income on loans to associates and related parties	179,785,313	130,604,881	80,093,593	89,206,210
Mark-up income on bank deposits	876,648	1,080,956	423,828	591,042
Finance income	180,661,961	131,685,837	80,517,421	89,797,252
Mark-up on running finance	200,539,792	171,952,063	62,771,017	94,321,934
Bank charges	50,640	57,267	20,303	24,462
Interest expense - Lease Liability	3,211,586	546,011	1,605,793	275,696
Finance cost	(203,802,018)	(172,555,341)	(64,397,113)	(94,622,092)
Net Finance (cost) / income	(23,140,057)	(40,869,504)	16,120,308	(4,824,840)

	Unaudited			
	Six months period ended		Three months period ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	----- (Rupees) -----			
15. INCOME TAX EXPENSE				
Current	308,460,822	64,182,802	157,259,412	50,741,822
Prior	(4,780,706)	69,161	(4,780,706)	69,161
Deferred	385,079,858	152,663,541	277,725,471	120,784,707
	688,759,974	216,915,504	430,204,177	171,595,690

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

15.2 The Government has levied a special tax from tax year 2022 and onwards on high earning persons. As per section 4C of the Income Tax Ordinance 2001 (the Ordinance), among others, where income exceeds Rs. 500 million, super tax shall be charged at a rate of 10% of income calculated under section 4C of the Ordinance. The Company has filed a constitutional petition against the imposition of such super tax on high earning persons including specified sectors in the Honourable Islamabad High Court and have obtained the stay order on its payment. The Company in consultation with its legal and tax advisor expects a positive outcome, however a provision amounting to Rs. 303.72 million for tax year 2023 and Rs.155.25 million for the tax year 2024 has been recorded in these condensed interim unconsolidated financial statements.

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

16. EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED

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

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the six months period ended 31st December 2023

	Unaudited			
	Six months period ended		Six months period ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	----- (Rupees) -----			
Profit / (loss) for the period	3,733,176,279	65,491,058	2,889,857,084	(417,370,636)
	----- (Number) -----			
Weighted average number of ordinary shares	408,375,000	408,375,000	408,375,000	408,375,000
	----- (Rupees) -----			
Earnings / (loss) per share - basic and diluted	9.14	0.16	7.08	(1.02)

	Note	Unaudited	
		Six months period ended	
		31 December 2023	31 December 2022
		----- (Rupees) -----	
17. NET CASH USED IN OPERATIONS			
Profit before income tax		4,421,936,253	282,406,562
Adjustments for:			
Depreciation		8,485,167	7,865,407
Amortisation		77,370	77,370
Dividend income		(1,819,196,039)	(1,674,182,859)
Mark-up on loans and advances		(179,785,313)	(130,604,881)
Mark-up on bank deposits		(876,648)	(1,080,956)
(Gain) / loss on remeasurement of long term investments		(1,786,745,566)	1,348,683,174
Gain on remeasurement of short term investments - net		(857,110,081)	(28,125,217)
Loss on disposal of assets		-	15,295
Exchange loss / (gain) on foreign currency translation		179,900	(903,862)
Unwinding of interest income on debt instrument		(53,933,447)	-
Finance cost		203,802,018	172,555,341
		(4,485,102,639)	(305,701,188)
		(63,166,386)	(23,294,626)
Effect on cash flow due to working capital changes			
<i>(Increase) / decrease in current assets</i>			
Loans and advances		(221,241,886)	(527,378,157)
Prepayments and other receivables		(25,652,297)	(76,327,749)
Short term investments		(471,223,104)	310,689,591
		(718,117,287)	(293,016,315)
<i>(Decrease) / increase in current liabilities</i>			
Other payables		(2,705,546)	1,109,793
Unclaimed dividend		(43,765)	3,000,619
		(2,749,311)	4,110,412
Net cash used in operations		(784,032,984)	(312,200,529)

18. CASH AND CASH EQUIVALENTS

Cash and bank balances		39,947,543	46,428,307
Short term borrowings	11	(1,695,347,309)	(3,860,279,818)
		(1,655,399,766)	(3,813,851,511)

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the six months period ended 31st December 2023

19. FAIR VALUE MEASUREMENTS

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

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

- Level 1:** Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2:** Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3:** Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
As at 31 December 2023				
Financial assets measured at fair value				
Long term investments	12,368,243,258	746,112,000	941,400,000	14,055,755,258
Short term investments	5,131,455,515	-	-	5,131,455,515
Financial assets not measured at fair value				
Long term investments - subsidiaries*	2,032,685,949	-	-	2,032,685,949
	<u>19,532,384,722</u>	<u>746,112,000</u>	<u>941,400,000</u>	<u>21,219,896,722</u>

As at 30 June 2023

Financial assets measured at fair value

Long term investments	10,570,118,302	746,112,000	941,400,000	12,257,630,302
Short term investments	3,803,122,330	-	-	3,803,122,330

Financial assets not measured at fair value

Long term investments - subsidiaries*	1,271,262,567	-	-	1,271,262,567
	<u>15,644,503,199</u>	<u>746,112,000</u>	<u>941,400,000</u>	<u>17,332,015,199</u>

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

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

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the six months period ended 31st December 2023

20. TRANSACTIONS WITH RELATED PARTIES

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

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

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

Name of the related party	Transactions during the period	Unaudited	
		31 December 2023	31 December 2022
		(Rupees)	
Subsidiaries			
Arif Habib Limited	Services availed	1,368,115	2,241,749
	Investment in shares	-	233,339,361
	Dividend income / received	119,121,305	247,022,832
	Guarantee commission income	1,330,610	1,583,488
	Guarantee commission received	1,178,822	1,620,129
Sachal Energy Development (Private) Limited	Guarantee commission income	5,554,958	5,424,530
	Guarantee commission received	5,731,744	5,338,824
	Dividend income / received	686,616,265	1,235,909,277
Associates			
Fatima Fertilizer Company Limited	Dividend income / received	558,250,361	-
	Mark-up income on loan	100,667,963	70,977,387
	Mark-up received	86,227,246	28,365,692
Associated companies by virtue of common directorship			
Aisha Steel Mills Limited	Mark-up income on loan	13,990,969	59,047,635
	Mark-up received	72,847,074	9,948,630
	Loan extended	890,000,000	2,600,000,000
	Loan repayment	904,216,746	2,054,216,746
	Guarantee commission income	651,228	651,228
	Guarantee commission received	630,650	651,228
Javedan Corporation Limited	Mark-up income on loan	65,126,381	-
	Mark-up received	91,943,567	-
	Dividend income / received	223,440,702	152,244,468
	Loan extended	3,810,000,000	-
	Loan repayment	4,424,250,000	-
	Advance against musharaka contribution	136,920,000	-
Power Cement Limited	Guarantee commission income	423,840	423,840
	Guarantee commission received	415,958	423,840
	Mark-up received	-	16,179,794

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the six months period ended 31st December 2023

Name of the related party	Transactions during the period	Unaudited Six months period ended	
		31 December 2023	31 December 2022
		(Rupees)	
Safe Mix Concrete Limited	Mark-up income on loan	-	579,859
	Mark-up received	-	2,740,984
	Loan repayment	-	18,118,274
Rotocast Engineering Company (Private) Limited	Payment of rent and sharing of utilities, insurance and maintenance charges	20,752,551	12,818,728
Globe Residency REIT	Dividend income / received	231,767,406	-

Above are considered as associated companies under the Companies Act, 2017 by virtue of common directorship.

Name of the related party	Transactions during the period	Unaudited Six months period ended	
		31 December 2023	31 December 2022
Others		(Rupees)	
Mr. Arif Habib	Dividend paid	-	1,315,683,868
Employees retirement benefit fund - Provident fund	Company's Contribution	1,819,003	1,593,875
Key management personnel and executives's Compensation	Salaries and other benefits	23,497,866	22,990,099
	Contribution to provident fund	1,382,424	1,173,008
Mr. Asadullah Khawaja	Meeting fee paid	150,000	100,000
	Dividend paid	-	324,024
Ms. Zeba Bakhtiar	Meeting fee paid	150,000	100,000
	Dividend paid	-	400
Mr. Khawaja Jallaluddin	Meeting fee paid	-	150,000
	Dividend paid	-	12,946,000
Mr. Nasim Beg	Meeting fee paid	200,000	-
	Dividend paid	-	8,312
Mr. Abdus Samad	Meeting fee paid	200,000	-
	Dividend paid	-	4,024
Mr. Muhammad Ejaz	Meeting fee paid	275,000	-
	Dividend paid	-	484
Mr. Muhammad Kashif	Meeting fee paid	275,000	-
	Dividend paid	-	141,160
Mr. Khawaja Najam Ud Din Roomi	Meeting fee paid	200,000	-


Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the six months period ended 31st December 2023

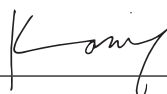
Name of the related party	Nature of balance	Unaudited 31 December 2023	Audited 30 June 2023
Balances as at:			
Arif Habib Limited	Receivable against sale of securities	24,038,546	-
	Payable against purchase of securities and CDC charges	-	2,477,813
Rotocast Engineering Company (Private) Limited	Payable against monthly expense contribution	1,079,157	1,024,446
	Prepaid Rent	6,939,000	-

21. DATE OF AUTHORISATION FOR ISSUE

These condensed interim unconsolidated financial statements have been authorised for issue on 17 February 2024 by the Board of Directors of the Company.



Chief Executive Officer



Director



Chief Financial Officer

Condensed Interim Consolidated Financial Statements

For the six months period ended 31st December 2023

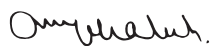
28	Condensed Interim Consolidated Statement of Financial Position
30	Condensed Interim Consolidated Statement of Profit or Loss (Unaudited)
31	Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited)
32	Condensed Interim Consolidated Statement of Changes In Equity (Unaudited)
33	Condensed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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

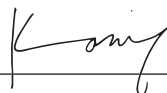
As at 31st December 2023

	Note	Unaudited 31 December 2023 (Rupees)	Audited 30 June 2023
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	17,635,544,516	18,327,271,281
Intangible assets		1,272,549	1,412,241
Goodwill		910,206,117	910,206,117
Trading right entitlement certificate, membership cards and offices		5,600,000	5,600,000
Investment properties		443,149,014	450,749,014
Equity accounted investees	6	18,143,989,051	16,042,756,743
Other long term investments		4,688,795,174	4,520,203,177
Long term loan to related party		63,886,911	78,103,657
Long term deposits and other receivables		379,795,190	513,072,150
		42,272,238,522	40,849,374,380
CURRENT ASSETS			
Trade debts		5,583,219,459	4,897,902,353
Loans and advances		2,161,900,047	2,135,728,305
Deposits and prepayments		292,288,209	138,341,099
Receivable under margin trading system		13,343,357	11,679,177
Accrued mark-up and other receivables		1,236,796,595	1,449,757,558
Short term investments	7	8,539,201,538	6,652,917,876
Cash and bank balances		2,298,826,409	1,644,267,507
		20,125,575,614	16,930,593,875
TOTAL ASSETS		62,397,814,136	57,779,968,255

The annexed notes from 1 to 17 form an integral part of these condensed interim consolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

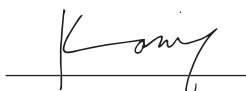
As at 31st December 2023

	Note	Unaudited 31 December 2023	Audited 30 June 2023
(Rupees)			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital		10,000,000,000	10,000,000,000
Share capital			
Issued, subscribed and paid-up share capital		4,083,750,000	4,083,750,000
Capital reserve			
Surplus on revaluation		7,835,000	7,835,000
Revenue reserves			
General reserve		4,019,567,665	4,019,567,665
Unappropriated profit		31,206,460,751	26,004,636,795
Equity attributable to owners of the Parent Company		39,317,613,416	34,115,789,460
Non-controlling interest		3,445,472,111	3,070,755,570
TOTAL EQUITY		42,763,085,527	37,186,545,030
NON-CURRENT LIABILITIES			
Long term loans - secured		6,891,762,792	8,397,435,371
Land lease liability		10,998,632	11,479,191
Lease liability against right-of-use assets		83,363,354	918,356
Staff retirement benefits		42,426,578	40,421,863
Deferred taxation - net		3,942,204,651	3,249,244,252
		10,970,756,007	11,699,499,033
CURRENT LIABILITIES			
Trade and other payables		2,226,112,640	1,235,709,471
Accrued mark-up		294,698,078	423,365,310
Sales tax payable		56,289,732	79,153,171
Short term borrowings		2,772,113,464	3,932,066,154
Current portion of long term loans - secured		2,824,000,000	2,871,000,000
Current portion of lease liability against right-of-use assets		32,382,007	2,108,980
Current portion of land lease liability		1,360,000	1,360,000
Taxation - net		412,702,855	305,534,288
Unclaimed dividend		44,313,826	43,626,818
		8,663,972,602	8,893,924,192
TOTAL LIABILITIES		19,634,728,609	20,593,423,225
Contingencies and commitments	8		
TOTAL EQUITY AND LIABILITIES		62,397,814,136	57,779,968,255

The annexed notes from 1 to 17 form an integral part of these condensed interim consolidated financial statements.



Chief Executive Officer



Director




Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

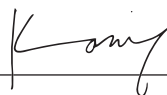
For the six months period ended 31st December 2023

Note	Six months period ended		Three months period ended		
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	
----- (Rupees) -----					
Revenue	9	5,178,016,562	3,799,155,346	1,742,692,917	1,336,333,420
Gain / (loss) on remeasurement of investments - net		1,596,231,134	(93,637,101)	1,493,958,820	(76,819,027)
(Loss) / gain on remeasurement of investment properties		(749,029)	233,700,000	(749,029)	-
(Loss) / gain on sale of investments - net		(919,567)	(234,002,949)	64,353,614	(349,000,049)
Gain on sale of investments property		649,029	-	649,029	-
		6,773,228,129	3,705,215,296	3,300,905,351	910,514,344
Cost of energy sales		(962,774,287)	(757,100,307)	(484,137,059)	(380,758,371)
Administrative expenses		(653,150,146)	(428,502,455)	(282,010,245)	(251,406,776)
Other income		11,583,086	9,916,071	3,846,370	8,987,946
Finance cost		(1,008,586,524)	(921,474,021)	(452,844,876)	(508,265,322)
Other charges		(5,651,813)	(19,295,768)	(5,649,563)	(19,292,768)
		4,154,648,445	1,588,758,816	2,080,109,978	(240,220,947)
Share of profit of equity-accounted associates investees -net of tax		2,674,308,109	1,298,661,169	1,495,839,504	660,887,839
Profit before tax		6,828,956,554	2,887,419,985	3,575,949,482	420,666,892
Income tax expense	10	(1,079,978,187)	(459,456,259)	(701,808,378)	(258,772,558)
Profit from continuing operations		5,748,978,367	2,427,963,726	2,874,141,104	161,894,334
Discontinued operation					
Profit from discontinued operation, net of tax		-	2,580,024	-	1,336,826
Profit for the period		5,748,978,367	2,430,543,750	2,874,141,104	163,231,160
Profit attributable to:					
Equity holders of the Parent Company - continuing operations		5,216,649,396	2,248,142,061	2,626,993,481	203,126,284
Equity holders of the Parent Company - discontinued operation		-	1,634,004	-	850,670
		5,216,649,396	2,249,776,065	2,626,993,481	203,976,954
Non-controlling interests - continuing operations		532,328,971	179,821,665	247,147,623	(41,231,950)
Non-controlling interests - discontinued operation		-	946,020	-	486,156
		532,328,971	180,767,685	247,147,623	(40,745,794)
		5,748,978,367	2,430,543,750	2,874,141,104	163,231,160
Earnings per share - basic & diluted					
For continuing operations		12.77	5.51	6.43	0.50
For discontinued operation		-	0.00	-	0.00
	13	12.77	5.51	6.43	0.50

The annexed notes from 1 to 17 form an integral part of these condensed interim consolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

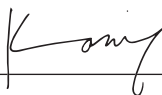
For the six months period ended 31st December 2023

	Six months period ended		Three months period ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	----- (Rupees) -----			
Profit for the period	5,748,978,367	2,430,543,750	2,874,141,104	163,231,160
Other comprehensive income				
<i>Items that will not be reclassified subsequently to consolidated statement of profit or loss</i>				
Share of other comprehensive income of equity-accounted associates - net of tax	(14,825,440)	(7,975,813)	(14,825,440)	(7,975,813)
Other comprehensive loss for the period - net of tax	(14,825,440)	(7,975,813)	(14,825,440)	(7,975,813)
Total comprehensive income for the period	5,734,152,927	2,422,567,937	2,859,315,664	155,255,347
Total comprehensive income attributable to:				
Equity holders of the Parent Company - continuing operations	5,201,823,956	2,240,166,248	2,612,168,041	195,150,471
Equity holders of the Parent Company - discontinued operation	-	1,634,004	-	850,670
	5,201,823,956	2,241,800,252	2,612,168,041	196,001,141
Non-controlling interests - continuing operations	532,328,971	179,821,665	247,147,623	(41,231,950)
Non-controlling interests - discontinued operation	-	946,020	-	486,156
	532,328,971	180,767,685	247,147,623	(40,745,794)
	5,734,152,927	2,422,567,937	2,859,315,664	155,255,347

The annexed notes from 1 to 17 form an integral part of these condensed interim consolidated financial statements.



Chief Executive Officer



Director



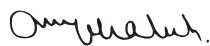
Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

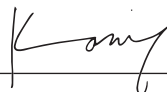
For the six months period ended 31st December 2023

	Equity attributable to owners of the Parent Company				Non-controlling interests	Total equity	
	Issued, subscribed and paid-up share capital	Capital reserve	Revenue reserves				
			Surplus on revaluation	General reserve			Unappropriated profit
(Rupees)							
Balance as at 1 July 2022	4,083,750,000	15,432,500	4,019,567,665	23,920,777,173	32,039,527,338	3,570,144,157	35,609,671,495
Total comprehensive income for the six months period ended 31 December 2022							
Profit for the period	-	-	-	2,249,776,065	2,249,776,065	180,767,685	2,430,543,750
Other comprehensive loss	-	-	-	(7,975,813)	(7,975,813)	-	(7,975,813)
	-	-	-	2,241,800,252	2,241,800,252	180,767,685	2,422,567,937
Distribution by subsidiary	-	-	-	-	-	(349,107,891)	(349,107,891)
Transactions with owners recorded directly in equity							
Final cash dividend at the rate of Rs 4 per share for the year ended 30 June 2022	-	-	-	(1,633,500,000)	(1,633,500,000)	-	(1,633,500,000)
Acquisition of equity interest in subsidiary without change in control	-	-	-	255,084,639	255,084,639	(488,424,000)	(233,339,361)
Balance as at 31 December 2022	4,083,750,000	15,432,500	4,019,567,665	24,784,162,064	32,902,912,229	2,913,379,951	35,816,292,180
Total comprehensive income for the six months period ended 30 June 2023							
Profit for the period	-	-	-	1,168,377,023	1,168,377,023	217,485,055	1,385,862,078
Other comprehensive income / (loss)	-	-	-	(10,633)	(10,633)	-	(10,633)
	-	-	-	1,168,366,390	1,168,366,390	217,485,055	1,385,851,445
Surplus on revaluation transferred to retained earning	-	(7,597,500)	-	7,597,500	-	-	-
	4,083,750,000	7,835,000	4,019,567,665	25,960,125,954	34,071,278,619	3,130,865,006	37,202,143,625
Acquisition of equity interest in subsidiary without change in control	-	-	-	44,510,841	44,510,841	(44,510,841)	-
Disposal of subsidiary	-	-	-	-	-	(15,598,595)	(15,598,595)
Balance as at 30 June 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
Total comprehensive income for the six months period ended 31 December 2023							
Profit for the period	-	-	-	5,216,649,396	5,216,649,396	532,328,971	5,748,978,367
Other comprehensive loss	-	-	-	(14,825,440)	(14,825,440)	-	(14,825,440)
	-	-	-	5,201,823,956	5,201,823,956	532,328,971	5,734,152,927
Distribution by subsidiary	-	-	-	-	-	(157,612,430)	(157,612,430)
Balance as at 31 December 2023	4,083,750,000	7,835,000	4,019,567,665	31,206,460,751	39,317,613,416	3,445,472,111	42,763,085,527

The annexed notes from 1 to 17 form an integral part of these condensed interim consolidated financial statements.



Chief Executive Officer



Director




Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six months period ended 31st December 2023

Note	Six months period ended		
	31 December 2023	31 December 2022	
(Rupees)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	11	3,128,545,697	2,815,140,217
Income taxes paid		(279,849,221)	(166,876,737)
Finance cost paid		(1,077,759,709)	(724,623,526)
Mark-up received		510,967,131	365,338,406
Dividend received		645,588,757	348,607,968
Gratuity paid		(2,146,200)	(921,246)
Net cash generated from operating activities		2,925,346,455	2,636,665,082
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(4,201,585)	(2,595,761)
Acquisition of long term investments		(11,379,389)	-
Proceeds from sale of property, plant and equipment		320,000	15,000
Proceeds from sale of investment property		7,500,000	-
Long term deposit and other receivables recovered / (paid)		(22,000)	(2,682,042)
Acquisition of equity interest in subsidiary		-	(233,339,361)
Dividend from equity accounted investee		558,250,361	21,664,167
Development charges incurred in relation to investment property		-	(31,548,011)
Net cash generated from / (used in) investing activities		550,467,387	(248,486,008)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of loan under State Bank of Pakistan scheme		-	(7,684,872)
Lease rentals paid		(29,189,820)	(23,397,923)
Repayment of long term loan		(1,474,500,000)	(1,112,250,000)
Dividend paid		-	(1,633,500,000)
Distribution by subsidiary to non-controlling interest		(157,612,430)	(349,107,891)
Net cash used in financing activities		(1,661,302,250)	(3,125,940,686)
Net change in cash and cash equivalents		1,814,511,592	(737,761,612)
Cash and cash equivalents at beginning of the period		(2,287,798,647)	(1,835,905,469)
Cash and cash equivalents at end of the period	12	(473,287,055)	(2,573,667,081)

The annexed notes from 1 to 17 form an integral part of these condensed interim consolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the six months period ended 31st December 2023

1. STATUS AND NATURE OF BUSINESS

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

- 1.1** These condensed interim consolidated financial statements of Arif Habib Corporation Limited for the six months period ended 31 December 2023 comprise of the Parent Company and following subsidiary and associated companies (here-in-after referred to as "the Group").

Name of Companies	Note	% of Effective Shareholding
Subsidiaries		
- Arif Habib Limited, a brokerage house	1.1.1	<u>72.92%</u>
- Rayaam Commodities (Private) Limited, (formerly Arif Habib Commodities (Private) Limited), investment management of commodities [wholly owned subsidiary of Arif Habib Limited]	1.1.2	<u>72.92%</u>
- Sachal Energy Development (Private) Limited, a wind power generation company	1.1.3	<u>85.83%</u>
- Black Gold Power Limited, a coal power generation company	1.1.4	<u>100.00%</u>
Associate		
- Fatima Fertilizer Company Limited, a fertilizer company	1.1.5	<u>15.19%</u>

- 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.

The shareholders of the Parent Company and its subsidiary, Arif Habib Limited (AHL), in their respective Extraordinary General Meetings (EGMs) convened on December 26, 2023, approved the Scheme of Arrangement dated November 17, 2023 (the Scheme). The Scheme was in compliance with the provisions outlined in Sections 279 to 283 and 285 of the Companies Act, 2017. The primary objective of the Scheme is to effectuate the bifurcation and separation of AHL, into two distinct segments, namely the Demerged Undertaking and the Retained Undertaking (as defined under the Scheme of Arrangement). Simultaneously, it entails the merger, through amalgamation, of the Demerged Undertaking into the Company, effective from July 1, 2023.

As per the stipulations set forth in the Scheme, in consideration for this transaction, shares of the Parent Company will be issued to the shareholders of AHL (excluding AHCL itself) based on a swap ratio of 0.8673 ordinary shares of the Parent Company for each share held in AHL on the Record Date, as defined in the Scheme.

It is imperative to note that the successful implementation of the Scheme is contingent upon obtaining necessary approvals, sanctions, consents, observations, and no-objection certificates from various stakeholders, including creditors, the Securities and Exchange Commission of Pakistan, Sindh High Court, or any other competent authority applicable to the matter. As at December 31, 2023, the petition seeking the sanctioning of the Scheme is still pending. Consequently, these condensed interim consolidated financial statements do not incorporate the potential impact of the Scheme.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the six months period ended 31st December 2023

- 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 - Sheikhpura, Pakistan.

The Parent company has its representation on the Board of FFCL and accordingly treated 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
- 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 2023.

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 2023.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the six months period ended 31st December 2023

2.4 Functional and presentation currency

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

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of annual audited consolidated financial statements of the Group as at and for the year ended 30 June 2023.

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 2023 but are considered not to be relevant or do not have any significant effect on the Group's operations and therefore are not detailed in these condensed interim consolidated financial statements.

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

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Group's annual accounting periods beginning on or after 1 July 2024. 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 2023.

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 2023.

5. PROPERTY, PLANT AND EQUIPMENT

Capital expenditure incurred during the period amounted to Rs. 4.20 million (30 June 2023: 8.15 million). The exchange gain of Rs. 125 million (30 June 2023: exchange loss of Rs. 3,796 million) has also been recognised. Further, assets having written down value of Rs. 0.62 million (30 June 2023: 0.182 million) were disposed off during the period.

6. EQUITY ACCOUNTED INVESTEEES

	Note	Unaudited 31 December 2023 (Rupees)	Audited 30 June 2023
Fatima Fertilizer Company Limited (FFCL)	6.1	<u>18,143,989,051</u>	<u>16,042,756,743</u>

6.1 Investment in FFCL (quoted) represents 319 million (30 June 2023: 319 million) fully paid ordinary shares of Rs. 10 each, representing 15.19% (30 June 2023: 15.19%) of FFCL's paid up share capital as at 31 December 2023. Fair value per share as at 31 December 2023 is Rs. 35.49 (30 June 2023: Rs. 29.81) which is based on quoted share price on stock exchange at reporting date.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the six months period ended 31st December 2023

7. SHORT TERM INVESTMENTS

	Note	Unaudited 31 December 2023 (Rupees)	Audited 30 June 2023
Equity securities - at fair value through profit and loss	7.1	8,357,284,624	6,377,779,240
Debt securities - at fair value through profit and loss		168,573,557	275,138,636
		8,525,858,181	6,652,917,876

7.1 These represents investments made in the shares of related parties, namely, Aisha Steel Mills Limited, Power Cement Limited, Javedan Corporation Limited and Safemix Concrete Limited.

7.2 Fair value of short term investments pledged with various banking companies against various finance facilities availed by the Group amounts of Rs. 9,307.13 million (30 June 2023: Rs. 8,029.47 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 2023 except for the following:

Parent Company

8.1.1 Further pledged 0.45 million shares of Fatima Fertilizer Company Limited with various banks for running finance facilities obtained by Arif Habib Limited, a subsidiary company.

8.1.2 The exposure against corporate guarantee on behalf of the subsidiary company, Sachal Energy Development (Private) Limited, has been reduced by USD 5 million. The total exposure has been reduced to USD 40 million (equivalent to Rs. 11,268 millions) out of USD 100 million due to timely repayment of loan.

AHL, Subsidiary Company

8.2 Following commitments are outstanding:

	Unaudited 31 December 2023 (Rupees)	Audited 30 June 2023
- Outstanding Settlements against Marginal Trading contracts	22,516,600	226,651,180
- Outstanding Settlements against sale / (purchase) of securities in regular market	128,260,989	151,314,528
- Financial guarantee given by a commercial bank on behalf of AHL	750,000,000	750,000,000
- Against purchase of investment property	75,000,000	75,000,000

Unaudited			
Six months period ended		Three months period ended	
31 December 2023	31 December 2022	31 December 2023	31 December 2022
----- (Rupees) -----			

9. REVENUE

Revenue from sale of energy - net	3,589,383,007	2,468,931,862	942,270,904	551,032,738
Mark-up income on loans and advances	217,105,412	130,604,881	87,624,423	89,206,210
Mark-up income on corporate debt securities	23,867,759	113,072,744	21,080,500	107,459,793
Dividend income	645,588,757	348,607,968	278,821,823	194,679,012
Brokerage income	387,878,382	238,573,330	234,992,936	122,012,389
Mark-up income on bank deposits	180,850,115	190,985,018	104,196,998	125,298,573
Guarantee Commission income	3,882,126	1,075,068	3,344,592	537,534
Underwriting, consultancy and placement commission	48,095,648	277,934,929	26,094,780	134,048,551
Unwinding of interest of debt instrument	53,933,447	-	27,476,379	-
Mark-up income on margin financing	27,431,909	29,369,546	16,789,582	12,058,620
	5,178,016,562	3,799,155,346	1,742,692,917	1,336,333,420

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the six months period ended 31st December 2023

	Unaudited			
	Six months period ended		Three months period ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
----- (Rupees) -----				
10. TAXATION				
Current	391,798,494	199,381,014	185,057,076	147,494,251
Prior	(4,780,706)	3,035,672	(4,780,706)	3,035,672
Deferred	692,960,399	257,039,573	521,532,008	108,242,635
	1,079,978,187	459,456,259	701,808,378	258,772,558

	Note	Unaudited	
		Six months period ended	
		31 December 2023	31 December 2022
----- (Rupees) -----			
11. CASH GENERATED FROM OPERATIONS			
Profit before tax	11.1	6,828,956,554	2,890,770,665
Adjustments for:			
Depreciation		692,840,659	561,121,242
Amortisation of intangible assets		139,692	188,804
Dividend income		(645,588,757)	(348,607,968)
Loss on sale of property, plant and equipment		302,588	15,295
Unrealised (gain) / loss on remeasurement of investments		(1,596,231,134)	93,637,101
Share of profit of equity-accounted associates - net of tax		(2,674,308,109)	(1,298,661,169)
Mark-up income		(421,823,286)	(434,662,643)
Unwinding of interest income on debt instrument		(53,933,447)	-
Amortisation of land lease rent		(480,559)	879,441
Amortisation of transaction cost		47,327,421	57,516,503
Interest expense on lease		12,166,626	1,957,286
Finance cost		961,259,103	863,957,518
Provision for gratuity		4,150,914	4,282,536
Gain on Termination of lease		-	(229,512)
Provision for expected credit losses		1,854,955	19,265,018
Exchange loss / (gain) on foreign currency translation		179,900	(903,862)
Mark up on reverse repo transactions		(9,133,216)	(6,441,240)
Gain on sale of investments property		(649,029)	-
Loss / (gain) on remeasurement of investment properties		749,029	(233,700,000)
		(3,681,176,650)	(720,385,650)
Operating profit before working capital changes		3,147,779,904	2,170,385,015
Changes in working capital:			
<i>(Increase) / decrease in current assets</i>			
Trade debts		(685,317,106)	38,258,375
Loans and advances		(11,954,996)	(530,321,372)
Deposits and prepayments		(153,947,110)	47,177,546
Accrued mark-up and other receivables		185,494,774	158,538,647
Short term investments		(320,072,327)	609,416,186
Receivable under margin trading system		(1,664,180)	(3,104,792)
Receivable against sale of securities		-	(263,401,786)
Assets held for sale		-	28,417,962
		(987,460,945)	84,980,766
<i>(Decrease) / increase in current liabilities</i>			
Trade and other payables		967,539,730	575,135,777
Payable against sale of securities - net		-	(21,078,278)
Unclaimed dividend		687,008	5,716,937
		968,226,738	559,774,436
Cash generated from operations		3,128,545,697	2,815,140,217

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the six months period ended 31st December 2023

	Note	Unaudited	
		Six months period ended	
		31 December 2023	31 December 2022
11.1 Profit before tax			
Profit before tax from continuing operations		6,828,956,554	2,887,419,985
Profit before tax from discontinued operations		-	3,350,680
		6,828,956,554	2,890,770,665
12. CASH AND CASH EQUIVALENTS			
Cash and bank balances		2,298,826,409	4,162,780,640
Short term borrowings		(2,772,113,464)	(6,736,447,721)
		(473,287,055)	(2,573,667,081)

	Unaudited			
	Six months period ended		Three months period ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
13. EARNINGS PER SHARE - BASIC & DILUTED				
	----- (Rupees) -----			
13.1 Basic earnings per share				
Profit after tax from continuing operations attributable to ordinary shareholders	5,216,649,396	2,248,142,061	2,626,993,481	203,126,284
Profit after tax from discontinued operation attributable to ordinary shareholders	-	1,634,004	-	850,670
	----- (Numbers) -----			
Weighted average number of ordinary shares	408,375,000	408,375,000	408,375,000	408,375,000
	----- (Rupees) -----			
Earnings per share - continuing operations	12.77	5.51	6.43	0.50
Earnings per share - discontinued operation	-	0.00	-	0.00

13.2 Diluted earnings per share

Diluted earnings per share has not been presented as there is no convertible instruments in issue as at 31 December 2023 and 31 December 2022 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 2023.

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.

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

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the six months period ended 31st December 2023

Name of the related party	Transactions during the period	Unaudited Six months period ended	
		31 December 2023	31 December 2022
Associates		(Rupees)	
Fatima Fertilizer Company Limited	Dividend income	639,266,897	-
	Mark-up income on loan	100,667,963	70,977,387
	Mark-up received	86,227,246	28,365,692
Associated companies by virtue of common directorship and other related parties			
Aisha Steel Mills Limited	Mark-up on loan	13,990,969	59,047,635
	Mark-up received	72,847,074	9,948,630
	Loan extended	890,000,000	2,600,000,000
	Loan repaid	904,216,746	2,054,216,746
	Guarantee commission income	651,228	651,228
	Guarantee commission received	630,650	651,228
Javedan Corporation Limited	Mark-up on loan	102,446,480	-
	Markup paid	-	92,981,499
	Mark-up received	130,680,597	-
	Loan Extended	4,450,000,000	-
	Loan received	-	750,000,000
	Loan repaid	5,416,250,000	-
	Dividend income	257,304,702	152,244,468
Arif Habib Equity (Private) Limited	Brokerage commission earned	857,821	197,716
Power Cement Limited	Guarantee commission income	423,840	423,840
	Guarantee commission received	415,958	423,840
	Mark-up received	-	16,179,794
Safe Mix Concrete Limited	Mark-up on loan	-	579,859
	Mark-up received	-	2,740,984
	Loan repaid	-	18,118,274
Rotocast Engineering Company (Private) Limited	Payment of rent and sharing of utilities, insurance and maintenance charges	35,233,523	12,818,728
	Brokerage commission earned	-	284,286
Arif Habib Dolmen REIT Management Limited	Dividend income	2,822,181	-
Globe Residency REIT	Dividend income	280,756,633	-
Arif Habib Securities Limited - Employees Provident Fund	Company's Contribution	1,819,003	1,593,875
Arif Habib Limited - Employees Provident Fund Trust	Company's Contribution	5,111,235	5,366,744

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the six months period ended 31st December 2023

Name of the related party	Transactions during the period	Unaudited Six months period ended	
		31 December 2023	31 December 2022
(Rupees)			
Key management personnel			
Mr. Arif Habib (CEO of Parent Company)	Dividend paid	3	1,315,683,868
	Brokerage commission earned	3,981,495	2,061,341
Mr. Samad A. Habib (Director of Parent Company)	Brokerage commission earned	31,325	376,987
	Dividend paid	-	4,024
	Meeting fee paid	200,000	-
Mr. Muhammad Shahid Ali (CEO of Subsidiary Company)	Brokerage commission earned	7,414,745	4,446,557
	Dividend paid	2,413	-
Ms. Nida Ahsan (Director of Subsidiary Company)	Brokerage commission earned	39,294	125,300
	Meeting fee paid	100,000	50,000
	Dividend paid	3,020	-
Ms. Sharmin Shahid (Director of Subsidiary Company)	Dividend paid	3,020	-
	Meeting fee paid	100,000	50,000
Mr. Muhammad Sohail Salat (Director of Subsidiary Company)	Meeting fee paid	100,000	50,000
	Dividend paid	1,650	-
Mr. Asadullah Khawaja (Director of Parent Company)	Meeting fee paid	150,000	100,000
	Dividend paid	-	324,024
Ms. Zeba Bakhtiar (Director of Parent Company)	Meeting fee paid	150,000	100,000
	Dividend paid	-	400
Mr. Nasim Beg (Director of Parent Company)	Meeting fee paid	200,000	-
	Dividend paid	-	8,312
Mr. Muhammad Ejaz (Director of Parent Company)	Meeting fee paid	275,000	-
	Dividend paid	3	484
Mr. Muhammad Kashif (Director of Parent Company)	Brokerage commission earned	6,500	-
	Meeting fee paid	275,000	-
	Dividend paid	-	141,160
Mr. Khawaja Jallaluddin (Director of Parent Company)	Meeting fee paid	-	150,000
	Dividend paid	-	12,946,000
Mr. Zafar Alam (Chairman of subsidiary company)	Brokerage Commission earned	159,388	53,215
	Meeting fee paid	100,000	50,000
	Dividend paid	187,500	-
Mr. Mohsin Madni (CFO of Parent Company and Director of Subsidiary Company)	Brokerage commission earned	70,576	1,331
	Dividend paid	1,375	-
Mr. Muhammad Haroon (Director of Subsidiary Company)	Brokerage commission earned	288,942	160,732
	Meeting fee paid	100,000	50,000
	Dividend paid	4,280	-
Mr. Khawaja Najam Ud 'Din Roomi (Director of Parent Company)	Meeting fee paid	200,000	-
Mr. Kashif Mateen Ansari (CEO of Subsidiary Company)	Dividend paid	113,383,728	-
	Royalty paid	160,000,000	-

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the six months period ended 31st December 2023

Name of the related party	Transactions during the period	Unaudited Six months period ended	
		31 December 2023	31 December 2022
(Rupees)			
Remuneration of chief executive officer, directors, key management personnel and executives			
- Salaries and other benefits		132,364,400	109,704,923
- Contribution to provident funds		3,434,076	3,598,751
- Gratuity (Provision)		1,705,524	2,038,648
Name of the related party	Nature of Balance	Unaudited 31 December 2023	Audited 30 June 2023
(Rupees)			
Balances as at:			
Aisha Steel Mills Limited	Long term loan	92,320,403	106,537,149
	Mark-up receivable	12,386,512	71,242,617
	Commission on guarantee receivable	325,614	367,944
Power Cement Limited	Commission on guarantee receivable	211,920	239,470
Fatima Fertilizer Company Limited	Short term loan	813,153,536	813,153,536
	Mark-up receivable	100,667,963	86,227,246
Javedan Corporation Limited	Receivable against sale of investment property	5,126,734	5,126,734
	Loan receivable	-	966,250,000
	Mark up receivable	2,456,049	30,690,166
	Balance receivable at period end	267,692	244,692
Rotocast Engineering Company (Private) Limited	Payable against monthly expense contribution	1,079,157	1,024,446
	Prepaid rent	6,939,000	-
	Balance receivable	26,475	13,978
Arif Habib Equity (Private) Limited	Balance receivable	47,386	830,014
Arif Habib Dolmen REIT Management Limited	Balance payable	44	44
Globe Residency REIT	Advance against committed sale of investment property	248,749,014	248,749,014
Signature Residency REIT	Units receivable of REIT	-	133,298,960
Rahat Residency REIT	Units receivable of REIT	325,000,000	325,000,000
	Receivable against sale of investment property	804,075,000	804,075,000

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the six months period ended 31st December 2023

Name of the related party	Nature of balance	Unaudited 31 December 2023 (Rupees)	Audited 30 June 2023
Key Management Personnel			
Mr. Arif Habib (CEO of the Parent Company)	Trade Receivable	29,813	23,238
	Mark-up payable	4,723,973	4,723,973
Zafar Alam (Chairman of subsidiary company)	Balance payable	2,023	3,726
	Meeting fee payable	-	50,000
Muhammad Shahid Ali (CEO of Subsidiary Company)	Balance payable	148,553,855	60,409,046
Muhammad Haroon (Director of subsidiary company)	Balance payable	173,725	302,869
	Meeting fee payable	-	75,000
Sharmin Shahid (Director of subsidiary company)	Balance receivable	18,360	4,186
	Meeting Fee Payable	-	50,000
Nida Ahsan (Director of subsidiary company)	Balance payable	-	24,641
	Meeting Fee Payable	-	50,000
	Balance receivable	1,692	684
Mohsin Madni (CFO Parent Company & Director Subsidiary Company)	Balance payable	235,421	109,517
Samad A. Habib (Director of Parent Company)	Balance receivable	472,064	576,799
Kashif A. Habib (Director of Parent Company)	Balance payable	438	1,879
Muhammad Sohail Salat (Director of Subsidiary Company)	Balance receivable	1,199	1,199
	Meeting Fee Payable	-	75,000


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 2023. 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.

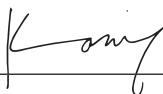
Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the six months period ended 31st December 2023

- 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. DATE OF AUTHORISATION FOR ISSUE**
- 17.1** These condensed interim consolidated financial statements have been authorised for issue on 17 February 2024 by the Board of Directors of the Parent Company.



Chief Executive Officer



Director



Chief Financial Officer