

UAN (92-21) 111-245-111 - www.arifhabibltd.com



ARIF HABIB CENTRE

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Group Website www.arifhabib.com.pk



Passion for **Performance**

Arif Habib Limited Quarterly Report March 31, 2022





Best Broker in Pakistan
FinanceAsia Country
Awards 2020



Roshan Digital Account
Largest market share in
Equities (38%)



Leader
in Gender diversity among
Stock Broking Firms



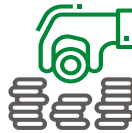
50% growth
in new clientele



100%
market share in
Debt listing



Best Corporate & Ins. Adviser
The Asset Triple A
Country/Regional Awards '20



Highest ever
Brokerage, Inv Banking
Revenue & profitability



**Best Corporate
Finance House**
CFA Society Pakistan



Best Equity Adviser
The Asset Triple A
Country/Regional Awards '20



PKR 17 billion
Equity (IPOs) raising
85% market share



Best Brokerage House
Runners up
CFA Society Pakistan



Best Bond Adviser
The Asset Triple A
Country/Regional Awards '20



**Best
Equity Analyst**
CFA Society Pakistan



**Best Transaction
Interloop Ltd.**
CFA Society Pakistan

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Corporate

Board of Directors

Mr. Zafar Alam
Mr. Muhammad Shahid Ali Habib
Mr. Haroon Usman
Ms. Sharmin Shahid
Ms. Nida Ahsan
Dr. Muhammad Sohail Salat
Mr. Mohsin Madni

Chairman & Independent Director
Chief Executive Officer & Executive Director
Non-executive Director
Non-executive Director
Non-executive Director
Independent Director
Non-executive Director

Audit Committee

Dr. Muhammad Sohail Salat
Mr. Haroon Usman
Mr. Mohsin Madni

Chairman
Member
Member

Human Resource & Remuneration Committee

Dr. Muhammad Sohail Salat
Mr. Haroon Usman
Mr. Muhammad Shahid Ali Habib
Ms. Nida Ahsan

Chairman
Member
Member
Member

Company Secretary & Chief Financial Officer

Mr. Muhammad Taha Siddiqui

Auditors

M/s. Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

Credit Rating

JCR-VIS Credit Rating Company Limited

Management Rating & Broker Fiduciary Rating

The Pakistan Credit Rating Agency

Legal Advisors

Muhammad Zubair
Advocate High Court

nation

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
National Bank of Pakistan
Sindh Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
Summit Bank Limited
The Bank of Khyber
The Bank of Punjab
United Bank Limited
Meezan Bank Limited

Registrar & Share Transfer Office

CDC Share Registrar Service Limited
CDC House, 99-B, Block-B
S.M.C.H.S., Main Shahra-e-Faisal
Karachi-74400
Tel: Customer Support Services:
0800-23275
Fax: (92-21) 34326053
Email: info@cdcsrsl.com
Website: www.cdcsrsl.com

Registered Office

Arif Habib Centre
23, M.T. Khan Road Karachi-74000
UAN: (92-21) 111-245-111
Fax No: (92-21) 32416072; 32429653
E-mail: info@arifhabibltd.com
Company website: www.arifhabibltd.com
Online Trade: www.ahletrade.com
Branch Reg. No: BOA-050/01

Karachi (I.I. Chundrigar Road) Branch

Office No.1001 - 1003, 10th Floor, Gul Tower
Seari Quarters, I.I. Chundrigar Road, Karachi.
Tel: +92 21 38280282-3, 233

Lahore Branch

Office Nos. G-05 & G-06, Ground Floor, LSE Plaza
19, Khayaban-e-Aiwan-e-Iqbal, Lahore
Tel: +92 (42) 3631 3710, +92 (42) 3631 3700-1,
+92 (42) 3631 3702, +92 (42) 3631 3703

Islamabad Branch

Office No. 506, 5th Floor, ISE Towers, Jinnah
Avenue, Islamabad
Tel: +92 (51) 2894505 – 06

Peshawar Branch

Shops No. F13, F14, F15, F16, F17, 1st Floor, The
Mall Tower, Peshawar Cantt.
Tel: +92 91 5253910-13

Rawalpindi Branch

Office No. F-15, 1st Floor, Rizwan Arcade, Adamjee
Road, Saddar, Rawalpindi
Tel: +92 (51) 5120428-29, +92 (51) 5563476-78

Faisalabad Branch

Office No. 04, 3rd Floor Legacy Tower, Kohinoor
City, Faisalabad.
Tel: +92 41 8531010-3

Multan Branch

Office No.16-18,1st Floor, Khan Center, Abdali Road,
Near SP Chowk, Multan
Tel: +92 61 4514413
+ 92 61 4514412

Rahim Yar Khan Branch

Office No.02, Basement, Bagher Plaza,
Opp Town Hall, 12A Model Town, Rahim Yar Khan
Tel: +92 68 682011901-9



Vision

Mission

Our mission is to create value for our stakeholders by providing outstanding securities brokerage services and investment banking solutions to our customers. We strive to build an environment that encourages teamwork at the workplace to deliver superior products and services and to serve the development of our capital market.

Director's Report

Dear Fellow Members of Arif Habib Limited,

On behalf of the Board of Directors, I am pleased to present the financial statements of Arif Habib Limited (AHL) for the nine months and third quarter ended March 31, 2022.

Economic Review:

The economic environment which benefitted from the broad-based domestic growth was however, overshadowed by weakness in the external sector. The foreign exchange reserves held by SBP declined by USD 5bn to USD 12bn by Mar'22 end, worsening the import cover to merely ~1.8months. Consequently, the PKR exchange rate against USD depreciated by 14% YoY to reach PKR 183.5/USD by Mar'22. The weakness in Balance of Payments was driven by a rising Current Account Deficit which crossed USD 12bn mark compared to a surplus of USD 994mn during last year. The major reason was the higher trade deficit (up by 73% YoY to reach USD 30bn) driven by rising imports (+48% YoY to reach USD 55bn).

While challenges were only exacerbated on the external account, improvements were observed on the fiscal account, with total revenue growth of 18% recorded in 1HFY22 to PKR 3.96trn (1HFY21: PKR 3.35trn). This aided the fiscal balance which posted a deficit of PKR 1,372bn, +21% YoY higher than prior year's deficit. In terms of % GDP, the deficit arrived at 2.1% in 1HFY22, unchanged from last year's same period number based on revised (rebased) GDP figure. However, the primary surplus shrank during the 1HFY22 and stood at PKR 81bn (0.1% of GDP), down 76% YoY, compared to a primary surplus of PKR 337bn witnessed same period last year (0.6% of GDP). In addition, the markup expenses went down by 2% YoY to PKR 1,453bn while development expenditure and net lending undertaken by the government increased by 25% YoY to PKR 572bn.

CPI reading remained on the higher side averaging around 10.77% during Jul-Mar 2022, with core inflation in both urban and rural areas also rising significantly. Moreover, the SBP revised average inflation forecasts upwards to slightly above 11% in FY22 before moderating in FY23. On the back of rising inflation and external sector vulnerabilities, the SBP increased policy rate by 525bps to 12.25% during 9MFY22. The target GDP growth of 5% for FY22 is possible on account of monthly output numbers for Large Scale Manufacturing which are up by 7.8% during Jul-Feb FY22 and higher monthly power generation.

Stock Market Performance

The KSE-100 index closed at 44,929 points at the end of Mar'22 compared to 44,596 points in Dec'21 (up by 0.7% / 333 points QoQ) while depicting a meagre uptick of 0.8% YoY from 44,587 points in Mar'21. Keeping in view a series events during the quarter, the market remained topsy-turvy. During the quarter Finance Supplementary Act and two new gas bills were approved in the national assembly which brought positive momentum amongst the investors. Furthermore, approval of the long awaited Textile policy by the ECC further improved the sentiment. While rebased and revised GDP figure of 5.57% for FY21 against the preliminary 3.9% earlier announced, also lifted the mood of market participants. Moreover, proceeds of USD 1bn from Sukuk issuance and disbursement of IMF's USD 1bn tranche was observed during this quarter. During Feb'22, 78% MoM contraction in the CAD was witnessed. In addition to this, a landmark agreement on the Reko Dig between the Federal and Baluchistan government with Barrick Gold Corporation, also fuelled the positive momentum. Albeit, the market came under immense pressure as Russian forces commenced a military operation in Ukraine. With Russia being the second largest exporter of oil and the largest exporter of natural gas in the world, sanctions were placed on the country by US and Europe, disrupting global supply. As a result, oil prices touched their 14-yr high levels (Brent rose to USD 139/bbl), causing a stampede at the domestic bourse with market participants fearing further hike in inflationary reading and expanding external account deficit. In an attempt to provide relief to the economy, industrial package for small and medium industries was announced by the Govt. whereby petrol and power costs were also slashed. Meanwhile, the domestic political climate intensified after the opposition submitted a no-confidence motion against the ex-Premier in the National Assembly. Towards the end of the quarter, the PKR/USD parity closed at PKR 183.48 while SBP reserves stood at USD 11bn.

Your Company's Performance

During the period under review, your Company achieved an after-tax-profit of PKR 777 million that translates into basic & diluted earnings per share of PKR 11.90.

During the nine months ended March 31, 2022, the brokerage and investment banking divisions managed to perform well and posted a total brokerage & investment banking revenue of PKR 776.69 million (9MFY21: PKR 1,022.10 million) although the average daily volumes and traded values were dropped by 32% and 43% respectively compared to the same period last year.

Our Investment property and Equities Portfolio managed to perform well and posted a total realized and unrealized gains of PKR 473.36 million.

During the period, operating expenses decreased by 6% as compared to the same period last year and posted a total of PKR 412.85 million (9MFY21: PKR 438.79 million), as your Company has invested in its human resources and expanded its business and support teams, especially in the retail sector which resulted in increase in salaries and related expenses. During the said period, our financing costs have increased due to increase in policy rates.

The equity of your Company as at the balance sheet date is PKR 5.19 billion (June 2021: PKR 4.99 billion), which translates into book value per share of PKR 79.47 (June 30, 2021: PKR 84.10). The equity level decreased mainly after the accounting for PKR 594 million reserves for cash dividends & 10% stock dividend approved in the AGM held on September 25, 2021, which is a clear indication of the strong performance of the Company.

During the period under review, your Company has continued to be recognized by receiving accolades from international leading global financial publications. These include the Most Outstanding Company in Pakistan – Financial Sector 2021 award by AsiaMoney. Further, AHL has received Best Bond Adviser, Best Corporate & Institutional Advisor – Domestic and Best Equity Adviser – Pakistan for 2021 award by The Asset for the third consecutive year. In addition, AHL has achieved the distinction of winning all the three House awards, Brokerage/Corporate Finance/Economic Research, in any award ceremony organized by the CFA Society of Pakistan. AHL was also awarded Best Money Market Broker (Islamic) from Financial Market Association of Pakistan 2021. The company has also recently awarded the top brokerage house from CDC to open the highest Roshan Digital Accounts for Pakistan Stock Exchange.

Future Prospects

The future prospects of your Company are encouraging on account of our efforts in increasing the Company's market share, through wider participation in all its business segments and our expectations of positive market performance in this quarter. The Company is striving to yield better volumes by providing improved quality of services through extensive research, corporate access and advisory services. We are continuously working on expanding our online and retail client base in order to increase the market participation of investors and avail benefits from the lucrative market opportunities.

Acknowledgement

We are grateful to the Company's shareholders for their continuing confidence and patronage. We record our sincere appreciation to all Stakeholders and to our Parent Company, the State Bank of Pakistan, the Securities & Exchange Commission of Pakistan and the Management of Pakistan Stock Exchange Limited for their unwavering support and guidance.

We acknowledge and appreciate the hard work put in by the employees of the Company during the period. We also acknowledge the valuable contribution and active role of the members of the Board Committees in supporting and guiding the management on matters of great importance.

For and on behalf of the Board of Directors,



Muhammad Shahid Ali Habib
Chief Executive Officer and Director



Zafar Alam
Chairman

Karachi.

Dated: April 26, 2022

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF **FINANCIAL POSITION**

As at March 31, 2022

**(Un-audited)
March 31,
2022**

**Audited
June 30,
2021**

Note

Rupees

ASSETS

Non-current assets

Property and equipment	3	85,898,048	76,101,492
Right-of-use assets	4	23,357,257	27,657,325
Intangible assets		6,347,204	6,583,336
Long term investments	5	81,633,673	136,312,876
Investment property	6	1,074,800,000	1,968,800,000
Long-term advances and deposits		63,173,800	6,103,800
Deferred tax asset - net	7	5,320,408	-
		1,340,530,390	2,221,558,829

Current assets

Short term investments	8	4,782,361,479	2,746,710,495
Trade debts	9	386,414,465	235,192,150
Receivable against margin financing	10	339,890,398	245,655,746
Advances, deposits and prepayments	11	56,607,038	60,858,054
Loan to related party	12	280,301,710	-
Accrued markup on margin financing		17,585,051	7,650,726
Other receivables	13	243,748,472	279,777,689
Assets held for sale	14	43,558,105	-
Cash and bank balances	15	989,531,790	2,674,098,470
		7,139,998,508	6,249,943,330

Total assets

8,480,528,898 **8,471,502,159**

EQUITY AND LIABILITIES

Share capital and reserves

Authorized capital

75,000,000 (June 30, 2021: 75,000,000) ordinary shares of Rs. 10/- each

750,000,000 **750,000,000**

Issued, subscribed and paid-up capital

65,340,000 (June 30, 2021: 59,400,000) ordinary shares of Rs. 10/each

653,400,000 **594,000,000**

Capital reserves

Surplus on revaluation of property
(Deficit)/ surplus on re-measurement of
investment in equity securities

15,432,500 **15,432,500**
- **27,944,785**
15,432,500 **43,377,285**

Revenue reserves

Unappropriated profits

4,523,845,612 **4,358,006,084**
5,192,678,112 **4,995,383,369**

Non-current liabilities

Lease liability

6,732,317 **3,525,415**

Current liabilities

Short term borrowings
Current portion of lease liability
Trade and other payables
Unclaimed dividend
Payable against purchase of securities- net
Markup accrued on borrowings
Taxation - net

16 **2,074,242,563** **1,369,369,349**
12,605,965 **26,696,871**
17 **1,036,641,430** **1,789,995,005**
19,262,333 **14,920,013**
7,032,402 **53,758,623**
37,120,974 **18,639,958**
18 **94,212,802** **199,213,556**
3,281,118,469 **3,472,593,375**

Contingencies and commitments

Total equity and liabilities

8,480,528,898 **8,471,502,159**

The annexed notes from 1 to 33 form an integral part of these condensed interim unconsolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT

For the nine months and quarter ended March 31, 2022 (unaudited)

		Nine months ended		Quarter ended	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Note		Rupees			
Operating revenue	20	880,958,965	1,054,093,506	195,203,229	436,335,791
Capital gain on sale of short term investments		301,745,138	993,962,499	140,528,563	545,734,501
Unrealized (loss) / gain on re-measurement of long term and short term investments	21	(380,386,999) (78,641,861)	172,484,391 1,166,446,890	(264,322,425) (123,793,862)	(527,990,182) 17,744,319
		802,317,104	2,220,540,396	71,409,367	454,080,110
Administrative and operating expenses	22	(412,647,899)	(424,361,888)	(125,804,623)	(157,422,201)
Other charges		(204,639)	(14,429,446)	-	3,280,681
Other operating income	23	58,058,912	26,619,013	28,981,750	24,562,314
Gain on investment property:					
- Unrealized gain on remeasurement to fair value	6	196,500,000	129,500,000	98,817,810	129,500,000
- Realized gain on disposal		355,500,000	500,000	-	500,000
		552,000,000	130,000,000	98,817,810	130,000,000
Operating profit		999,523,478	1,938,368,075	73,404,304	454,500,904
Finance costs	24	(117,455,199)	(103,505,199)	(41,853,205)	(20,119,183)
Profit before taxation		882,068,279	1,834,862,876	31,551,099	434,381,721
Taxation	25	(104,704,996)	(248,164,148)	(12,351,758)	(162,887,985)
Profit after taxation		777,363,283	1,586,698,728	19,199,341	271,493,736
			(Restated)		(Restated)
Earnings per share - basic and diluted	26	11.90	24.28	0.29	4.16

The annexed notes from 1 to 33 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

For the nine months and quarter ended March 31, 2022 (unaudited)

	Nine months ended		Quarter ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	Rupees			
Profit after taxation	777,363,283	1,586,698,728	19,199,341	271,493,736
Other comprehensive (loss) / income				
<i>Items that will not be reclassified subsequently to statement of profit or loss</i>				
Net change in fair value of the investment in equity securities	-	(253,364,390)	52,629,960	21,671,070
Total comprehensive income for the period	777,363,283	1,333,334,338	71,829,301	293,164,806

The annexed notes from 1 to 33 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

For the nine months and quarter ended March 31, 2022 (unaudited)

	Revenue reserve		Capital reserves			
	Issued, subscribed & paid up capital	Unappropriated profits	Surplus on revaluation of property	Surplus on re-measurement of equity securities at FVOCI	Sub-total	Total
	Rupees					
Balance as at June 30, 2020 - restated refer (note 29)	594,000,000	2,238,562,577	15,432,500	423,338,700	2,677,333,777	3,271,333,777
Total comprehensive income for the nine months ended March 31, 2021						
- Profit after taxation	-	1,586,698,728	-	-	1,586,698,728	1,586,698,728
- Other comprehensive loss	-	-	-	(253,364,390)	(253,364,390)	(253,364,390)
	-	1,586,698,728	-	(253,364,390)	1,333,334,338	1,333,334,338
Gain realized on disposal of investment in ordinary shares classified as at fair value through other comprehensive income - restated refer (note 29)	-	156,712,450	-	(156,712,450)	-	-
Transaction with owners						
- Cash dividend paid @ 25% for the year ended June 30, 2020	-	(148,500,000)	-	-	(148,500,000)	(148,500,000)
Balance as at March 31, 2021 - restated	594,000,000	3,833,473,755	15,432,500	13,261,860	3,862,168,115	4,456,168,115
Balance as at June 30, 2021	594,000,000	4,358,006,084	15,432,500	27,944,785	4,401,383,369	4,995,383,369
Total comprehensive income for the nine months ended March 31, 2022						
- Profit after taxation	-	777,363,283	-	-	777,363,283	777,363,283
- Other comprehensive loss	-	-	-	777,363,283	-	-
	-	777,363,283	-	-	777,363,283	777,363,283
Gain realized on disposal of investment in ordinary shares classified as at fair value through other comprehensive income	-	41,876,245	-	(27,944,785)	13,931,460	13,931,460
Transaction with owners						
- Bonus shares @ 10% for the year ended June 30, 2021	59,400,000	(59,400,000)	-	-	(59,400,000)	-
- Cash dividend paid @ 100% for the year ended June 30, 2021	-	(594,000,000)	-	-	(594,000,000)	(594,000,000)
	59,400,000	(653,400,000)	-	-	(653,400,000)	(594,000,000)
Balance as at March 31, 2022	653,400,000	4,523,845,612	15,432,500	-	4,539,278,112	5,192,678,112

The annexed notes from 1 to 33 form an integral part of these condensed interim unconsolidated financial statements.


Chief Executive Officer


Director

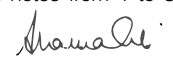

Chief Financial Officer

CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT

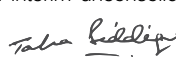
For the nine months and quarter ended March 31, 2022 (unaudited)

		March 31, 2022	March 31, 2021
	Note	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		882,068,279	1,834,862,876
<i>Adjustments for:</i>			
- Unrealized gain on re-measurement of investment property	6	(196,500,000)	(129,500,000)
- Gain on disposal of investment property		(355,500,000)	(500,000)
- Provision for expected credit losses		204,639	14,429,446
- Loss / (gain) on re-measurement of long term investments	21	11,121,098	(13,936,000)
- Depreciation on property and equipment	22	12,910,353	9,637,435
- Depreciation on right-of-use assets	22	12,793,270	15,567,044
- Amortization of intangible asset	22	236,132	303,078
- Finance costs	24	117,455,199	103,505,199
- Mark up on reverse repo transactions	23	(22,130,717)	-
- Profit on savings accounts maintained with banks	23	(33,416,205)	-
		(452,826,231)	(493,798)
Cash generated from operating activities before working capital changes		429,242,048	1,834,369,078
Effect on cash flow due to working capital changes			
<i>(Increase)/decrease in current assets</i>			
- Short-term investments		(2,021,719,524)	1,461,126,750
- Trade debts		(151,426,954)	(57,779,038)
- Receivable against margin financing		(94,234,652)	(241,706,253)
- Advances, deposits and prepayments		4,251,016	(80,618,326)
- Accrued markup on margin financing		(9,934,325)	(4,000,260)
- Loan to related party		(280,301,710)	15,000,000
- Other receivables		79,077,754	(115,060,806)
<i>Increase/(decrease) in current liabilities</i>			
- Trade and other payables		(753,353,575)	603,627,942
- Payable against purchase of securities- net		(46,726,221)	(104,854)
		(3,274,368,191)	1,580,485,155
Cash (used in) / generated from operations		(2,845,126,143)	3,414,854,233
Taxes paid		(215,026,158)	(108,089,138)
Finance costs paid		(98,974,183)	(155,206,873)
Net cash (used in) / generated from operating activities		(3,159,126,484)	3,151,558,222
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		(22,706,909)	(18,766,990)
Additions to investment property	6	-	(152,500,000)
Proceeds from disposal of investment property		1,419,000,000	153,000,000
Interest received on savings accounts maintained with banks		39,498,385	-
Long-term advances and deposits (paid) / refunded		(57,070,000)	398,920
Net cash generated from / (used in) investing activities		1,378,721,476	(17,868,070)
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal repayment against lease liability		(19,377,206)	(15,643,606)
Repayment of long term loan from banking company - secured		-	(499,987,261)
Repayment of long term loan from related party - unsecured		-	(300,000,000)
Dividend paid		(589,657,680)	(147,248,671)
Net cash used in financing activities		(609,034,886)	(962,879,538)
Net (decrease) / increase in cash and cash equivalents		(2,389,439,894)	2,170,810,614
Cash and cash equivalents at the beginning of the period		1,304,729,121	(1,029,893,268)
Cash and cash equivalents at the end of the period	27	(1,084,710,773)	1,140,917,346

The annexed notes from 1 to 33 form an integral part of these condensed interim unconsolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2022 (unaudited)

1. STATUS AND NATURE OF BUSINESS

- 1.1 Arif Habib Limited ("the Company") is a public listed company incorporated in Pakistan under the Companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2017 on May 30, 2017). The shares of the Company are quoted on Pakistan Stock Exchange Limited (PSX). The Company was initially incorporated as an unquoted public limited company wholly owned by Arif Habib Corporation Limited ("the Parent Company"). Subsequently, the Parent Company offered its 25% shareholding in the Company to general public and the Company obtained listing on the PSX on January 31, 2007. As of the reporting date, the Parent Company held 69.44% shares (June, 30 2021: 69.44% shares) of the Company.
- 1.2 The Company is a holder of Trading Right Entitlement Certificate (TREC) of PSX. The principal activities of the Company are investments, share brokerage, inter-bank brokerage, Initial Public Offer (IPO) underwriting, advisory and consultancy services.
- 1.3 The geographical location of Company's offices are as follows:
- | | | |
|-------------------------------|------------------------------------|--|
| - Karachi | Head office
(Registered office) | Arif Habib Centre, 23 M.T. Khan Road, Karachi |
| - Lahore | Regional office | Office Nos. G-05 & G-06, Ground Floor, LSE Plaza, 19, Khayaban-e-Aiwan-e-Iqbal, Lahore |
| - Islamabad | Regional office | Office No. 506, 5th Floor, ISE Towers, Jinnah Avenue, Islamabad |
| - Peshawar | Regional office | Shops No. F13, F14, F15, F16, and F17, 1st Floor, The Mall Tower, Peshawar Cantt. |
| - Faisalabad | Regional office | Office No. 04, 3rd Floor at Legacy Tower, Koh-e-Noor City. |
| - Rawalpindi
Road, Saddar. | Regional office | Shop No. F-15, 1st Floor, Rizwan Arcade, Adam Jee |
| - Multan | Regional office | Shop No. 16, 17 & 18, Upper Floor, Khan Center, Multan |
| - Rahim Yar
Khan | Regional office | Shop No. 2, Basement, Basheer Plaza, Model Town, Rahim Yar Khan |
| - Karachi | Regional office | Office No. 1001, 1002, 103, 10th Floor, Gul Tower, I.I. Chundrigar Road, Karachi |
- 1.4 The Company has following wholly owned subsidiaries:
- Arif Habib Commodities (Private) Limited
 - Arif Habib 1857 (Private) Limited

2. BASIS OF PREPARATION OF THESE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

2.1 Statement of compliance with the applicable accounting and reporting standards

These condensed interim unconsolidated financial statements (here-in-after referred to as the 'interim financial statements') have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise:

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

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

These interim financial statements do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2021.

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2022 (unaudited)

2.2 Basis of measurement of items in these interim financial statements

All the items in these interim financial statements have been measured at their historical cost except for the following:

- (a) Long term investments in unquoted ordinary shares of M/s. ISE Tower REIT Management Limited and M/s. LSE Financial Services Limited which are carried at fair value;
- (b) Investment property which is carried at fair value; and
- (c) Short term investments in quoted equity securities and term finance certificates / sukuks which are carried at fair value.

2.3 Functional and presentation currency

Items included in these interim financial statements are measured using the currency of the primary economic environment in which the Company operates. These interim financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

2.4 Judgments and sources of estimation uncertainty

In preparing these interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied in the annual unconsolidated financial statements of the Company as at and for the year ended June 30, 2021.

2.5 Significant accounting policies

The significant accounting policies applied in the preparation of these interim financial statements are the same as those applied in the preparation of the annual unconsolidated financial statements of the Company for the year ended June 30, 2021.

		(Un-audited) March 31, 2022	Audited June 30, 2021
3.	PROPERTY AND EQUIPMENT	Rupees	Rupees
	Owned assets	85,898,048	76,101,492
3.1	During the period ended March 31, 2022, additions made amounting to Rs. 22.71 million (June 2021: Rs. 24.5 million) which comprised of office equipment, furniture and fixtures, vehicles and computer and allied items. However, no disposals were made during the period.		

		(Un-audited) March 31, 2022	Audited June 30, 2021
4.	RIGHT-OF-USE-ASSETS	Rupees	Rupees
	Opening net book value	27,657,325	42,319,024
	Add: Addition during the period / year	8,493,202	6,540,869
		36,150,527	48,859,893
	Less: Depreciation charged during the period / year	(12,793,270)	(21,202,568)
	Closing net book value	23,357,257	27,657,325

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2022 (unaudited)

4.1 These represent the Company's right to use certain real-estate properties held by it under lease arrangements. The principal terms and conditions of the said arrangements are as follows:

	Principal Office (Karachi)	Regional Office (Peshawar)	Regional Office (Faisalabad)	Regional Office (Rawalpindi)	Regional Office (Multan)	Regional Office (Rahim Yar Khan)	Regional Office (Karachi)
Lessor name	Rotocast Engineering Co. (Pvt.) Ltd.	Mr. Azmat Hassan Khan	Mr. Tahir Mr. Ahsan Mahmood	Mr. Khalid Nazir, Rizwan	Mr. Nizakat Ali & Mr. Muhammad Ilyas.	Mr. Khalid Bashir	Mr. Raheel
Address of the leased property	Block-B, 2nd Floor, Arif Habib Centre, Plot No. 23, Off. M.T.	Office No.04, 3rd 35 Mall Tower, Peshawar Cantt Khan Road	Shop No. F-15, 1st Floor, Legacy Tower, Koh-e-Noor City	Shop No. 16, 17 & Floor, Rizwan Arcade, Adamjee Road, Saddar	Shop No. 2, 18, Upper Floor, Khan Center, Multan Rahim Yar Khan	Office No. 1001, Basement, Basheer Plaza, Model Town	103, 10th Floor, Gul Tower, I.I Chundrigar Road, Karachi
Lease agreement date	July 01, 2019	March 01, 2019	October 10, 2020	July 1, 2020	March 1, 2021	August 8, 2021	September 15, 2021
Lease commencement date	July 01, 2019	March 01, 2019	October 15, 2020	July 1, 2020	March 1, 2021	September 1, 2021	October 1, 2021
Initial contractual term of the lease	3 years	5 years	5 years	3 years	3 years	5 years	3 years
Availability of extension option?	Yes	Yes	Yes	Yes	Yes	Yes	Yes
No. of years for which the lease extension option is available	Indefinite	5 years	Indefinite	Indefinite	Indefinite	Indefinite	Indefinite
Estimated lease term (as on the date of commencement of the lease)	3 years	5 years	5 years	3 years	3 years	5 years	3 years

(Un-audited)
March 31,
2022

Audited
June 30,
2021

Note

Rupees

5. LONG TERM INVESTMENTS - unquoted

Investment in subsidiaries
Investment in other entities

5.1
5.2

38,000,000	81,558,105
43,633,673	54,754,771
81,633,673	136,312,876

5.1 Investment in subsidiaries - at cost less accumulated impairment

Arif Habib Commodities (Private) Limited - cost

38,000,000	38,000,000
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Arif Habib 1857 (Private) Limited - cost
Less: accumulated impairment losses

14

-	50,000,000
-	(6,441,895)
-	43,558,105
38,000,000	81,558,105

5.2 Investment in other entities - at fair value through profit or loss

ISE Towers REIT Management Company Limited
LSE Financial Services Limited

5.2.1
5.2.1

28,889,430	37,841,512
14,744,243	16,913,259
43,633,673	54,754,771

5.2.1 This represents the investment in 3,034,604 (June 2021: 3,034,604) unquoted ordinary shares of M/s. ISE Towers REIT Management Company Limited and 843,975 (June 2021: 843,975) unquoted ordinary shares of M/s. LSE Financial Services Limited.

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2022 (unaudited)

		(Un-audited) March 31, 2022	Audited June 30, 2021
6. INVESTMENT PROPERTY	Note	Rupees	
Opening carrying amount		1,968,800,000	1,678,415,232
Increase in fair value during the period / year - realized on disposal		355,500,000	-
		2,324,300,000	1,678,415,232
Sale during the period / year	6.1	(1,446,000,000)	(152,500,000)
Purchase of plots in Naya Nazimabad project during the year		-	152,500,000
		(1,446,000,000)	-
		878,300,000	1,678,415,232
Increase in fair value during the period / year - unrealized		196,500,000	290,384,768
Closing carrying amount	6.2	1,074,800,000	1,968,800,000

6.1 This represents the sale of 49 residential plots located at Block A, Naya Nazimabad, Deh Manghopir, Gadap Town, Karachi to M/s. Javedan Corporation limited (a related party). Fair value of these plots amounted to Rs. 1,090.5 million and Rs. 1,446 million as on June 30, 2021 and December 23, 2021 (transaction date) respectively. Total sale proceeds of the transaction amounted to Rs. 1,446 million.

6.2 This represents investment in plots of land situated at Naya Nazimabad, Deh Manghopir, Gadap Town, Karachi as well as the investment in offices located in the building complex of Pakistan Stock Exchange Limited and LSE Financial Services Limited. The Naya Nazimabad Project is owned and managed by M/s. Javedan Corporation Limited (a related party of the Company).

		(Un-audited) March 31, 2022	Audited June 30, 2021
7. DEFERRED TAX ASSET - net	Note	Rupees	
Deferred tax (asset) / liability in respect of:			
- Unrealized loss on remeasurement of short term investments	7.1	(9,996,337)	-
- Other temporary differences		4,675,929	-
		(5,320,408)	-
7.1 Deferred tax (asset) / liability in respect of other temporary differences			
<i>Deferred tax liabilities - Taxable temporary differences</i>			
Accelerated depreciation		9,827,159	11,093,498
Right-of-use assets		6,773,605	8,020,624
Long term investment		-	2,072,141
Short term investments		-	9,192,951
Capital gain on sale of investments at FVTPL		-	91,271,482
		16,600,764	121,650,696
<i>Deferred tax assets - Deductible temporary differences</i>			
Intangible assets		(6,815,000)	(6,815,000)
Long term investment		1,054,414	-
Provision for doubtful debts and other receivables		(556,147)	(268,015,283)
Lease liability		(5,608,102)	(8,764,463)
		(11,924,835)	(283,594,746)
Deferred tax (asset) / liability - net		4,675,929	(161,944,050)
Deferred tax asset recognized to the extent of deferred tax liability		-	(121,650,696)
Unrecognised deferred tax asset in the books		-	(40,293,354)
		-	(161,944,050)

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2022 (unaudited)

		(Un-audited) March 31, 2022	Audited June 30, 2021
	Note	Rupees	
8. SHORT TERM INVESTMENTS			
At fair value through profit or loss			
Quoted equity / debt securities		4,782,361,479	2,539,802,515
At fair value through other comprehensive income			
Quoted equity securities		-	206,907,980
		<u>4,782,361,479</u>	<u>2,746,710,495</u>
9. TRADE DEBTS			
<i>Considered good</i>			
- Brokerage receivable		255,854,508	120,088,055
- Advisory and consultancy fee		130,559,957	115,104,095
		<u>386,414,465</u>	<u>235,192,150</u>
<i>Considered doubtful</i>			
- Brokerage receivable		870,873,330	870,668,691
- Advisory and consultancy fee		51,604,192	51,604,192
		<u>922,477,522</u>	<u>922,272,883</u>
		<u>1,308,891,987</u>	<u>1,157,465,033</u>
Less: provision for expected credit losses	9.1	<u>(922,477,522)</u>	<u>(922,272,883)</u>
	9.2	<u>386,414,465</u>	<u>235,192,150</u>
		(Un-audited) March 31, 2022	Audited June 30, 2021
		Rupees	

9.1 Movement in provision for expected credit losses

Balance at the beginning of the period/ year	922,272,883	906,321,587
Add: Charged for the period/ year	204,639	15,951,296
Less: Reversed during the period/ year	-	-
Balance at the end of the period/ year	<u>922,477,522</u>	<u>922,272,883</u>

- 9.2 This includes Rs. 0.38 million (June 2021: Rs. 4.3 million) due from related parties. The maximum aggregate amount outstanding at any time during the year amounts to Rs. 249.70 million (June 2021: Rs. 331.80 million)
- 9.3 The Company holds capital securities having fair value of Rs. 65,999 million (June 2021: Rs. 59,277 million) owned by its clients, as collaterals against trade debts.
- 9.4 The aging analysis of the Company's trade debts as at reporting date is as follows :

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2022 (unaudited)

	(Un-audited) March 31, 2022		Audited June 30, 2021	
	Gross carrying amount	Provision for expected credit losses	Gross carrying amount	Provision for expected credit losses
	Rupees			
Not past due	18,733,434	-	4,562,014	-
Past due 1 day - 30 days	222,580,002	9,892,228	182,731,378	-
Past due 31 days - 180 days	44,543,427	3,540,309	33,791,562	5,904,661
Past due 181 days - 1 year	109,274,926	439,365	9,521,312	2,465,878
Past due more than one year	913,555,560	908,400,982	931,985,501	913,902,344
	1,308,687,349	922,272,884	1,162,591,767	922,272,883

		(Un-audited) March 31, 2022	Audited June 30, 2021
	Note	Rupees	
10. RECEIVABLE AGAINST MARGIN FINANCING			
Considered good		339,890,398	245,655,746
Considered doubtful		1,917,749	1,917,749
	10.1	341,808,147	247,573,495
Less: provision for doubtful receivables		(1,917,749)	(1,917,749)
		339,890,398	245,655,746

10.1 Margin financing facility is provided to clients on markup basis ranging from 10.00% to 17.00% (June 2021: 12.00% to 15.00%) per annum.

11. ADVANCES, DEPOSITS AND PREPAYMENTS

Advances

Advance to consultant
Advance against expenses
Advance against salary

10,498,832	9,293,760
2,799,000	1,068,956
1,901,815	833,119
15,199,647	11,195,835

Trade deposits

Exposure deposit with National Clearing Company of
Pakistan Limited (NCCPL)

11.1

38,084,159	49,110,315
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Prepayments

Insurance

3,323,232	551,904
56,607,038	60,858,054

11.1 This represents deposits held at the reporting date against exposure arising out of trading in securities in accordance with the regulations of National Clearing Company Pakistan Limited.

12. LOAN TO RELATED PARTY

This represents loan balance under agreement dated 28th March, 2022 to finance working capital requirements of Javedan Corporation Limited. The markup on daily outstanding principal is payable quarterly in arrears as per the applicable rate of 3 months KIBOR + 1.75% within 30 days of the following quarter. The loan is repayable within 30 days of notice of demand

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2022 (unaudited)

		March 31, 2022	June 30, 2021
	Note	Rupees	
13. OTHER RECEIVABLES			
Receivable against reverse repo transactions		196,781,238	268,568,516
Receivable against sale of plots	13.1	32,126,734	5,126,734
Others		14,840,500	6,082,439
		<u>243,748,472</u>	<u>279,777,689</u>

13.1 This includes receivable against sale of plots amounting to Rs. 27 million from M/s. Javedan Corporation Limited (a related party).

14. During the period, the Board of Directors of the Company has resolved to sell 100% shareholding of Arif Habib 1857 (Private) Limited (a wholly owned subsidiary of AHL) for total consideration of PKR 50 million i.e. PKR 10 per share, subject to obtaining necessary corporate and regulatory approvals. Accordingly the investment is classified as an asset held for sale. The realizable value of underlying investee company is higher than its carrying amount and consequently the management is not expecting to incur impairment thereagainst.

		March 31, 2022	June 30, 2021
	Note	Rupees	
15. CASH AND BANK BALANCES			
Cash in hand		680,846	650,596
Cash at bank:			
- current accounts		125,051,833	157,186,618
- savings accounts		863,799,111	2,516,261,256
	15.1	<u>988,850,944</u>	<u>2,673,447,874</u>
		<u>989,531,790</u>	<u>2,674,098,470</u>

15.1 This includes the balances held in bank accounts designated to customers amounting to Rs. 917.603 million (June 30, 2021: Rs. 1,563 million).

		(Un-audited) March 31, 2022	Audited June 30, 2021
	Note	Rupees	
16. SHORT TERM BORROWINGS			
Running finance facilities from banking companies - secured	16.1	<u>2,074,242,563</u>	<u>1,369,369,349</u>

16.1 Short term running finance facilities are available from various commercial banks, under mark-up arrangements, amounting to Rs. 6,250 million (June 2021: Rs. 5,500 million). These facilities have various maturity dates up to September 30, 2024 (June 2021: September 30, 2024). These arrangements are secured against pledge of marketable securities. These running finance facilities carry mark-up ranging from 1 month KIBOR + 0.65% to 1.0% , 3 month KIBOR + 0.50% to 1.5% (June 2021: 1 month KIBOR + 0.5% to 1.0% , 3 month KIBOR + 0.50% to 1.5%) calculated on a daily product basis that is payable quarterly.

16.1.1 Fair value of shares pledged with banking companies against various short term running finance facilities and bank guarantees as at March 31, 2022 amounted to Rs. 6,850.62 million (June 2021: Rs. 5,642.98 million). Total value of pledged securities with financial institutions indicating separately securities belonging to customers is as follows:

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2022 (unaudited)

	March 31, 2022		June 30, 2021	
	Number of securities	Amount (Rupees)	Number of securities	Amount (Rupees)
Clients	122,850,000	5,128,987,500	140,335,000	4,086,425,400
House	43,985,000	1,721,627,650	66,582,755	1,554,857,660
	<u>166,835,000</u>	<u>6,850,615,150</u>	<u>206,917,755</u>	<u>5,641,283,060</u>

	Note	(Un-audited) March 31, 2022	Audited June 30, 2021
		Rupees	
17. TRADE AND OTHER PAYABLES			
Trade creditors	17.1	917,603,821	1,554,805,840
Commission payable to staff	17.2	69,016,733	102,628,723
Accrued expenses		3,384,860	19,968,931
Withholding tax payable		15,556,057	71,302,613
Sindh sales tax and federal excise duty payable		12,524,708	22,809,898
Advance from related party	17.3	10,743,725	6,743,695
Other liabilities		7,811,526	11,735,305
		<u>1,036,641,430</u>	<u>1,789,995,005</u>
17.1	This includes Rs. 77.75 million (June 30, 2021: Rs 126.1 million) payable to related parties of the Company.		
17.2	This includes Rs. 15 million (June 30, 2021: Rs. 49.15 million) payable to related parties of the Company.		
17.3	This represents advance obtained from M/s. Arif Habib Commodities (Private) Limited against the sale of PSX offices (classified as investment property) by the Company.		

	(Un-audited) March 31, 2022	Audited June 30, 2021
	Rupees	
18. TAXATION - net		
Balance at the beginning of the period/ year	199,213,556	53,030,170
Add: Provision for the period/ year	110,025,404	309,097,181
Less: Tax paid during the period/ year	(215,026,158)	(162,913,795)
Balance at the end of the period/ year	<u>94,212,802</u>	<u>199,213,556</u>

19. CONTINGENCY AND COMMITMENTS

19.1 Contingency

There has been no change in the status of the contingent liability as reported in note 24.1 to the annual unconsolidated financial statements of the Company for the year ended June 30, 2021.

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2022 (unaudited)

		(Un-audited) March 31, 2022	Audited June 30, 2021
19.2	Commitments	Note	Rupees
	Following commitments were outstanding as at the reporting date:		
	- Outstanding settlements against Margin Trading contracts		575,046,055 788,579,531
	- Outstanding settlements against (purchase)/ sale of securities in regular market.		27,331,496 34,264,836
	- Financial guarantees given by a commercial banks on behalf of the Company		750,000,000 750,000,000
		(Un-audited) March 31, 2022	Audited March 31, 2021
20.	OPERATING REVENUE		Rupees
	Brokerage revenue	20.1	398,305,696 509,872,664
	Advisory and consultancy fee	20.2	332,541,724 473,501,264
	Dividend income		104,261,045 31,992,201
	Mark-up on margin financing	32	38,315,019 23,623,596
	Mark-up on corporate debt securities	32	7,535,481 15,103,781
			880,958,965 1,054,093,506
20.1	Brokerage revenue		
	Gross revenue		457,822,639 586,060,533
	Less: Sales tax		(59,516,943) (76,187,869)
	Net revenue		398,305,696 509,872,664
20.2	Advisory and consultancy fee		
	Gross revenue		382,231,867 544,254,326
	Less: Sales tax		(49,690,143) (70,753,062)
	Net revenue		332,541,724 473,501,264
21.	UNREALIZED (LOSS) / GAIN ON RE-MEASUREMENT OF LONG TERM AND SHORT TERM INVESTMENTS		
	Short term investments		(369,265,901) 686,538,573
	Long term investments		(11,121,098) 13,936,000
			(380,386,999) 700,474,573

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2022 (unaudited)

	Note	(Un-audited) March 31, 2022	Audited March 31, 2021
		Rupees	
22. ADMINISTRATIVE AND OPERATING EXPENSES			
Salaries and other benefits	22.1	220,044,717	246,374,767
Motor vehicle expense		29,771,168	19,838,526
C.D.C and clearing house charges		21,443,134	21,922,940
Building maintenance		18,845,212	15,126,026
Depreciation on right-of-use assets		12,793,270	15,567,044
Man power services	22.2	17,500,000	17,100,000
Communication		15,827,970	15,056,158
Legal and professional charges		10,083,745	6,010,096
Depreciation on property and equipment		12,910,353	9,637,434
Insurance		9,206,642	5,823,442
Repairs and maintenance		7,930,304	6,623,914
Fees and subscription		6,227,326	9,414,645
Travelling expenses		6,411,885	1,915,249
Others		3,486,077	3,619,608
Business representation		3,992,929	14,522,646
Printing and stationery		4,723,072	2,690,293
Rent, rates and taxes		8,538,477	1,685,120
Advertisement and business promotion		1,008,617	4,901,554
Audit fees		657,211	310,000
Write off of trade receivables		370,739	452,000
Conveyance and meals		438,919	267,347
Amortisation of intangible assets		236,132	303,079
Meeting expenses		200,000	200,000
Donation		-	5,000,000
		<u>412,647,899</u>	<u>424,361,888</u>
22.1 Salaries and other benefits			
Salaries and other benefits		136,871,923	143,985,179
Commission		83,172,794	102,389,588
		<u>220,044,717</u>	<u>246,374,767</u>
22.2	This represents charges paid to M/s. Arif Habib Consultancy (Private) Limited in respect of recruitment services obtained for providing senior and highly qualified consultants to lead the Company's investment banking department.		
		(Un-audited) March 31, 2022	Audited March 31, 2021
		Rupees	
23. OTHER OPERATING INCOME			
Mark-up on loan to related party		301,710	610,703
Profit on savings accounts maintained with banks		33,416,205	21,933,848
Profit on exposure deposits placed with PSX and NCCPL		2,210,280	4,074,462
Mark-up on reverse repo transactions		22,130,717	-
		<u>58,058,912</u>	<u>26,619,013</u>

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2022 (unaudited)

		(Un-audited) March 31, 2022	Audited March 31, 2021
24. FINANCE COSTS	Note	Rupees	
Markup on short term borrowings from banking companies		78,759,444	44,789,624
Markup on loan from related party	24.1	20,112,499	-
Markup on Loan From Sponsor		-	13,718,736
Bank charges and others		11,234,267	12,666,853
Interest on unwinding of the lease liability		2,276,689	4,478,847
Markup on margin trading system securities		2,787,628	2,288,409
Guarantee charges to parent company		2,284,672	954,566
Markup on long term loan from banking company		-	24,608,164
		<u>117,455,199</u>	<u>103,505,199</u>

- 24.1 This includes markup on finance facility obtained from Arif Habib Corporation Limited as per the applicable rate of 3 months KIBOR + 1.80% amounting to PKR 3.09 million and markup on finance facility obtained from Javedan Corporation Limited as per the applicable rate of 3 months KIBOR + 1.75% amounting to PKR 17.01 million.

		(Un-audited) March 31, 2022	Audited March 31, 2021
25. TAXATION	Note	Rupees	
Current tax - for the year		118,251,939	85,276,163
- for prior years		(8,226,535)	-
		<u>110,025,404</u>	<u>85,276,163</u>
Deferred		(5,320,408)	-
		<u>104,704,996</u>	<u>85,276,163</u>

26. EARNINGS PER SHARE

26.1 Basic earnings per share

Profit after taxation attributable to ordinary shareholders		<u>777,363,283</u>	<u>1,586,698,728</u> (Restated)
		Number	
Weighted average number of ordinary shares outstanding during the period	26.1.1	<u>65,340,000</u>	<u>65,340,000</u>
		Rupees	
Earnings per share - basic	26.1.1	<u>11.90</u>	<u>24.28</u>

- 26.1.1 In accordance with the requirement of the International Accounting Standard (IAS) 33 'Earnings Per Share', the basic earnings per share of the Company for the nine-month period and the quarter ended March 31, 2021 has been retrospectively adjusted for the effect of bonus shares issued during the period. For this purpose, the weighted average number of ordinary shares outstanding immediately before the bonus issue has been increased by the bonus adjustment factor of 1.1.

26.2 Diluted earnings per share

There is no dilutive effect on the basic earnings per share of the Company, since there were no potential ordinary shares in issue as at the reporting dates.

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2022 (unaudited)

		(Un-audited) March 31, 2022	Audited March 31, 2021
	Note	Rupees	
27. CASH AND CASH EQUIVALENTS			
Cash and bank balances		989,531,790	1,423,914,035
Short term borrowings		(2,074,242,563)	(282,996,689)
		<u>(1,084,710,773)</u>	<u>1,140,917,346</u>
28. RELATED PARTY TRANSACTIONS AND BALANCES			
		Nine months period ended	
		March 31, 2022	March 31, 2021
		Rupees	
PARENT COMPANY			
Arif Habib Corporation Limited			
Brokerage commission earned during the period on sale and purchase of securities		4,629,654	4,714,428
Guarantee commission paid / payable		2,284,672	813,738
Mark-up on loan paid / payable		3,099,721	-
Loan received		650,000,000	-
Loan repaid		650,000,000	-
Dividend paid during the period		412,458,900	103,114,710
SUBSIDIARY			
Arif Habib Commodities (Private) Limited			
Brokerage commission earned during the period on sale and purchase of securities		306,783	188,831
Mark-up income earned on loan		-	469,875
OTHER RELATED PARTIES			
Javedan Corporation Limited			
Purchase of plots		-	152,500,000
Sale of plots		1,446,000,000	-
Mark-up on loan paid / payable		17,012,778	-
Loan extended		280,000,000	-
Loan received		880,000,000	-
Loan repaid		880,000,000	-
Brokerage commission earned during the period on sale and purchase of securities		322,500	-
Mark-up on loan paid		17,012,778	-
Rotocast Engineering Company (Private) Limited			
Brokerage commission earned during the period on sale and purchase of securities		246,007	-
Arif Habib Equity (Private) Limited			
Brokerage commission earned during the period on sale and purchase of securities		754,625	-
Arif Habib Dolmen REIT Management Limited			
Brokerage commission earned during the period on sale and purchase of securities		516,000	-
KEY MANAGEMENT PERSONNEL			
Zafar Alam (Chairman of the Board of Directors)			
Brokerage commission earned during the period on sale and purchase of securities		164,692	687,196
Dividend paid during the period		651,000	91,500
Meeting Fee Paid		50,000	50,000

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2022 (unaudited)

	Nine months period ended	
	March 31, 2022	March 31, 2021
	Rupees	
Muhammad Shahid Ali (CEO)		
Brokerage commission earned during the period on sale and purchase of securities	6,579,740	12,564,434
Dividend paid during the period	8,780	2,195
Muhammad Haroon (Director)		
Brokerage commission earned during the period on sale and purchase of securities	358,815	264,042
Dividend paid during the period	15,570	3,893
Meeting Fee Paid	50,000	50,000
Muhammad Sohail Salat (Director)		
Dividend paid during the period	1,500	1,500
Meeting Fee Paid	50,000	50,000
Sharmin Shahid (Director)		
Brokerage commission earned during the period on sale and purchase of securities	679,550	2,326,163
Dividend paid during the period	10,990	2,748
Meeting Fee Paid	50,000	50,000
Nida Ahsan (Director)		
Brokerage commission earned during the period on sale and purchase of securities	608,239	350,000
Dividend paid during the period	10,990	2,748
Meeting Fee Paid	50,000	50,000
Mohsin Madni (Director)		
Brokerage commission earned during the period on sale and purchase of securities	9,780	11,713
Dividend paid during the period	5,000	1,250
CLOSE FAMILY MEMBERS OF KEY MANAGEMENT PERSONNEL		
Arif Habib		
Brokerage commission earned during the period on sale and purchase of securities	4,471,829	4,832,575
Loan repaid	-	1,710,000,000
Loan received	-	1,410,000,000
Mark-up paid	-	16,745,906
Dividend paid during the period	18,105,000	8,027,520
Abdus Samad A. Habib		
Brokerage commission earned during the period on sale and purchase of securities	418,300	1,696,097
POST EMPLOYMENT BENEFIT PLAN		
Provident fund trust - Contribution paid during the period	7,737,645	5,579,088

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2022 (unaudited)

*Balances with related parties at the end
of the reporting period:*

	March 31, 2022	June 30, 2021
	Rupees	
PARENT COMPANY		
Arif Habib Corporation Limited		
Trade receivable	41,587	33,093
Guarantee charges payable	844,995	464,883
Mark-up payable	-	4,447,132
SUBSIDIARY		
Arif Habib Commodities (Private) Limited		
Advance received against sale of investment property	11,000,030	6,743,695
Advance paid for subscription of shares	2,000,000	2,000,000
Trade payable	6,190,290	1,801,990
Advances recievable	256,305	256,305
KEY MANAGEMENT PERSONNEL		
Zafar Alam (Chairman of the board of Directors)		
Trade payable	303,500	1,104,484
Muhammad Shahid Ali (CEO)		
Trade payable	69,803,809	112,754,445
Sharmin Shahid (Director)		
Trade receivable	-	8,340
Trade payable	533,753	-
Nida Ahsan (Director)		
Trade payable	-	9,346,762
Trade receivable	9,051	-
Muhammad Haroon (Director)		
Trade payable	279,795	29,147
Mohsin Madni (Director)		
Trade payable	4,035	191,512
Muhammad Sohail Salat (Director)		
Trade receivable	599	-
CLOSE FAMILY MEMBERS OF KEY MANAGEMENT PERSONNEL		
Arif Habib		
Trade receivable	67,123	49,556
Abdus Samad A. Habib		
Trade payable	638,025	872,251
Muhammad Kashif A. Habib		
Trade receivable	12,666	4,075,266
OTHER RELATED PARTIES		
Javedan Corporation Limited		
Receivable against sale of plots	27,000,000	5,126,734
Trade receivable	80,000	-
Advance against booking of flats	56,250,000	-
Rotocast Engineering Co. (Private) Limited		
Trade receivable	8,141	31,083
Arif Habib Equity (Private) Limited		
Trade receivable	151,810	156,484
Arif Habib Dolmen REIT Management Limited		
Trade receivable	10,556	-

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2022 (unaudited)

29. CORRECTION OF A PRIOR PERIOD ERROR

As its accounting policy, the Company recognizes the regular way purchase and sale of its own proprietary investments using 'trade date accounting'. However, to the contrary, the sale of 8,220,500 ordinary shares of Hum Network Limited (being carried at fair value through other comprehensive income) transacted on June 29, 2020 and June 30, 2020 was, inadvertently, accounted for as a disposal in the subsequent financial reporting period. This error was identified during the course of preparation of the annual financial statements of the Company for the year ended June 30, 2021 and was rectified retrospectively in those set of financial statements.

Accordingly, in these subsequent interim financial statements, the aforesaid error has also been rectified retrospectively in accordance with the requirements of the International Accounting Standard (IAS) 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and IAS 34 'Interim Financial Reporting', and all the corresponding figures affected by the error have been restated.

The retrospective correction of the error has its effects on the corresponding figures presented in these interim financial statements as follows:

	Unappropriated profits	Surplus on remeasurement of investment in equity securities
Effects on the Condensed Interim Unconsolidated Statement of Changes in Equity	Rupees	
Balance as at June 30, 2020 (as previously reported)	2,173,236,272	483,759,375
<i>Effects of restatement</i>		
Increase in other comprehensive income for the year ended June 30, 2020	-	4,905,630
Increase in gain realized on disposal of equity securities at FVOCI	65,326,305	(65,326,305)
	65,326,305	(60,420,675)
Balance as at June 30, 2020 (as restated)	2,238,562,577	423,338,700
Balance as at March 31, 2021 (as previously reported)	3,833,473,755	8,356,230
<i>Effects of restatement</i>		
Increase in other comprehensive income for the year ended June 30, 2020	-	4,905,630
Increase in gain realized on disposal of equity securities at FVOCI (recognized as of June 30, 2020)	65,326,305	(65,326,305)
Decrease in gain realized on disposal of equity securities at FVOCI (recognized during the Nine month period ended March 31, 2021)	(65,326,305)	65,326,305
	-	4,905,630
Balance as at March 31, 2021 (as restated)	3,833,473,755	13,261,860

30. FAIR VALUE HIERARCHY

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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.
- Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Following is the fair value hierarchy of the assets carried at fair value:

CONDENSED INTERIM SELECTED NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2022 (unaudited)

	Level 1	Level 2	Level 3	Level 4
As on March 31, 2022	----- Amount in Rupees -----			

Financial assets measured at fair value

Short term investments

Long term investments

4,782,361,479	-	-	4,782,361,479
-	-	43,633,673	43,633,673

Non-financial assets measured at fair value

Investment properties

-	1,074,800,000	-	1,074,800,000
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As on June 30, 2021

Financial assets measured at fair value

Short term investments

Long term investments

<u>2,746,710,495</u>	-	-	<u>2,746,710,495</u>
-	-	<u>54,754,771</u>	<u>54,754,771</u>

Non-financial assets measured at fair value

Investment properties

-	<u>1,968,800,000</u>	-	<u>1,968,800,000</u>
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31. OPERATING SEGMENT

These interim financial statements have been prepared on the basis of a single reportable segment as the Company's asset allocation decisions are based on a single and integrated business strategy.

All non current assets of the Company as at March 31, 2022 were located in Pakistan.

32. CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary for the purpose of comparison and better presentation. Following reclassifications have been made in these unconsolidated financial statements.

Reclassified from component	Reclassified to component	Amount (Rupees)
Advisory and consultancy fee (Trade debts)	Receivable against sale of plots (Other receivables)	<u>5,126,734</u>
Mark-up on margin financing (Other income)	Mark-up on margin financing (Operating revenue)	<u>23,623,596</u>
Markup on corporate debt securities (Other income)	Markup on corporate debt securities (Operating revenue)	<u>15,103,781</u>

33. GENERAL

33.1 Date of authorization for issue of these interim financial statements

These interim financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on April 26, 2022.

33.2 Level of rounding

Unless otherwise indicated, all figures in these interim financial statements have been rounded off to the nearest rupee.


Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONDENSED INTERIM CONSOLIDATED STATEMENT OF **FINANCIAL POSITION**

As at March 31, 2022

**(Un-audited)
March 31,
2022**

**Audited
June 30,
2021**

Note

Rupees

ASSETS

Non-current assets

Property and equipment	3	87,277,476	76,921,622
Right-of-use assets	4	23,357,257	27,657,325
Intangible assets		7,347,204	10,083,336
Long term investments	5	43,633,673	54,754,771
Investment property	6	1,074,800,000	1,968,800,000
Long-term advances and deposits		72,681,005	32,118,136
Deferred tax asset - net		5,320,408	-
		1,314,417,023	2,170,335,190

Current assets

Short term investments	7	4,786,867,148	2,799,662,594
Trade debts	8	386,414,465	235,192,150
Receivable against margin financing	9	339,890,398	245,655,746
Advances, deposits and prepayments	10	116,949,700	116,097,069
Loan to related party	11	280,301,710	-
Accrued markup on margin financing		17,585,051	7,650,726
Other receivables	12	243,748,472	283,777,689
Assets held for sale	13	49,015,955	-
Cash and bank balances	14	996,046,446	2,679,062,673
		7,216,819,345	6,367,098,647
		8,531,236,368	8,537,433,837

Total assets

EQUITY AND LIABILITIES

Share capital and reserves

Authorized capital

75,000,000 (June 30, 2021: 75,000,000) ordinary shares of Rs. 10/- each

750,000,000 750,000,000

Issued, subscribed and paid-up capital

65,340,000 (June 30, 2021: 59,400,000) ordinary shares of Rs. 10/each

653,400,000 594,000,000

Capital reserves

Surplus on revaluation of property		15,432,500	15,432,500
(Deficit)/ surplus on re-measurement of investment in equity securities		-	27,944,785
		15,432,500	43,377,285

Revenue reserves

Unappropriated profits		4,589,518,735	4,413,860,019
		5,258,351,235	5,051,237,304

Non-current liabilities

Lease liability		6,732,317	3,525,415
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Current liabilities

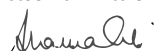
Short term borrowings	15	2,074,242,563	1,369,369,349
Current portion of lease liability		12,605,965	26,696,871
Trade and other payables	16	1,020,241,910	1,794,251,304
Unclaimed dividend		19,262,333	14,920,013
Loan from related party		-	3,862,500
Payable against purchase of securities- net		7,032,402	53,758,623
Markup accrued on borrowings		37,120,974	18,639,958
Taxation - net	17	95,646,669	201,172,500
		3,266,152,816	3,482,671,118

Contingencies and commitments

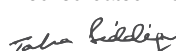
Total equity and liabilities

8,531,236,368 **8,537,433,837**

The annexed notes from 1 to 32 form an integral part of these condensed interim consolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the nine months and quarter ended March 31, 2022 (unaudited)

		Nine months ended		Quarter ended	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Note		Rupees			
Operating revenue	19	903,397,021	1,079,828,881	201,037,293	464,179,615
Capital gain on sale of short term investments		301,745,138	993,962,499	140,528,563	545,734,501
Unrealized (loss) / gain on re-measurement of long term and short term investments	20	(380,386,999) (78,641,861)	172,625,293 1,166,587,792	(264,322,425) (123,793,862)	(527,849,280) 17,885,221
		824,755,160	2,246,416,673	77,243,431	482,064,836
Administrative and operating expenses	21	(427,672,922)	(435,231,704)	(131,368,950)	(166,387,982)
Other charges		(204,639)	(14,429,446)	-	3,280,681
Other operating income	22	59,845,987	33,250,535	31,628,849	17,054,717
Gain on investment property:					
- Unrealized gain on remeasurement to fair value	6	196,500,000	129,500,000	98,817,810	129,500,000
- Realized gain on disposal		355,500,000 552,000,000	500,000 130,000,000	- 98,817,810	500,000 130,000,000
Operating profit		1,008,723,586	1,960,006,058	76,321,140	466,012,252
Finance costs	23	(117,455,199)	(103,519,099)	(41,853,205)	(20,119,183)
Profit before taxation		891,268,387	1,856,486,959	34,467,935	445,893,069
Taxation	24	(106,102,771)	(249,093,367)	(12,520,994)	(163,556,530)
Profit after tax from continuing operations		785,165,616	1,607,393,592	21,946,941	282,336,539
Discontinued operations	13				
Profit for the period from discontinued operations - net of tax		2,016,855	1,148,379	2,016,855	66,046
Profit for the Period		787,182,471	1,608,541,971	23,963,796	282,402,585
Earnings per share - basic and diluted			(Restated)		(Restated)
From continuing operations		12.02	24.60	0.34	4.32
From discontinued operations		0.03	0.02	0.03	0.00
	25	12.05	24.62	0.37	4.32

The annexed notes from 1 to 32 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

For the nine months and quarter ended March 31, 2022 (unaudited)

	Nine months ended		Quarter ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	Rupees			
Profit after taxation	787,182,471	1,608,541,971	23,963,796	282,402,585
Other comprehensive (loss) / income				
<i>Items that will not be reclassified subsequently to statement of profit or loss</i>				
Net change in fair value of the investment in equity securities	-	(253,364,390)	52,629,960	21,671,070
Total comprehensive income for the period	787,182,471	1,355,177,581	76,593,756	304,073,655

The annexed notes from 1 to 32 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

For the nine months and quarter ended March 31, 2022 (unaudited)

	Revenue reserve		Capital reserves		Sub-total	Total
	Issued, subscribed & paid up capital	Unappropriated profits	Surplus on revaluation of property	Surplus on re-measurement of equity securities at FVOCI		
	Rupees					
Balance as at June 30, 2020 - restated refer (note 28)	594,000,000	2,274,098,230	15,432,500	423,338,700	2,712,869,430	3,306,869,430
Total comprehensive income for the nine months ended March 31, 2021						
- Profit after taxation	-	1,608,541,971	-	-	1,608,541,971	1,608,541,971
- Other comprehensive loss	-	-	-	(253,364,390)	(253,364,390)	(253,364,390)
	-	1,608,541,971	-	(253,364,390)	1,355,177,581	1,355,177,581
Gain realized on disposal of investment in ordinary shares classified as at fair value through other comprehensive income - restated refer (note 28)	-	156,712,450	-	(156,712,450)	-	-
Transaction with owners						
- Cash dividend paid @ 25% for the year ended June 30, 2020	-	(148,500,000)	-	-	(148,500,000)	(148,500,000)
Balance as at March 31, 2021 - restated	594,000,000	3,890,852,651	15,432,500	13,261,860	3,919,547,011	4,513,547,011
Balance as at June 30, 2021	594,000,000	4,413,860,019	15,432,500	27,944,785	4,457,237,304	5,051,237,304
Total comprehensive income for the nine months ended March 31, 2022						
- Profit after taxation	-	787,182,471	-	-	787,182,471	787,182,471
- Other comprehensive loss	-	-	-	-	-	-
	-	787,182,471	-	-	787,182,471	787,182,471
Gain realized on disposal of investment in ordinary shares classified as at fair value through other comprehensive income	-	41,876,245	-	(27,944,785)	13,931,460	13,931,460
Transaction with owners						
- Bonus shares @ 10% for the year ended June 30, 2021	59,400,000	(59,400,000)	-	-	(59,400,000)	-
- Cash dividend paid @ 100% for the year ended June 30, 2021	-	(594,000,000)	-	-	(594,000,000)	(594,000,000)
	59,400,000	(653,400,000)	-	-	(653,400,000)	(594,000,000)
Balance as at March 31, 2022	653,400,000	4,589,518,735	15,432,500	-	4,604,951,235	5,258,351,235

The annexed notes from 1 to 32 form an integral part of these condensed interim consolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT

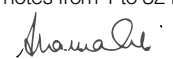
For the nine months and quarter ended March 31, 2022 (unaudited)

March 31,
2022

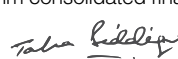
March 31,
2021

	Note	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		891,268,387	1,856,486,959
<i>Adjustments for:</i>			
- Unrealized gain on re-measurement of investment property	6	(196,500,000)	(129,500,000)
- Gain on disposal of investment property		(355,500,000)	(500,000)
- Provision for expected credit losses		204,639	14,429,446
- Loss / (gain) on re-measurement of long term investments	20	11,121,098	(13,936,000)
- Depreciation on property and equipment	21	13,121,111	9,803,362
- Depreciation on right-of-use assets	21	12,793,270	15,567,044
- Amortization of intangible asset	21	236,132	303,078
- Finance costs	23	117,455,199	103,519,099
- Mark up on reverse repo transactions	22	(22,130,717)	-
- Profit on savings accounts maintained with banks	22	(35,203,280)	-
		(454,402,548)	(313,971)
Cash generated from operating activities before working capital changes		436,865,839	1,856,172,988
Effect on cash flow due to working capital changes			
<i>(Increase)/decrease in current assets</i>			
- Short-term investments		(1,973,273,094)	1,460,987,441
- Trade debts		(151,426,954)	(57,779,038)
- Receivable against margin financing		(94,234,652)	(241,706,253)
- Advances, deposits and prepayments		(852,631)	(71,221,864)
- Accrued markup on margin financing		(9,934,325)	(4,000,260)
- Loan to related party		(280,301,710)	-
- Other receivables		83,077,754	(115,060,806)
<i>Increase/(decrease) in current liabilities</i>			
- Trade and other payables		(774,009,394)	598,048,300
- Loan from related party		(3,862,500)	-
- Payable against purchase of securities- net		(46,726,221)	(104,854)
		(3,251,543,727)	1,569,162,666
Cash (used in) / generated from operations		(2,814,677,888)	3,425,335,654
Taxes paid		(216,949,010)	(109,374,009)
Finance costs paid		(98,974,183)	(155,220,773)
Net cash (used in) / generated from operating activities		(3,130,601,081)	3,160,740,872
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		(23,476,965)	(19,127,488)
Additions to investment property	6	-	(152,500,000)
Proceeds from disposal of investment property		1,419,000,000	153,000,000
Interest received on savings accounts maintained with banks		41,285,460	-
Long-term advances and deposits (paid) / refunded		(40,562,869)	398,920
Net cash generated from / (used in) investing activities		1,396,245,626	(18,228,568)
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal repayment against lease liability		(19,377,206)	(15,643,606)
Repayment of long term loan from banking company - secured		-	(499,987,261)
Repayment of long term loan from related party - unsecured		-	(300,000,000)
Dividend paid		(589,657,680)	(147,248,671)
Net cash used in financing activities		(609,034,886)	(962,879,538)
Net (decrease) / increase in cash and cash equivalents		(2,343,390,341)	2,179,632,766
Cash and cash equivalents at the beginning of the period		1,309,693,324	(1,021,977,482)
Cash and cash equivalents at the end of the period	26	(1,033,697,017)	1,157,655,284

The annexed notes from 1 to 32 form an integral part of these condensed interim consolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2022 (unaudited)

1. STATUS AND NATURE OF BUSINESS

- 1.1 Arif Habib Limited ("the Company") is a public listed company incorporated in Pakistan under the Companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2017 on May 30, 2017). The shares of the Company are quoted on Pakistan Stock Exchange Limited (PSX). The Company was initially incorporated as an unquoted public limited company wholly owned by Arif Habib Corporation Limited ("the Parent Company"). Subsequently, the Parent Company offered its 25% shareholding in the Company to general public and the Company obtained listing on the PSX on January 31, 2007. As of the reporting date, the Parent Company held 69.44% shares (June, 30 2021: 69.44% shares) of the Company.
- 1.2 The Company is a holder of Trading Right Entitlement Certificate (TREC) of PSX. The principal activities of the Company are investments, share brokerage, inter-bank brokerage, Initial Public Offer (IPO) underwriting, advisory and consultancy services.
- 1.3 The geographical location of Company's offices are as follows:
- | | | |
|------------------|------------------------------------|--|
| - Karachi | Head office
(Registered office) | Arif Habib Centre, 23 M.T. Khan Road, Karachi |
| - Lahore | Regional office | Office Nos. G-05 & G-06, Ground Floor, LSE Plaza, 19, Khayaban-e-Aiwan-e-Iqbal, Lahore |
| - Islamabad | Regional office | Office No. 506, 5th Floor, ISE Towers, Jinnah Avenue, Islamabad |
| - Peshawar | Regional office | Shops No. F13, F14, F15, F16, and F17, 1st Floor, The Mall Tower, Peshawar Cantt. |
| - Faisalabad | Regional office | Office No. 04, 3rd Floor at Legacy Tower, Koh-e-Noor City. |
| - Rawalpindi | Regional office | Shop No. F-15, 1st Floor, Rizwan Arcade, Adam Jee Road, Saddar. |
| - Multan | Regional office | Shop No. 16, 17 & 18, Upper Floor, Khan Center, Multan |
| - Rahim Yar Khan | Regional office | Shop No. 2, Basement, Basheer Plaza, Model Town, Rahim Yar Khan |
| - Karachi | Regional office | Office No. 1001, 1002, 103, 10th Floor, Gul Tower, I.I. Chundrigar Road, Karachi |
- 1.4 The Company has following wholly owned subsidiaries:
- Arif Habib Commodities (Private) Limited
 - Arif Habib 1857 (Private) Limited

2. BASIS OF PREPARATION OF THESE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

- 2.1 Statement of compliance with the applicable accounting and reporting standards

These condensed interim consolidated financial statements (here-in-after referred to as the 'interim financial statements') have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise:

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

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

These interim financial statements do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2021.

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2022 (unaudited)

2.2 Basis of measurement of items in these interim financial statements

All the items in these interim financial statements have been measured at their historical cost except for the following:

- (a) Long term investments in unquoted ordinary shares of M/s. ISE Tower REIT Management Limited and M/s. LSE Financial Services Limited which are carried at fair value;
- (b) Investment property which is carried at fair value; and
- (c) Short term investments in quoted equity securities and term finance certificates / sukuk which are carried at fair value.

2.3 Functional and presentation currency

Items included in these interim financial statements are measured using the currency of the primary economic environment in which the Company operates. These interim financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

2.4 Judgments and sources of estimation uncertainty

In preparing these interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied in the annual consolidated financial statements of the Company as at and for the year ended June 30, 2021.

2.5 Significant accounting policies

The significant accounting policies applied in the preparation of these interim financial statements are the same as those applied in the preparation of the annual consolidated financial statements of the Company for the year ended June 30, 2021.

		(Un-audited) March 31, 2022	Audited June 30, 2021
3. PROPERTY AND EQUIPMENT	Note	Rupees	
Owened assets	3.1	87,277,476	76,921,622
3.1 During the period ended March 31, 2022, additions made amounting to Rs. 23.14 million (June 2021: Rs. 24.82 million) which comprised of office equipment, furniture and fixtures and computer and allied. However, no disposals were made in property and equipment.			
		(Un-audited) March 31, 2022	Audited June 30, 2021
4. RIGHT-OF-USE-ASSETS	Note	Rupees	
Opening net book value		27,657,325	42,319,024
Add: Addition during the period / year		8,493,202	6,540,869
		36,150,527	48,859,893
Less: Depreciation charged during the period / year		(12,793,270)	(21,202,568)
Closing net book value	4.1	23,357,257	27,657,325

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2022 (unaudited)

4.1 These represent the Company's right to use certain real-estate properties held by it under lease arrangements. The principal terms and conditions of the said arrangements are as follows:

	Principal Office (Karachi)	Regional Office (Peshawar)	Regional Office (Faisalabad)	Regional Office (Rawalpindi)	Regional Office (Multan)	Regional Office (Rahim Yar Khan)	Regional Office (Karachi)
Lessor name	Rotocast Engineering Co. (Pvt.) Ltd.	Mr. Azmat Hassan Khan	Mr. Tahir Mr. Ahsan Mahmood	Mr. Khalid Nazir, Rizwan	Mr. Nizakat Ali & Mr. Muhammad Ilyas	Mr. Khalid Bashir	Mr. Raheel
Address of the leased property	Block-B, 2nd Floor, Arif Habib Centre, Plot No. 23, Off. M.T.	Office No.04, 3rd 35 Mall Tower, Peshawar Cantt Khan Road	Shop No. F-15, 1st Floor, Legacy Tower, Koh-e-Noor City	Shop No. 16, 17 & Floor, Rizwan Arcade, Adamjee Road, Saddar	Shop No. 2, 18, Upper Floor, Khan Center, Multan Rahim Yar Khan	Office No. 1001, Basement, Basheer Plaza, Model Town Karachi	103, 10th Floor, Chundrigar Road, Gul Tower, I.I.
Lease agreement date	July 01, 2019	March 01, 2019	October 10, 2020	July 1, 2020	March 1, 2021	August 8, 2021	September 15, 2021
Lease commencement date	July 01, 2019	March 01, 2019	October 15, 2020	July 1, 2020	March 1, 2021	September 1, 2021	October 1, 2021
Initial contractual term of the lease	3 years	5 years	5 years	3 years	3 years	5 years	3 years
Availability of extension option?	Yes	Yes	Yes	Yes	Yes	Yes	Yes
No. of years for which the lease extension option is available	Indefinite	5 years	Indefinite	Indefinite	Indefinite	Indefinite	Indefinite
Estimated lease term (as on the date of commencement of the lease)	3 years	5 years	5 years	3 years	3 years	5 years	3 years

**(Un-audited)
March 31,
2022**

**Audited
June 30,
2021**

5. LONG TERM INVESTMENTS - unquoted

Note

Rupees

Investment in other entities

5.1

43,633,673

54,754,771

5.1 Investment in other entities - at fair value through profit or loss

ISE Towers REIT Management

Company Limited

5.1.1

37,841,512

37,841,512

LSE Financial Services Limited

5.1.1

16,913,259

16,913,259

43,633,673

54,754,771

5.1.1 This represents the investment in 3,034,604 (June 2021: 3,034,604) unquoted ordinary shares of M/s. ISE Towers REIT Management Company Limited and 843,975 (June 2021: 843,975) unquoted ordinary shares of M/s. LSE Financial Services Limited.

**(Un-audited)
March 31,
2022**

**Audited
June 30,
2021**

6. INVESTMENT PROPERTY

Note

Rupees

Opening carrying amount

1,968,800,000

1,678,415,232

Increase in fair value during the period / year - realized on disposal

355,500,000

-

2,324,300,000

1,678,415,232

Sale during the period / year

6.1

(1,446,000,000)

(152,500,000)

Purchase of plots in Naya Nazimabad project during the year

-

152,500,000

(1,446,000,000)

-

878,300,000

1,678,415,232

Increase in fair value during the period / year - unrealized

6.2

196,500,000

290,384,768

Closing carrying amount

1,074,800,000

1,968,800,000

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2022 (unaudited)

- 6.1 This represents the sale of 49 residential plots located at Block A, Naya Nazimabad, Deh Manghopir, Gadap Town, Karachi to M/s. Javedan Corporation limited (a related party). Fair value of these plots amounted to Rs. 1,090.5 million and Rs. 1,446 million as on June 30, 2021 and December 23, 2021 (transaction date) respectively. Total sale proceeds of the transaction amounted to Rs. 1,446 million.
- 6.2 This represents investment in plots of land situated at Naya Nazimabad, Deh Manghopir, Gadap Town, Karachi as well as the investment in offices located in the building complex of Pakistan Stock Exchange Limited and LSE Financial Services Limited. The Naya Nazimabad Project is owned and managed by M/s. Javedan Corporation Limited (a related party of the Company).

		(Un-audited) March 31, 2022	Audited June 30, 2021
7.	SHORT TERM INVESTMENTS		
	At fair value through profit or loss Quoted equity / debt securities	4,786,867,148	2,592,754,614
	At fair value through other comprehensive income Quoted equity securities	-	206,907,980
		<u>4,786,867,148</u>	<u>2,799,662,594</u>
8.	TRADE DEBTS		
	Considered good		
	- Brokerage receivable	255,854,508	120,088,055
	- Advisory and consultancy fee	130,559,957	115,104,095
		<u>386,414,465</u>	<u>235,192,150</u>
	Considered doubtful		
	- Brokerage receivable	870,873,330	870,668,691
	- Advisory and consultancy fee	51,604,192	51,604,192
		<u>922,477,522</u>	<u>922,272,883</u>
		1,308,891,987	1,157,465,033
		<u>(922,477,522)</u>	<u>(922,272,883)</u>
	Less: provision for expected credit losses	<u>386,414,465</u>	<u>235,192,150</u>
		(Un-audited) March 31, 2022	Audited June 30, 2021
8.1	Movement in provision for expected credit losses		
	Balance at the beginning of the period/ year	922,272,883	906,321,587
	Add: Charged for the period/ year	204,639	15,951,296
	Less: Reversed during the period/ year	-	-
	Balance at the end of the period/ year	<u>922,477,522</u>	<u>922,272,883</u>
8.2	This includes Rs. 0.38 million (June 2021: Rs. 4.3 million) due from related parties. The maximum aggregate amount outstanding at any time during the year amounts to Rs. 249.70 million (June 2021: Rs. 331.80 million)		
8.3	The Company holds capital securities having fair value of Rs. 65,999 million (June 2021: Rs. 59,277 million) owned by its clients, as collaterals against trade debts.		

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2022 (unaudited)

8.4 The aging analysis of the Company's trade debts as at reporting date is as follows :

	(Un-audited) March 31, 2022		Audited June 30, 2021	
	Gross carrying amount	Provision for expected credit losses	Gross carrying amount	Provision for expected credit losses
	Rupees			
Not past due	18,733,434	-	4,562,014	-
Past due 1 day - 30 days	222,580,002	9,892,228	182,731,378	-
Past due 31 days - 180 days	44,543,427	3,540,309	33,791,562	5,904,661
Past due 181 days - 1 year	109,274,926	439,365	9,521,312	2,465,878
Past due more than one year	913,555,560	908,400,982	931,985,501	913,902,344
	1,308,687,349	922,272,884	1,162,591,767	922,272,883

	Note	(Un-audited) March 31, 2022	Audited June 30, 2021
		Rupees	
9. RECEIVABLE AGAINST MARGIN FINANCING			
Considered good		339,890,398	245,655,746
Considered doubtful		1,917,749	1,917,749
	9.1	341,808,147	247,573,495
Less: provision for doubtful receivables		(1,917,749)	(1,917,749)
		339,890,398	245,655,746

9.1 Margin financing facility is provided to clients on markup basis ranging from 10.00% to 17.00% (June 2021: 12.00% to 15.00%) per annum.

10. ADVANCES, DEPOSITS AND PREPAYMENTS

Advances

Advance to consultant	10,498,832	9,293,760
Advance against expenses	3,411,337	1,106,456
Advance against salary	1,931,815	833,119
	15,841,984	11,233,335

Trade deposits

Exposure deposit with National Clearing Company of Pakistan Limited (NCCPL)	10.1	38,084,159	50,231,785
Exposure deposit with NECL		59,700,325	54,040,508
Exposure deposit with ECLEAR Services Limited		-	-

Prepayments

Insurance	3,323,232	591,441
	116,949,700	116,097,069

10.1 This represents deposits held at the reporting date against exposure arising out of trading in securities in accordance with the regulations of National Clearing Company Pakistan Limited.

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2022 (unaudited)

11. LOAN TO RELATED PARTY

This represents loan balance under agreement dated 28th March, 2022 to finance working capital requirements of Javedan Corporation Limited. The markup on daily outstanding principal is payable quarterly in arrears as per the applicable rate of 3 months KIBOR + 1.75% within 30 days of the following quarter. The loan is repayable within 30 days of notice of demand

	Note	March 31, 2022	June 30, 2021
		Rupees	
12. OTHER RECEIVABLES			
Receivable against reverse repo transactions		196,781,238	268,568,516
Receivable against sale of plots	12.1	32,126,734	5,126,734
Receivable from director - Ahsan Mehnti		-	4,000,000
Others		14,840,500	6,082,439
		<u>243,748,472</u>	<u>283,777,689</u>

12.1 This includes receivable against sale of plots amounting to Rs. 27 million from M/s. Javedan Corporation Limited (a related party).

13. ASSETS HELD FOR SALE

During the period, the Board of Directors of the Company has resolved to sell 100% shareholding of Arif Habib 1857 (Private) Limited (a wholly owned subsidiary of AHL) for total consideration of PKR 50 million i.e. PKR 10 per share, subject to obtaining necessary corporate and regulatory approvals. Accordingly the investment is classified as an asset held for sale. The realizable value of underlying investee company is higher than its carrying amount and consequently the management is not expecting to incur impairment thereagainst.

The above Subsidiary was not classified as held for sale as at 30 June, 2021, and comparative profit and loss account has been represented to show the discontinued operation separately from continuing operations.

	Note	March 31, 2022	June 30, 2021
		Rupees	
14. CASH AND BANK BALANCES			
Cash in hand		685,846	650,596
Cash at bank:			
- current accounts		131,494,916	157,244,101
- savings accounts		863,865,684	2,521,167,976
	14.1	<u>995,360,600</u>	<u>2,678,412,077</u>
		<u>996,046,446</u>	<u>2,679,062,673</u>

14.1 This includes the balances held in bank accounts designated to customers amounting to Rs. 917.603 million (June 30, 2021: Rs. 1,563 million).

	Note	(Un-audited) March 31, 2022	Audited June 30, 2021
		Rupees	
15. SHORT TERM BORROWINGS			
Running finance facilities from banking companies - secured	15.1	<u>2,074,242,563</u>	<u>1,369,369,349</u>

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2022 (unaudited)

15.1 Short term running finance facilities are available from various commercial banks, under mark-up arrangements, amounting to Rs. 6,250 million (June 2021: Rs. 5,500 million). These facilities have various maturity dates up to September 30, 2024 (June 2021: September 30, 2024). These arrangements are secured against pledge of marketable securities. These running finance facilities carry mark-up ranging from 1 month KIBOR + 0.65% to 1.0% , 3 month KIBOR + 0.50% to 1.5% (June 2021: 1 month KIBOR + 0.5% to 1.0% , 3 month KIBOR + 0.50% to 1.5%) calculated on a daily product basis that is payable quarterly.

15.1.1 Fair value of shares pledged with banking companies against various short term running finance facilities and bank guarantees as at March 31, 2022 amounted to Rs. 6,850.62 million (June 2021: Rs. 5,642.98 million). Total value of pledged securities with financial institutions indicating separately securities belonging to customers is as follows:

	March 31, 2022		June 30, 2021	
	Number of securities	Amount (Rupees)	Number of securities	Amount (Rupees)
Clients	122,850,000	5,128,987,500	140,335,000	4,086,425,400
House	43,985,000	1,721,627,650	66,582,755	1,554,857,660
	166,835,000	6,850,615,150	206,917,755	5,641,283,060

		(Un-audited) March 31, 2022	Audited June 30, 2021
16. TRADE AND OTHER PAYABLES	Note	Rupees	
Trade creditors	16.1	911,412,931	1,546,012,412
Commission payable to staff	16.2	69,016,733	102,628,723
Accrued expenses		3,384,860	20,995,508
Withholding tax payable		15,556,057	71,302,613
Sindh sales tax and federal excise duty payable		12,770,270	22,809,898
Other liabilities		8,101,059	30,502,150
		1,020,241,910	1,794,251,304

16.1 This includes Rs. 71.56 million (June 30, 2021: Rs 126.1 million) payable to related parties of the Company.

16.2 This includes Rs. 15 million (June 30, 2021: Rs. 49.15 million) payable to related parties of the Company.

	(Un-audited) March 31, 2022	Audited June 30, 2021
17. TAXATION - net	Rupees	
Balance at the beginning of the period/ year	201,172,500	53,702,565
Add: Provision for the period/ year	111,423,179	311,819,520
Less: Tax paid during the period/ year	(216,949,010)	(164,349,585)
Balance at the end of the period/ year	95,646,669	201,172,500

18. CONTINGENCY AND COMMITMENTS

18.1 Contingency

There has been no change in the status of the contingent liability as reported in note 24.1 to the annual consolidated financial statements of the Company for the year ended June 30, 2021.

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2022 (unaudited)

		(Un-audited) March 31, 2022	Audited June 30, 2021
		Rupees	
18.2	Commitments		
Following commitments were outstanding as at the reporting date:			
- Outstanding settlements against Margin Trading contracts		575,046,055	788,579,531
- Outstanding settlements against (purchase)/ sale of securities in regular market.		27,331,496	34,264,836
- Financial guarantees given by a commercial banks on behalf of the Company		750,000,000	750,000,000
		(Un-audited) March 31, 2022	Audited March 31, 2021
		Rupees	
19.	OPERATING REVENUE		
	Note		
Brokerage revenue	19.1	419,213,730	535,600,554
Advisory and consultancy fee	19.2	332,541,724	473,508,749
Dividend income		104,261,045	31,992,201
Mark-up on margin financing	31	39,845,041	23,623,596
Mark-up on corporate debt securities	31	7,535,481	15,103,781
		903,397,021	1,079,828,881
19.1	Brokerage revenue		
Gross revenue		481,854,862	615,632,821
Less: Sales tax		(62,641,132)	(80,032,267)
Net revenue		419,213,730	535,600,554
19.2	Advisory and consultancy fee		
Gross revenue		382,231,867	544,262,930
Less: Sales tax		(49,690,143)	(70,754,181)
Net revenue		332,541,724	473,508,749
20.	UNREALIZED (LOSS) / GAIN ON RE-MEASUREMENT OF LONG TERM AND SHORT TERM INVESTMENTS		
Short term investments		(369,265,901)	686,538,573
Long term investments		(11,121,098)	13,936,000
		(380,386,999)	700,474,573

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2022 (unaudited)

	Note	(Un-audited) March 31, 2022	Audited March 31, 2021
		Rupees	
21. ADMINISTRATIVE AND OPERATING EXPENSES			
Salaries and other benefits	21.1	227,086,797	251,455,168
Motor vehicle expense		31,158,635	20,780,579
C.D.C and clearing house charges		21,443,134	21,976,468
Building maintenance		19,123,334	15,126,026
Depreciation on right-of-use assets		12,793,270	15,567,044
Man power services	21.2	17,500,000	17,100,000
Communication		16,487,489	15,771,673
Legal and professional charges		10,572,290	6,517,869
Depreciation on property and equipment		13,121,111	9,803,361
Insurance		9,417,276	5,952,857
Repairs and maintenance		7,930,304	7,274,753
Fees and subscription		6,227,326	9,414,645
Travelling expenses		7,211,973	2,249,642
Others		5,502,578	3,859,078
Business representation		3,992,929	14,025,951
Printing and stationery		4,723,072	2,695,293
Rent, rates and taxes		8,538,477	2,069,037
Advertisement and business promotion		2,824,926	6,999,834
Audit fees		772,211	370,000
Write off of trade receivables		370,739	452,000
Conveyance and meals		438,919	267,347
Amortisation of intangible assets		236,132	303,079
Meeting expenses		200,000	200,000
Donation		-	5,000,000
		427,672,922	435,231,704
21.1 Salaries and other benefits			
Salaries and other benefits		143,070,780	148,432,579
Commission		84,016,017	103,022,589
		227,086,797	251,455,168
21.2	This represents charges paid to M/s. Arif Habib Consultancy (Private) Limited in respect of recruitment services obtained for providing senior and highly qualified consultants to lead the Company's investment banking department.		
		(Un-audited) March 31, 2022	Audited March 31, 2021
		Rupees	
22. OTHER OPERATING INCOME			
Mark-up on loan to related party		301,710	835,825
Profit on savings accounts maintained with banks		35,203,280	28,340,248
Profit on exposure deposits placed with PSX and NCCPL		2,210,280	4,074,462
Mark-up on reverse repo transactions		22,130,717	-
		59,845,987	33,250,535

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2022 (unaudited)

		(Un-audited) March 31, 2022	Audited March 31, 2021
23. FINANCE COSTS	Note	Rupees	
Markup on short term borrowings from banking companies		78,759,444	44,789,624
Markup on loan from related party	23.1	20,112,499	-
Markup on Loan From Sponsor		-	13,718,736
Bank charges and others		11,234,267	12,680,753
Interest on unwinding of the lease liability		2,276,689	4,478,847
Markup on margin trading system securities		2,787,628	2,288,409
Guarantee charges to parent company		2,284,672	954,566
Markup on long term loan from banking company		-	24,608,164
		<u>117,455,199</u>	<u>103,519,099</u>

23.1 This includes markup on finance facility obtained from Arif Habib Corporation Limited as per the applicable rate of 3 months KIBOR + 1.80% amounting to PKR 3.09 million and markup on finance facility obtained from Javedan Corporation Limited as per the applicable rate of 3 months KIBOR + 1.75% amounting to PKR 17.01 million.

		(Un-audited) March 31, 2022	Audited March 31, 2021
24. TAXATION	Note	Rupees	
Current tax - for the year		119,649,714	85,276,163
- for prior years		(8,226,535)	-
		<u>111,423,179</u>	<u>85,276,163</u>
Deferred		(5,320,408)	-
		<u>106,102,771</u>	<u>85,276,163</u>

25. EARNINGS PER SHARE

25.1 Basic earnings per share

Profit after taxation attributable to ordinary shareholders		<u>787,182,471</u>	<u>1,608,541,971</u>
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(Restated)

		— Number —	
Weighted average number of ordinary shares outstanding during the period	25.1.1	<u>65,340,000</u>	<u>65,340,000</u>

		— Rupees —	
Earnings per share - basic	25.1.1	<u>12.05</u>	<u>24.62</u>

25.1.1 In accordance with the requirement of the International Accounting Standard (IAS) 33 'Earnings Per Share', the basic earnings per share of the Company for the nine-month period and the quarter ended March 31, 2021 has been retrospectively adjusted for the effect of bonus shares issued during the period. For this purpose, the weighted average number of ordinary shares outstanding immediately before the bonus issue has been increased by the bonus adjustment factor of 1.1.

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2022 (unaudited)

25.2 Diluted earnings per share

There is no dilutive effect on the basic earnings per share of the Company, since there were no potential ordinary shares in issue as at the reporting dates.

	(Un-audited) March 31, 2022	Audited March 31, 2021
	Rupees	
26. CASH AND CASH EQUIVALENTS		
Cash and bank balances	996,046,446	1,442,143,374
Short term borrowings	(2,074,242,563)	(282,996,689)
	<u>(1,078,196,117)</u>	<u>1,159,146,685</u>

27. RELATED PARTY TRANSACTIONS AND BALANCES

Transaction with related parties

Nine months period ended

PARENT COMPANY

Arif Habib Corporation Limited

Brokerage commission earned during the period on sale and purchase of securities
Guarantee commission paid / payable
Mark-up on loan paid / payable
Loan received
Loan repaid
Dividend paid during the period

March 31, 2022 **March 31, 2021**
Rupees

4,629,654	4,714,428
2,284,672	813,738
3,099,721	-
650,000,000	-
650,000,000	-
412,458,900	103,114,710

OTHER RELATED PARTIES

Javedan Corporation Limited

Purchase of plots
Sale of plots
Mark-up on loan paid / payable
Loan extended
Loan received
Loan repaid
Brokerage commission earned during the period on sale and purchase of securities
Mark-up on loan paid

-	152,500,000
1,446,000,000	-
17,012,778	-
280,000,000	-
880,000,000	-
880,000,000	-
322,500	-
17,012,778	-

Rotocast Engineering Company (Private) Limited

Brokerage commission earned during the period on sale and purchase of securities

246,007	-
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Arif Habib Equity (Private) Limited

Brokerage commission earned during the period on sale and purchase of securities

754,625	-
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Arif Habib Dolmen REIT Management Limited

Brokerage commission earned during the period on sale and purchase of securities

516,000	-
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KEY MANAGEMENT PERSONNEL

Zafar Alam (Chairman of the Board of Directors)

Brokerage commission earned during the period on sale and purchase of securities
Dividend paid during the period
Meeting Fee Paid

164,692	687,196
651,000	91,500
50,000	50,000

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2022 (unaudited)

	Nine months period ended	
	March 31, 2022	March 31, 2021
	Rupees	
Muhammad Shahid Ali (CEO)		
Brokerage commission earned during the period on sale and purchase of securities	6,579,740	12,564,434
Dividend paid during the period	8,780	2,195
Muhammad Haroon (Director)		
Brokerage commission earned during the period on sale and purchase of securities	358,815	264,042
Dividend paid during the period	15,570	3,893
Meeting Fee Paid	50,000	50,000
Muhammad Sohail Salat (Director)		
Dividend paid during the period	1,500	1,500
Meeting Fee Paid	50,000	50,000
Sharmin Shahid (Director)		
Brokerage commission earned during the period on sale and purchase of securities	679,550	2,326,163
Dividend paid during the period	10,990	2,748
Meeting Fee Paid	50,000	50,000
Nida Ahsan (Director)		
Brokerage commission earned during the period on sale and purchase of securities	608,239	350,000
Dividend paid during the period	10,990	2,748
Meeting Fee Paid	50,000	50,000
Mohsin Madni (Director)		
Brokerage commission earned during the period on sale and purchase of securities	9,780	11,713
Dividend paid during the period	5,000	1,250
CLOSE FAMILY MEMBERS OF KEY MANAGEMENT PERSONNEL		
Arif Habib		
Brokerage commission earned during the period on sale and purchase of securities	4,471,829	4,832,575
Loan repaid	-	1,710,000,000
Loan received	-	1,410,000,000
Mark-up paid	-	16,745,906
Dividend paid during the period	18,105,000	8,027,520
Abdus Samad A. Habib		
Brokerage commission earned during the period on sale and purchase of securities	418,300	1,696,097
POST EMPLOYMENT BENEFIT PLAN		
Provident fund trust - Contribution paid during the period	7,737,645	5,579,088

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2022 (unaudited)

*Balances with related parties at the end
of the reporting period:*

PARENT COMPANY

Arif Habib Corporation Limited

Trade receivable

Guarantee charges payable

Mark-up payable

KEY MANAGEMENT PERSONNEL

Zafar Alam (Chairman of the board of Directors)

Trade payable

Muhammad Shahid Ali (CEO)

Trade payable

Sharmin Shahid (Director)

Trade receivable

Trade payable

Nida Ahsan (Director)

Trade payable

Trade receivable

Muhammad Haroon (Director)

Trade payable

Mohsin Madni (Director)

Trade payable

Muhammad Sohail Salat (Director)

Trade receivable

CLOSE FAMILY MEMBERS OF KEY MANAGEMENT PERSONNEL

Arif Habib

Trade receivable

Abdus Samad A. Habib

Trade payable

Muhammad Kashif A. Habib

Trade receivable

OTHER RELATED PARTIES

Javedan Corporation Limited

Receivable against sale of plots

Trade receivable

Advance against booking of flats

Rotocast Engineering Co. (Private) Limited

Trade receivable

Arif Habib Equity (Private) Limited

Trade receivable

Arif Habib Dolmen REIT Management Limited

Trade receivable

**March 31,
2022**

June 30,
2021

Rupees

41,587

844,995

-

33,093

464,883

4,447,132

303,500

69,803,809

-

533,753

-

9,051

279,795

4,035

599

67,123

638,025

12,666

27,000,000

80,000

56,250,000

8,141

151,810

10,556

1,104,484

112,754,445

8,340

-

9,346,762

-

29,147

191,512

-

49,556

872,251

4,075,266

5,126,734

-

-

31,083

156,484

-

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2022 (unaudited)

28. CORRECTION OF A PRIOR PERIOD ERROR

As its accounting policy, the Company recognizes the regular way purchase and sale of its own proprietary investments using 'trade date accounting'. However, to the contrary, the sale of 8,220,500 ordinary shares of Hum Network Limited (being carried at fair value through other comprehensive income) transacted on June 29, 2020 and June 30, 2020 was, inadvertently, accounted for as a disposal in the subsequent financial reporting period. This error was identified during the course of preparation of the annual financial statements of the Company for the year ended June 30, 2021 and was rectified retrospectively in those set of financial statements.

Accordingly, in these subsequent interim financial statements, the aforesaid error has also been rectified retrospectively in accordance with the requirements of the International Accounting Standard (IAS) 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and IAS 34 'Interim Financial Reporting', and all the corresponding figures affected by the error have been restated.

The retrospective correction of the error has its effects on the corresponding figures presented in these interim financial statements as follows:

Effects on the Condensed Interim Unconsolidated Statement of Changes in Equity	Unappropriated profits	Surplus on remeasurement of investment in equity securities
	Rupees	
Balance as at June 30, 2020 (as previously reported)	2,208,771,925	483,759,375
<i>Effects of restatement</i>		
Increase in other comprehensive income for the year ended June 30, 2020	-	4,905,630
Increase in gain realized on disposal of equity securities at FVOCI	65,326,305	(65,326,305)
	65,326,305	(60,420,675)
Balance as at June 30, 2020 (as restated)	2,274,098,230	423,338,700
Balance as at March 31, 2021 (as previously reported)	3,890,852,651	8,356,230
<i>Effects of restatement</i>		
Increase in other comprehensive income for the year ended June 30, 2020	-	4,905,630
Increase in gain realized on disposal of equity securities at FVOCI (recognized as of June 30, 2020)	65,326,305	(65,326,305)
Decrease in gain realized on disposal of equity securities at FVOCI (recognized during the nine month period ended March 31, 2021)	(65,326,305)	65,326,305
	-	4,905,630
Balance as at March 31, 2021 (as restated)	3,890,852,651	13,261,860

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2022 (unaudited)

29. FAIR VALUE HIERARCHY

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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. as 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).

Following is the fair value hierarchy of the assets carried at fair value:

	Level 1	Level 2	Level 3	Level 4
As on March 31, 2022	----- Amount in Rupees -----			
<i>Financial assets measured at fair value</i>				
Short term investments	4,786,867,148	-	-	4,786,867,148
Long term investments	-	-	43,633,673	43,633,673
<i>Non-financial assets measured at fair value</i>				
Investment properties	-	1,074,800,000	-	1,074,800,000
As on June 30, 2021				
<i>Financial assets measured at fair value</i>				
Short term investments	2,799,662,594	-	-	2,799,662,594
Long term investments	-	-	54,754,771	54,754,771
<i>Non-financial assets measured at fair value</i>				
Investment properties	-	1,968,800,000	-	1,968,800,000

30. OPERATING SEGMENT

These interim financial statements have been prepared on the basis of a single reportable segment as the Company's asset allocation decisions are based on a single and integrated business strategy.

All non current assets of the Company as at March 31, 2022 were located in Pakistan.

31. CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary for the purpose of comparison and better presentation. Following reclassifications have been made in these consolidated financial statements.

CONDENSED INTERIM SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine months and quarter ended March 31, 2022 (unaudited)

Reclassified from component	Reclassified to component	Amount (Rupees)
Advisory and consultancy fee (Trade debts)	Receivable against sale of plots (Other receivables)	<u>5,126,734</u>
Mark-up on margin financing (Other income)	Mark-up on margin financing (Operating revenue)	<u>23,623,596</u>
Markup on corporate debt securities (Other income)	Markup on corporate debt securities (Operating revenue)	<u>15,103,781</u>

32. GENERAL

32.1 Date of authorization for issue of these interim financial statements

These interim financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on April 26, 2022.

32.2 Level of rounding

Unless otherwise indicated, all figures in these interim financial statements have been rounded off to the nearest rupee.


Chief Executive Officer


Director


Chief Financial Officer

PATTERN OF SHAREHOLDING

As of March 31, 2022

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children			
MUHAMMAD HAROON	1	1,712	0.00
NIDA AHSAN	1	1,208	0.00
SHARMIN SHAHID	1	1,208	0.00
MOHSIN MADNI	1	550	0.00
MUHAMMAD SHAHID ALI	1	965	0.00
ZAFAR ALAM	1	75,110	0.11
MUHAMMAD SOHAIL SALAT	1	660	0.00
Associated Companies, undertakings and related parties	2	47,575,022	72.81
NIT & ICP	-	-	0.00
Banks Development Financial Institutions, Non Banking Financial Institutions.	-	-	0.00
Insurance Companies	1	60,962	0.09
Modarabas and Mutual Funds	2	3,900	0.01
General Public			
a. Local	3,543	16,151,777	24.72
b. Foreign	44	116,739	0.18
Foreign Companies	-	-	0.00
Others	49	1,350,187	2.07
Totals	3,648	65,340	100

Share holders holding 10% or more	Shares Held	Percentage
M/S. ARIF HABIB CORPORATION LIMITED	45,370,472	69.44