

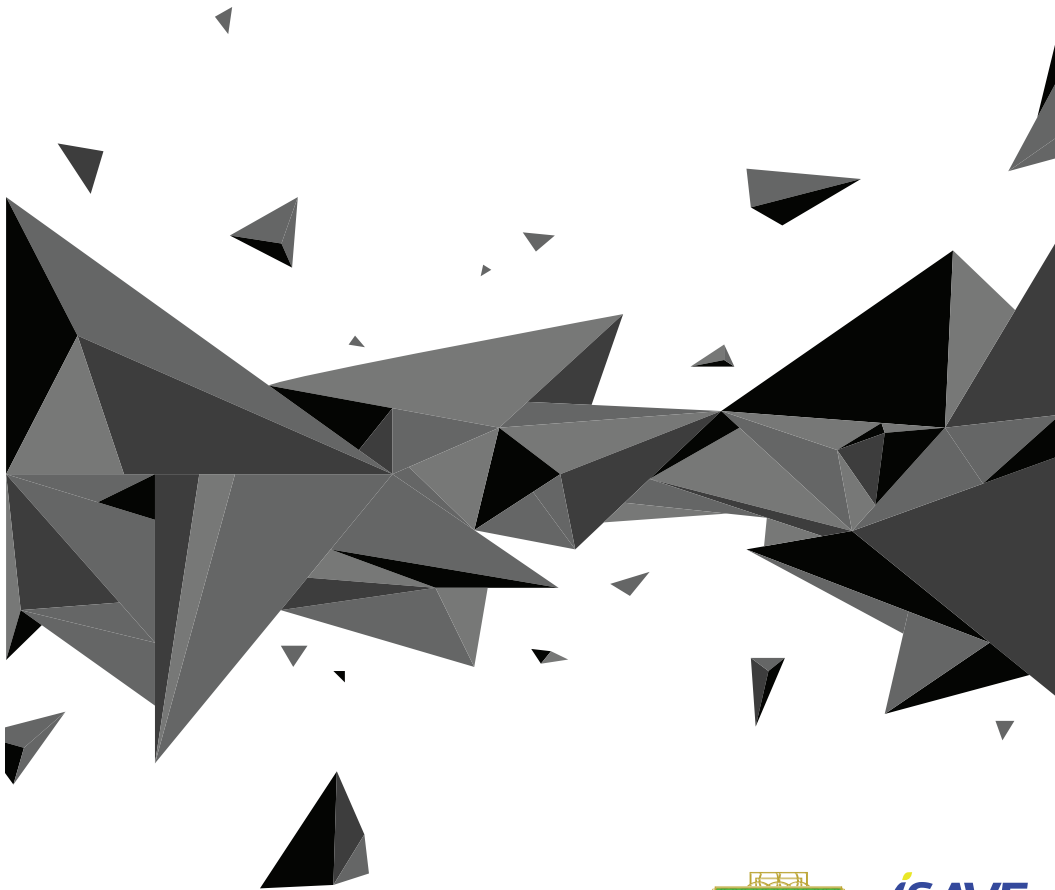


MCB-ARIF HABIB
Savings and Investments Limited

QUARTERLY REPORT

MARCH
2022
(UNAUDITED)

MCB-Arif Habib Savings and Investments Limited



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TABLE OF CONTENTS

Vision, Mission and Core Values	02
Company Information	03
Directors' Report	04
Condensed Interim Statement of Financial Position	15
Condensed Interim Profit & Loss Account (Un-audited)	16
Condensed Interim Statement of Comprehensive Income (Un-audited)	17
Condensed Interim Statement of Changes in Equity (Un-audited)	18
Condensed Interim Cash Flow Statement (Un-audited)	19
Notes to the Condensed Interim Financial Information (Un-audited)	20

Vision

To become synonymous with Savings

Mission

To become a preferred Saving and Investment Manager in the domestic and regional markets while maximizing stakeholders' value

Core Values

The Company takes pride in its orientation towards client service. it believes that its key success factors include continuous investment in staff, systems and capacity building and its insistence on universal best practices at all times.

COMPANY INFORMATION

Board of Directors	Mr. Haroun Rashid Mr. Nasim Beg Mr. Muhammad Saqib Saleem Mr. Ahmed Jahangir Mr. Kashif A. Habib Mirza Qamar Beg Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman Vice Chairman Chief Executive Officer Director Director Director Director Director
Audit Committee	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Mr. Kashif A. Habib Syed Savail Meekal Hussain	Chairman Member Member Member Member
Human Resource & Remuneration Committee	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Syed Savail Meekal Hussain Ms. Mavra Adil Khan Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member Member
Chief Executive Officer	Mr. Muhammad Saqib Saleem	
Chief Operating & Financial Officer	Mr. Muhammad Asif Mehdi Rizvi	
Company Secretary	Mr. Altaf Ahmad Faisal	
Share Registrar	CDC Share Registrar Services Limited CDC House, 99-B, Block 'B', S.M.C.H.S Main Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcsrsl.com	
Bankers	MCB Bank Limited Bank Al-Falah Limited Faysal Bank Limited Bank Al-Habib Limited MCB Islamic Bank Limited Summit Bank Limited	
Auditors	A.F. Ferguson & Co. Chartered Accountants Stare Life Building No. 1-C, I.I. Chundrigar Road, Karachi.	
Legal Advisor	Akhund Forbes D-21, Block-4, Scheme-5 Clifton, Karachi Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
Registered Office	MCB-Arif Habib Savings & Investments Limited Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
Rating	AM1 Asset Manager Rating assigned by PACRA	

DIRECTOR'S REPORT FOR THE NINE MONTHS & QUARTER ENDED MARCH 31, 2022

The Board of Directors of MCB-Arif Habib Savings and Investments Limited (MCBAH) are pleased to present report on the affairs of the Company for the quarter ended March 31, 2022.

PRINCIPAL BUSINESS

The Company is a Non-Banking Finance Company, licensed as Asset Management Company, Investment Advisor and Pension Fund Manager under the Securities and Exchange Commission of Pakistan's regulatory regime.

THE BUSINESS ENVIRONMENT

Economy and Money Market Review

Political turmoil in the country has taken the central stage in past few weeks where we witnessed ruling party coalition government lost majority in the National Assembly and overthrown by opposition led coalition. In the backdrop of weak economic environment, the transition resulted in significant volatility in equity, fixed income and exchange rate markets. In heightened political environment, markets will increasingly focus on efforts of the new government on policies and measures taken to stabilize the economy.

The fiscal year (July – June) started on strong note with government's renewed focus on reviving growth through several incentives in fiscal year 2022 (FY22) budget to spur growth. This was in addition to lagged impact of monetary easing and incentives on capital investment at lower rates (TERF), which further supported to growth premise. However, the sharp recovery in domestic demand, coupled with rising international commodity prices, led to a strong pick-up in imports and a commensurate increase in the current account deficit. The start of Russia Ukraine conflict inflicted additional misery as international commodities prices spiked up further to multi-year high.

The country posted a current account deficit of USD 12.1bn in 8MFY22 compared to a surplus of USD 1.0bn in the corresponding period last year. This was the largest CAD since FY18, when country witnessed a deficit of USD 10.6bn in first eight months of the fiscal year. The deterioration came in primarily on the back of higher imports which grew by 49.1% in 8MFY22 compared to export growth of 28.1%. Trade Deficit increased by 70.2% to USD 27.3bn compared to USD 16.0bn in same period last year. The unprecedented increase in imports mainly came from historic high prices of our commodity basket including crude oil, palm oil, coal coupled with one time vaccines imports. As per our estimates, prices contributed more than two-third of the increase in import bill.

Foreign exchange reserves of central bank saw a decrease of USD 5.3bn on account of higher current account deficit and debt repayments. Pakistan was also unable to timely roll over commercial loan of USD 2.2bn from China which put further pressure on reserves. In addition, a USD 900mn penalty payment to settle Reko Dik case further dragged the reserves to 22 months' low of USD 11.3bn, implying an import cover of hardly a couple of months. These outflows coupled with widening current account deficit led PKR to lost ground against USD by 14.1% since start of the fiscal year.

Inflation remained a concern as rising commodities continued to create challenges for policy makers. Headline inflation represented by CPI averaged 10.7% in 9MFY22 compared to 8.4% in 9MFY21. The rise mainly came from higher food prices, elevated energy costs (both electricity and

DIRECTOR'S REPORT FOR THE NINE MONTHS & QUARTER ENDED MARCH 31, 2022

fuel) and second round impact of PKR depreciation, which keeps the prices of imported commodities high. Core inflation as measured by Non Food Non Energy also depicted an upward trend as it increased to 9.5% in March 2022 compared to 6.9% in June 2021. The SBP increased policy rate by a cumulative 525bps to 12.75% in the fiscal year to counter inflationary pressures and slow aggregate demand.

On the fiscal side FBR tax collection increased by 29.1% in 9MFY22 to PKR 4,382bn compared to PKR 3,394bn during same period last year. This exceeded the target of 4,134bn by 248bn. The improved tax collection was primarily on the back of higher custom duty and sales tax collected on import stage.

Secondary markets yields have increased significantly in 9MFY22 as SBP started the monetary tightening cycle. The recent depreciation in rupee along with persistently high commodity prices will add pressure to inflation and we expect average inflation numbers to remain elevated in medium term. Bond yields for tenors of 3 years, 5 years and 10 years witnessed a rise of 2.4%, 2.1% and 1.4%, respectively during the period.

Equity Market Review

The KSE-100 Index posted a negative return of 5.1% (2,427 points drop) in 9MFY22 compared to a positive return of 29.5% in same period last year. Challenging macros (rising interest rates, depreciating PKR and widening twin deficits), uncertainty on political front, high commodity prices, and MSCI's decision to downgrade Pakistan from Emerging Market to Frontier Market all weighed heavily on the index during the period under review.

Cement, Technology, and Refinery sector remained the major index dampeners, contributing 1,288 points, 733 points, and 542 points to the index fall, respectively. In the cement sector, unprecedented surge in international coal prices (USD 250/ton compared to an average of USD 72.5/ton last year) created a weak near-term earnings outlook for the sector leading to selling pressure. Moreover, decline in Technology sector was largely on the account of a company specific event which led to a sell-off. In the case of Refinery, delay in approval of refinery policy and continuous accumulation of circular debt led to the decline.

Foreign institutional investors continued their selling spree, adding another USD 271.1 million during the 9MFY22. This amount was absorbed primarily by local individuals and corporates with net inflow of USD 82.3mn and USD 81.1mn, respectively. During the 9 months, average trading volumes saw a decline to 305mn shares compared to 483mn shares same period last year. Similarly, average trading value during 9MFY22 saw a drop of 48% over 9MFY21 to ~USD 61mn.

Economy & Market – Future Outlook

The ongoing Russia – Ukraine war has kept international commodity prices at elevated levels which have exacerbated fears about the import bill and external outlook going forward. In addition, due to political pressure the government resorted to the populist move to absorb the hike in international energy prices and keep petroleum prices unchanged. This have undermined the structural reform process and put the IMF program on hold. Going forward the new government will have to engage with the IMF and find the right balance of growth and external account sustainability.

DIRECTOR'S REPORT

FOR THE NINE MONTHS & QUARTER ENDED MARCH 31, 2022

We estimate GDP to grow by 4.5% this year, slightly lower than the government target of 4.8%. We expect Agriculture, Industrial and Services sectors to grow by 4.5%, 4.1% and 4.5% respectively. Industrial sector growth is likely to remain robust but below government's target due to demand compression as a result of monetary tightening. Agriculture sector growth on the other hand is likely to exceed government estimates due to growth in wheat and cotton crop. The Covid vaccination roll out has been quite successful which is anticipated to unleash Services growth as this segment was the most affected by the pandemic.

The persistently elevated international commodities prices especially petroleum, palm oil, fertilizers and steel, has led to a strong pick-up in imports and a rise in the current account deficit, which we expect to close the year around USD 19.0bn (5.7% of GDP). This would be the largest current account deficit since fiscal year 2018, when the country posted CAD of USD 19.2bn (6.1% of GDP). Responding to a high CAD, we expect PKR to depreciate further to end the fiscal year near PKR 192 against a dollar.

Successful resumption of the IMF program will be a key prerequisite to keep the financial account in positive zone. The SBP is expected to continue to discourage unnecessary imports and use flexible market determined exchange rate and appropriate monetary policy setting to ensure sustainable external account position. The remittances along with bilateral and multilateral flows would also be crucial in managing our external position.

We expect Average FY22 and FY23 inflation to clock at 11.6% and 13.8% respectively assuming international oil stays above USD 100/bbl. The recent hike in commodity prices and the resultant currency depreciation is likely to keep inflation numbers elevated in near term. In the recent monetary policy held in April-22 SBP increased policy rate by 250bps to 12.25% due to significant uncertainty around outlook for international commodities and global financial condition as result of Russia Ukraine war. As per the SBP the recent rate hike increased forward looking interest rates to mildly positive territory. Thus we may be at the end of monetary tightening cycle.

From capital market perspective, particularly equities, the recent correction in stock prices have opened up valuation. The market has priced in interest rate increase and currency depreciation. Market cap to GDP ratio has declined to 13.4%, a discount of 69% from its historical average. Similarly, risk premiums are close to 6.0%, compared to historical average of 1.9% signifying deep discount at which market is trading. We believe a micro view of sectors and stock will remain important and investment selection should focus on companies which trade at a deep discount to their intrinsic value. The market is currently trading at PER of 5.7x, while offering a dividend yield of 8.3%.

For debt holders, we expect Money Market Funds to continue to seamlessly mirror policy rates throughout the year. On the other hand, government bonds yields may continue to remain at elevated levels given inflationary pressure. We remain cautious at the current levels of bond yields and would continue to monitor the data points to capitalize on opportunities.

Mutual Fund Industry Review

The Net Assets of the open end mutual fund industry increased by about 7.4% during the nine months to PKR 1,093bn. Total money market funds grew by about 11.9% since June 2021. Within the money market sphere, the conventional funds dominated with a growth of about 19.6% to PKR 341bn while Islamic funds declined by 0.2% to PKR 181bn. In addition, the total fixed Income funds increased by about 17.7% since June 2021, as the conventional income funds rose by 21.5%

DIRECTOR'S REPORT FOR THE NINE MONTHS & QUARTER ENDED MARCH 31, 2022

to PKR 153bn. Equity and related funds declined by 11.3% as market witnessed a decline in 9MFY22 eroding AUMS as concern over macroeconomic and geopolitical factors kept investors at bay.

In terms of the segment share, Money Market funds were the leader with a share of around 47.8%, followed by Income funds with a share of 26.4% and Equity and Equity related funds having a share of 24.3% as at the end of 9MFY22.

Mutual Fund Industry Outlook

The recent increase in interest rates would increase flows in the money market funds. The money markets funds by virtue of its short duration would be the ideal for investors with a short term horizon and low risk profile. However recent correction in stock prices have opened up valuations and long term investors would look to add equity exposure at these attractive levels. Our operations remained seamless and given our competitive edge due to aggressive investment in digital access and online customer experience, the environment provides an opportunity with growing number of investors available online.

COMPANY'S PERFORMANCE REVIEW

During the nine months ended March 31, 2022, the asset under management reached Rs. 171.1 Billion (June 30, 2021: 154.8 Billion) reflecting a healthy growth of 10.5%. Increased AUMs resulted in increased Management and Advisory Fees including Processing and related Income which also reflected a healthy growth of 15.4% to reach Rs. 677 million compared to Rs. 586 million in the same period last year.

Moreover, during the period under review, the Company's Investment Income remained low since significant portion of the Company's portfolio was invested in equity based funds, and KSE-100 index registered a dip of 4.9%, versus a gain of 29.5% in the corresponding period last year, resulting in significant valuation gains on the equity based investments. The overall investment income therefore remained Rs. 14.6 million in the nine-months compared to Rs. 151.1 million in the same period last year.

Though the Company recorded a strong growth of Rs. 90.7 million in core management fee income, however, returns on investment decreased by Rs.136.7 million resultantly profit before taxation decreased which was recorded at Rs. 259 million (March 31, 2021: Rs. 366.5 million) and profit after taxation of Rs. 184.9 million (March 31, 2021: Rs. 287.8 million).

During the March 2022 quarter the Company launched IPayments. Better positioning in Corporate and Individual Investors and improving customer reach remained our key focus. We are excited on the opportunities digital platforms provide to expand retail segment. While the results including of IPayments are continuing to be encouraging, we expect the platforms would require continuously higher investments, to improve our reach, customer experience and enhance data security. We remain confident that investments would bear fruits in future leading to higher returns in coming years.

DIRECTOR'S REPORT FOR THE NINE MONTHS & QUARTER ENDED MARCH 31, 2022

ACKNOWLEDGEMENT

The Board of Directors of the Management Company is thankful to the Securities and Exchange Commission of Pakistan, the management of the Pakistan Stock Exchange Limited for their continued support and cooperation. The Directors also appreciate the efforts put in by the employees of the Company for their commitment and dedication and shareholders for their confidence in the Company.

For and on Behalf of Board



Muhammad Saqib Saleem
Chief Executive Officer
April 20, 2022



Nasim Beg
Director/Vice Chairman

ڈائریکٹرز رپورٹ برائے نو ماہ اور سہ ماہی مختتمہ 31 مارچ 2022

پچھلے سال کی اسی مدت میں 151.1 ملین روپے تھی۔

اگرچہ کمپنی نے روپے کی مضبوط نموریکارڈ کی ہے۔ بنیادی انتظامی فیس کی آمدنی میں 90.7 ملین روپے، تاہم، سرمایہ کاری پر منافع میں 136.7 ملین روپے کی کمی واقع ہوئی جس کے نتیجے میں منافع قبل از ٹیکس کم ہوا جو کہ 259 ملین روپے ریکارڈ کیا گیا۔ (31 مارچ 2021: روپے 366.5 ملین روپے) منافع بعد از ٹیکس 184.9 ملین روپے (31 مارچ 2021: 287.8 ملین روپے)۔

مارچ 2022 کی سہ ماہی کے دوران کمپنی نے آئی پی اینس کا آغاز کیا۔ کارپوریٹ اور انفرادی سرمایہ کاروں میں بہتر پوزیشننگ اور گاہک کی رسائی کو بہتر بنانا ہماری کلیدی توجہ رہی۔ ہم ان مواقع پر پر جوش ہیں جو ڈیجیٹل پلیٹ فارمز خوردہ طبقہ کو بڑھانے کے لیے فراہم کرتے ہیں۔ جبکہ آئی پی اینس کے نتائج مسلسل حوصلہ افزا ہو رہے ہیں، ہم توقع کرتے ہیں کہ پلیٹ فارمز کو ہماری رسائی، کسٹمر کے تجربے کو بہتر بنانے اور ڈیٹا سیکورٹی کو بڑھانے کے لیے مسلسل زیادہ سرمایہ کاری کی ضرورت ہوگی۔ ہمیں یقین ہے کہ سرمایہ کاری مستقبل میں ثمرات لائے گی جس کے نتیجے میں آنے والے سالوں میں زیادہ منافع ملے گا۔

اظہار تشکر

مینیجمنٹ کمپنی کا بورڈ آف ڈائریکٹرز سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کا شکریہ ادا کرتا ہے، پاکستان اسٹاک ایکسچینج لمیٹڈ کی انتظامیہ ان کی مسلسل حمایت اور تعاون پر۔ ڈائریکٹرز کمپنی کے ملازمین کے عزم اور لگن اور حصص یافتگان کی جانب سے کمپنی پر اعتماد کے لیے کی جانے والی کوششوں کی بھی تعریف کرتے ہیں۔

من جانب ڈائریکٹرز



نسیم بیگ
ڈائریکٹر / اوپس چیئر مین
20 اپریل 2022ء



محمد ثاقب سلیم
چیف ایگزیکٹو آفیسر
20 اپریل 2022ء

ڈائریکٹرز رپورٹ برائے نو ماہ اور سہ ماہی مختتمہ 31 مارچ 2022

میو چل فنڈ صنعت کا جائزہ

مالی سال 2022ء کے ابتدائی نو ماہ کے دوران اوپن end میو چل فنڈ صنعت کے inet اثاثہ جات تقریباً 7.4 فیصد بڑھ کر 1,093 بلین روپے ہو گئے۔ منی مارکیٹ کے مجموعی فنڈز میں جون 2021ء کے بعد سے تقریباً 11.9 فیصد اضافہ ہوا۔ منی مارکیٹ کے دائرہ کار میں روایتی فنڈز حاوی رہے جو تقریباً 19.6 فیصد بڑھ کر 341 بلین روپے ہو گئے، جبکہ اسلامک فنڈز 2.0 فیصد کم ہو کر 181 بلین روپے ہو گئے۔ مزید برآں، مجموعی فلیسڈ اگم فنڈز میں جون 2021ء سے تقریباً 17.7 فیصد اضافہ ہوا کیونکہ روایتی اگم فنڈز 21.5 فیصد بڑھ کر 153 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز میں 17.7 فیصد کمی ہوئی کیونکہ مالی سال 2022ء کے ابتدائی نو ماہ کے دوران مارکیٹ تنزل کا شکار رہی جس کے نتیجے میں مجموعی معاشی اور جغرافیائی-سیاسی عوامل پر تشویش کے باعث سرمایہ کاروں کی حوصلہ شکنی اثاثہ جات تحت الانظامیہ (AUMs) میں انحطاط کا سبب بنی۔ شعبہ جاتی اعتبار سے منی مارکیٹ فنڈز تقریباً 47.8 فیصد حصے کے ساتھ سب سے آگے رہے، جبکہ اگم فنڈز 26.4 فیصد حصے اور ایکویٹی اور ایکویٹی سے متعلقہ فنڈز 24.3 فیصد حصے کے ساتھ بالترتیب دوسرے اور تیسرے نمبر پر رہے۔

میو چل فنڈ صنعت کے مستقبل کے امکانات

سود کی شرحوں میں حالیہ اضافے سے منی مارکیٹ فنڈز میں آمدات میں اضافہ ہوگا۔ منی مارکیٹ فنڈز اپنی مختصر میعاد کی بدولت ایسے سرمایہ کاروں کے لیے موزوں ترین ہوں گے جو مختصر مدت کے لیے کم خطرات کے ساتھ چلنا چاہتے ہیں۔ تاہم اسٹاک کی قیمتوں میں حالیہ تصحیح سے valuations کھل گئی ہیں اور طویل المیعاد سرمایہ کاران پر کشش سطحوں پر ایکویٹی میں سرمایہ کاری کرنا چاہیں گے۔ ہمارے آپریشنز بلا رکاوٹ جاری رہے، اور ڈیجیٹل رسائی اور آن لائن سہولیات میں بھرپور سرمایہ کاری کے نتیجے میں ہمیں جو سہولت حاصل ہے اس کی بدولت ہم آن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کر سکے۔

کمپنی کی کارکردگی کا جائزہ

31 مارچ 2022 کو ختم ہونے والے نو مہینوں کے دوران، زیر انتظام اثاثہ 171.1 بلین روپے، (30 جون 2021: 154.8 بلین روپے) تک پہنچ گیا۔ 10.5% کی صحت مند ترقی کی عکاسی کرتا ہے۔ AUM میں اضافہ کے نتیجے میں پروسیڈنگ اور متعلقہ آمدنی سمیت اینجمنٹ اور ایڈوائزری فیس میں اضافہ ہوا جس کی وجہ سے آمدنی (15.4 فیصد کی صحت مند ترقی کے ساتھ) 677 بلین روپے ہو گئی جبکہ گزشتہ سال کی اسی مدت میں 586 بلین روپے تھی۔

مزید برآں، زیر جائزہ مدت کے دوران، کمپنی کی سرمایہ کاری کی آمدنی کم رہی کیونکہ کمپنی کے پورٹ فولیو کا اہم حصہ ایکویٹی پر مبنی فنڈز میں لگایا گیا تھا، اور KSE-100 انڈیکس نے 4.9 فیصد کمی کی درج کی ہے۔ جبکہ گزشتہ سال کی اسی مدت میں 29.5 فیصد کمی، جس کے نتیجے میں ایکویٹی پر مبنی سرمایہ کاری پر قابل قدر قدر میں اضافہ ہوا۔ اس لیے سرمایہ کاری کی مجموعی آمدنی نو ماہ میں 14.6 بلین روپے رہی، جبکہ

ڈائریکٹرز رپورٹ برائے نومبر اور سہ ماہی ختمہ 31 مارچ 2022

مسلسل بڑھی ہوئی بین الاقوامی اشیائی قیمتوں، خصوصاً پٹرولیم، پام تیل، کھاد اور اسٹیل، کے نتیجے میں درآمدات میں بھرپور بحالی اور کرنٹ اکاؤنٹ خسارے میں اضافہ ہوا ہے جو اختتام سال پر ہمارے اندازے کے مطابق تقریباً 19.0 بلین ڈالر (جی ڈی پی کا 5.7 فیصد) ہوگا۔ یہ مالی سال 2018ء میں ہونے والے 19.2 بلین ڈالر خسارے (جی ڈی پی کا 6.1 فیصد) کے بعد تاحال سب سے بڑا خسارہ ہوگا۔ اس بلند خسارے کے رد عمل میں ہم سمجھتے ہیں کہ روپے کی قدر میں مزید کمی ہوگی اور مالی سال کے اختتام پر یہ تقریباً 192 روپے بالمقابل ایک ڈالر ہوگا۔

آئی ایم ایف پروگرام کی کامیاب بحالی مالیاتی اکاؤنٹ کو مثبت محل وقوع میں رکھنے کے لیے کلیدی شرط ہوگی۔ اسٹیٹ بینک آف پاکستان متوقع طور پر غیر ضروری درآمدات کی حوصلہ شکنی جاری رکھے گا اور مارکیٹ سے تعین کردہ لچکدار شرح مبادلہ اور موزوں مالیاتی پالیسی کے ذریعے خارجی اکاؤنٹ کے استحکام کو یقینی بنائے گا۔ ترسیلات زریعہ دو جہتی اور کثیر الجہتی آمدات بھی خارجی اکاؤنٹ کو سنبھالنے میں اہم عوامل ثابت ہوں گے۔

افراط زر کا اوسط مالی سال 2022ء میں 11.6 فیصد اور مالی سال 2023ء میں 13.8 فیصد متوقع ہے بشرطیکہ تیل کی بین الاقوامی قیمت 100 ڈالر فی بیرل برقرار رہے۔ اشیائی قیمتوں میں حالیہ اضافہ اور اس کے نتیجے میں ہونے والی روپے کی قدر میں کمی کے باعث افراط زر کے قریب المیاد میں بلند رہنے کا امکان ہے۔ حالیہ مانیٹری پالیسی منعقدہ اپریل 2022ء میں اسٹیٹ بینک آف پاکستان (ایس بی پی) نے پالیسی شرح میں 250 بی پی ایس اضافہ کر کے اسے 12.25 فیصد کر دیا کیونکہ روس اور یوکرین کے مابین جنگ کے باعث بین الاقوامی اشیائی قیمتوں اور عالمی مالی حالات میں غیر یقینی صورتحال پیدا ہو گئی ہے۔ ایس بی پی کے مطابق شرح میں حالیہ اضافے کے نتیجے میں forward looking شروع سود بڑھ کر معتدل حد تک مثبت محل وقوع میں آگئی ہیں۔ چنانچہ مالیاتی سختی کے دور کا اختتام متوقع ہے۔

کیپیٹل مارکیٹ، خصوصاً ایکویٹیز کے تناظر سے، اسٹاک کی قیمتوں میں حالیہ تصحیح سے valuation کھل گئی ہے۔ مارکیٹ نے سود کی شرح میں اضافے اور روپے کی قدر میں کمی سے فائدہ اٹھایا ہے۔ مارکیٹ cap کا مجموعی ملکی پیداوار (جی ڈی پی) کے ساتھ تناسب کم ہو کر 13.4 فیصد ہو گیا ہے جو اس کے قدیم اوسط سے 69 فیصد کمی ہے۔ اسی طرح، ریسک پریمیم 6.0 فیصد کے قریب ہیں جو اپنے قدیم اوسط 1.9 فیصد کے مقابلے میں مارکیٹ میں جاری تجارت میں گہری رعایت کی نشاندہی کرتے ہیں۔ ہم سمجھتے ہیں کہ سیکٹرز اور اسٹاک کی خورد تصویراہم رہے گی اور سرمایہ کاری کے انتخاب کا انحصار ایسی کمپنیوں پر ہونا چاہیے جو اپنی اندرونی قدر میں گہری رعایت پر تجارت کرتی ہیں۔ فی الوقت مارکیٹ میں 5.7 گنا PER پر تجارت ہو رہی ہے جبکہ 8.3 فیصد ڈیویڈنڈ منافع پیش کیا جا رہا ہے۔

قرض حاملین کے لیے ہم توقع کرتے ہیں کہ بازار زر کے فنڈ سال بھر بلا رکاوٹ پالیسی شرحوں کی عکاسی جاری رکھیں گے۔ دوسری جانب حکومتی بانڈز کے منافع جات افراط زر کے دباؤ کے باعث بلند سطحوں پر برقرار رہیں گے۔ ہم بانڈز کے منافعوں کی موجودہ سطحوں کے حوالے سے محتاط ہیں اور ڈیپاؤنٹس کی نگرانی جاری رکھیں گے تاکہ مواقع سے فائدہ اٹھایا جاسکے۔

ڈائریکٹرز رپورٹ برائے نو ماہ اور سہ ماہی مختتمہ 31 مارچ 2022

(2,427 پوائنٹس کمی) جبکہ گزشتہ سال کی مماثل مدت میں 29.5 فیصد مثبت منافع ہوا تھا۔ دقت آمیز مجموعی عوامل (سود کی بڑھتی ہوئی شرحوں، روپے کی گرتی ہوئی قدر اور پھیلنے ہوئے بڑواں خساروں)، سیاسی میدان میں غیر یقینی صورتحال، بلند ایشیائی قیمتوں، اور MSCI کے پاکستان کی درجہ بندی کو 'مرجنگ مارکیٹ' (اُبھرتی ہوئی مارکیٹ) سے کم کر کے 'فرنیٹشو مارکیٹ' (متوسط درجے کی مارکیٹ) کرنے کے فیصلے، تمام نے زیر جائزہ مدت کے دوران انڈیکس پر شدید بوجھ ڈالا۔

سینٹ، ٹیکنالوجی اور ریفائنری کے شعبوں نے پالترتیب 1,288 پوائنٹس، 733 پوائنٹس، اور 542 پوائنٹس کمی کے ساتھ انڈیکس کو سب سے زیادہ متاثر کیا۔ کونسل کی بین الاقوامی قیمتوں میں فقید المثال اضافے (250 ڈالر فی ٹن سال رواں بالمقابل اوسطاً 72.5 ڈالر فی ٹن گزشتہ سال) نے کونسل کے شعبے کے قریب المیاد مستقبل کے امکانات کمزور کر دیئے جس کے نتیجے میں اس پر فروخت کا دباؤ پڑا۔ ٹیکنالوجی کے شعبے میں تنزلی کی سب سے بڑی وجہ کمپنی سے متعلق ایک خاص واقعہ تھا جس کے نتیجے میں ایک فروخت ناگزیر ہو گئی۔ ریفائنری کے شعبے میں ریفائنری پالیسی کی منظوری میں تاخیر اور گردش قرض کا مسلسل جمع ہونا تنزلی کا سبب بنے۔

غیر ملکی ادارہ جاتی سرمایہ کاروں نے فروخت کا سلسلہ جاری رکھا اور مالی سال 2022ء کے ابتدائی نو ماہ کے دوران مزید 271.1 ملین ڈالر کا اضافہ کیا۔ اس رقم کے بنیادی خریدار مقامی افراد اور کارپوریٹ ادارے تھے۔ جسکی خالص آمد پالترتیب 82.3 ملین ڈالر اور 81.1 ملین ڈالر تھی۔ زیر جائزہ مدت کے دوران اوسط تجارتی حجم کم ہو کر 305 ملین حصص ہو گئے، جبکہ گزشتہ سال مماثل مدت میں 483 ملین حصص تھے۔ اسی طرح ابتدائی نو ماہ کے دوران اوسط تجارتی قدر 48 فیصد کم ہو کر 61 ملین ڈالر ہو گئی۔

معیشت اور بازار - مستقبل کے امکانات

روس اور یوکرین کے مابین جاری جنگ نے بین الاقوامی ایشیائی قیمتوں کو بلند سطحوں پر رکھا ہوا ہے جس کے باعث درآمداتی بیل اور خارجی جہت کے امکانات سے متعلق اندیشوں میں اضافہ ہوا ہے۔ مزید براں، حکومت نے سیاسی دباؤ کے باعث populist (یعنی عوام کی مملکت کا) قدم اٹھایا تاکہ توانائی کی بین الاقوامی قیمتوں کو جذب کیا جاسکے اور پٹرولیم کی قیمتوں کو غیر تبدیل شدہ رکھا جاسکے۔ اس کے نتیجے میں بنیادی ڈھانچے سے متعلق اصلاح کے عمل میں رکاوٹ پیدا ہوئی اور آئی ایم ایف پروگرام التواء کا شکار ہو گیا ہے۔ مستقبل میں نئی حکومت کو آئی ایم ایف کے ساتھ مربوط ہو کر ترقی اور خارجی اکاؤنٹ کے استحکام کے مابین درست توازن تلاش کرنا ہوگا۔

ہمارے اندازے کے مطابق مجموعی ملکی پیداوار (جی ڈی پی) میں اس سال 4.5 فیصد اضافہ ہوگا، جو حکومتی ہدف 4.8 فیصد سے کچھ کم ہے۔ زراعت، صنعت اور خدمات کے شعبوں میں پالترتیب 4.5 فیصد، 4.1 فیصد اور 4.5 فیصد ترقی متوقع ہے۔ صنعتی شعبے کی ترقی تیز رفتار ہو سکتی لیکن حکومتی ہدف سے کم رہے گی کیونکہ مالیاتی سختی کے نتیجے میں طلب سنکڑ گئی ہے۔ البتہ گندم اور کپاس کی بہتر فصل کی بدولت زراعت کے شعبے کی ترقی حکومتی تخمینوں سے سبقت لے جاسکتی ہے۔ کووڈ ویکسینیشن کا دورانی کامیاب رہا جس کے نتیجے میں خدمات کے شعبے میں بحالی متوقع ہے کیونکہ یہ شعبہ وباء سے سب سے زیادہ متاثر ہوا تھا۔

ڈائریکٹرز رپورٹ برائے نو ماہ اور سہ ماہی مختتمہ 31 مارچ 2022

یکبار درآمد۔ ہمارے اندازے کے مطابق درآمداتی بل میں قیمتوں کا دو تہائی حصہ تھا۔

مرکزی بینک کے زرمبادلہ کے ذخائر میں 5.3 بلین ڈالر کی کمی ہوئی جس کی وجہ کرنٹ اکاؤنٹ کا بلند تر خسارہ اور ادائیگی، قرض میں اضافہ تھا۔ علاوہ ازیں، پاکستان چین سے 2.2 بلین ڈالر کے تجارتی قرض کی بروقت تجدید نہیں کر سکا جس کے باعث ذخائر پر مزید باؤ پڑا۔ مزید برآں، ریکوڈک معاملے کو نمٹانے کے لیے 900 ملین ڈالر جرمانے کی ادائیگی کے باعث ذخائر گزشتہ 22 ماہ کی پست ترین سطح 11.3 بلین ڈالر پر پہنچ گئے، یعنی بمشکل کچھ ماہ کا درآمداتی cover۔ یہ اخراجات جمع پھیلے ہوئے کرنٹ اکاؤنٹ خسارے کے نتیجے میں روپے کی ڈالر کے مقابلے میں قدر مالی سال کے آغاز سے 14.1 فیصد کم ہو گئی۔

افراط زر باعث تشویش بنی رہی کیونکہ بڑھتی ہوئی اشیائی قیمتوں کی وجہ سے پالیسی ساز مشکلات کا شکار رہے۔ مجموعی افراط زر، جس کی ترجمانی صارفی قیمت کے انڈیکس (سی پی آئی) سے ہوتی ہے، کا اوسط مالی سال 2022ء کے ابتدائی نو ماہ میں 10.7 فیصد تھا، جبکہ مالی سال 2021ء کے ابتدائی نو ماہ میں 8.4 فیصد تھا۔ اس اضافے کی بنیادی وجہ اشیائے خورد و نوش کی بڑھتی ہوئی قیمتیں، توانائی (بجلی اور ایندھن، دونوں) کی لاگتوں میں اضافہ، اور پاکستانی روپے کی قدر میں کمی کے دوسرے مرحلے کا اثر تھیں، جس سے درآمد شدہ اشیاء کی قیمتیں بلند رہتی ہیں۔ بنیادی افراط زر، جس کی پیمائش اشیائے خورد و نوش اور توانائی کے علاوہ سے ہوتی ہے، میں بھی اضافے کا رجحان رہا اور مارچ 2022ء میں 9.5 فیصد تک جا پہنچی، جبکہ جون 2021ء میں 6.9 فیصد تھی۔ اسٹیٹ بینک آف پاکستان (ایس بی پی) پالیسی شرح میں مجموعی طور پر 525 بیسیس پوائنٹس (بی پی ایس) کا اضافہ کر کے اسے 12.75 فیصد تک لے گیا تاکہ افراط زر کے دباؤ اور مجموعی طلب میں سست روی کا مقابل کیا جاسکے۔

مالیاتی جہت میں فیڈرل بورڈ آف ریونیو (ایف بی آر) کی ٹیکس وصولی مالی سال 2022ء کے ابتدائی نو ماہ میں 29.1 فیصد بڑھ کر 4,382 بلین روپے تک پہنچ گئی جو 4,134 بلین روپے کے ہدف سے 248 بلین روپے زیادہ تھی، جبکہ گزشتہ سال مماثل مدت کے دوران 3,394 بلین روپے تھی۔ اس بہتر کارکردگی کی بنیادی وجہ درآمد کے مرحلے پر پہلے سے زیادہ کسٹم ڈیوٹی اور سیلز ٹیکس کی وصولی ہے۔

ثانوی مارکیٹوں کے منافع جات میں مالی سال 2022ء میں قابل ذکر اضافہ ہوا ہے کیونکہ ایس بی پی نے مالیاتی سختی کے دور کا آغاز کر دیا۔ روپے کی قدر میں حالیہ کمی کے ساتھ ساتھ مسلسل بڑھی ہوئی اشیائی قیمتوں سے افراط زر پر دباؤ میں اضافہ ہوگا اور افراط زر کا اوسط درمیانی مدت میں متوقع طور پر بلند رہے گا۔ تین، پانچ اور دس سالہ بانڈز کے منافع جات میں دوران مدت پالتریب 2.4، 2.1 اور 1.4 فیصد اضافہ ہوا۔

ایکویٹی مارکیٹ کا جائزہ

مالی سال 2022ء کے ابتدائی نو ماہ میں کراچی اسٹاک ایکسچینج (کے ایس ای) 100 انڈیکس نے 5.1 فیصد منفی منافع پوسٹ کیا

ڈائریکٹرز رپورٹ برائے نو ماہ اور سہ ماہی مختتمہ 31 مارچ 2022

ایم سی بی عارف حبیب سیونگز اینڈ انویسٹمنٹس لمیٹڈ نہایت خوشی کے ساتھ (ایم سی بی اے ایچ) کے بورڈ آف ڈائریکٹرز کو 31 مارچ 2022 کو ختم ہونے والے نو ماہ اور سہ ماہی کے لئے ایم سی بی اے ایچ کے امور پر رپورٹ پیش کر رہے ہیں۔

پرنسپل بزنس

کمپنی ایک نان بینکنگ فنانس کمپنی ہے جسے سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے ریگولیٹری ریجیم کے تحت ایسٹ منجمنٹ کمپنی، انویسٹمنٹ ایڈوائزر اور پنشن فنڈ منیجر کے طور پر لائسنس دیا گیا ہے۔

کاروباری ماحول

معیشت اور بازار کا جائزہ

گزشتہ کچھ ہفتوں کے دوران ملک میں سیاسی افراتفری توجہ کا مرکز بنی رہی۔ حکمران جماعت نے قومی اسمبلی میں اکثریت کھودی اور حزب اختلاف کی قیادت میں بننے والے اتحاد کے ہاتھوں حکومت کا تختہ الٹ گیا۔ یہ تبدیلی پہلے سے ہی کمزور معاشی ماحول کے پس منظر میں ایکوٹی، مقررہ آمدنی اور شرح مبادلہ کی مارکیٹوں میں عدم استحکام کا باعث بنی۔ اس مضطرب سیاسی ماحول میں مارکیٹیں نئی حکومت کی معیشت کو مستحکم کرنے کی پالیسیوں اور اقدام کی منتظر ہیں۔

مالی سال (جولائی-جون) کا آغاز مضبوط نوٹ کے ساتھ ہوا جس میں حکومت کی جانب سے مالی سال 2022 (FY22) کے بجٹ میں کئی مراعات کے ذریعے ترقی کی بحالی پر نئی توجہ مرکوز کی گئی۔ یہ مالیاتی تسہیل کے تاخیری اثر اور کم شرحوں (TERF) پر سرمایہ کاری کی ترغیبات پر متزدد تھا جس سے ترقی کو مزید معاونت حاصل ہوئی۔ تاہم مقامی طلب میں تیز رفتار بحالی اور اس کے ساتھ ساتھ بڑھتی ہوئی بین الاقوامی اشیائی قیمتوں کے نتیجے میں درآمدات میں بھی بھرپور بحالی ہوئی اور کرنٹ اکاؤنٹ خسارے میں متناسب اضافہ ہوا۔ روس اور یوکرین کے مابین تنازعے کے باعث مشکلات میں اضافہ ہوا کیونکہ بین الاقوامی اشیائی قیمتیں کئی برسوں کی بلند ترین سطح پر پہنچ گئیں۔

مالی سال 2022ء کے ابتدائی آٹھ ماہ میں ملک کا کرنٹ اکاؤنٹ خسارہ 12.1 بلین ڈالر تھا، جبکہ گزشتہ سال کی مماثل مدت میں 1.0 بلین ڈالر فاضل (منافع) تھا۔ یہ مالی سال 2018ء کے ابتدائی آٹھ ماہ میں ہونے والے 10.6 بلین ڈالر خسارے سے تاحال سب سے زیادہ خسارہ تھا۔ اس کی بنیادی وجہ ابتدائی آٹھ ماہ درآمدات میں 49.1 فیصد اضافہ تھی، جبکہ برآمدات میں اضافہ 28.1 فیصد تھا۔ تجارتی خسارہ 70.2 فیصد بڑھ کر 27.3 بلین ڈالر ہو گیا، جبکہ گزشتہ سال مماثل مدت میں 16.0 بلین ڈالر تھا۔ درآمدات میں یہ فقید المثال اضافہ ہماری اشیائی basket کی قدیم بلند قیمتوں کی بدولت ہوا، بشمول خام تیل، پام تیل، کوئلہ اور اس کے ساتھ ساتھ دیگر کمپنیز کی

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
As at 31 March 2022

		(Unaudited) 31 March, 2022	(Audited) 30 June, 2021
	Note		
(Rupees)			
ASSETS			
Non-current assets			
Fixed assets	4	347,783,014	358,789,899
Long-term investments	5	639,523,549	638,596,952
Long-term loans and prepayments	6	16,845,091	14,161,597
Long-term deposits		5,504,103	4,994,903
		1,009,655,757	1,016,543,351
Current assets			
Receivable from related parties	7	544,962,749	543,936,536
Loans and advances		44,075,999	2,377,576
Deposits, prepayments and other receivables	8	25,635,673	43,794,004
Accrued mark-up		35,514	22,487
Short-term investments	9	515,875,882	685,758,449
Advance tax - net of provision	10	40,958,839	39,149,452
Cash and bank balances		37,760,280	43,929,106
		1,209,304,936	1,358,967,610
TOTAL ASSETS		2,218,960,694	2,375,510,961
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
72,000,000 (30 June 2021: 72,000,000) ordinary shares of Rs. 10 each		720,000,000	720,000,000
Issued, subscribed and paid-up share capital		720,000,000	720,000,000
Reserves		725,956,900	883,129,589
Total equity		1,445,956,900	1,603,129,589
Liabilities			
Non-current liabilities			
Deferred taxation - net	11	66,324,652	67,176,622
Lease liability against right-of-use assets	4.4	22,600,832	18,001,467
Current liabilities			
Unclaimed dividend		5,455,400	4,672,994
Current Portion of lease liability against right-of-use assets	4.4	24,384,757	32,347,100
Trade and other payables	12	654,238,153	650,183,189
Total liabilities		773,003,794	772,381,372
TOTAL EQUITY AND LIABILITIES		2,218,960,694	2,375,510,961
CONTINGENCIES AND COMMITMENTS			
	16		

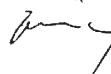
The annexed notes 1 to 19 form an integral part of this condensed interim financial information.



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
For The Nine Months Ended March 31, 2022

		Nine months ended		Quarter ended	
		March 31	March 31	March 31	March 31
Note		2022	2021	2022	2021
-----Rupees-----					
Revenue					
Management fee / investment advisory fee	13	634,411,129	548,588,851	188,687,521	200,530,508
Processing and other related income		42,894,175	37,959,419	19,693,981	16,341,543
Profit on bank deposits		1,361,406	1,000,367	532,232	319,006
Dividend income		3,813,668	14,509,527	1,499,082	2,431,710
Capital gain / (loss) on sale of investments - net		10,144,503	27,200,111	3,603,860	15,480,250
Unrealized appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net		(711,280)	108,368,606	6,301,634	(2,124,707)
Total income		691,913,601	737,626,879	220,318,310	232,978,308
Expenses					
Administrative expenses	14	(340,585,149)	(322,380,795)	(114,845,931)	(116,449,759)
Selling and distribution expenses		(91,487,382)	(46,279,784)	(45,886,374)	(14,485,318)
Financial charges		(4,313,691)	(5,567,185)	(1,492,378)	(1,772,497)
		(436,386,222)	(374,227,764)	(162,224,683)	(132,707,574)
Other income		3,536,565	3,146,283	1,748,217	1,357,936
Profit for the period before taxation		259,063,945	366,545,399	59,841,845	101,628,670
Taxation					
- Current		(74,132,141)	(70,801,109)	(30,331,032)	(27,000,000)
- Prior		(925,070)	3,446,922	(925,070)	3,446,922
- Deferred		851,971	(11,400,000)	11,551,971	(700,000)
		(74,205,240)	(78,754,187)	(19,704,131)	(24,253,078)
Profit for the period after taxation		184,858,705	287,791,212	40,137,714	77,375,592
Earnings per share - basic and diluted (Rupees)		2.57	4.00	0.56	1.07

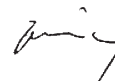
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Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
For The Nine Months Ended March 31, 2022

	Nine months ended		Quarter ended	
	March 31, 2022	2019 2021	March 31, 2022	2019 2021
	-----Rupees-----			
Profit for the period after taxation	184,858,705	287,791,212	40,137,714	77,375,592
Other comprehensive income for the period				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Net unrealized appreciation / (diminution) on re-measurement of 'available for sale' investments				
net of deferred tax	-	-	-	-
Total comprehensive income for the period	<u>184,858,705</u>	<u>287,791,212</u>	<u>40,137,714</u>	<u>77,375,592</u>

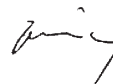
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Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For The Nine Months Ended March 31, 2022

	Capital		Reserves		Sub-total	Unappropriated profit	Sub-total	Total
	Issued, subscribed and paid-up capital	Share premium	Deficit arising on amalgamation	Revenue				
----- Rupees -----								
Balance as at July 01, 2020	720,000,000	396,000,000	(60,000,000)	336,000,000	494,695,426	494,695,426	1,550,695,426	
Total comprehensive income for the nine months ended March 31, 2021	-	-	-	-	287,791,212	287,791,212	287,791,212	
Final dividend for the year ended 30 June 2020 at Rs 2.25 per share	-	-	-	-	(162,000,000)	(162,000,000)	(162,000,000)	
Interim dividend for the period ended 30 December 2020 at Rs 2.25 per share	-	-	-	-	(162,000,000)	(162,000,000)	(162,000,000)	
	-	-	-	-	(36,208,788)	(36,208,788)	(36,208,788)	
Balance as at March 31, 2021	720,000,000	396,000,000	(60,000,000)	336,000,000	458,486,638	458,486,638	1,514,486,638	
Profit after taxation for the quarter ended 30 June 2021	-	-	-	-	88,611,557	88,611,557	88,611,557	
Balance as at June 30, 2021	720,000,000	396,000,000	(60,000,000)	336,000,000	547,098,195	547,098,195	1,603,098,195	
Comprehensive income for the nine months ended March 31, 2022				-	184,858,705	184,858,705	184,858,705	
Other comprehensive income for the nine months ended March 31, 2022				-	-	-	-	
Total comprehensive income for the nine months ended March 31, 2022	-	-	-	-	184,858,705	184,858,705	184,858,705	
Final dividend for the year ended 30 June 2021 at Rs 2.75 per share	-	-	-	-	(198,000,000)	(198,000,000)	(198,000,000)	
Interim dividend for the period ended 30 December 2021 at Rs 2.00 per share	-	-	-	-	(144,000,000)	(144,000,000)	(144,000,000)	
Balance as at March 31, 2022	720,000,000	396,000,000	(60,000,000)	336,000,000	389,956,900	389,956,900	1,445,956,900	

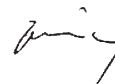
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Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
For The Nine Months Ended March 31, 2022

	Nine months ended	
	March 31, 2022	March 31, 2021
	-----Rupees-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period before taxation	259,063,945	366,545,399
Adjustments for non-cash items:		
Depreciation	11,440,542	15,481,916
Amortization	6,573,217	9,039,788
Finance Cost on Lease Liabilities	4,142,603	5,069,835
Depreciation on right of use assets	24,013,113	21,305,112
(Gain) / Loss on sale of fixed assets	(6,166)	(2,461,340)
Capital gain on sale of marketable securities	(10,144,503)	(27,200,111)
Impairment of leasehold improvements	-	4,768,237
Unrealized appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	711,280	(108,368,606)
Financial charges	171,088	497,350
	<u>36,901,174</u>	<u>(81,867,817)</u>
CASH FLOW FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES	295,965,119	284,677,582
WORKING CAPITAL CHANGES		
(Increase) / decrease in current assets		
Receivable from related parties	(1,026,213)	(21,200,009)
Loans and advances	(41,698,423)	(8,902,375)
Deposits, prepayments and other receivables	18,158,331	(24,123,049)
Mark-up accrued	(13,027)	4,777
	<u>(24,579,332)</u>	<u>(54,220,656)</u>
Increase / (decrease) in current liabilities		
Unclaimed Dividend	782,406	114,364
Trade and other payables	4,054,964	73,116,684
NET CASH USED IN WORKING CAPITAL CHANGES	<u>(19,741,962)</u>	<u>19,010,392</u>
CASH FLOW FROM OPERATING ACTIVITIES	276,223,156	303,687,974
Income tax paid	(76,866,597)	64,901,843
Finance cost paid	(171,088)	(497,350)
Dividend paid	(342,000,000)	(324,000,000)
Rentals paid	<u>(30,078,041)</u>	<u>(25,702,805)</u>
NET CASH FLOW FROM OPERATING ACTIVITIES	<u>(172,892,569)</u>	<u>18,389,662</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(10,469,514)	(9,016,824)
Proceeds from sale of property plant and equipment	65,000	9,602,625
Net proceeds against redemption of investments	179,811,752	23,382,922
Long term loans and receivables	(2,174,294)	(5,877,343)
Long term deposits	<u>(509,200)</u>	<u>419,326</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>166,723,744</u>	<u>18,510,706</u>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	<u>(6,168,826)</u>	<u>36,900,368</u>
Cash and cash equivalents at the beginning of the period	43,929,106	19,814,591
Cash and cash equivalents at the end of the period	<u><u>37,760,280</u></u>	<u><u>56,714,959</u></u>

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.



Chief Executive Officer



Chief Financial Officer



Director

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Nine Months Ended March 31, 2022**

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** MCB - Arif Habib Savings and Investments Limited ("the Company") was incorporated in the name of Arif Habib Investment Management Limited (AHIML) on 30 August 2000 as an unquoted public limited company under the requirements of the Companies Ordinance, 1984. During 2008, AHIML was listed on the Karachi Stock Exchange Limited (now integrated into the Pakistan Stock Exchange Limited) by way of offer for sale of shares by few of its existing shareholders to the general public. In the same financial year, the name of AHIML was changed from "Arif Habib Investment Management Limited" to "Arif Habib Investments Limited" (AHIL). On 19 January 2011, a transfer agreement was signed between Arif Habib Corporation Limited (AHCL) [the then parent of AHIL] and MCB Bank Limited (MCB Bank) [the then parent of MCB Asset Management Company Limited (MCB AMC)] for the transfer of the entire business of MCB AMC to AHIL to achieve synergies in business and to access a wider distribution network. The scheme of amalgamation ("the Scheme") was approved by the shareholders of AHIL and MCB AMC in their respective extraordinary general meetings held on 21 May 2011. The Scheme was also approved by the Securities and Exchange Commission of Pakistan (SECP) with the effective date of amalgamation being 27 June 2011 (the effective date). In accordance with the terms contained in the Scheme, the Company became a subsidiary of MCB Bank Limited from the end of the year ended 30 June 2011, which owns 51.33% ordinary shares in the Company till date. Pursuant to the merger of MCB AMC with and into AHIL, the name of AHIL has been changed to MCB - Arif Habib Savings and Investments Limited effective from 23 May 2013.
- 1.2** The registered office of the Company is situated at 2nd Floor, Adamjee House, I.I Chundrigar Road, Karachi, Pakistan.
- 1.3** The Company is registered as a Pension Fund Manager under the Voluntary Pension System Rules, 2005, as an Asset Management Company and an Investment Advisor under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003.
- 1.4** The Company has been assigned an Asset Manager rating of AM1 by the Pakistan Credit Rating Agency Limited (PACRA). The rating was determined by PACRA on 6 October 2021. Currently, the Company is managing the following funds under its management:

	Net assets value as at	
	31 March 2022	30 June 2021
Note	(Rupees in million)	
Open-end Collective Investment Schemes (CISs)		
Pakistan Income Fund	4,922	9,595
MCB Pakistan Stock Market Fund	10,684	12,397
MCB Pakistan Sovereign Fund	638	738
Pakistan Capital Market Fund	436	467
Pakistan Cash Management Fund	15,329	3,119
Pakistan Income Enhancement Fund	1,054	630
MCB Pakistan Asset Allocation Fund	1,120	912
MCB DCF Income Fund	4,546	3,646
MCB Cash Management Optimizer	36,238	34,030
Alhamra Islamic Money Market Fund	9,566	15,258
Alhamra Islamic Asset Allocation Fund	1,966	2,335
Alhamra Islamic Stock Fund	2,905	3,410
Alhamra Islamic Income Fund	8,227	5,575
Alhamra Daily Dividend Fund	6,209	2,279
Alhamra Smart Portfolio	164	123
Pension Funds		
Pakistan Pension Fund	2,139	1,933
Alhamra Islamic Pension Fund	1,414	1,354
Discretionary portfolio	64,729	57,014
The Company is also managing investments under discretionary portfolio management agreements, the details of which are given below:		

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Nine Months Ended March 31, 2022**

	Net assets value as at	
	31 March 2022	30 June 2021
	(Rupees in million)	
Number of clients	36	37
Total portfolio at cost (Rs. in millions)	55,302	46,869
Total portfolio at market value (Rs. in millions)	54,857	47,074
Fee earned (Rs. in millions)	52	47

- 1.5 In accordance with the requirements of Rule 9 of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, the Company has obtained insurance coverage from Jubilee General Insurance Company Limited against any loss that may be incurred as a result of employees' fraud or gross negligence. The insurance company has been assigned a credit rating of AA+ by the Pakistan Credit Rating Agency Limited (PACRA) (latest available rating).

2 BASIS OF PRESENTATION

2.1 Statement of compliance

These condensed 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 of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.

- 2.2 The disclosures made in these condensed interim financial statements are based on the requirements of the International Accounting Standard (IAS) 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Company for the year ended 30 June 2020.
- 2.3 The comparative condensed interim statement of financial position presented in these condensed interim financial statements have been extracted from the audited annual financial statements of the Company for the year ended 30 June 2020, whereas, the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity have been extracted from the unaudited condensed interim financial statements for the period ended 31 March 2020.
- 2.4 These condensed interim financial statements are unaudited. However, a review has been performed by the statutory 56(1)/ 2016 dated January 28, 2016, the requirements of consolidation under section 237 of the repealed Companies Ordinance, 1984 (section 228 of the Companies Act, 2017) and IFRS 10 is not applicable in case of investment by companies in mutual funds established under trust structure. Accordingly, the mutual funds are not being consolidated by the Company.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Nine Months Ended March 31, 2022**

2.5 Basis of measurement

These condensed interim financial statements have been prepared on the basis of historical cost convention, except that certain investments are carried at fair values.

2.6 Functional and presentation currency

These condensed interim financial statements are presented in Pakistani Rupee which is the Company's functional and presentation currency.

3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES, ASSUMPTIONS AND CHANGES THEREIN

- 3.1** The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of audited annual financial statements of the Company as at and for the year ended 30 June 2021.

3.2 New standards, interpretations and amendments adopted by the Company

There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after 1 July 2021 but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore are not detailed in these condensed interim financial statements.

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

In addition, certain IFRS, amendments and interpretations to approved accounting standards are not yet effective. However, these are not likely to have any material effect on the Company's financial statements.

3.4 Critical management estimates and judgments

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

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual financial statements as at and for the year ended 30 June 2021.

3.5 Financial risk management

The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Company for the year ended 30 June 2021.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Nine Months Ended March 31, 2022

4	FIXED ASSETS	Note	(Unaudited) 31 March 2022 ----- (Rupees) -----	(Audited) 30 June 2021 -----
	Tangible			
	Property and equipment	4.1	24,630,792	25,660,653
	Right of use assets	4.3	45,445,116	47,018,584
			70,075,908	72,679,237
	Intangible assets			
	Computer software	4.2	3,580,173	10,153,390
	Goodwill	4.2	192,000,000	192,000,000
	Capital work in progress		-	1,830,339
	Management rights	4.2	82,126,933	82,126,933
			277,707,106	286,110,662
			347,783,014	358,789,899

4.1 Property and equipment

Following is a statement of property and equipment:

	31 March 2022 (Unaudited)				
	Computers	Office equipments	Furniture and fixtures	Leasehold improvements	Vehicles
	----- (Rupees) -----				
As at 1 July 2021					
Cost	61,402,064	19,252,265	8,182,368	13,388,935	4,237,270
Accumulated depreciation	(44,367,298)	(15,674,244)	(5,291,723)	(5,798,064)	(2,385,539)
Accumulated impairment losses	-	-	(725,917)	(6,559,464)	-
Net book value	17,034,766	3,578,021	2,164,728	1,031,407	1,851,731
					25,660,653
Nine months ended 31 March 2022					
Opening net book value	17,034,766	3,578,021	2,164,728	1,031,407	1,851,731
Additions during the period	5,703,818	1,902,870	521,977	2,340,849	-
Disposals during the period:					
- Cost	(1,393,538)	(89,310)	-	-	-
- Accumulated depreciation	1,337,998	86,016	-	-	-
- Accumulated impairment losses	-	-	-	-	-
	(55,540)	(3,294)	-	-	-
Depreciation for the period	(6,888,988)	(1,517,565)	(1,234,874)	(1,004,627)	(794,488)
Closing net book value	15,794,056	3,960,032	1,451,831	2,367,629	1,057,243
					24,630,792
As at 31 March 2022					
Cost	67,105,882	21,155,135	8,704,345	15,729,784	4,237,270
Accumulated depreciation	(51,256,286)	(17,191,809)	(6,526,597)	(6,802,691)	(3,180,027)
Accumulated impairment loss	-	-	(725,917)	(6,559,464)	-
Net book value	15,849,596	3,963,326	1,451,831	2,367,629	1,057,243
					24,630,792
Depreciation rates (% per annum)	25%	20% - 50%	10%	10% - 20%	25%
	30 June 2021 (Audited)				
	Computers	Office equipments	Furniture and fixtures	Leasehold improvements	Vehicles
	----- (Rupees) -----				
As at 1 July 2020					
Cost	55,234,935	28,793,272	17,221,864	45,978,793	4,237,270
Accumulated depreciation	(35,925,068)	(21,960,664)	(9,542,085)	(24,138,932)	(1,328,060)
	-	(561,390)	(3,248,387)	(9,397,744)	-
Net book value	19,309,867	6,271,218	4,431,392	12,442,117	2,909,210
					45,363,804
Year ended 30 June 2021					
Opening net book value	19,309,867	6,271,218	4,431,392	12,442,117	2,909,210
Additions during the year	7,118,523	1,637,661	1,675,844	893,694	-
Disposals during the year					
Cost	(951,394)	(11,178,668)	(10,715,340)	(13,002,140)	-
Accumulated depreciation	948,407	8,741,313	5,964,183	7,130,213	-
Accumulated impairment losses	-	561,390	2,522,470	2,838,280	-
	(2,987)	(1,875,965)	(2,228,687)	(3,033,647)	-
Write offs during the year					
Cost	-	-	-	(20,481,412)	-
Accumulated depreciation	-	-	-	15,713,175	-
	-	-	-	(4,768,237)	-
Depreciation for the year	(9,390,637)	(2,454,893)	(1,713,621)	(4,502,520)	(1,057,479)
Closing net book value	17,034,766	3,578,021	2,164,728	1,031,407	1,851,731
					25,660,653
As at 30 June 2021					
Cost	61,402,064	19,252,265	8,182,368	13,388,935	4,237,270
Accumulated depreciation	(44,367,298)	(15,674,244)	(5,291,723)	(5,798,064)	(2,385,539)
Accumulated impairment loss	-	-	(725,917)	(6,559,464)	-
Net book value	17,034,766	3,578,021	2,164,728	1,031,407	1,851,731
					25,660,653
Depreciation rates (% per annum)	25%	20% - 50%	10%	10% - 20%	25%

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Nine Months Ended March 31, 2022

- 4.1.1 There was no disposal of fixed assets during the period, whose aggregate book value (cost minus accumulated depreciation and impairment loss) exceeds Rs. 5 million.
- 4.1.2 Included in the cost of property and equipment are fully depreciated items which are still in use, aggregating to Rs. 89.68 million as of March 31, 2022. (30 June 2021: Rs. 91.70 million).

4.2 Intangible assets

Following is a statement of intangible assets:

	31 March 2022 (Unaudited)			Total
	Computer software	Goodwill	Management rights	
	(Rupees)			
As at 1 July 2021				
Cost	83,033,817	82,126,933	192,000,000	356,600,007
Accumulated amortization	(72,880,427)	-	-	(61,101,329)
Net book value	10,153,390	82,126,933	192,000,000	295,498,678
Nine months ended 31 March 2022				
Opening net book value	10,153,390	82,126,933	192,000,000	284,280,323
Additions during the period	-	-	-	-
Amortisation for the period	(6,573,217)	-	-	(6,573,217)
Closing net book value	3,580,173	82,126,933	192,000,000	277,707,106
As at 31 March 2022				
Cost	83,033,817	82,126,933	192,000,000	357,160,750
Accumulated amortization	(79,453,644)	-	-	(79,453,644)
Net book value	3,580,173	82,126,933	192,000,000	277,707,106
Amortisation rates (% per annum)	25% - 33%			
	30 June 2021 (Audited)			Total
	Computer software	Goodwill	Management rights	
	(Rupees)			
As at 1 July 2020				
Cost	82,473,074	82,126,933	192,000,000	356,600,007
Accumulated amortization	(61,101,329)	-	-	(61,101,329)
Net book value	21,371,745	82,126,933	192,000,000	295,498,678
Year ended 30 June 2021				
Opening net book value	21,371,745	82,126,933	192,000,000	295,498,678
Additions during the year	560,743	-	-	560,743
Amortization for the year	(11,779,098)	-	-	(11,779,098)
Closing net book value	10,153,390	82,126,933	192,000,000	284,280,323
As at 30 June 2021				
Cost	83,033,817	82,126,933	192,000,000	357,160,750
Accumulated amortization	(72,880,427)	-	-	(72,880,427)
Net book value	10,153,390	82,126,933	192,000,000	284,280,323
Amortisation rates (% per annum)	25% - 33%			

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Nine Months Ended March 31, 2022

	(Unaudited) 31 March 2022	(Audited) 30 June 2021
	----- (Rupees) -----	
Opening written down value	47,018,584	60,884,879
Addition during the year	22,439,645	22,768,921
Effect of modification	-	(1,825,359)
Effect of termination	-	(3,872,404)
Depreciation for the Period	(24,013,113)	(30,937,453)
Closing written down value	<u>45,445,116</u>	<u>47,018,584</u>

4.4 Finance lease liabilities are payable as follows:

	As at 31 March 2022 (Unaudited)		
	Minimum Lease Payments	Future Finance Cost	Present Value of Minimum Lease Payments
Not later than one year	27,844,510	3,459,753	24,384,757
Later than one year and not later than five years	<u>26,289,207</u>	<u>3,688,375</u>	<u>22,600,832</u>
	<u>54,133,717</u>	<u>7,148,127</u>	<u>46,985,589</u>
Less: Current portion			<u>(24,384,757)</u>
			<u>22,600,832</u>

	As at 30 June 2021 (Audited)		
	Minimum Lease Payments	Future Finance Cost	Present Value of Minimum Lease Payments
Not later than one year	36,357,777	4,010,677	32,347,100
Later than one year and not later than five years	<u>18,814,995</u>	<u>813,528</u>	<u>18,001,467</u>
	<u>55,172,772</u>	<u>4,824,205</u>	<u>50,348,567</u>
Less: Current portion			<u>(32,347,100)</u>
			<u>18,001,467</u>

4.5.1 Above balance have been discounted at the rates ranging between 8.01% to 14.95% (30 June 2021: 8.01% to 14.95%) per annum.

	Note	(Unaudited) 31 March 2022	(Audited) 30 June 2021
		----- (Rupees) -----	
5 LONG-TERM INVESTMENTS			
Investments in pension schemes - related parties			
At fair value through profit or loss	5.1	<u>639,523,549</u>	<u>638,596,952</u>

5.1 At fair value through profit or loss

Name of the Investee Fund	As at 1 July 2021	Purchased during the period (Number of units)	Redeemed / sold during the period	As at 31 March 2022	As at 31 March 2022 (Unaudited)		
					Carrying value	Market value	Unrealized diminution
					----- (Rupees) -----		
Pakistan Pension Fund	805,305	-	-	805,305	311,872,289	317,161,179	5,288,890
Alhambra Islamic Pension Fund	876,129	-	-	876,129	326,724,664	322,362,370	(4,362,294)
					<u>638,596,953</u>	<u>639,523,549</u>	<u>926,596</u>

	Note	(Unaudited) 31 March 2022	(Audited) 30 June 2021
		----- (Rupees) -----	
6 LONG-TERM LOANS AND PREPAYMENTS			
Loans:			
Secured - considered good			
- to executives	6.1	<u>13,233,226</u>	4,306,289
Unsecured - considered good			
- to executives	6.2	<u>4,218,456</u>	5,875,024
- to other employees	6.3	<u>17,451,682</u>	10,181,313
Less: Current portion of loans		<u>(7,183,682)</u>	<u>(1,869,422)</u>
		<u>10,268,000</u>	8,311,891
Prepayments:			
Prepaid commission against bachat units	9	<u>23,786,978</u>	16,847,454
Less: Current portion		<u>(17,209,887)</u>	<u>(10,997,748)</u>
		<u>6,577,091</u>	5,849,706
		<u>16,845,091</u>	<u>14,161,597</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Nine Months Ended March 31, 2022

- 6.1 These represent interest based housing finance loans given to executives at the rate ranging from 4.5% to 7.01% per annum for a period of up to 20 years secured against house mortgage.
- 6.2 These represent interest-free loans for a period of 5 years given to executives as per the terms of employment for the purchase of motor vehicles.
- 6.3 Based on month end balances, the maximum aggregate balance of loans to executives outstanding at any time during the year was Rs. 18.4 million (June 30, 2021: Rs. 10.55 million).

		(Unaudited) 31 March 2022	(Audited) 30 June 2021
	Note	----- (Rupees) -----	----- (Rupees) -----
7 RECEIVABLE FROM RELATED PARTIES			
Unsecured - considered good			
Pakistan Income Fund		14,736,461	18,431,896
MCB Pakistan Stock Market Fund		114,860,804	122,311,547
MCB Pakistan Sovereign Fund		34,296,529	34,215,894
Pakistan Capital Market Fund		7,670,687	7,643,048
Pakistan Pension Fund		8,975,446	8,524,272
Alhamra Islamic Pension Fund		5,031,703	5,176,771
Pakistan Cash Management Fund		12,491,805	12,243,674
Pakistan Income Enhancement Fund		22,705,761	22,733,982
Pakistan Sarmaya Mehfooz Fund		4,267,360	4,267,360
MCB Pakistan Asset allocation Fund		38,902,889	37,456,312
MCB Cash Management Optimizer Fund		64,039,983	64,482,664
MCB DCF Income Fund		140,042,887	137,055,740
Alhamra Islamic Money Market Fund		4,697,849	4,532,405
Alhamra Islamic Stock Fund		21,336,488	23,772,572
Alhamra Islamic Asset Allocation Fund		14,813,175	15,909,125
Alhamra Islamic Income Fund		17,821,753	14,454,260
Alhamra Daily Dividend Fund		1,716,482	435,889
Al-Hamra Smart Portfolio		20,560	9,888
	7.1	528,428,621	533,657,299
Advisory fee on account of discretionary portfolio management			
Adamjee Life Assurance Company Limited		16,534,128	10,279,237
		<u>544,962,749</u>	<u>543,936,536</u>
7.1	The above amounts include Federal Excise Duty amounting to Rs 407.16 million (30 June 2021: Rs 407.16 million) which has been accrued by the Company and is receivable from the funds under its management. The matter is further explained in note 12 to the condensed interim financial statements.		
8 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES	Note	(Unaudited) 31 March 2022	(Audited) 30 June 2021
		----- (Rupees) -----	----- (Rupees) -----
Deposits		-	75,000
Prepayment		21,427,767	28,700,309
Other receivables			
Advisory fee on account of discretionary portfolio management		15,975,484	23,005,861
Commission receivable		422,938	4,217,311
Others		211,601	197,640
		16,610,023	27,420,812
Provision against advisory fee	8.1	(12,402,117)	(12,402,117)
		<u>25,635,673</u>	<u>43,794,004</u>
8.1 Movement in provision			
Opening balance		12,402,117	12,402,117
Provision made during the period		-	-
Closing balance		<u>12,402,117</u>	<u>12,402,117</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Nine Months Ended March 31, 2022

9

SHORT-TERM INVESTMENTS

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Nine Months Ended March 31, 2022

12 TRADE AND OTHER PAYABLES	Note	(Unaudited) March 31, 2022	(Audited) June 30, 2021
		-----Rupees-----	
Accrued expenses and other payables		102,532,139	123,429,377
Sindh Workers' Welfare Fund	12.1	54,169,050	48,669,050
Withholding tax payable		850,669	2,958,091
Indirect taxes and duties payable	0.0	450,310,333	419,057,465
Payable to facilitators / distributors		46,375,962	56,069,206
		<u>654,238,153</u>	<u>650,183,189</u>

12.1 Through Finance Act, 2008, the Federal Government introduced amendments to the Workers' Welfare Fund (WWF) Ordinance, 1971, whereby the definition of industrial establishment was extended. The amendments were challenged at various levels and conflicting judgments were rendered by the Lahore High Court, Sindh High Court and Peshawar High Court. Appeals against these orders were filed in the Supreme Court of Pakistan.

The Supreme Court of Pakistan vide its order dated November 10, 2016 has held that the amendments made in the law introduced by the Federal Government for the levy of Workers' Welfare Fund was not in the spirit of law as this is not in the nature of tax and therefore could not have been introduced through the money bill. The Federal Board of Revenue has filed review petitions against the above judgment which are currently pending with the Supreme Court of Pakistan.

In light of the judgment passed by the Supreme Court of Pakistan, the Management believes that the Company is not liable to pay any amounts under the Workers' Welfare Fund Ordinance, 1971, and accordingly an amount of Rs. 14,442 million was reversed on January 12, 2017. Further, as a consequence of the 18th Amendment to the Constitution, levy for Workers' Welfare was also introduced by the Government of Sindh (SWWF) which was effective from July 1, 2014. The Company believes that contribution to Workers' Welfare Fund under the Sindh Workers' Welfare Act, 2014 is not applicable on the Company as it is not a Financial Institution as required under SWWF Act, 2014.

However, out of abundant caution, the management has decided to provide for SWWF with effect from July 1, 2014 and has maintained a provision of Rs. 52.7 million as at December 31, 2021.

12.2 As per the requirements of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective June 13, 2013 on assets under its management (related parties). The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of law.

The matter has been collectively taken up by the Management Company jointly with other Asset Management Companies together with their respective Collective Investment Schemes through their trustees, through a Constitutional Petition filed in the Honorable Sindh High Court (SHC) on September 4, 2013 challenging the levy of FED. The Sindh High Court in its decision dated 16 July 2016 maintained the previous order passed against other constitutional petition whereby levy of FED has been declared to be 'Ultra Vires' the Constitution. The Deputy Commissioner Inland Revenue has filed an appeal against the said SHC order in the Honorable Supreme Court of Pakistan and thus the Company is carrying liability for Federal Excise Duty (FED) amounting to Rs. 412.88 million (June 30, 2021: Rs. 399.6 million) as a matter of abundant caution. This amount has also been classified as a balance receivable from related parties (in Note 7) and would be payable only after the final verdict as explained above and when received from the funds.

13 MANAGEMENT FEE / INVESTMENT ADVISORY FEE	Note	(Unaudited) Nine months ended		(Unaudited) Quarter ended	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
		----- Rupees -----		-----Rupees-----	
From Collective Investment Schemes - related parties	13.1	658,176,777	578,549,770	194,845,753	207,348,032
From Discretionary Portfolio	13.3	58,707,800	41,355,632	19,251,442	19,251,442
		716,884,577	619,905,402	214,097,195	226,599,474
Less: Indirect taxes and duties on management fees		(82,473,448)	(71,316,551)	(24,630,651)	(26,068,966)
		<u>634,411,129</u>	<u>548,588,851</u>	<u>189,466,544</u>	<u>200,530,508</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Nine Months Ended March 31, 2022

Note	(Unaudited)		(Unaudited)	
	Nine months ended		Quarter ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	----- Rupees -----		-----Rupees-----	
13.1 From Collective Investment Schemes - related parties				
MCB Cash Management Optimizer	72,689,922	85,361,008	21,213,627	29,915,564
MCB Pakistan Asset Allocation Fund	27,710,333	24,607,254	7,265,196	8,524,468
MCB DCF Income Fund	53,318,704	51,343,969	17,714,913	15,969,726
Alhamra Islamic Income Fund	28,049,692	18,975,317	11,705,234	6,433,308
MCB Pakistan Sovereign Fund	6,111,987	10,127,898	1,993,717	2,488,654
Pakistan Capital Market Fund	11,854,938	8,973,553	3,048,629	3,660,607
Pakistan Cash Management Fund	9,696,876	2,874,641	3,229,264	1,457,427
Pakistan Income Enhancement Fund	8,589,444	5,176,797	2,731,006	2,336,145
Pakistan Income Fund	60,248,008	28,331,996	14,305,493	14,889,553
Alhamra Islamic Asset Allocation Fund	62,953,636	46,860,658	19,429,435	19,502,539
MCB Pakistan Stock Market Fund	195,438,556	191,495,120	58,512,192	65,709,606
Alhamra Islamic Stock Fund	56,852,505	58,774,424	16,905,685	20,698,835
Alhamra Islamic Money Market Fund	15,072,865	1,789,570	-	1,485,639
Al Hamra Islamic Active Asset Allocation Fund - Plan I	-	38,678	-	-
Al Hamra Islamic Active Asset Allocation Fund - Plan II	-	36,246	-	5,518
Alhamra Daily Dividend Fund	6,114,490	5,093,413	2,264,542	1,226,225
Alhamra Smart Portfolio	49,879	-	19,189	-
	614,751,835	539,860,542	180,338,122	194,303,814
From Pension Schemes - related parties				
Pakistan Pension Fund	26,035,005	23,406,330	14,398,239	7,800,493
Pakistan Islamic Pension Fund	17,389,937	15,282,899	109,392	5,243,725
	43,424,942	38,689,229	14,507,631	13,044,218
13.2	658,176,777	578,549,770	194,845,753	207,348,032

13.2 Management fee from open-end Collective Investment Schemes is calculated by charging the specified rates to the net asset value / income of such schemes as at the close of business of each calendar day. In accordance with Regulation 61 of the NBFC Regulations, 2008, the fee so charged to Collective Investment Schemes shall be within allowed expense ratio limit and shall not exceed the maximum rate of management fee disclosed in the Offering Document.

13.3 The Company is managing investments under discretionary portfolio management agreement. Investment advisory fee from the discretionary portfolios is calculated on a daily / monthly basis by charging specified rates to the net asset value of the portfolios as stated in the respective agreements with the clients. The details of these portfolios are given in note 1.4 of these condensed interim financial statements.

14 ADMINISTRATIVE AND OPERATING EXPENSES

	(Unaudited)		(Unaudited)	
	Nine months ended		Quarter ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	----- Rupees -----		-----Rupees-----	
Salaries, allowances and other benefits	234,831,510	231,506,311	78,668,579	82,216,676
Legal and professional charges	8,830,396	10,592,158	3,925,867	4,785,581
Traveling and conveyance charges	3,408,578	835,647	2,814,205	342,500
Rent, utilities, repairs and maintenance	65,840,242	51,407,384	17,016,236	19,651,629
Office supplies	2,091,525	1,529,615	1,266,856	522,120
Auditors' remuneration	2,150,546	2,732,536	675,144	700,844
Directors' meeting fee	6,825,000	7,200,000	2,475,000	1,575,000
Insurance	2,755,606	1,388,976	1,779,340	351,103
Depreciation	24,778,370	15,481,914	8,327,230	3,497,931
Amortisation	6,573,220	9,039,788	1,549,456	2,900,113
Stamp duty and taxes	-	6,750	-	-
Registrar fee	1,289,091	464,445	489,895	137,595
Printing and stationery	3,160,642	3,384,131	1,076,793	761,299
Telephone expenses	3,767,411	3,845,271	933,375	1,384,081
Entertainment expenses	3,362,208	2,425,078	1,541,692	843,493
Books, periodicals, subscription and training	15,322,694	17,193,577	4,700,119	4,239,085
Impairment on property and equipment	-	4,768,237	-	4,768,237
Sindh Workers' Welfare Fund	5,500,000	7,400,000	1,500,000	2,000,000
	390,487,039	371,201,819	128,739,787	130,677,286
Charged to Collective Investment Schemes (CISs)	(49,901,890)	(48,821,024)	(17,893,856)	(14,227,527)
	340,585,149	322,380,795	110,845,931	116,449,759

14.1 The SECP vide S.R.O No. 1160 (1) / 2015 dated 25 November 2015 as amended through SRO 639 (i) / 2019 dated 20 June 2019 introduced amendments in the NBFC Regulations. As a result of these amendments, the management company may charge fees and expenses pertaining to registrar services, accounting, operations and valuation services, related to Collective Investment Schemes (CISs). Accordingly, expenses amounting to Rs. 49.9 million (31 March 2021: Rs. 48.82 million) have been charged by the Company to the respective CISs under its management.

14.2 This includes depreciation charged on right of use assets pertaining to head office amounting to Rs. 13.3 million and Rs.4.4 million for nine months and quarter ended respectively.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) For The Nine Months Ended March 31, 2022

15 SELLING AND DISTRIBUTION EXPENSES

SECP vide its Circular 40/2016 dated December 30, 2016, prescribed certain conditions on Asset Management Companies (AMCs) for charging of selling and marketing expenses to open end equity, asset allocation and index funds initially for a period of three years (from January 1, 2017 till December 31, 2019) for opening of new branches in cities, except Karachi, Lahore, Islamabad and Rawalpindi. The said condition was amended through Circular No. 11 of 2019 dated June 5, 2019, according to which an AMC may charge selling and marketing expenses to all types of open end mutual funds except for Fund of Funds against the cost pertaining to opening and maintenance of all branches in all cities. Under this circular, expenses amounting to Rs. Rs. 203.17 million (March 31, 2021: Rs. 208.3 million) have been charged by the Company to the aforesaid funds under its management.

16 CONTINGENCIES AND COMMITMENTS

The contingencies and commitments of the Company disclosed in the annual audited financial statements as at June 30, 2021 have remained unchanged during the period, except for the following:

During the year ended June 30, 2021, the Sindh Revenue Board (SRB) issued a Show Cause Notice (SCN) on April 15, 2021 on account of short payment of Sindh Sales Tax amounting to Rs. 9.97 million pertaining to tax periods July 2015 till June 2016. On December 13, 2021, Order was passed by Assistant Commissioner SRB whereby demand of Rs.10.4 million was raised. The Company, being aggrieved, filed an appeal with Commissioner Appeals SRB. The Company also filed Stay Application in front of Honorable High Court of Sindh (SHC) and the Stay Order was duly granted by SHC. On February 02, 2022, Commissioner Appeals SRB passed Order against the Company. The Company, being aggrieved with said Order, filed Appeal before Appellate Tribunal SRB along with filing of Stay Application before SHC which was duly granted by SHC.

The management, in consultation with tax advisor anticipates favorable outcome of the case.

On June 05, 2017, the Company received an Order passed by the Assistant Commissioner - Sindh Revenue Board [AC-SRB] wherein a demand of Sindh Sales Tax of Rs.10.62 million along with penalty of Rs. 6.33 million and default surcharges (to be calculated at the time of payment) was established for short levy and payment of Sindh Sales Tax on its services and for claiming inadmissible input tax during tax periods from July 2011 to June 2015. An appeal against the aforesaid order was filed before the Commissioner Appeals-SRB who upheld the Order of the Assistant Commissioner, SRB in its Appellate Order. An Appeal had been filed before the Appellate Tribunal, SRB against aforesaid Order of the Commissioner Appeals, SRB. The Appellate Tribunal, SRB has remanded back the case to the Commissioner Appeals - SRB to pass fresh speaking order after verifying the records on merit.

During the year ended June 30, 2021, Commissioner Appeals - SRB issued an Order on June 28, 2021 whereby the demand raised by AC SRB amounting to Rs. 10.62 million was confirmed in totality. The Company, being aggrieved with said order, filed appeal before the Appellate Tribunal, SRB against aforesaid order. The Stay was granted by Appellate Tribunal on July 06, 2021. Since time period for which Stay could be granted by Appellate Tribunal was exhausted, during the period under review, the Company filed Stay Application in front of Sindh High Court (SHC) which was duly granted by SHC.

The management, in consultation with tax advisor anticipates favorable outcome aforesaid appeal/case.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) For The Nine Months Ended March 31, 2022

17 TRANSACTIONS WITH RELATED PARTIES

MCB Bank Limited (MCB) holds 51.33% ordinary shares of the Company as at the period end. Therefore, all subsidiaries and associated undertakings of MCB are related parties of the Company. Other related parties comprise of Arif Habib Corporation Limited with a holding percentage of 30%, companies having common directorship, collective investment schemes and voluntary pension schemes managed by the Company, directors, key management personnel and their close family members and retirement benefit plan. The transactions with related parties are in the normal course of business and are carried out at contracted rates and terms. Details of such transaction are as follows:

17.1 Transactions with related parties during the period

Name of the related party	Relationship and percentage of shareholding	Nature of transaction	Quarter ended	
			31 Mar 2022	31 Mar 2021
			(Rupees)	
MCB Bank Limited	Parent company with 51.33% Holding	Commission and other expenses	26,410,444	24,205,878
		Profit on bank deposits	1,116,518	825,024
		Branch sharing expenses	2,648,124	2,188,530
		Rent as per rental agreement	3,840,000	2,400,000
		Dividend paid	175,544,648	166,305,456
		Financial charges	165,438	397,567
MCB Islamic Bank Limited	Subsidiary of Parent Company	Profit on bank deposits	11,067	8,288
Nishat Real Estate Development Company (Pvt) Limited	Group Company of Parent Company	Rent as per rental agreement	-	1,078,736
Adamjee Life Assurance Company Limited	Group Company of Parent Company	Investment advisory fee	23,934,083	20,979,998
		Amount paid against insurance	368,188	2,536,337
Adamjee Insurance Company Limited	Group Company of Parent Company	Amount paid against insurance	16,430,029	18,814,140
		Dividend paid	25,944,500	24,579,000
		Rent as per rental agreement	21,801,656	15,152,500
Arif Habib Corporation Limited	Associate with 30.09% Holding Company	Dividend paid	102,904,793	97,488,752
Mutual Funds Association of Pakistan	Associate Company	Investment in Shares	265,000	-
		Amount Paid against Membership Fee	3,479,566	2,861,389
MCB Cash Management Optimizer	Funds under management	Management fee	64,327,364	85,361,008
		Investment in units	3,589,769,531	4,053,866,891
		Redemption of units	3,138,580,507	4,609,992,057
		Dividend Income	763,963	12,844,468
		Reimbursement of expenses	18,613,741	20,039,753
		Selling and marketing	26,835,866	-
MCB DCF Income Fund	Funds under management	Management fee	47,184,693	51,343,969
		Share of sales load	4,165,487	1,779,865
		Back end load	2,029,292	-
		Reimbursement of expenses	3,205,351	3,029,143
		Selling and marketing	13,226,275	11,813,657
		Investment in units	-	1,014,790
Redemption of units	-	1,015,540		
Alhamra Islamic Income Fund	Funds under management	Management fee	24,797,205	18,975,316
		Share of sales load	6,358,130	941,122
		Back end load	112,117	55,080
		Sharia fee paid on behalf of the fund	540,000	564,193
		Reimbursement of expenses	5,821,238	4,969,816
		Selling and marketing	6,457,756	8,123,665
MCB Pakistan Asset Allocation Fund	Funds under management	Management fee	24,522,420	24,607,255
		Share of sales load	149,080	338,044
		Reimbursement of expenses	833,719	995,786
		Selling and marketing	-	11,084,595
		Back end load	18,090	16,391
		Investment in units	135,000,000	-
Redemption of units	25,000,000	-		
Alhamra Islamic Money Market Fund	Funds under management	Management fee	13,338,819	1,789,569
		Reimbursement of expenses	141,248	20,640
		Selling and marketing	3,554,199	164,905
		Share of sales load	4,010	28,454
		Sharia fee paid on behalf of the fund	540,000	-
		Investment in units	-	1,867,665,457
Redemption of units	-	1,867,631,544		
Dividend Income	-	1,388,096		
Other Expenses	1,216,507	1,888,703		
Alhamra Islamic Stock Fund	Funds under management	Management fee	50,311,950	58,774,425
		Share of sales load	1,164,714	638,579
		Reimbursement of expenses	2,515,597	2,600,638
		Investment in units	-	-
		Selling and marketing	32,702,767	33,808,297
		Sharia fee paid on behalf of the fund	540,000	564,193

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Nine Months Ended March 31, 2022

Name of the related party	Relationship and percentage of shareholding	Nature of transaction	Quarter ended	
			31 Mar 2022	31 Mar 2021
			(Rupees)	
MCB Pakistan Sovereign Fund	Funds under management	Management fee	5,408,837	10,127,898
		Share of sales load	85,845	8,572
		Reimbursement of expenses	537,745	1,054,863
		Selling and marketing	1,931,146	1,476,808
		Investment in units	100,000,000	590,222
		Redemption of units	100,054,083	590,660
MCB Pakistan Stock Market Fund	Funds under management	Management fee	172,954,475	191,495,121
		Share of sales load	3,531,997	3,141,743
		Reimbursement of expenses	8,755,534	8,473,235
		Selling and marketing	113,821,936	110,152,061
		Investment in units	75,000,000	397,420,886
		Redemption of units	140,830,439	235,000,000
Pakistan Capital Market Fund	Funds under management	Management fee	10,491,096	8,973,553
		Share of sales load	10,058	13,691
		Reimbursement of expenses	341,961	352,851
		Selling and marketing	-	3,879,305
Pakistan Cash Management Fund	Funds under management	Management fee	8,581,305	2,857,367
		Reimbursement of expenses	21,468	914,364
		Share of sales load	85,039	-
		Selling and marketing	2,146,595	-
		Dividend Income	3,049,705	-
		Investment in units	437,646,333	84
		Redemption of units	297,500,404	84
Pakistan Income Enhancement Fund	Funds under management	Management fee	7,601,277	5,176,798
		Share of sales load	878,255	130,784
		Reimbursement of expenses	818,479	520,144
		Selling and marketing	165,353	3,195,090
Pakistan Income Fund	Funds under management	Management fee	53,316,822	28,331,996
		Share of sales load	2,742,610	1,053,307
		Reimbursement of expenses	5,991,169	2,754,708
		Selling and marketing	2,328,550	2,592,765
		Investment in units	486,000,000	600,237,744
		Redemption of units	881,428,303	338,317,732
Alhamra Islamic Asset Allocation Fund	Funds under management	Management fee	55,711,182	46,860,658
		Share of sales load	743,736	517,809
		Back end load	7,699,575	11,418,762
		Reimbursement of expenses	1,688,218	1,845,365
		Selling and marketing	-	19,427,449
		Sharia fee paid on behalf of the fund	540,000	564,194
Alhamra Islamic Pension Fund	Funds under management	Management fee	15,389,322	15,282,897
		Share of sales load	526,669	300,825
		Contribution to fund on behalf of the employees	18,385,862	15,114,489
Pakistan Pension Fund	Funds under management	Management fee	23,039,826	23,406,327
		Share of sales load	1,242,277	177,510
		Contribution to fund on behalf of the employees	5,437,891	5,230,316
Al-Hamra Islamic Active Asset Allocation Fund Plan-I	Funds under management	Management fee	-	38,678
		Reimbursement of expenses	-	148,370
Al-Hamra Islamic Active Asset Allocation Fund Plan-II	Funds under management	Management fee	-	36,245
		Reimbursement of expenses	-	115,582
Al-Hamra Smart Portfolio	Funds under management	Management fee	44,141	-
		Reimbursement of expenses	131,194	-
		Share of sales load	790,672	-
Alhamra Daily Dividend Fund	Funds under management	Management fee	5,411,053	5,093,410
		Dividend income	-	276,963
		Investment in units	-	350,235,419
		Redemption of units	-	350,235,419
		Selling and marketing	-	2,587,207
		Reimbursement of expenses	485,230	985,766
		Bank Charges	467,047	574,033
		Share of sales load	3,215,159	60,305

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Nine Months Ended March 31, 2022

17.2 Amount outstanding as at period end

Name of the related	Relationship and percentage of shareholding	Nature of transaction	(Unaudited) 31 Mar 2022	(Audited) 30 June 2021
			----- (Rupees) -----	
MCB Bank Limited	Parent company with 51.33% Holding	Bank balance	8,182,572	11,755,764
		Other payable	-	4,380,075
		Commission payable	6,384,588	4,492,704
MCB Islamic Bank Limited	Subsidiary of Parent Company	Bank balance	348,991	519,878
		Mark-up receivable	1,422	1,212
Adamjee Life Assurance Company Limited	Group Company of Parent Company	Advisory fee receivable	3,275,745	2,736,923
MCB DCF Income Fund	Funds under management	Remuneration receivable	6,557,535	5,605,112
		Sales load receivable	1,340,899	36,252
		Receivable against reimbursement of expenses	386,875	330,685
		Receivable against selling & marketing expenses	4,308,847	3,918,724
		Back end load receivable	455,304	171,540
		Federal excise duty on remuneration	99,060,437	99,060,437
		Federal excise duty on sales load	27,932,990	27,932,990
MCB Pakistan Asset Allocation Fund	Funds under management	Remuneration receivable	3,510,090	2,158,536
		Sales load receivable	98,365	16,558
		Receivable against reimbursement of expenses	94,130	80,913
		Closing balance of investment in units	107,261,590	-
		Federal excise duty on remuneration	19,027,350	19,027,350
		Federal excise duty on sales load	16,172,955	16,172,955
MCB Cash Management Optimizer	Funds under management	Remuneration receivable	6,877,466	9,201,283
		Sales load receivable	-	995,781
		Receivable against reimbursement of expenses	2,876,916	-
		Federal excise duty on remuneration	54,266,812	54,266,812
		Federal excise duty on sales load	18,788	18,788
		Closing balance of investment in units	183,929,873	6,538,775
Alhamra Islamic Income Fund	Funds under management	Remuneration receivable	4,035,042	1,793,235
		Sales load receivable	1,205,246	325,267
		Back end load receivable	126,693	-
		Receivable against reimbursement of expenses	727,203	608,189
		Receivable against Shariah Fee	60,000	60,000
		Receivable against selling & marketing expenses	-	-
		Federal excise duty on remuneration	8,639,183	8,639,183
		Federal excise duty on sales load	3,028,386	3,028,386
MCB Pakistan Stock Market Fund	Funds under management	Remuneration receivable	19,771,165	23,299,687
		Sales load receivable	449,208	836,859
		Closing balance of investment in units	73,241,858	146,676,096
		Receivable against reimbursement of expenses	874,830	1,030,960
		Receivable against selling & marketing expenses	35,058,983	38,437,423
		Federal excise duty on remuneration	54,773,935	54,773,935
		Federal excise duty on sales load	3,932,683	3,932,683
Pakistan Income Fund	Funds under management	Remuneration receivable	4,558,838	7,651,531
		Sales load receivable	105,140	345,554
		Receivable against reimbursement of expenses	490,477	852,806
		Closing balance of investment in units	-	388,253,829
		Federal excise duty on remuneration	9,210,245	9,210,245
		Federal excise duty on sales load	239,199	239,199
		Other receivable	132,561	132,561
MCB Pakistan Sovereign Fund	Funds under management	Remuneration receivable	568,587	663,926
		Sales load receivable	14,167	8
		Receivable against reimbursement of expenses	54,946	63,516
		Receivable against selling & marketing expenses	461,016	290,630
		Federal excise duty on remuneration	29,027,974	29,027,974
		Federal excise duty on sales load	4,169,840	4,169,840
Pakistan Capital Market Fund	Funds under management	Remuneration receivable	1,369,436	1,338,866
		Sales load receivable	83	-
		Receivable against reimbursement of expenses	36,176	39,190
		Federal excise duty on remuneration	5,872,250	5,872,250
		Federal excise duty on sales load	392,742	392,742

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Nine Months Ended March 31, 2022**

Name of the related	Relationship and percentage of shareholding	Nature of transaction	(Unaudited) 31 Mar 2022	(Audited) 30 June 2021
			----- (Rupees) -----	
Alhamra Islamic Stock Fund	Funds under management	Remuneration receivable	5,447,963	6,456,723
		Sales load receivable	48,802	81,700
		Receivable against reimbursement of expenses	241,060	285,696
		Receivable against selling & marketing expenses	9,724,508	11,074,298
		Receivable against Shariah Fee	60,000	60,000
		Closing balance of investment in units	22,554,113	24,437,229
		Federal excise duty on remuneration	5,689,242	5,689,242
		Federal excise duty on sales load	124,913	124,913
Pakistan Pension Fund	Funds under management	Remuneration receivable	2,995,354	2,547,807
		Sales load receivable	3,627	-
		Closing balance of investment in units	317,161,185	311,872,289
		Federal excise duty on remuneration	5,976,465	5,976,465
Alhamra Islamic Asset Allocation Fund	Funds under management	Remuneration receivable	6,177,070	7,384,899
		Sales load receivable	82,037	404,315
		Back end load receivable	1,282,272	815,726
		Receivable against reimbursement of expenses	165,650	198,040
		Receivable against Shariah Fee	60,000	60,000
		Federal excise duty on remuneration	5,910,300	5,910,300
		Federal excise duty on sales load	1,135,845	1,135,845
Alhamra Islamic Pension Fund	Funds under management	Remuneration receivable	1,997,123	1,874,842
		Sales load receivable	4,248	271,597
		Closing balance of investment in units	322,362,364	326,724,663
		Federal excise duty on remuneration	3,030,332	3,030,332
Pakistan Sarmaya Mahfooz Fund (Matured)	Funds under management	Federal excise duty on remuneration	1,960,082	1,960,082
		Federal excise duty on sales load	2,307,278	2,307,278
Pakistan Cash Management Fund	Funds under management	Remuneration receivable	558,921	217,783
		Receivable against reimbursement of expenses	-	62,402
		Sales load receivable	-	30,605
		Closing balance of investment in units	6,145,929	-
		Federal excise duty on remuneration	11,932,884	11,932,884
Pakistan Income Enhancement Fund	Funds under management	Remuneration receivable	1,021,998	1,188,734
		Sales load receivable	123,403	20,666
		Back end load receivable	-	-
		Other receivable	132,561	132,561
		Receivable against reimbursement of expenses	91,769	55,991
		Federal excise duty on remuneration	16,589,808	16,589,808
		Federal excise duty on sales load	4,746,222	4,746,222
Alhamra Islamic Money Market Fund	Funds under management	Remuneration receivable	172,378	-
		Sales load receivable	112	7,045
		Receivable against Shariah Fee	60,000	60,000
		Others Payable	(747,686)	(1,844,136)
		Federal excise duty on remuneration	840,741	840,741
		Federal excise duty on sales load	3,624,619	3,624,619
Al-Hamra Smart Portfolio	Funds under management	Remuneration receivable	6,587	3,298
		Receivable against reimbursement of expenses	13,973	6,590
		Closing balance of investment in units	122,477,520	119,852,520
Alhamra Daily Dividend Fund	Funds under management	Remuneration receivable	1,035,957	433,744
		Payable against bank charges	(5,949)	(32,653)
		Sales load receivable	680,525	2,145

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) For The Nine Months Ended March 31, 2022

18 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair values of investments in units of open-end collective investment schemes and pension schemes are based on the net assets value announced by the Company at each reporting date.

The estimated fair value of all other assets and liabilities is considered not to be significantly different from their carrying values as the items are either short-term in nature or are periodically repriced.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1

quoted prices (unadjusted) in active markets for identical assets or liabilities [level 1];

- Level 2

inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) [level 2]; and

- Level 3

inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs) [level 3].

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

On-balance sheet financial instruments		31 March 2022 (Unaudited)							
		Carrying amount			Fair value				
		Fair value through profit or loss	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees)									
Financial assets measured at fair value									
Long-term investments		639,523,549	-	-	639,523,549	639,523,549	-	-	639,523,549
Short-term investments		515,875,882	-	-	515,875,882	515,875,882	-	265,000	515,875,882
		1,155,399,431	-	-	1,155,399,431	1,155,134,431	-	265,000	1,155,399,431
Financial assets not measured at fair value									
18.1	Long-term loans	-	10,268,000	-	10,268,000				
	Long-term deposits	-	5,504,103	-	5,504,103				
	Receivable from related parties	-	544,962,749	-	544,962,749				
	Loans and advances	-	44,075,999	-	44,075,999				
	Deposits and other receivables	-	25,635,673	-	25,635,673				
	Accrued mark-up	-	35,514	-	35,514				
	Cash and Bank balances	-	37,760,280	-	37,760,280				
		-	668,242,318	-	668,242,318				
Financial liabilities not measured at fair value									
18.1	Trade & other payables	-	-	148,908,102	148,908,102				
	Unclaimed dividend	-	-	5,455,400	5,455,400				
		-	-	154,363,502	154,363,502				
On-balance sheet financial instruments		30 June 2021 (Audited)							
Note		Carrying amount			Fair value				
	Fair value	Amortized cost	Other financial	Total	Level 1	Level 2	Level 3	Total	
(Rupees)									
Financial assets measured at fair value									
	Long-term investments	638,596,952	-	-	638,596,952	638,596,952	-	-	638,596,952
	Short-term investments	685,758,449	-	-	685,758,449	685,758,449	-	-	685,758,449
		1,324,355,401	-	-	1,324,355,401	1,324,355,401	-	-	1,324,355,401
Financial assets not measured at fair value									
18.1	Loans	-	10,181,313	-	10,181,313				
	Long-term deposits	-	4,994,903	-	4,994,903				
	Receivable from related parties	-	543,936,536	-	543,936,536				
	Deposits and other receivables	-	15,093,695	-	15,093,695				
	Accrued mark-up	-	22,487	-	22,487				
	Cash and bank balances	-	43,929,106	-	43,929,106				
		-	618,158,040	-	618,158,040				
Financial liabilities not measured at fair value									
18.1	Trade & other payables	-	-	4,672,994	4,672,994				
	Unclaimed dividend	-	-	179,498,583	179,498,583				
		-	-	184,171,577	184,171,577				

During the period ended 31 March 2022, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

18.1 The Company has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are a reasonable approximation of fair value.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Nine Months Ended March 31, 2022

19 GENERAL

19.1 Corresponding figures

Corresponding figures have been rearranged and reclassified for the purposes of comparison and better presentation. No significant reclassification was made in this condensed interim financial statements during the current period.

19.2 Date of authorization for issue

This condensed interim financial information was authorized for issue on **April 20, 2022** by the Board of Directors of the Company.



Chief Executive Officer



Chief Financial Officer



Director

MCB-Arif Habib Savings and Investments Limited

Head Office: 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi

UAN: (+92-21) 11-11-622-24 (11-11-MCB-AH)

URL: www.mcbah.com, Email: info@mcbah.com
