



MCB-ARIF HABIB
Savings and Investments Limited

QUARTERLY
REPORT | MARCH
2023
(UNAUDITED)

MCB-Arif Habib Savings and Investments Limited

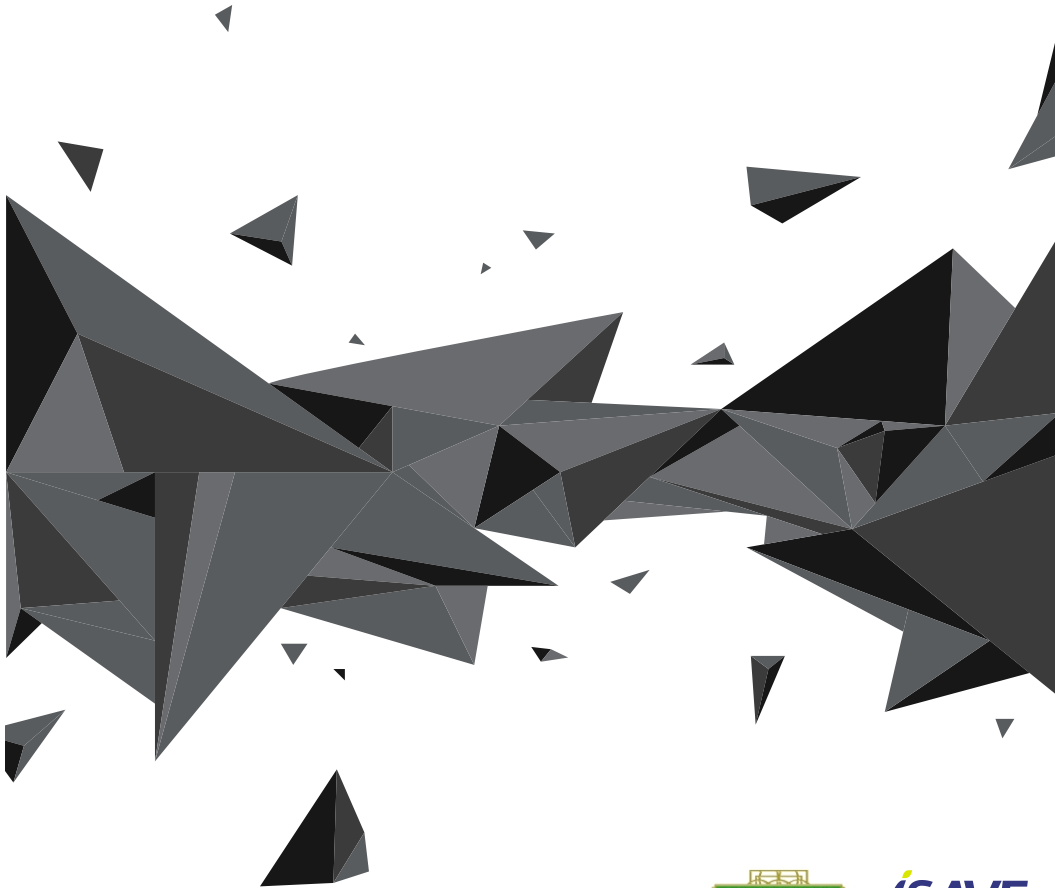


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Vision

“To be the most coveted Savings and Investment company,
while leading the effort to make the saving
population and industry grow”

Mission

“To be the preferred Savings and Investment Manager in Pakistan
by being best in class in customer services
and maximizing stakeholders’ value”

Core Values

HONESTY

We ensure to build trust through responsible actions and honest
relationships with our colleagues, customers and stakeholders

INTEGRITY

We work with integrity in everything we do, and embody our principles
when working with stakeholders as well as internal and external customers.
We assure to promote the integrity for the ultimate benefit for everyone

ETHICS

As a trusted custodian of customer funds, we are committed to
conforming to the highest level of ethical standards in the workplace
that involves putting customer interest first and maintaining
our stakeholders trust in the Company

PROFESSIONALISM

We value everyone and treat our external and internal
customers and our stakeholders with respect, dignity and professionalism

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
Credit Committee	Mr. Nasim Beg Mr. Ahmed Jahangir	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 (A Member Firm of PWC Network) State Life Building 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

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 nine months ended March 31, 2023.

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

The country faced a period of heightened economic challenges, which were further escalated by the worst floods in more than a decade. The floods caused significant damage to infrastructure, crops, and livestock, as well as loss of precious lives. Efforts to shore up international aid, while resulted in significant commitments of near USD 10bn over medium term however the strain, intensified the short term pressures as country is already grappling with depleting foreign exchange reserves while struggling to unlock IMF support.

The county's external position remains precarious with SBP foreign exchange reserves declining to USD 4.2 billion (mere import cover of 3 weeks) compared to USD 9.8 billion at the start of the fiscal year. The government has been aggressively pursuing IMF program - albeit with a delay – to conclude 9th review of the Fund. Despite taking politically unpopular steps like raising energy tariff, letting PKR devalue, slapping additional taxes and raising interest rates, IMF's Staff Level Agreement (SLA) yet eludes us. The delay in the IMF program led to a slowdown in foreign flows from bilateral and multilateral partners leading to erosion in reserves. As a result, the currency remained under severe pressure, with dollar appreciating by 38.6% in 9MFY23 to close at 283.4 near to its all-time high level.

The country posted a current account deficit (CAD) of USD 3.9 billion in first eight months of the fiscal year 2023 (8MFY23) declining by 68% YoY compared to a deficit of USD 12.1 billion in the corresponding period last year. Narrowing trade deficit was the major contributor towards improving CAD as a 9.7% decrease in exports coupled with 21.0% drop in imports led to 29.8% contraction in the trade deficit. The government kept a lid on imports through administrative measures such as imposing import quotas on selective imports. However, these steps have led to an increase in smuggling activity which is also picking away remittances through gray channels. Furthermore, the tight leash on imports is not sustainable as it is causing shortages across various industries impacting overall economic growth.

Headline inflation represented by CPI averaged 27.2% during 9MFY23 as compared to 10.7% in the corresponding period last year. Higher food prices coupled with higher electricity, gas and petroleum prices were the major contributors towards rising CPI. The inflationary pressures were broad based, which is depicted by core inflation increasing to 20.4% compared to 12.3% at the end of last fiscal year. SBP increased the policy rate by a further 100bps to 21.0% in the latest monetary policy held in April 2023. On the fiscal side, FBR tax collection increased by 17.6% in 9MFY23 to PKR 5,156bn compared to PKR 4,385bn in the same period last year and below the target by PKR 304bn.

Secondary markets yields increased in 9MFY23 on account of monetary tightening and an additional bout of inflationary pressures post a massive currency devaluation. The 3,6 and 12 Month T-Bills yield increased by 643, 595 and 585 basis points (bps) respectively while 3,5 and 10 Years Bond yields rose by 479,226 and 206bps respectively during 9MFY23.

Equity Market Review

The KSE-100 index closed in negative territory, declining by 1,540 points (-3.7%) in 9MFY23 to close at 40,001 points. The initial exuberance on the account of the resumption of the IMF program and support from friendly countries soon washed away with catastrophic floods, which further deteriorated the already ailing economic conditions of the country. The period under review was marked with elevated inflation (CPI clocking the highest since 1974), depleting SBP Reserves (lowest levels since March 2014), and highest ever interest rates, which kept investors in a grim situation. Moreover, continuous delay in the completion of the 9th review under the IMF Program amid political turbulence in the country further dented investors' sentiments.

DIRECTOR'S REPORT

Foreigners turned net buyer with an inflow of USD 7.2 million, while on the local front, Mutual Funds offloaded about USD 111 million, which was largely absorbed by Companies, Banks and Individuals with net buying of USD 82.4 million, USD 60.0 million and USD 57.6 million, respectively. During the 9MFY23, average trading volumes saw a decline to 204 million shares compared to about 291 million shares during the preceding 9M. Similarly, the average trading value during the 9M saw a drop of 49% over the same period last year to near USD 28.2 million.

Pharma, Miscellaneous, Auto Assemblers, and Food sector were the major contributors to the index decline, posting -449/-426/-388/-318 points, respectively. Pharma sector struggled with the risk of exchange losses amid depreciating PKR against USD posing risk to near-term earnings. Automobile Assemblers struggled due to poor volumetric sales thanks to restrictions imposed by SBP. On the flip side, Technology sector added 80 1 points to the index.

Economy & Market – Future Outlook

We expect FY23 GDP growth to decline to 0.1% as monetary tightening, rupee devaluation and the prevailing uncertainty will lead to slowdown in the economy. The loss of cotton and rice crop in the aftermath of floods would trim agriculture growth to 0.4% while industrial growth is expected at clock at -6.9% owing to demand slowdown and shortage of raw materials. The government is taking administrative measures to control imports, which may reduce service sector growth to 2.3%.

We expect the government to keep a tight leash on imports and discourage unnecessary dollar outflows. The import bill is expected to decrease by 20% YoY to USD 66 billion as we will witness volumetric compression in several segments of the economy. Thus we expect the CAD to ease to USD 5.8 billion (1.7% of GDP) in FY23, a massive drop, when compared with USD 17.4 billion (4.5% of GDP) in FY22.

Media reports indicate positive progress on confirmation of support from friendly countries which will remove the last hurdle towards IMF agreement. Saudi Arabia has confirmed commitment of USD 2bn and Pakistan is hoping for similar commitment for UAE or some other source which would lead to the much-delayed staff-level agreement with IMF. The successful resumption of IMF program is essential as it will allow us to tap funding from bilateral and multilateral sources. Due to ongoing uncertainty other external funding sources including Foreign Direct Investment and Roshan Digital Account also remain muted making IMF even more critical for sustainability of external account and economic stability.

We expect Average FY23 inflation to clock at 29.2% compared to 12.1% in FY22. A second round impact of the currency devaluation will keep inflation numbers elevated for the remainder of the year. SBP has increased interest rates by 1.0% to 21.0% in April-23 MPS to push the real interest rate in positive territory on a forward-looking basis and anchor inflation expectations. In our view, subject to smooth resumption of IMF, Interest Rates appear to be near peak and after a brief phase of current rates, a monetary easing cycle can potentially begin in the later part of the year as the base effect on inflation starts kicking in which will be more pronounced from the start of next calendar year.

From capital market perspective, particularly equities, the correction in stock prices has further opened up valuation. The market appears to have priced in the interest rate increase and currency depreciation. Market cap to GDP ratio has declined to 7.7%, a discount of 61% from its historical average. Similarly, Earning Yield Minus Risk Free Rate are close to 6.8%, compared to historical average of 2.7% 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. However, resolution of challenges on external account shall be critical in unlocking the huge potential. The market is currently trading at PER of 4.6x, while offering a dividend yield of 12.1%.

For debt holders, we expect Money Market Funds to continue to seamlessly mirror policy rates throughout the year. We would continue to monitor the data points and capitalize on opportunities to add government bonds in Income Funds at attractive rates to benefit from the expected monetary easing in the medium term.

Mutual Fund Industry Review

The Net Assets of the open end mutual funds industry increased by about 22.8% during 9MFY23 to PKR 1,491 billion. Total money market funds grew by about 26.8% since June 2022. Within the money market sphere, the conventional funds showed a decline of 1.1% to PKR 441 billion while Islamic funds increased by 82.2% to PKR 411 billion. In

DIRECTOR'S REPORT

addition, the total fixed Income funds increased by about 24.0% since June 2022 to PKR 358 billion. Equity and related funds declined by 21.9% as market witnessed a drop in 9MFY23, eroding AUMs as concern over macroeconomic factors kept investors at bay.

In terms of the segment share, Money Market funds were the leader with a share of around 57.1%, followed by Income funds with 24.0% and Equity and Equity related funds having a share of 12.0% as at the end of 9MFY23.

Mutual Fund Industry Outlook

The current interest rates would encourage higher flows in the money market funds as they are ideal for investors with a short term horizon and low risk profile. However, a correction in stock prices has opened up valuations and the long term investors may look to add equity exposure at these highly attractive levels. Our operations remained seamless and given our competitive edge in digital access and online customer experience, we are prepared to get benefits of the growing number of investors available online.

Company's Performance Review

Like FY 2021-2022, YTD March of FY 2022-2023 also started with success. During the nine months the Company AUMs grew by Rs. 57 billion (30%) and reached to Rs. 244 billion (June 30, 2022: Rs.187 billion); and compared to corresponding period AUMs grew by Rs. 72 billion (42%). During the nine months ended March, 31 2023 the Company's core revenue was Rs. 829 million compared to Rs. 677 million in the corresponding period in 2022.

YTD March 2023 PSX showed negative return of about 3.71% compared to negative return of about 5.10% in the corresponding period. Despite negative returns in equity market, due to better fund management the Company earned investment income of Rs. 84.35 million compared to Rs. 13.25 million in the same corresponding period. Due to higher AUMs and improved investment income, the Company earned profit after taxation of Rs. 246.75 million (EPS: Rs. 3.43) compared to Rs. 184.86 million (EPS: Rs. 2.57) in the corresponding period.

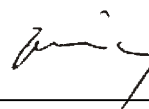
Acknowledgement

The Directors would like to express their deep appreciation to our shareholders who have consistently demonstrated their confidence in the Company. We would also like to place on record our sincere appreciation for the commitment, dedication and innovative thinking put in by each individual of the Company and are confident that they will continue to do so in the future.

For and on behalf of Board



Muhammad Saqib Saleem
Chief Executive Officer
Karachi: April 14, 2023.



Nasim Beg
Director and Vice Chairman

ڈائریکٹرز رپورٹ

میو چل فنڈ کی صنعت کے مستقبل کا منظر

سود کی موجودہ شرحوں سے Money مارکیٹ فنڈز میں زیادہ آمدورفت کی حوصلہ افزائی ہوگی کیونکہ یہ مختصر المدد سرمایہ کاروں کے لیے موزوں ترین ہیں جو خطرے کی کم سطح پر رہنا چاہتے ہیں۔ تاہم اسٹاک کی قیمتوں میں تصحیح سے تعینات قدر کھل گئی ہیں اور طویل المدد سرمایہ کاران پرکشش سطحوں پر ایکویٹی میں مزید پیسہ لگانا چاہیں گے۔ ہمارے آپریشنز پلار کاوٹ 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 کام کرنے والے سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کر سکتے ہیں۔

کمپنی کی کارکردگی کا جائزہ

مالی سال 2021-22ء کی طرح موجودہ مالی سال کے ماہ مارچ تک کمپنی کی کارکردگی میں بھرپور رفتار سے اضافہ ہوتا رہا۔ نو ماہ کے دوران کمپنی کے اثاثہ جات تحت الا انتظامیہ (اے یو ایم) 57 بلین روپے (30 فیصد) بڑھ کر 244 بلین روپے ہو گئے (30 جون 2022ء: 187 بلین روپے)؛ بالقابل مماثل مدت اے یو ایم میں 72 بلین روپے (42 فیصد) اضافہ ہوا تھا۔ 31 مارچ 2023ء تک کے نو ماہ کے دوران کمپنی کی بنیادی آمدنی 829 ملین روپے تھی، جبکہ سال گزشتہ کی مماثل مدت میں 677 ملین روپے تھی۔

سال کے موجودہ حصے یعنی مارچ 2023ء تک پاکستان اسٹاک ایکسچینج نے تقریباً 3.71 فیصد منفی منافع حاصل کیا، بالقابل مماثل مدت میں تقریباً 5.10 فیصد منفی منافع۔ ایکویٹی مارکیٹ میں منفی منافع کے باوجود فنڈ کے بہتر انتظام کی بدولت کمپنی نے سرمایہ کاری سے 84.35 ملین روپے حاصل کیے، بالقابل مماثل مدت میں 13.25 ملین روپے۔ بلند تر اے یو ایم اور سرمایہ کاری کی بہتر آمدنی کی بدولت کمپنی کا منافع بعد از ٹیکس 246.75 ملین روپے تھا (آمدنی فی شیئر: 3.43 روپے)، بالقابل مماثل مدت میں 184.86 ملین روپے (آمدنی فی شیئر 2.57 روپے)۔

اظہار تشکر

ڈائریکٹرز کی جانب سے ہمارے حصص یافتگان کو خراج تحسین پیش کیا جاتا ہے جنہوں نے مسلسل کمپنی میں اعتماد کا اظہار کیا۔ علاوہ ازیں، ہم کمپنی کے ہر فرد کو بھی ادارے کے لیے اُن کے عزم، اخلاص اور جدت طراز سوچ کے لیے سراہتے ہیں، اور ہمیں یقین ہے کہ وہ مستقبل میں بھی اسی طرح سرگرم عمل رہیں گے۔

برائے اور من جانب بورڈ



نیم بیگ
ڈائریکٹر اوٹس چیئر مین



محمد ثاقب سلیم
چیف ایگزیکٹو آفیسر
کراچی، 14 اپریل 2023ء

ڈائریکٹرز رپورٹ

2023ء میں سی اے ڈی کم ہو کر 5.8 بلین ڈالر (جی ڈی پی کا 1.7 فیصد) ہو جائے گا جو مالی سال 2022ء کے 17.4 بلین ڈالر (جی ڈی پی کا 4.5 فیصد) کے مقابلے میں قابل ذکر کمی ہے۔

میڈیا رپورٹس کے مطابق دوست ممالک سے تعاون کی تصدیق میں مثبت پیش رفت ہوئی ہے جس کی بدولت آئی ایم ایف معاہدے کی راہ میں حائل آخری رکاوٹ دور ہو جائے گی۔ سعودی عرب نے 2 بلین ڈالر کے معاہدے کی تصدیق کی ہے، اور متحدہ عرب امارات سے بھی اسی نوعیت کے معاہدے کی توقع ہے، جس کی بدولت بے حد مطلوب آئی ایم ایف اسٹاف لیول معاہدے کی راہ ہموار ہوگی۔ آئی ایم ایف پروگرام کی کامیابی کی بحالی ایک کلیدی مثبت پیش رفت ہے کیونکہ اس کی بدولت ہم دو طرفہ اور کثیر الجہتی ذرائع سے رقم حاصل کر سکیں گے۔ موجودہ غیر یقینی صورتحال کے باعث حصول رقم کے دیگر خارجی ذرائع بشمول براہ راست غیر منگلی سرمایہ کاری (FDI) اور روٹن ڈیٹ کی کٹوتی کا ڈنٹ بھی کارآمد ثابت نہیں ہو رہے ہیں، اور اس کے نتیجے میں آئی ایم ایف خارجی اکاؤنٹ کی قابلیت بقاء اور معاشی استحکام کے لیے مزید مشکل ہو رہی ہے۔

مالی سال 2023ء میں اوسط مہنگائی 29.2 فیصد متوقع ہے، بالمشابہت مالی سال 2022ء میں 12.1 فیصد کے۔ روپے کی قدر میں کمی کے اثر کا دوسرا دورہ سال کے بقیہ حصے کے دوران مہنگائی کے عدد بلند سطح پر رکھے گا۔ اہل بی بی پی نے اپریل 2023ء میں سود کی شرحوں کو 1.0 فیصد بڑھا کر 21.0 فیصد کر دیا ہے تاکہ حقیقی شرح سود کو ترقی پسندانہ بنیاد پر مثبت علاقے میں لے جایا جاسکے اور مہنگائی کی توقعات کو نگرانہ انداز کیا جاسکے۔

ہم سمجھتے ہیں کہ آئی ایم ایف کی بلا رکاوٹ بحالی سے مشروط سود کی شرحیں بظاہر بلندی کے قریب ہیں، اور موجودہ شرحوں کے ایک مختصر دور کے بعد سال کے اواخر میں مالیاتی تسہیل کا پلٹر شروع ہو سکتا ہے، کیونکہ مہنگائی پر base effect پڑنے لگے گا جو اگلے سال کے آغاز سے مزید واضح ہوگا۔

کیپیٹل مارکیٹ، خصوصاً ایکویٹیز، کے نقطہ نظر سے اسٹاک کی قیمتوں میں تصحیح سے تعین قدر مزید کھل گئی ہے۔ مارکیٹ نے بظاہر شرح سود میں اضافے اور روپے کی قدر میں کمی کو مد نظر رکھا ہے۔ مارکیٹ cap کا جی ڈی پی کے ساتھ تناسب کم ہو کر 7.7 فیصد ہو گیا ہے جو اس کے قدیم اوسط سے 61 فیصد کمی ہے۔ اسی طرح، Earning Yield Minus Risk Free Rate تقریباً 6.8 فیصد ہیں، اور ان کے قدیم اوسط 2.7 فیصد سے موازنہ کرنے پر مارکیٹ میں ہونے والی تجارت میں بھرپور کمی کا پتہ چلتا ہے۔ ہم سمجھتے ہیں کہ شعبہ جات اور اسٹاکس کا بہت قریبی تناظر اہم رہے گا اور سرمایہ کاری کے انتخاب کے لیے اُن کمپنیوں پر توجہ مرکوز کی جانی چاہیے جو اپنی اندرونی قدر میں بھرپور کمی پر تجارت کرتی ہیں۔ تاہم ضخیم استعداد سے فائدہ اٹھانے کے لیے خارجی میدان کے مسائل سے نمٹنا ضروری ہے۔ موجودہ طور پر مارکیٹ میں 4.6x کے PER پر تجارت ہو رہی ہے جبکہ ڈیویڈنڈ کی آمدنی 12.1 فیصد پر ہے۔

حاصلین قرض کے لیے ہم توقع کرتے ہیں کہ Money مارکیٹ فنڈ سال بھر بلا رکاوٹ پالیسی شرحوں کی عکاسی جاری رکھیں گے۔ ہم ڈیٹا پوائنٹس کی نگرانی، اور پُرکشش شرحوں پر آگم فنڈز میں حکومتی بانڈز شامل کرنے کے مواقع سے استفادہ، جاری رکھیں گے تاکہ درمیانی مدت میں متوقع مالیاتی تسہیل سے فائدہ اٹھایا جاسکے۔

میوچل فنڈ صنعت کا جائزہ

اوپن اینڈ میوچل فنڈ صنعت کے net اثاثہ جات مالی سال 2023ء کے ابتدائی نو ماہ کے دوران تقریباً 22.8 فیصد بڑھ کر 1,491 بلین روپے ہو گئے۔ مجموعی Money مارکیٹ فنڈز میں جون 2022ء سے اب تک تقریباً 26.8 فیصد اضافہ ہوا۔ Money مارکیٹ کے دائرہ کار میں روایتی فنڈز 1.1 فیصد بڑھ کر 441 بلین روپے ہو گئے، جبکہ اسلامک فنڈز 82.2 فیصد بڑھ کر 411 بلین روپے ہو گئے۔ مزید برآں، مجموعی فیکسڈ انکم فنڈز جون 2022ء سے اب تک تقریباً 24.0 فیصد بڑھ کر 358 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز 21.9 فیصد کم ہو گئے جس کی وجہ زبرد جاہدت کے دوران مارکیٹ میں انحطاط اور اثاثہ جات تحت الانتظامیہ میں کمی ہے کیونکہ مجموعی معاشی عوامل سے متعلق خدشات سرمایہ کاروں کی حوصلہ شکنی کا سبب بنے۔

شعبہ جاتی اعتبار سے مالی سال 2023ء کے ابتدائی نو ماہ کے اختتام پر Money مارکیٹ فنڈز تقریباً 57.1 فیصد حصے کے ساتھ سب سے آگے تھے، جبکہ دوسرے نمبر پر آگم فنڈز تھے جن کا 24.0 فیصد حصہ تھا، اور تیسرے نمبر پر ایکویٹی اور ایکویٹی سے متعلقہ فنڈز تھے جن کا 12.0 فیصد حصہ تھا۔

ڈائریکٹرز رپورٹ

اضافے کے اہم ترین اسباب تھے۔ مہنگائی کا دباؤ وسیع پیمانے پر تھا جس کا اظہار core مہنگائی میں 20.4 فیصد کی سطح تک اضافے سے ہوا جو گزشتہ مالی سال کے اختتام پر 12.3 فیصد تھا۔ ایس بی پی نے اپریل 2023ء کی تازہ ترین ماہی پالیسی میں پالیسی شرح کو مزید 100 بیسیس پوائنٹس (بی پی ایس) بڑھا کر 21.0 فیصد کر دیا۔ مالیاتی جہت میں ایف بی آر کی ٹیکس وصولی میں مالی سال 2023ء کے ابتدائی نو ماہ میں 17.6 فیصد اضافہ ہوا اور 5,156 بلین روپے ٹیکس جمع ہوئے، جبکہ گزشتہ سال مماثل مدت میں 4,385 بلین روپے تھا اور ہدف سے 304 بلین روپے کم تھا۔

ثانوی مارکیٹوں کی پیداوار میں مالی سال 2023ء کے ابتدائی نو ماہ میں اضافہ ہوا جس کے اسباب مالیاتی سختی اور روپے کی قدر میں خطیر کمی کے بعد مہنگائی کے دباؤ کی نئی لہر ہے۔ 3، 6 اور 12 ماہانہ ٹی-بلنز کے منافع جات میں بالترتیب 643,595 اور 585 بی پی ایس، جبکہ 3، 5 اور 10 سالہ بانڈز کے منافع جات میں بالترتیب 479,226 اور 206 بی پی ایس کا اضافہ ہوا۔

ایکویٹی مارکیٹ کا جائزہ

کراچی اسٹاک ایکسچینج KSE-100 انڈیکس منفی رجحان میں بند ہوا، مالی سال 2023ء کے ابتدائی نو ماہ میں 1540 پوائنٹس (3.7- فیصد) کم ہو کر 40,001 پوائنٹس پر بند ہوا۔ آئی ایم ایف پروگرام کی بحالی اور دوست ممالک کی طرف سے تعاون کے حوالے سے جو ابتدائی جوش و خروش تھا وہ جلد ہی تباہ کن سیلابوں کی نذر ہو گیا جس کے نتیجے میں ملک کی پینل سے بد حال معیشت مزید ابتر ہو گئی۔ زیر جائزہ مدت میں مہنگائی میں اضافہ ہوا (سی پی آئی 1974ء سے اب تک کی بلند ترین سطح پر پہنچ گیا) جس کے باعث ایس بی پی کے ذخائر کم ہوئے مارچ 2014ء سے اب تک کی پست ترین سطح پر پہنچ گئے)۔ اور شروع صوباب تک کی بلند ترین سطح پر پہنچ گیا جس کے باعث سرمایہ کاروں ناگوں کی کیفیت میں مبتلا رہے۔ مزید برآں، آئی ایم ایف پروگرام کے تحت نویں (9th) جائزے میں مسلسل تاخیر اور ملک میں سیاسی افراتفری نے سرمایہ کاروں کو مزید پریشانی سے دوچار کر دیا۔

غیر ملکی افراد 7.2 ملین ڈالر آمدنی بہاؤ کے ساتھ net خریدار رہے، جبکہ مقامی جہت میں میوچل فنڈز نے 111 ملین ڈالر کی فروخت کی جس کے بڑے خریدار کمپنیاں (82.4 ملین ڈالر)، بینک (60.0 ملین ڈالر) اور افراد (57.6 ملین ڈالر) تھے۔ مالی سال 2023ء کے ابتدائی نو ماہ کے دوران اوسط تجارتی حجم کم ہو کر 204 ملین حصص ہو گیا، جبکہ سابقہ نو ماہ کے دوران تقریباً 291 ملین حصص تھا۔ اسی طرح، زیر جائزہ نو ماہ کے دوران اوسط تجارتی قدر سال گزشتہ مماثل مدت کے مقابلے میں 49 فیصد کم ہو کر تقریباً 28.2 ملین ڈالر ہو گئی۔

انڈیکس کی کمی میں اہم ترین کردار دو سازی کمپنی، دیگر کمپنیاں، گاڑیوں کی اسمبلنگ، اور ایشیائی خورد و فروش کے شعبوں نے ادا کیا جنہوں نے بالترتیب -449، -426، -388 اور -318 پوائنٹس پوسٹ کیے۔ روپے کی قدر میں کمی کے باعث دو سازی کے شعبے کو زرمبادلہ کے خسارہ جات کا سامنا رہا جس کے نتیجے میں قریب المیاد کی آمدنیوں کو خطرہ لاحق ہوا۔ گاڑیوں کی اسمبلنگ کی کمپنیاں فروخت کے ناقص حجم کے باعث مشکل کا شکار ہوئیں جس کی وجہ ایس بی پی کی عائد کردہ پابندیاں ہیں۔ دوسری جانب ٹیکنالوجی کے شعبے نے انڈیکس میں 801 پوائنٹس کا اضافہ کیا۔

معیشت اور بازار - مستقبل کے امکانات

مالی سال 2023ء میں جی ڈی پی کی ترقی میں 0.1 فیصد کمی متوقع ہے کیونکہ مالیاتی سختی، روپے کی قدر میں کمی اور موجودہ غیر یقینی صورتحال کے نتیجے میں معیشت منست روی کا شکار ہو جائے گی۔ سیلاب کی تباہ کاریوں کے ضمن میں کپاس اور چاول کی فصلوں کے ضیاع کے باعث زراعت کی ترقی متاثر ہو کر 0.4 فیصد ہو جائے گی جبکہ صنعتی ترقی 6.9- فیصد متوقع ہے جس کے اسباب طلب میں منست روی اور خام مال کی قلت ہیں۔ حکومت درآمدات پر قابو پانے کے لیے انتظامی اقدامات کر رہی ہے جس کے باعث خدمات کے شعبے کی ترقی کم ہو کر 2.3 فیصد ہو جائے گی۔

ہم حکومت سے امید کرتے ہیں کہ وہ درآمدات کی لگام مضبوطی سے کھینچ کر رکھے گی اور ڈالر کے غیر ضروری اخراجات کو محدود رکھنے کی کوشش کرے گی۔ درآمدات متوقع طور پر 20 فیصد YoY کم ہو کر 66 بلین ڈالر ہو جائیں گی کیونکہ معیشت کے متعدد گوشوں کے حجم منکڑ جائیں گے۔ چنانچہ ہمیں متوقع ہے کہ مالی سال

ڈائریکٹرز رپورٹ

ایم سی بی عارف حبیب سیونگز اینڈ انویسٹمنٹس لمیٹڈ (ایم سی بی اے ایچ) کے بورڈ آف ڈائریکٹرز کی جانب سے ایم سی بی اے ایچ کے معاملات برائے سہ ماہی و نو ماہ مختتمہ 31 مارچ 2023ء کی رپورٹ پیش خدمت ہے۔

بنیادی کاروبار

کمپنی ایک غیر بینکاری مالیاتی ادارہ ہے جو سیکیورٹی اینڈ ایچجی کمیشن آف پاکستان کے قانونی دائرہ کار کے تحت اثاثہ جاتی انتظام کی کمپنی، سرمایہ کاری منشیہ اور پینشن فنڈ منٹنٹم کے طور پر لائسنس شدہ ہے۔

کاروبار کا ماحول

معیشت اور بازار کا جائزہ

ملک گھمبیر معاشی مسائل کے دور سے گزرا ہے اور گزشتہ ایک دہائی سے زائد کے بدترین سیلابوں نے اسے مزید سنگین بنا دیا۔ سیلابوں سے انفراسٹرکچر یعنی ساخت، فصلوں اور مویشیوں کو شدید نقصان پہنچا اور انسانی جانوں کا ضیاع ہوا۔ بین الاقوامی امداد جمع کرنے کی کوششوں کے نتیجے میں اگرچہ درمیانی مدت میں تقریباً 10 بلین ڈالر سے زائد کے وعدے حاصل ہوئے تاہم مختصر مدت کے دباؤ میں اضافہ ہوا کیونکہ ملک پہلے ہی زرمبادلہ کے کم ہوتے ہوئے ذخائر سے نمٹ رہا ہے اور آئی ایم ایف کی امداد حاصل کرنے کی کاوش میں لگا ہوا ہے۔

ملک کی خارجی صورتحال غیر یقینی رہی کیونکہ ایس بی پی کے زرمبادلہ کے ذخائر کم ہو کر 4.2 بلین ڈالر (صرف 3 ہفتوں کا درآمداتی cover) جبکہ مالی سال کے آغاز میں 9.8 بلین ڈالر تھے۔ حکومت متحکّم انداز میں آئی ایم ایف پروگرام پر عمل کرتے ہوئے - اگرچہ کچھ تاخیر کے ساتھ - فنڈ کا نواں (9th) جائزہ پایہ تکمیل تک پہنچانے کے لیے پُر عزم ہے۔

سیاسی اعتبار سے ناپسندیدہ فیصلوں مثلاً بجلی اور گیس کی قیمت بڑھانے، روپے کی قدر میں کمی ہونے، اضافی ٹیکس لگانے، اور سود کی شرحوں میں اضافہ کرنے کے باوجود آئی ایم ایف کا اسٹاف لیول ایگریمنٹ (SLA) اب بھی ہمارے ہاتھ نہیں آیا ہے۔ آئی ایم ایف پروگرام میں تاخیر کے باعث دو طرفہ اور کثیرالجہتی شراکت داروں سے غیر ملکی امداد دست زوی کا شکار ہوئیں اور ذخائر میں کمی ہوئی۔ اس کے نتیجے میں روپے پر شدید دباؤ رہا اور مالی سال 2023ء میں ڈالر کی قدر 38.6 فیصد بڑھ کر 283.4 روپے ہو گئی جو اب تک کی بلند ترین سطح ہے۔


مالی سال 2023ء کے ابتدائی آٹھ ماہ میں ملک نے 3.9 بلین ڈالر کرنٹ اکاؤنٹ خسارہ (سی اے ڈی) پوسٹ کیا، جو سال گزشتہ کی مماثل مدت کی سطح 12.1 بلین ڈالر کے مقابلے میں 68 فیصد YoY کمی ہے۔ سی اے ڈی میں بہتری میں اہم ترین کردار تجارتی خسارے میں کمی کا ہے۔ برآمدات میں 9.7 فیصد کمی کے ساتھ ساتھ درآمدات میں 21.0 فیصد کمی کی بدولت تجارتی خسارہ 29.8 فیصد سے منسکڑ گیا۔ حکومت نے انتظامی اقدامات کے ذریعے درآمدات کو قابو میں رکھا، مثلاً منتخب درآمدات پر درآمداتی کوٹوں کا نفاذ۔ تاہم ان اقدامات سے اسٹاکنگ (غیر قانونی درآمدات) کی سرگرمیوں میں اضافہ ہوا ہے اور مشتبہ ذرائع سے ترسیلات زر ضائع ہو رہی ہیں۔ علاوہ ازیں، درآمدات کو سختی سے قابو میں رکھنا پائیدار عمل نہیں ہے کیونکہ اس سے مختلف صنعتوں میں کمی پیدا ہو رہی ہے جس کے نتیجے میں مجموعی معاشی ترقی متاثر ہو رہی ہے۔

ہیڈ لائن افراط زر، جس کی ترجمانی CPI یعنی صارفین کی قیمت کے انڈیکس سے ہوتی ہے، کا اوسط مالی سال 2023ء کے ابتدائی نو ماہ کے دوران 27.2 فیصد تھا جبکہ گزشتہ سال مماثل مدت میں 10.7 فیصد تھا۔ اشیائے خورد و نوش کی قیمتوں کے ساتھ ساتھ بجلی کے نرخ میں اضافہ اور پٹرول کی بڑھتی ہوئی قیمتیں CPI میں

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
As at 31 March 2023

	Note	(Un-audited) March 31, 2023	(Audited) June 30, 2022
----- (Rupees) -----			
ASSETS			
Non-current assets			
Property and equipment	4	145,428,780	76,688,447
Intangible assets	5	300,756,384	312,168,996
Long term investments	6	635,981,246	606,166,373
Long term loans and prepayments	7	26,860,935	23,896,199
Long term deposits		6,960,853	5,523,103
		1,115,988,198	1,024,443,118
Current assets			
Receivable from funds under management	8	669,308,590	546,112,389
Loans and advances	9	8,286,182	7,663,910
Prepayments and other receivables	10	83,232,609	68,682,229
Accrued mark-up on savings accounts		593,786	48,905
Short term investments	11	522,332,507	508,648,355
Taxation - net	12	12,499,646	25,729,009
Cash and bank balances		60,233,132	51,523,257
		1,356,486,452	1,208,408,054
Total assets		2,472,474,650	2,232,851,172
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital 72,000,000 (June 30, 2022: 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		889,236,806	714,491,234
Total equity		1,609,236,806	1,434,491,234
Non-current liabilities			
Deferred taxation - net	13	78,369,657	74,117,465
Lease liability against right-of-use assets	14	67,598,872	24,762,567
Current liabilities			
Current portion of lease liability against right-of-use assets	14	33,927,586	20,073,011
Trade and other payables	15	678,045,432	674,196,391
Unclaimed dividend		5,296,298	5,210,504
Total liabilities		863,237,844	798,359,938
Total equity and liabilities		2,472,474,650	2,232,851,172
CONTINGENCIES AND COMMITMENTS	21		

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


 Chief Executive Officer

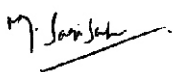

 Chief Financial Officer


 Director

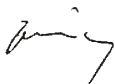
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
For The Nine Months Ended March 31, 2023

Note	Nine months ended		Quarter ended		
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	
----- (Rupees) -----					
REVENUE					
Management and investment advisory fee	16	759,895,473	634,411,129	272,758,459	188,687,521
Sales load and other related income		68,720,373	42,894,175	26,498,906	19,693,981
Profit on savings accounts		3,478,766	1,361,406	1,228,471	532,232
Dividend income on short term investments		7,224,099	3,813,668	1,651,568	1,499,082
Gain on sale of short term investments - net		36,385,516	10,144,503	11,831,415	3,603,860
Unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss' - net	6 & 11	40,736,955	(711,280)	20,673,490	6,301,634
Total revenue		916,441,182	691,913,601	334,642,309	220,318,310
EXPENSES					
Administrative expenses	17	(449,624,083)	(323,086,321)	(167,303,547)	(108,670,787)
Selling and distribution expenses	18	(88,242,667)	(101,335,663)	(10,235,107)	(45,886,374)
		(537,866,750)	(424,421,985)	(177,538,654)	(154,557,161)
Financial charges		(7,433,325)	(4,313,691)	(4,145,002)	(1,492,378)
Other expenses	19	(9,619,145)	(7,650,546)	(3,675,000)	(2,175,144)
		(17,052,470)	(11,964,237)	(7,820,002)	(3,667,522)
Other income		1,523,526	3,536,565	924,618	1,748,217
Profit for the period before taxation		363,045,488	259,063,945	150,208,271	63,841,845
Taxation - net	20	(116,299,916)	(74,205,240)	(44,977,624)	(19,704,131)
Profit for the period after taxation		246,745,572	184,858,705	105,230,647	44,137,714
Earnings per share		3.43	2.57	1.46	0.61

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


 Chief Executive Officer


 Chief Financial Officer


 Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
For The Nine Months Ended March 31, 2023

	Nine months ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	----- (Rupees) -----			
Profit for the period after taxation	246,745,572	184,858,705	105,230,647	44,137,714
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>246,745,572</u>	<u>184,858,705</u>	<u>105,230,647</u>	<u>44,137,714</u>

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



Chief Executive Officer



Chief Financial Officer

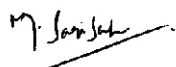


Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For The Nine Months Ended March 31, 2023

	Issued, subscribed and paid-up capital	Capital reserves			Revenue reserve	Total
		Share premium	Deficit on amalgamation	Sub-total	Unappropriated profit	
	(Rupees)					
Balance as at July 1, 2021	720,000,000	396,000,000	(60,000,000)	336,000,000	547,129,589	1,603,129,589
Comprehensive income for the nine months ended March 31, 2022	-	-	-	-	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
Final dividend for the year ended June 30, 2021 at Rs. 2.75 per share declared on October 26, 2021	-	-	-	-	(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)
Balance as at March 31, 2022 (un-audited)	<u>720,000,000</u>	<u>396,000,000</u>	<u>(60,000,000)</u>	<u>336,000,000</u>	<u>389,988,294</u>	<u>1,445,988,294</u>
Profit after taxation for the quarter ended June 30, 2022	-	-	-	-	(11,497,060)	(11,497,060)
Other comprehensive income for the half year ended June 30, 2022	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(11,497,060)	(11,497,060)
Balance as at June 30, 2022 (audited)	<u>720,000,000</u>	<u>396,000,000</u>	<u>(60,000,000)</u>	<u>336,000,000</u>	<u>378,491,234</u>	<u>1,434,491,234</u>
Comprehensive income for the nine months ended March 31, 2023	-	-	-	-	246,745,572	246,745,572
Other comprehensive income for the nine months ended March 31, 2023	-	-	-	-	-	-
Total comprehensive income for the nine months ended March 31, 2023	-	-	-	-	246,745,572	246,745,572
Final dividend for the year ended June 30, 2022 at Re. 1 per share declared on November 02, 2022	-	-	-	-	(72,000,000)	(72,000,000)
Balance as at March 31, 2023 (un-audited)	<u>720,000,000</u>	<u>396,000,000</u>	<u>(60,000,000)</u>	<u>336,000,000</u>	<u>553,236,806</u>	<u>1,609,236,806</u>

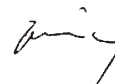
The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer

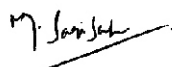


Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
For The Nine Months Ended March 31, 2023

	Note	Nine months ended March 31,	
		2023	2022
		----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period before taxation		363,045,488	259,063,945
Adjustments for non-cash and other items:			
Depreciation	4.1	42,781,774	35,453,655
Amortisation	5.1	12,199,983	6,573,217
Interest expense on lease liability against right-of-use assets		7,180,593	4,142,603
Unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	6 & 11	(40,736,955)	711,280
Gain on sale of short term investments - net		(36,385,516)	(10,144,503)
(Gain) / Loss on sale of fixed assets		-	(6,166)
Profit on savings accounts		(3,478,766)	(1,361,406)
Dividend income on short term investments		(7,224,099)	(3,813,668)
		(25,662,986)	31,555,012
Operating cash inflow before working capital changes		337,382,502	290,618,957
Movement in working capital			
(Increase) / decrease in current assets			
Receivable from funds under management		(123,196,201)	(1,026,213)
Loans and advances		(622,272)	(41,698,423)
Prepayments and other receivables		(14,550,380)	18,158,331
		(138,368,853)	(24,566,305)
(Decrease) / increase in current liabilities			
Trade and other payables		3,849,041	4,054,964
Net cash generated from operations		202,862,690	270,107,615
Net cash generated from operating activities			
Taxes paid		(98,818,362)	(76,866,597)
Profit received on savings accounts		2,933,885	1,348,379
Long term loans and prepayments		(2,964,736)	(2,174,294)
Long term deposits		(1,437,750)	(509,200)
		(100,286,963)	(78,201,712)
Net cash generated from operating activities		102,575,727	191,905,903
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(27,944,946)	(10,469,514)
Proceeds from sale of property plant and equipment		-	65,000
Additions to intangible assets		(787,371)	-
Dividend received on short term investments		7,224,099	3,813,668
Sale of short term investments - net		33,623,601	179,811,752
Net cash generated from investing activities		12,115,383	173,220,906
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease rentals paid against right-of-use assets		(34,067,029)	(30,078,041)
Dividend paid		(71,914,206)	(341,217,594)
Net cash used in financing activities		(105,981,235)	(371,295,635)
Net increase in cash and cash equivalents during the period		8,709,875	(6,168,826)
Cash and cash equivalents at the beginning of the period		51,523,257	43,929,106
Cash and cash equivalents at the end of the period		60,233,132	37,760,280

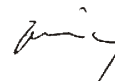
The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.



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, 2023**

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 August 30, 2000 as an unquoted public limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). In the year 2008, AHIML was listed on the Karachi Stock Exchange Limited (now 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 January 19, 2011, a transfer agreement was signed between Arif Habib Corporation Limited (AHCL) [the then Parent Company of AHIL] and MCB Bank Limited (MCB Bank) [the then Parent Company 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 operations and to have access to 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 May 21, 2011. The Scheme was also approved by the Securities and Exchange Commission of Pakistan (SECP) on June 27, 2011 (the effective date). In accordance with the terms contained in the Scheme, the Company became a subsidiary of MCB Bank Limited from the year ended June 30, 2011, which owns 51.33% share capital of 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 with effect from May 23, 2013.
- 1.2 The principal activities of the Company are floating and managing Collective Investment Schemes, Voluntary Pension Schemes and providing investment advisory services. The registered office of the Company is situated at 2nd Floor, Adamjee House, I.I Chundrigar Road, Karachi, Pakistan. The Company is a subsidiary of MCB Bank Limited (Parent Company) which owns 51.33% share capital of the Company. The Parent Company's registered office is situated at MCB Building, 15-Main Gulberg, Jail Road, Lahore, Pakistan. The Company operates various branches all over Pakistan.
- 1.3 The Company is registered as a Non-Banking Finance Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) to carry on the business of investment advisor and asset management under the said rules. Further, the Company is registered as a Pension Fund Manager under the Voluntary Pension System Rules, 2005.
- 1.4 The Company has been assigned an Asset Manager rating of 'AM1' by the Pakistan Credit Rating Agency Limited (PACRA) dated October 6, 2022 (2022: 'AM1' dated October 6, 2021).
- 1.5 The Company currently manages the following collective investment schemes and voluntary pension schemes:

	(Un-audited)	(Audited)
	Net asset value as at	
	March 31, 2023	June 30, 2022
	----- Rupees -----	
Open-end Collective Investment Schemes (CISs)		
Pakistan Income Fund	2,807,927,968	3,210,024,732
MCB Pakistan Stock Market Fund	5,815,394,255	8,875,332,211
MCB Pakistan Sovereign Fund	609,504,467	610,370,828
Pakistan Capital Market Fund	334,204,556	381,608,943
Pakistan Cash Management Fund	24,303,505,111	5,705,266,175
Pakistan Income Enhancement Fund	1,302,074,448	870,358,432
MCB Pakistan Asset Allocation Fund	606,121,993	837,982,501
MCB DCF Income Fund	6,631,950,508	4,617,314,828
MCB Cash Management Optimizer	66,738,054,079	64,153,167,773
Alhamra Islamic Money Market Fund	28,830,745,230	11,894,221,247
Alhamra Islamic Asset Allocation Fund	1,490,136,060	1,689,070,592
Alhamra Islamic Stock Fund	2,681,688,976	2,430,343,452
Alhamra Islamic Income Fund	5,897,596,693	4,783,374,897
Alhamra Daily Dividend Fund	3,005,746,625	7,652,101,092
Alhamra Islamic Active Allocation Fund (Alhamra Smart Portfolio)	121,588,661	145,408,899
Alhamra Wada Fund (Alhamra Wada Plan I)	-	658,476,391
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan I)	-	225,157,255
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan II)	1,493,992,733	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan V)	8,186,684,159	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan VI)	4,348,211,457	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan VII)	228,046,923	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan IX)	4,182,362,893	-
MCB Pakistan Opportunity Fund (MCB Pakistan Dividend Yield Plan)	184,522,731	109,655,821
Voluntary Pension Funds		
Pakistan Pension Fund	2,536,528,792	2,106,812,510
Alhamra Islamic Pension Fund	1,665,386,723	1,450,158,599
	<u>174,001,976,041</u>	<u>122,406,207,178</u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Nine Months Ended March 31, 2023**

- 1.6 The Company is also managing investments under discretionary portfolio management agreements, the details of which are given in note 16.2 to these condensed interim financial statements.
- 1.7 In accordance with the requirements of Rule 9 of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, the Company has obtained sufficient insurance coverage from Jubilee General Insurance Company Limited against any losses that may be incurred as a result of employee's fraud or gross negligence. Jubilee General Insurance Company Limited has been assigned a credit rating of 'AA++ (ifs)' by Pakistan Credit Rating Agency Limited (PACRA) dated November 3, 2022 (2022: 'AA++ (ifs)' dated March 31, 2022).

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 applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the 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 requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, 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.

The disclosures made in these condensed interim financial statements are limited based on the requirements of the International Accounting Standard 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 June 30, 2022.

Further, the Securities and Exchange Commission of Pakistan (SECP) has directed vide SRO 56(I)/2016 dated January 28, 2016 that the requirements of IFRS 10, 'Consolidated financial statements', are not applicable in case of investments made by companies in mutual funds established under the Trust Deed structure. Accordingly, implications of IFRS 10 in respect of the Company's investment in mutual funds managed by it have not been considered in these condensed interim financial statements.

2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention except for the following:

- Right-of-use assets and their related lease liability are carried at present value of future lease rentals adjusted for any lease payments made at or before the commencement date of the lease; and
- Investments are carried at fair value as disclosed in notes 6 and 11 to these condensed interim financial statements.

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period

There are certain amendments to the published accounting and reporting standards that are mandatory for the Company's annual accounting period beginning on July 1, 2022. However, these do not have any significant impact on the Company's operations and, therefore, have not been detailed in these condensed interim financial statements.

2.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

- 2.4.1 The following amendments with respect to the accounting and reporting standards would be effective from the dates mentioned below against the respective amendments:

Amendments	Effective date (annual periods beginning on or after)
- IAS 1 - 'Presentation of financial statements' (amendments)	January 1, 2024
- IAS 8 - 'Accounting policies, changes in accounting estimates and errors' (amendments)	January 1, 2023
- IAS 12, - 'Income taxes' (amendments)	January 1, 2023

The management is currently in the process of assessing the impact of these amendments on the condensed interim financial statements of the Company.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Nine Months Ended March 31, 2023**

2.4.2 There are certain other standards, amendments and interpretations that are mandatory for the Company's accounting periods beginning on or after July 1, 2023 but are considered not to be relevant or will not have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

3.1 The accounting policies applied and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2022.

3.2 The preparation of the condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. It also requires management to exercise its judgment in application of its accounting policies. The estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

In preparing the condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the audited financial statements of the Company as at and for the year ended June 30, 2022. The Company's financial risk management objectives and policies are consistent with those disclosed in the audited financial statements of the Company for the year ended June 30, 2022.

4	PROPERTY AND EQUIPMENT	Note	March 31,	June 30,
			2023 (Un-audited)	2022 (Audited)
			(Rupees)	
	Operating fixed assets	4.1	145,428,780	69,650,447
	Capital work-in-progress		-	7,038,000
			<u>145,428,780</u>	<u>76,688,447</u>

4.1 Operating fixed assets

The following is the statement of operating fixed assets:

	March 31, 2023 (Un-audited)						Total
	Computers	Office equipment	Furniture and fixtures	Leasehold improvements	Vehicles	Right-of-use assets - Leasehold buildings	
	(Rupees)						
As at July 1, 2022							
Cost	66,335,011	21,860,420	10,131,415	17,196,518	4,237,270	135,033,401	254,794,035
Accumulated depreciation	(52,237,415)	(17,468,549)	(6,994,735)	(7,278,265)	(3,370,103)	(90,509,140)	(177,858,207)
Accumulated impairment	-	-	(725,917)	(6,559,464)	-	-	(7,285,381)
Net book value	<u>14,097,596</u>	<u>4,391,871</u>	<u>2,410,763</u>	<u>3,358,789</u>	<u>867,167</u>	<u>44,524,261</u>	<u>69,650,447</u>
Nine months ended 31 March 2023							
Opening net book value	14,097,596	4,391,871	2,410,763	3,358,789	867,167	44,524,261	69,650,447
Additions (at cost)	27,841,202	1,064,326	125,718	784,700	5,167,000	83,577,161	118,560,107
Disposals							
Cost	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-
Depreciation charge for the period	(9,975,953)	(1,421,337)	(1,165,339)	(1,323,380)	(1,319,277)	(27,576,488)	(42,781,774)
Closing net book value	<u>31,962,845</u>	<u>4,034,860</u>	<u>1,371,142</u>	<u>2,820,109</u>	<u>4,714,890</u>	<u>100,524,934</u>	<u>145,428,780</u>
As at March 31, 2023							
Cost	94,176,213	22,924,746	10,257,133	17,981,218	9,404,270	218,610,562	373,354,142
Accumulated depreciation	(62,213,368)	(18,889,886)	(8,160,074)	(8,601,645)	(4,689,380)	(118,085,628)	(220,639,981)
Accumulated impairment	-	-	(725,917)	(6,559,464)	-	-	(7,285,381)
Net book value	<u>31,962,845</u>	<u>4,034,860</u>	<u>1,371,142</u>	<u>2,820,109</u>	<u>4,714,890</u>	<u>100,524,934</u>	<u>145,428,780</u>
Depreciation rate (% per annum)	<u>25%</u>	<u>20% - 50%</u>	<u>25% - 67%</u>	<u>25% - 50%</u>	<u>25%</u>	<u>20% - 33%</u>	

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Nine Months Ended March 31, 2023**

	June 30, 2022 (Audited)						
	Computers	Office equipment	Furniture and fixtures	Leasehold improvements	Vehicles	Right-of-use assets - Leasehold buildings	Total
	(Rupees)						
As at July 1, 2021							
Cost	61,402,064	19,252,265	8,182,368	13,388,935	4,237,270	105,099,764	211,562,666
Accumulated depreciation	(44,367,298)	(15,674,244)	(5,291,723)	(5,798,064)	(2,385,539)	(58,081,180)	(131,598,048)
Accumulated impairment	-	-	(725,917)	(6,559,464)	-	-	(7,285,381)
Net book value	17,034,766	3,578,021	2,164,728	1,031,407	1,851,731	47,018,584	72,679,237
Year ended June 30, 2022							
Opening net book value	17,034,766	3,578,021	2,164,728	1,031,407	1,851,731	47,018,584	72,679,237
Additions (at cost)	6,326,485	2,873,936	1,949,047	3,807,583	-	30,006,779	44,963,830
Disposals							
Cost	(1,393,538)	(265,781)	-	-	-	-	(1,659,319)
Accumulated depreciation	1,337,998	262,488	-	-	-	-	1,600,486
	(55,540)	(3,293)	-	-	-	-	(58,833)
Depreciation charge for the year	(9,208,115)	(2,056,793)	(1,703,012)	(1,480,201)	(984,564)	(32,427,960)	(47,860,645)
Effect of termination	-	-	-	-	-	(73,142)	(73,142)
Closing net book value	14,097,596	4,391,871	2,410,763	3,358,789	867,167	44,524,261	69,650,447
As at June 30, 2022							
Cost	66,335,011	21,860,420	10,131,415	17,196,518	4,237,270	135,033,401	254,794,035
Accumulated depreciation	(52,237,415)	(17,468,549)	(6,994,735)	(7,278,265)	(3,370,103)	(90,509,140)	(177,858,207)
Accumulated impairment	-	-	(725,917)	(6,559,464)	-	-	(7,285,381)
Net book value	14,097,596	4,391,871	2,410,763	3,358,789	867,167	44,524,261	69,650,447
Depreciation rate (% per annum)	25%	20% - 50%	25% - 67%	25% - 50%	25%	20% - 33%	

Note **March 31,** **March 31,**
2023 **2022**
(Un-audited) **(Un-audited)**
----- (Rupees) -----

4.1.1 Depreciation charge for the year has been allocated as follows:

Administrative expenses	30,831,411	24,778,370
Selling and distribution expenses	12,014,300	10,675,284
	42,845,711	35,453,654

		March 31,	June 30,
		2023	2022
		(Un-audited)	(Audited)
	Note	----- (Rupees) -----	
5 INTANGIBLE ASSETS			
Definite life			
Computer software	5.1	26,629,451	38,042,063
Indefinite life			
Goodwill	5.1	82,126,933	82,126,933
Management rights	5.1	192,000,000	192,000,000
		274,126,933	274,126,933
		300,756,384	312,168,996

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Nine Months Ended March 31, 2023**

5.1 Following is the statement of intangible assets:

	March 31, 2023 (Un-audited)			
	Computer software	Goodwill	Management rights	Total
	----- (Rupees) -----			
As at July 1, 2022				
Cost	121,663,317	82,126,933	192,000,000	395,790,250
Accumulated amortisation	(83,621,254)	-	-	(83,621,254)
Net book value	<u>38,042,063</u>	<u>82,126,933</u>	<u>192,000,000</u>	<u>312,168,996</u>
Nine months ended 31 March 2023				
Opening net book value	38,042,063	82,126,933	192,000,000	312,168,996
Additions	787,371	-	-	787,371
Amortisation charge for the year	(12,199,983)	-	-	(12,199,983)
Closing net book value	<u>26,629,451</u>	<u>82,126,933</u>	<u>192,000,000</u>	<u>300,756,384</u>
As at March 31, 2023				
Cost	122,450,688	82,126,933	192,000,000	396,577,621
Accumulated amortisation	(95,821,237)	-	-	(95,821,237)
Net book value	<u>26,629,451</u>	<u>82,126,933</u>	<u>192,000,000</u>	<u>300,756,384</u>
Amortisation rate (% per annum)	<u>25% - 33%</u>			

	June 30, 2022 (Audited)			
	Computer software	Goodwill	Management rights	Total
	----- (Rupees) -----			
As at July 1, 2021				
Cost	83,033,817	82,126,933	192,000,000	357,160,750
Accumulated amortisation	(72,880,427)	-	-	(72,880,427)
Net book value	<u>10,153,390</u>	<u>82,126,933</u>	<u>192,000,000</u>	<u>284,280,323</u>
Year ended June 30, 2022				
Opening net book value	10,153,390	82,126,933	192,000,000	284,280,323
Additions	38,629,500	-	-	38,629,500
Amortisation charge for the year	(10,740,827)	-	-	(10,740,827)
Closing net book value	<u>38,042,063</u>	<u>82,126,933</u>	<u>192,000,000</u>	<u>312,168,996</u>
As at June 30, 2022				
Cost	121,663,317	82,126,933	192,000,000	395,790,250
Accumulated amortisation	(83,621,254)	-	-	(83,621,254)
Net book value	<u>38,042,063</u>	<u>82,126,933</u>	<u>192,000,000</u>	<u>312,168,996</u>
Amortisation rate (% per annum)	<u>25% - 33%</u>			

6	LONG TERM INVESTMENTS	Note	March 31,	June 30,
			2023 (Un-audited)	2022 (Audited)
			----- (Rupees) -----	
	At fair value through profit or loss			
	Investments in units of pension funds under management	6.1	635,716,246	605,901,373
	Investment in shares	6.2	265,000	265,000
			<u>635,981,246</u>	<u>606,166,373</u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Nine Months Ended March 31, 2023**

6.1 Investments in units of pension funds under management

Name of the investee fund	As at July 1, 2022	Purchased during the period	Redeemed during the period	As at March 31, 2023	As at March 31, 2023 (Un-audited)			As at June 30, 2022 (Audited)		
					Carrying value	Market value	Unrealised (diminution)/ appreciation on re-measurement of investments	Carrying value	Market value	Unrealised (diminution)/ appreciation on re-measurement of investments
					(Rupees)			(Rupees)		
Alhamra Islamic Pension Fund - Equity Sub-Fund	305,160	-	-	305,160	161,002,394	157,023,108	(3,979,286)	195,064,349	161,002,394	(34,061,955)
Alhamra Islamic Pension Fund - Debt Sub-Fund	289,051	-	-	289,051	75,592,695	83,428,875	7,836,180	70,100,720	75,592,695	5,491,975
Alhamra Islamic Pension Fund - Money Market Sub-Fund	281,918	-	-	281,918	66,639,755	74,172,601	7,532,846	61,559,594	66,639,755	5,080,161
Pakistan Pension Fund - Equity Sub-Fund	252,196	-	-	252,196	122,602,561	119,528,291	(3,074,270)	147,552,310	122,602,561	(24,949,749)
Pakistan Pension Fund - Debt Sub-Fund	253,109	-	-	253,109	87,843,968	98,216,370	10,372,402	80,313,979	87,843,968	7,529,989
Pakistan Pension Fund - Money Market Sub-Fund	300,000	-	-	300,000	92,220,000	103,347,000	11,127,000	84,006,000	92,220,000	8,214,000
					<u>605,901,373</u>	<u>635,716,246</u>	<u>29,814,873</u>	<u>638,596,952</u>	<u>605,901,373</u>	<u>(32,695,579)</u>

6.2 During the year ended June 30, 2022, Mutual Funds Association of Pakistan (MUFAP) had converted into a Self-Regulatory Organization (SRO) upon the directive of SECP and thus, is required to be registered under Section 42 of the Companies Act, 2017. Since it was converted into a SRO, the capital requirements were met from all the Asset Management Companies (AMCs) who are also the members of MUFAP. All AMCs contributed equally towards the share capital of MUFAP by subscribing for 26,500 shares at a par value of Rs. 10 each, raising a total capital of Rs. 5,035,000 comprising of 503,500 shares of Rs. 10 each. Hence, the Company also subscribed for the shares of MUFAP being its member.

	Note	March 31, 2023 (Un-audited)	June 30, 2022 (Audited)
(Rupees)			
7 LONG TERM LOANS AND PREPAYMENTS			
Considered good - secured			
Loan to executive	7.1	4,160,421	4,226,794
Less: current portion	9	(98,575)	(89,891)
		4,061,846	4,136,903
Considered good - unsecured			
Loan to director	7.2	11,541,704	12,309,656
Loans to executives	7.3	5,036,324	5,999,291
Loans to employees	7.3	495,854	950,448
Less: current portion	9	(6,152,604)	(5,587,826)
		10,921,278	13,671,569
	7.3	14,983,124	17,808,472
Prepayments			
Prepaid commission against bachat units		36,288,550	21,882,874
Less: current portion	7.4	(24,410,739)	(15,795,147)
		11,877,811	6,087,727
		<u>26,860,935</u>	<u>23,896,199</u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Nine Months Ended March 31, 2023**

- 7.1 This represents loan given to an executive at a rate of 4.5% per annum and was initially recorded at its fair value using an effective rate of 12.36% per annum. This loan is advanced for the purpose of housing finance and is repayable in monthly installments as a deduction from salary having a maximum repayment period of up to twenty years. This loan is secured against the documents of the immovable property acquired and life insurance policy in favour of the Company.
- 7.2 This represents loan given to Chief Executive Officer at a rate of 1 year KIBOR minus 1% per annum with KIBOR to be reset annually from the date of disbursement and was initially recognised at its fair value using an effective rate of 17.09% per annum. This loan is advanced for the purpose of housing finance and is repayable in monthly installments having a maximum repayment period of up to four years.
- 7.3 These represent interest free loans given to employees and executives. These loans are provided for booking advance (lease down payment) at 20% of the invoice price at the time of purchasing the vehicle as per the policy of the Company and are repayable in monthly installments as a deduction from salary having a maximum repayment period of up to five years.
- 7.4 This represents commission paid on the issuance of bachat units of different funds under the management of the Company. The commission amount is amortised over the period of the contract, unless redeemed earlier, in which case it is charged off immediately. However, in the case of early redemption, the unamortised portion is recovered from the investor in the form of back-end load.

Note	March 31, 2023 (Un-audited)	June 30, 2022 (Audited)
	----- (Rupees) -----	
8 RECEIVABLE FROM FUNDS UNDER MANAGEMENT		
Considered good - unsecured		
Pakistan Income Fund	16,126,226	16,126,269
MCB Pakistan Stock Market Fund	89,205,788	107,167,590
MCB Pakistan Sovereign Fund	34,309,690	34,406,687
Pakistan Capital Market Fund	7,381,247	7,507,087
Pakistan Pension Fund	8,549,642	8,254,655
Alhamra Islamic Pension Fund	4,687,601	4,581,729
Pakistan Cash Management Fund	42,290,752	14,838,404
Pakistan Income Enhancement Fund	24,273,653	25,141,625
Pakistan Sarmaya Mehfooz Fund	4,267,360	4,267,360
MCB Pakistan Asset allocation Fund	37,197,694	37,937,781
MCB Cash Management Optimizer	149,543,139	83,258,472
MCB DCF Income Fund	150,025,877	139,165,020
Alhamra Islamic Money Market Fund	27,748,568	7,672,895
Alhamra Islamic Stock Fund	20,000,537	19,601,577
Alhamra Islamic Asset Allocation Fund	12,103,311	13,118,408
Alhamra Islamic Income Fund	21,138,822	16,928,459
Alhamra Daily Dividend Fund	9,262,941	6,056,186
Alhamra Islamic Active Allocation Fund (Alhamra Smart Portfolio)	17,901	20,286
Alhamra Wada Fund (Alhamra Wada Plan I)	-	35,783
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan I)	-	22,721
MCB Pakistan Opportunity Fund (MCB Pakistan Dividend Yield Plan)	178,155	3,395
Alhamra Wada Fund (Alhamra Wada Plan V)	-	-
Alhamra Wada Fund (Alhamra Wada Plan VI)	-	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan IV)	-	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan II)	583,836	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan VII)	390,376	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan V)	6,888,479	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan VI)	2,784,844	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan XI)	352,151	-
8.1	<u>669,308,590</u>	<u>546,112,389</u>

8.1 The above amounts represent receivable on account of management fee, Sindh sales tax on management fee, sales load charged on selected funds, Sindh sales tax on sales load, selling and marketing expenses and allocated expenses charged to these funds. This also includes Federal Excise Duty receivable from the funds under its management as more fully explained in note 15.2 to these condensed interim financial statements.

8.2 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the offering document subject to the total expense ratio limit. Therefore, the Management Company is charging its remuneration keeping in view the maximum allowable threshold.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
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- 8.3 In accordance with Regulation 60 of the NBFC Regulations, the Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a collective investment scheme (CIS).

Therefore, the Company is charging the allocated expenses variably keeping in view the overall return of the Fund and subject to the total expense ratio of the funds as defined under the NBFC Regulations.

- 8.4 The SECP had allowed asset management companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e. from January 1, 2017 till December 31, 2019) subject to a maximum limit of 0.4% per annum of the average annual net assets of the Fund or actual expenses, whichever is lower.

The SECP through its Circular 11 dated July 5, 2019 had removed the maximum cap of 0.4% per annum for charging of selling and marketing expenses to a Fund. Furthermore, the time limit of three years had also been removed in the circular issued by the SECP. The asset management company can charge such expenses to the Fund as per the annual plan and the same should be approved by the Board of Directors of the Company.

The Board of Directors of the Company had approved the annual plan for charging of selling and marketing expenses to the funds under the management of the Company and has given a discretion for charging of selling and marketing expenses directly to the Fund as proposed by the management as per the requirements of SECP Circular 11 dated July 5, 2019. The Company is charging the selling and marketing expenses variably keeping in view the overall return of the Fund and subject to the total expense ratio of the funds as defined under the NBFC Regulations.

	Note	March 31, 2023 (Un-audited)	June 30, 2022 (Audited)
----- (Rupees) -----			
9 LOANS AND ADVANCES			
Considered good - secured			
Current portion of loan to executive	7	98,575	89,891
Considered good - unsecured			
Current portion of loans to director, executives and employees	7	6,152,604	5,587,826
Advance to employees, suppliers and contractors		2,035,003	1,986,193
		<u>8,286,182</u>	<u>7,663,910</u>
10 PREPAYMENTS AND OTHER RECEIVABLES			
Prepayments			
Current portion of prepaid commission against bachat units		24,410,739	15,795,147
Prepaid insurance		21,363,866	11,075,978
Prepaid maintenance		728,549	1,794,850
Prepaid IT service level agreements		6,385,993	10,272,464
Prepaid license fee		490,447	735,679
Prepaid registration fee		1,087,163	-
Others		959,196	30,001
		55,425,953	39,704,119
Other receivables			
Considered good - unsecured			
Advisory fee on account of discretionary portfolio management			
Due from related party	10.1	14,602,244	10,456,642
Due from others	10.2	5,554,318	9,669,730
		20,156,562	20,126,372
Considered doubtful			
Due from others		12,402,117	12,402,117
Commission receivable		7,378,722	8,483,538
Others		271,372	368,200
		40,208,773	41,380,227
Provision against advisory fee	10.3	(12,402,117)	(12,402,117)
		<u>83,232,609</u>	<u>68,682,229</u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Nine Months Ended March 31, 2023**

- 10.1 This includes management fee receivable from Adamjee Life Assurance Company Limited under discretionary portfolio management agreement.
- 10.2 This represents management fee and performance fee receivable from separately managed accounts under discretionary portfolio management agreements.

Note	March 31, 2023 (Un-audited)	June 30, 2022 (Audited)
	(Rupees)	
10.3 Provision against advisory fee		
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>

11 SHORT TERM INVESTMENTS

At fair value through profit or loss

Investments in units of other funds under management	11.1	<u>522,332,507</u>	<u>508,648,355</u>
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11.1 Investments in units of other funds under management

Name of the investee fund	As at July 1, 2022	Purchased / reinvested during the period	Redemed during the period	As at March 31, 2023	As at March 31, 2023 (Un-audited)			As at June 30, 2022 (Audited)		
					Carrying value	Market value	Unrealised (diminution) / appreciation on re-measurement of investments	Carrying value	Market value	Unrealised appreciation / (diminution) on re- measurement of investments
----- Number of units -----					----- Rupees -----					

**Investments in units of funds
under management**

MCB Cash Management Optimizer	-	47,331,689	(41,550,575)	5,781,114	303,069,334	303,383,631	314,297	-	-	-
Alhamra Islamic Income Fund	-	689,699	(653,667)	36,032	3,883,980	4,071,670	187,690	-	-	-
MCB Pakistan Stock Market Fund	1,044,927	1,199,781	(1,610,741)	633,967	50,000,000	51,407,281	1,407,281	99,549,568	90,390,302	(9,159,266)
MCB Pakistan Sovereign Fund	-	9,307,195	(9,307,195)	-	-	-	-	120,554,382	120,895,058	340,676
Alhamra Islamic Money Market Fund	-	3,362,421	(3,362,421)	-	-	-	-	-	-	-
Alhamra Daily Dividend Fund	-	3,178,568	(3,178,568)	-	-	-	-	-	-	-
Alhamra Islamic Active Allocation Fund (Alhamra Smart Portfolio)	1,207,021	-	(341,662)	865,359	86,674,252	92,180,357	5,506,105	-	-	-
Alhamra Islamic Stock Fund	1,911,887	2,853,881	(4,765,768)	-	-	-	-	18,915,988	17,398,169	(1,517,819)
Alhamra Wada Fund (Alhamra Wada Plan I)	500,338	2,994	(503,332)	-	-	-	-	50,033,787	50,033,787	-
Alhamra Wada Fund (Alhamra Wada Plan II)	-	404,417	(404,417)	-	-	-	-	-	-	-
Alhamra Wada Fund (Alhamra Wada Plan III)	-	191,913	(191,913)	-	-	-	-	-	-	-
Alhamra Wada Fund (Alhamra Wada Plan IV)	-	462,646	(462,646)	-	-	-	-	-	-	-
Alhamra Wada Fund (Alhamra Wada Plan V)	-	251,396	(251,396)	-	-	-	-	-	-	-
Alhamra Wada Fund (Alhamra Wada Plan VI)	-	1,001,300	(1,001,300)	-	-	-	-	-	-	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan I)	1,701,188	18,378	(1,719,566)	-	-	-	-	170,118,779	170,118,779	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan III)	-	411,096	(411,096)	-	-	-	-	-	-	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan IV)	-	207,111	(207,111)	-	-	-	-	-	-	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan II)	-	267,071	(251,369)	15,702	1,640,766	1,679,022	38,257	-	-	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan VII)	-	1,064,223	(1,051,543)	12,680	1,302,032	1,304,603	2,571	60,000,000	59,812,260	(187,740)
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan V)	-	100,000	(99,662)	338	33,817	34,215	399	-	-	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan VI)	-	250,000	(249,524)	476	47,559	47,924	366	-	-	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan IX)	-	100,000	-	100,000	10,000,000	10,003,730	3,730	-	-	-
MCB Pakistan Opportunity Fund (MCB Pakistan Dividend Yield Plan)	600,000	48,812	(100,644)	548,168	54,758,531	58,220,074	3,461,542	-	-	-
	6,965,361	72,704,589	(71,676,115)	7,993,836	511,410,270	522,332,507	10,922,237	519,172,504	508,648,355	(10,524,149)
	6,965,361	72,704,589	(71,676,115)	7,993,836	511,410,270	522,332,507	10,922,237	519,172,504	508,648,355	(10,524,149)

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Nine Months Ended March 31, 2023**

	Note	March 31, 2023 (Un-audited)	June 30, 2022 (Audited)
		----- (Rupees) -----	
12 TAXATION - NET			
Taxation refundable - net	12.1	<u>12,499,646</u>	<u>25,729,009</u>

12.1 This represents tax paid to taxation authorities net of provision for taxation. The status of tax contingencies is given in note 21.1 to these condensed interim financial statements.

	March 31, 2023 (Un-audited)	June 30, 2022 (Audited)
	----- (Rupees) -----	

13 DEFERRED TAXATION - NET

Deferred tax liabilities arising on taxable temporary differences

- Intangible assets	89,337,471	88,245,858
- Right-of-use-assets	33,173,228	14,693,006
- Short term investments	2,075,195	-
	<u>124,585,894</u>	<u>102,938,864</u>

Deferred tax assets arising on deductible temporary differences

- Property and equipment (other than right-of-use assets)	(7,720,030)	(7,128,082)
- Short term investments	-	(1,949,238)
- Provision against advisory fee	(4,092,699)	(4,092,699)
- Finance cost on loans to executive and director	(899,779)	(855,639)
- Lease liability against right-of-use assets	(33,503,729)	(14,795,741)
	<u>(46,216,237)</u>	<u>(28,821,399)</u>
	<u>78,369,657</u>	<u>74,117,465</u>

14 LEASE LIABILITY AGAINST RIGHT-OF-USE ASSETS

The Company has entered into lease agreements in respect of its various rented offices. These were initially measured at the present value of remaining lease payments, discounted using the Company's incremental borrowing rate that ranges from 8.08% per annum to 17.48% per annum. The lease liabilities are subsequently being measured at amortised cost using the effective interest rate method.

The amount of future payments for the leases and the period in which these payments will become due are as follows:

	March 31, 2023 (Un-audited)	June 30, 2022 (Audited)
	----- (Rupees) -----	
Present value of minimum lease payments	101,526,457	44,835,578
Less: current portion	<u>(33,927,586)</u>	<u>(20,073,011)</u>
	<u>67,598,872</u>	<u>24,762,567</u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Nine Months Ended March 31, 2023**

	March 31, 2023 (Un-audited)		June 30, 2022 (Audited)	
	Minimum lease payments	Present value of minimum	Minimum lease payments	Present value of minimum lease payments
	----- Rupees -----			
Not later than one year	47,845,907	33,927,586	23,839,253	20,073,011
Later than one year and not later than five years	78,208,067	67,598,872	29,476,739	24,762,567
	126,053,974	101,526,457	53,315,992	44,835,578
Less: finance cost allocated to future periods	(24,527,517)	-	(8,480,414)	-
Present value of minimum lease payments	101,526,457	101,526,457	44,835,578	44,835,578
Less: current portion	(33,927,586)	(33,927,586)	(20,073,011)	(20,073,011)
	<u>67,598,872</u>	<u>67,598,872</u>	<u>24,762,567</u>	<u>24,762,567</u>

	Note	March 31, 2023 (Un-audited)	June 30, 2022 (Audited)
15 TRADE AND OTHER PAYABLES		----- (Rupees) -----	
Accrued expenses and other liabilities		46,336,509	54,239,108
Bonus payable		67,682,516	78,712,411
Sindh Workers' Welfare Fund	15.1	62,768,826	55,493,826
Sales tax payable on management fee		18,771,759	10,863,039
Federal Excise Duty payable	15.2	412,892,880	412,892,880
Withholding tax payable		24,279,106	7,059,953
Payable to facilitators / distributors		45,313,836	54,935,174
		<u>678,045,432</u>	<u>674,196,391</u>

15.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that AMC's and mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments. The MUFAP has also taken up the matter with the Sindh Finance Ministry to have AMC's / CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on AMC's / CISs / mutual funds, the management as a matter of abundant caution made provision in respect of SWWF on a prudent basis with effect from the date of enactment of the SWWF Act (i.e. starting from July 1, 2014).

15.2 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Company and sales load was applicable with effect from June 13, 2013. The Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Company had discontinued making further provision in respect of FED with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED already made amounting to Rs. 412.893 million is being retained in these condensed interim financial statements of the Company as the matter is pending before the Supreme Court of Pakistan.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Nine Months Ended March 31, 2023

16 MANAGEMENT AND INVESTMENT ADVISORY FEE

	(Un-audited)			
	Nine months ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Note ----- (Rupees) -----			
Management fee from collective investment schemes - related parties				
MCB Cash Management Optimizer	233,414,910	72,689,922	98,783,836	21,213,627
MCB Pakistan Asset Allocation Fund	21,097,770	27,710,333	5,790,835	7,265,196
MCB DCF Income Fund	69,989,677	53,318,704	25,951,581	17,714,913
Alhamra Islamic Income Fund	28,119,228	28,049,692	9,558,834	11,705,235
MCB Pakistan Sovereign Fund	3,235,880	6,111,987	714,328	1,993,717
Pakistan Capital Market Fund	10,186,509	11,854,938	3,129,752	3,048,630
Pakistan Cash Management Fund	60,332,532	9,696,876	22,107,225	3,229,264
Pakistan Income Enhancement Fund	4,956,733	8,589,444	1,644,745	2,731,006
Pakistan Income Fund	12,997,449	60,248,008	3,485,560	14,305,493
Alhamra Islamic Asset Allocation Fund	43,181,144	62,953,636	13,886,074	19,429,434
MCB Pakistan Stock Market Fund	127,254,965	195,438,556	32,470,836	58,512,193
Alhamra Islamic Stock Fund	43,723,358	56,852,505	15,031,070	16,905,685
Alhamra Islamic Money Market Fund	86,238,948	15,072,865	34,634,042	3,751,505
Alhamra Daily Dividend Fund	15,957,377	6,114,490	5,095,720	2,264,542
Alhamra Islamic Active Allocation Fund (Alhamra Smart Portfolio)	71,046	49,879	22,760	19,190
Alhamra Wada Fund (Alhamra Wada Plan I)	576,636	-	-	-
Alhamra Wada Fund (Alhamra Wada Plan II)	1,987,611	-	-	-
Alhamra Wada Fund (Alhamra Wada Plan III)	719,796	-	-	-
Alhamra Wada Fund (Alhamra Wada Plan IV)	2,370,674	-	-	-
Alhamra Wada Fund (Alhamra Wada Plan V)	170,404	-	-	-
Alhamra Wada Fund (Alhamra Wada Plan VI)	61,189	-	61,189	-
MCB Pakistan Opportunity Fund (MCB Pakistan Dividend Yield Plan)	1,154,520	-	503,922	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan I)	458,424	-	-	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan II)	2,288,756	-	583,836	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan III)	241,817	-	-	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan IV)	1,548,981	-	-	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan VII)	671,807	-	338,435	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan V)	4,589,733	-	4,589,733	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan VI)	2,548,750	-	2,548,750	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan IX)	246,507	-	246,507	-
	780,393,131	614,751,835	281,179,570	184,089,630
Management fee from pension schemes - related parties				
Pakistan Pension Fund	20,267,718	26,035,005	7,155,862	8,754,458
Alhamra Islamic Pension Fund	13,824,113	17,389,937	4,925,003	5,753,168
	34,091,831	43,424,942	12,080,865	14,507,626
Investment advisory fee from separately managed accounts	16.2 44,196,922	58,707,800	14,956,624	14,619,643
	858,681,884	716,884,577	308,217,059	213,216,899
Less: Sindh Sales Tax	16.1 (98,786,411)	(82,473,447)	(35,458,600)	(24,529,378)
	759,895,473	634,411,130	272,758,459	188,687,521

16.1 This pertains to Sindh sales tax levied by the Provincial Government of Sindh at the rate of 13% (March 31, 2023: 13%) through the Sindh Sales Tax on Services Act, 2011.

16.2 The Company is also managing portfolio of investors under discretionary portfolio management agreements. Investment advisory fee from the discretionary portfolio is calculated on daily / monthly basis by charging specified rates to the net asset value of the portfolio as stated in the respective agreements with the clients. In addition, performance fee is charged to some investors based on the contractual rates at the end of the respective mandates. The details of this portfolio are given below:

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Nine Months Ended March 31, 2023**

			March 31, 2023 (Un-audited)	June 30, 2022 (Audited)
Discretionary portfolio				
Number of portfolios			35	36
Total portfolio at cost (in Rupees)			70,366,964,367	55,580,268,329
Total portfolio at market value (in Rupees)			69,191,704,828	53,160,217,039

----- (Un-audited) -----				
	Nine months ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Note ----- (Rupees) -----				
17 ADMINISTRATIVE EXPENSES				
Salaries, allowances and other benefits	321,530,863	234,831,510	116,430,555	78,668,579
Legal and professional charges	10,463,968	8,830,396	5,183,188	3,925,867
Travelling and conveyance	1,938,269	3,408,578	810,629	2,814,205
Rent, utilities, repairs and maintenance	67,622,761	56,829,829	23,890,379	17,016,236
Office supplies	2,022,839	2,091,525	1,188,345	1,266,856
Directors' meeting fee	9,925,000	6,825,000	3,875,000	2,475,000
Insurance	1,421,631	2,755,606	516,988	1,779,340
Depreciation	4.1.1 30,831,411	24,778,370	10,954,559	8,327,230
Amortisation	5.1 12,199,983	6,573,220	3,833,724	1,549,456
Stamp duty and taxes	818,777	-	317,299	-
Registrar fee	1,006,853	1,289,091	619,653	489,895
Printing and stationery	3,528,407	2,322,773	1,267,410	1,076,793
Telephone expenses	3,788,167	3,767,411	1,015,464	933,375
Entertainment expenses	4,362,800	3,362,208	1,323,482	1,541,692
Fees and subscription	21,816,126	15,322,694	9,180,241	4,700,119
	<u>493,277,855</u>	<u>372,988,211</u>	<u>180,406,916</u>	<u>126,564,643</u>
Reimbursement of expenses from				
Collective Investment Schemes (CISs)	8.3 (43,653,772)	(49,901,890)	(13,103,369)	(17,893,856)
	<u>449,624,083</u>	<u>323,086,321</u>	<u>167,303,547</u>	<u>108,670,787</u>
18 SELLING AND DISTRIBUTION EXPENSES				
Salaries, allowances and other benefits	4.1.1 178,325,724	174,652,046	59,615,045	54,740,261
Depreciation	12,014,300	10,675,284	4,216,075	3,345,897
Commission expense	152,313,829	89,027,287	66,448,023	27,903,349
Marketing and advertising expenses	52,960,662	20,303,208	15,823,066	6,363,526
Branch expenses	11,522,257	9,010,413	3,893,414	2,824,086
Printing and stationery	1,275,038	837,869	437,169	262,609
	<u>408,411,810</u>	<u>304,506,106</u>	<u>150,432,792</u>	<u>95,439,728</u>
Reimbursement of expenses from				
Collective Investment Schemes (CISs)	8.4 (320,169,143)	(203,170,443)	(140,197,685)	(49,553,354)
	<u>88,242,667</u>	<u>101,335,663</u>	<u>10,235,107</u>	<u>45,886,374</u>
19 OTHER EXPENSES				
Sindh Workers' Welfare Fund	7,275,000	5,500,000	2,925,000	1,500,000
Auditors' remuneration	2,344,145	2,150,546	750,000	675,144
	<u>9,619,145</u>	<u>7,650,546</u>	<u>3,675,000</u>	<u>2,175,144</u>
20 TAXATION				
Current				
- for the year	112,047,725	74,132,141	47,500,000	30,331,032
- for prior year	-	925,070	-	925,070
	<u>112,047,725</u>	<u>75,057,211</u>	<u>47,500,000</u>	<u>31,256,102</u>
Deferred	4,252,191	(851,971)	(2,522,376)	(11,551,971)
	<u>116,299,916</u>	<u>74,205,240</u>	<u>44,977,624</u>	<u>19,704,131</u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Nine Months Ended March 31, 2023**

21 CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

The status of contingencies remains unchanged as disclosed in the annual audited financial statements of the Company for the year ended June 30, 2022 except for the following:

- 21.1.1** During the year ended June 30, 2020, the Deputy Commissioner Inland Revenue (DCIR) had issued a notice dated March 6, 2020 under section 182 of the Income Tax Ordinance, 2001 whereby it initiated proceedings for levy of penalty of Rs. 2.97 million for alleged failure to furnish the return under section 114 by due date. The Company had submitted its reply in consultation with its tax consultant against the said notice. During the current period, the DCIR vide its order dated November 17, 2022, reduced the amount of penalty to Rs. 0.161 million which was duly paid by the Company.
- 21.1.2** On March 29, 2017, the Additional Commissioner Inland Revenue (ACIR) passed an order under section 122(5A) of the Income Tax Ordinance, 2001 amending the assessment for tax year 2012 after making certain additions / disallowances in the statement of profit or loss and created a demand of Rs. 82.841 million. The disallowances mainly pertained to apportionment of expenses, management / processing fee and related income sharing, amortisation of management rights / goodwill created on merger of the MCB AMC into the Company, disallowance of brought forward losses / refunds of prior periods etc. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] against the impugned order and notice of demand issued there against. The CIR(A) annulled the order of the ACIR by deleting demand on all the issues raised therein. Being aggrieved by the decision of CIR(A), an appeal against the order of CIR(A) had been filed before the Appellate Tribunal Inland Revenue [ATIR] by the Commissioner Inland Revenue. Based on the advice of its tax consultant, the management anticipates a favourable outcome of such appeals, and accordingly, no provision has been recorded in these financial statements for the above matter.
- 21.1.3** On January 20, 2023, the Deputy Commissioner Inland Revenue (DCIR) issued Show cause notice to recover Super Tax on high earning persons u/s 4C read with section 9 of the income tax ordinance, 2001 claiming that your income as defined in sub-section (2) of section 4C of the Ordinance is subject to Super Tax at the rate of 4% and thus a liability of Rs. 13.142 million is payable. To counter this MCB AH via tax consultant submitted a reply dated February 03, 2023, stating that as per recent order by Sindh High Court, Super Tax is not applicable for TY 2022 but prospectively from TY 2023 and hence MCB AH is not liable to pay such tax for TY 2022. However, management on cautious basis has made provision for TY 2022. Further, it was also requested that initiated proceedings may please be dropped against MCB AH.
- 21.1.4** On December 6, 2022, Deputy Chief Inspector of Stamps–III issued notice u/s 73 & 40-A-(1) for production of records to assess the Stamp Duty short levied. The period covered by inspection was from July 2020 to February 2023. After undergoing relevant assessments, the Inspector of Stamps served his observations and raised demand of Rs. 1.53 million and the matter was fixed for hearing on 22 Mar 2023. The management has made appropriate provision of the said amount in Financial Statements.

21.2 Commitments

There were no commitments outstanding as at March 31, 2023 and June 30, 2022.

22 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties of the Company comprise of MCB Bank Limited (Parent Company), local associated companies, staff retirement funds, collective investment and pension schemes managed by the Company, directors and key management personnel and their close family members and defined contribution plan. Transactions with related parties are entered into at negotiated prices at commercial terms. The aggregate value of transactions and outstanding balances as at March 31, 2023 with related parties other than those which have been disclosed elsewhere are as follows:

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Nine Months Ended March 31, 2023**

Name of the related party	Relationship and percentage of shareholding	Nature of transaction	(Un-audited) (Un-audited)	
			Quarter ended	
			March 31, 2023	March 31, 2022
----- (Rupees) -----				
MCB Bank Limited	Parent company with 51.33% shareholding	Commission and other expenses	25,865,723	26,410,444
		Profit on bank deposits	3,078,460	1,116,518
		Branch sharing expenses	2,765,820	2,648,124
		Rent as per rental agreement	4,224,000	3,840,000
		Dividend paid	36,956,768	175,544,648
		Sale proceeds on disposal of fixed assets	-	-
		Bank charges	252,731	165,438
MCB Islamic Bank Limited	Subsidiary of Parent Company	Profit on savings account	-	11,067
Nishat Real Estate Development Company (Private) Limited	Group Company of Parent Company	Purchase of fixed assets	5,167,000	-
Adamjee Life Assurance Company Limited	Group Company of Parent Company	Investment advisory fee	27,732,084	15,620,093
Adamjee Insurance Company Limited	Group Company of Parent Company	Amount paid against insurance	18,156,871	16,430,029
		Dividend paid	5,462,000	25,944,500
		Rent as per rental agreement	12,994,266	21,801,656
Arif Habib Corporation Limited	Associate with 30.09% shareholding	Dividend paid	21,664,167	102,904,793
Mutual Funds Association of Pakistan	Associated Company	Amount paid against membership fee	5,055,165	3,744,566
		Investment in shares	265,000	-
MCB Cash Management Optimizer	Funds under management	Management fee	206,561,867	64,327,364
		Investment in units	4,811,596,655	3,589,769,531
		Redemption of units	4,246,359,367	3,138,580,507
		Dividend Income	1,185,261	763,963
		Reimbursement of expenses	10,232,631	18,613,741
		Selling and marketing	115,195,674	26,835,866
MCB DCF Income Fund	Funds under management	Management fee	61,937,768	47,184,693
		Share of sales load	22,147,561	4,165,487
		Back end load	6,722,305	2,029,292
		Reimbursement of expenses	4,129,185	3,205,351
		Selling and marketing	16,103,820	13,226,275
		Investment in units	-	-
		Redemption of units	-	-
Alhamra Islamic Income Fund	Funds under management	Management fee	24,884,273	24,797,205
		Share of sales load	8,478,926	6,358,130
		Back end load	1,838,848	112,117
		Sharia fee paid on behalf of the fund	540,000	540,000
		Reimbursement of expenses	4,581,620	5,821,238
		Selling and marketing	3,161,231	6,457,756
		Investment in units	73,016,146	-
		Redemption of units	70,613,140	-
		Investment in units	-	135,000,000
MCB Pakistan Asset Allocation Fund	Funds under management	Management fee	18,670,593	24,522,420
		Share of sales load	336,812	149,080
		Reimbursement of expenses	563,942	833,719
		Selling and marketing	-	-
		Back end load	-	18,090
		Investment in units	-	135,000,000
		Redemption of units	-	25,000,000
Alhamra Islamic Money Market Fund	Funds under management	Management fee	76,317,653	13,338,819
		Reimbursement of expenses	2,800,487	141,248
		Selling and marketing	16,278,780	3,554,199
		Share of sales load	2,051,241	4,010
		Sharia fee paid on behalf of the fund	540,000	540,000
		Investment in units	334,594,526	-
		Redemption of units	334,594,526	-
		Dividend Income	231,529	-
		Other Expenses	-	1,216,507
Alhamra Islamic Stock Fund	Funds under management	Management fee	38,693,237	50,311,950
		Share of sales load	45,890	1,164,714
		Reimbursement of expenses	1,934,662	2,515,597
		Redemption of units	41,174,348	-
		Investment in units	25,000,000	-
		Selling and marketing	25,150,604	32,702,767
		Sharia fee paid on behalf of the fund	540,000	540,000
		Back end load	-	-
		Other Expenses	-	-

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
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Name of the related party	Relationship and percentage of shareholding	Nature of transaction	(Un-audited) (Un-audited)	
			Quarter ended	
			March 31, 2023	March 31, 2022
----- (Rupees) -----				
MCB Pakistan Sovereign Fund	Funds under management	Management fee	2,863,612	5,408,837
		Share of sales load	97,792	85,945
		Reimbursement of expenses	705,248	537,745
		Selling and marketing	1,858,768	1,931,146
		Investment in units	510,359,360	100,000,000
		Redemption of units	514,769,652	100,054,083
MCB Pakistan Stock Market Fund	Funds under management	Management fee	112,615,015	172,954,475
		Share of sales load	188,223	3,531,997
		Reimbursement of expenses	5,630,751	8,755,534
		Selling and marketing	73,199,760	113,821,936
		Investment in units	100,000,000	75,000,000
		Redemption of units	145,322,860	140,830,439
Pakistan Capital Market Fund	Funds under management	Management fee	9,014,609	10,491,096
		Sales load	88	10,058
		Reimbursement of allocated expenses	268,047	341,961
Pakistan Cash Management Fund	Funds under management	Management fee	53,391,621	8,581,305
		Reimbursement of expenses	2,259,822	21,468
		Share of sales load	59,873	85,039
		Selling and marketing	34,941,991	2,146,595
		Dividend Income	-	3,049,705
		Investment in units	-	437,646,333
		Redemption of units	-	297,500,404
Pakistan Income Enhancement Fund	Funds under management	Management fee	4,386,488	7,601,277
		Sales load	5,493,497	878,255
		Reimbursement of allocated expenses	1,301,197	818,479
		Reimbursement of selling and marketing expenses	3,439,597	165,353
Pakistan Income Fund	Funds under management	Management fee	11,502,166	53,316,822
		Share of sales load	5,083,665	2,742,610
		Reimbursement of expenses	3,509,658	5,991,169
		Dividend Income	-	-
		Other Expenses	-	-
		Selling and marketing	10,987,136	2,328,550
		Back end load	-	-
		Investment in units	-	486,000,000
		Redemption of units	-	881,428,303
Alhamra Islamic Asset Allocation Fund	Funds under management	Management fee	38,213,403	55,711,182
		Share of sales load	166,205	743,736
		Back end load	4,290,739	7,699,575
		Reimbursement of expenses	1,157,982	1,688,218
		Selling and marketing	-	-
		Sharia fee paid on behalf of the fund	540,000	540,000
Alhamra Islamic Pension Fund	Funds under management	Management fee	17,936,038	23,039,826
		Share of sales load	1,383,189	1,242,277
		Contribution to fund on behalf of the employees	-	5,437,891
Pakistan Pension Fund	Funds under management	Management fee	17,936,038	23,039,826
		Share of sales load	1,383,189	1,242,277
		Contribution to fund on behalf of the employees	-	5,437,891
Alhamra Islamic Active Allocation Fund (Alhamra Smart Portfolio)	Funds under management	Management fee	62,873	44,141
		Reimbursement of expenses	93,675	131,194
		Investment in units	-	-
		Redemption of units	35,000,000	-
		Dividend Income	-	-
		Share of sales load	-	790,672
Alhamra Daily Dividend Fund	Funds under management	Management fee	14,121,573	5,411,053
		Dividend income	616,275	-
		Investment in units	317,856,756	-
		Redemption of units	317,856,756	-
		Selling and marketing	15,559,493	-
		Reimbursement of expenses	897,565	485,230
		Bank Charges	385,528	467,047
Share of sales load	6,612,728	3,215,159		
Alhamra Wada Fund (Alhamra Wada Plan I)	Funds under management	Management fee	510,297	-
		Dividend income	352,210	-
		Investment in units	299,379	-
		Selling and marketing	242,895	-
		Redemption of units	50,358,725	-
		Reimbursement of expenses	-	-
Alhamra Wada Fund (Alhamra Wada Plan II)	Funds under management	Management fee	1,758,947	-
		Dividend income	31,814	-
		Investment in units	40,441,673	-
		Redemption of units	40,441,673	-
		Selling and marketing	1,365,810	-
		Reimbursement of expenses	-	-

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Nine Months Ended March 31, 2023

Name of the related party	Relationship and percentage of shareholding	Nature of transaction	(Un-audited) (Un-audited)	
			Quarter ended	
			March 31, 2023	March 31, 2022
----- (Rupees) -----				
Alhamra Wada Fund (Alhamra Wada Plan III)	Funds under management	Management fee	636,988	-
		Dividend income	112,517	-
		Investment in units	19,191,314	-
		Redemption of units	19,191,314	-
		Selling and marketing	1,265,981	-
Alhamra Wada Fund (Alhamra Wada Plan IV)	Funds under management	Management fee	2,097,941	-
		Dividend income	783,980	-
		Investment in units	46,264,623	-
		Redemption of units	46,264,623	-
		Selling and marketing	863,665	-
Alhamra Wada Fund (Alhamra Wada Plan V)	Funds under management	Reimbursement of expenses	66,023	-
		Management fee	150,800	-
		Dividend income	164,215	-
		Investment in units	25,139,583	-
		Redemption of units	25,192,659	-
Alhamra Wada Fund (Alhamra Wada Plan VI)	Funds under management	Selling and marketing	-	-
		Reimbursement of expenses	397,687	-
		Management fee	54,149	-
		Dividend income	152,929	-
		Investment in units	100,129,990	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan I)	Funds under management	Redemption of units	100,650,013	-
		Selling and marketing	-	-
		Reimbursement of expenses	7,810	-
		Management fee	405,685	-
		Dividend income	2,162,141	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan II)	Funds under management	Investment in units	1,837,820	-
		Redemption of units	171,957,421	-
		Management fee	213,998	-
		Dividend income	1,305,440	-
		Investment in units	41,109,624	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan III)	Funds under management	Redemption of units	41,109,624	-
		Management fee	1,370,780	-
		Dividend income	125,789	-
		Investment in units	20,106,921	-
		Redemption of units	21,092,242	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan IV)	Funds under management	Reimbursement of expenses	322,085	-
		Selling and marketing	7,516	-
		Management fee	2,025,447	-
		Dividend income	-	-
		Investment in units	25,000,000	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan V)	Funds under management	Redemption of units	26,481,451	-
		Reimbursement of expenses	68,575	-
		Selling and marketing	504,520	-
		Management fee	594,520	-
		Dividend income	-	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan VI)	Funds under management	Investment in units	100,000,000	-
		Redemption of units	107,072,854	-
		Reimbursement of expenses	84,601	-
		Selling and marketing	38,808	-
		Management fee	4,061,711	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan VII)	Funds under management	Dividend income	-	-
		Investment in units	10,000,000	-
		Redemption of units	9,978,000	-
		Reimbursement of expenses	2,298,746	-
		Selling and marketing	-	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan VIII)	Funds under management	Management fee	2,255,531	-
		Dividend income	-	-
		Investment in units	25,000,000	-
		Redemption of units	25,056,425	-
		Reimbursement of expenses	236,094	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan IX)	Funds under management	Selling and marketing	-	-
		Management fee	218,148	-
		Dividend income	-	-
		Investment in units	10,000,000	-
		Redemption of units	-	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan X)	Funds under management	Reimbursement of expenses	105,644	-
		Selling and marketing	-	-
		Management fee	575,750	-
		Dividend income	-	-
		Investment in units	5,000,000	-
MCB Pakistan Opportunity Fund (MCB Pakistan Dividend Yield Plan)	Funds under management	Redemption of units	10,000,000	-
		Investment in units	5,000,000	-

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Nine Months Ended March 31, 2023**

Name of the related party	Relationship and percentage of shareholding	Nature of transaction	(Un-audited)	(Audited)
			March 31, 2023	June 30, 2022
Amount outstanding as at period / year end			(Rupees)	
MCB Bank Limited	Parent company with 51.33% shareholding	Bank balance	24,996,000	16,281,569
		Other payable	-	-
		Commission payable	14,778,289	7,855,510
		Mark-up receivable	477,817	-
MCB Islamic Bank Limited	Subsidiary of Parent Company	Bank balance	362,163	352,709
		Mark-up receivable	3,638	-
Adamjee Life Assurance Company Limited	Group Company of Parent Company	Advisory fee receivable	3,868,498	2,913,009
Mutual Funds Association of Pakistan	Associated Company	Investment in shares	265,000	265,000
MCB DCF Income Fund	Funds under management	Remuneration receivable	9,356,983	6,322,448
		Sales load receivable	5,784,592	858,542
		Receivable against reimbursement of expenses	552,034	373,006
		Receivable against selling & marketing expenses	5,971,160	4,385,006
		Back end load receivable	1,367,680	232,591
		Closing balance of investment in units	-	-
		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	1,945,225	2,634,051
		Sales load receivable	-	32,788
		Back end load receivable	-	-
		Receivable against reimbursement of expenses	52,165	70,637
		Receivable against selling & marketing expenses	-	-
		Closing balance of investment in units	-	-
		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	36,002,022	19,505,448
		Sales load receivable	-	-
		Receivable against reimbursement of expenses	-	4,674,374
		Receivable against selling & marketing expenses	59,255,516	4,793,050
		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	303,383,631	-
Alhambra Islamic Income Fund	Funds under management	Remuneration receivable	2,852,180	3,872,369
		Sales load receivable	3,359,083	833,794
		Back end load receivable	353,266	-
		Receivable against reimbursement of expenses	492,021	494,727
		Receivable against Shariah Fee	60,000	60,000
		Receivable against selling & marketing expenses	2,354,702	-
		Federal excise duty on remuneration	8,639,183	8,639,183
		Federal excise duty on sales load	3,028,386	3,028,386
		Closing balance of investment in units	4,071,670	-
		MCB Pakistan Stock Market Fund	Funds under management	Remuneration receivable
		Sales load receivable	32,515	19,449
		Other receivable	-	-
		Closing balance of investment in units	51,407,281	90,390,302
		Receivable against reimbursement of expenses	499,523	731,116
		Receivable against selling & marketing expenses	18,677,915	31,187,196
		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	1,269,710	6,139,756
		Sales load receivable	245,758	54,993
		Receivable against reimbursement of expenses	397,821	331,676
		Receivable against selling & marketing expenses	4,763,493	150,400
		Closing balance of investment in units	-	-
		Federal excise duty on remuneration	9,210,245	9,210,245
		Federal excise duty on sales load	239,199	239,199
		Other receivable	-	-
MCB Pakistan Sovereign Fund	Funds under management	Remuneration receivable	236,055	714,157
		Sales load receivable	3,333	-
		Receivable against reimbursement of expenses	79,561	50,669
		Receivable against selling & marketing expenses	792,927	444,047
		Federal excise duty on remuneration	29,027,974	29,027,974
		Federal excise duty on sales load	4,169,840	4,169,840

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Nine Months Ended March 31, 2023**

Name of the related party	Relationship and percentage of shareholding	Nature of transaction	(Un-audited)	(Audited)
			March 31, 2023	June 30, 2022
			-----	-----
			(Rupees)	
Pakistan Capital Market Fund	Funds under management	Remuneration receivable	1,087,526	1,210,128
		Sales load receivable	-	-
		Receivable against reimbursement of expenses	28,729	31,967
		Receivable against selling & marketing expenses	-	-
		Federal excise duty on remuneration	5,872,250	5,872,250
		Federal excise duty on sales load	392,742	392,742
Alhamra Islamic Stock Fund	Funds under management	Remuneration receivable	5,237,853	4,723,886
		Sales load receivable	10,576	5,110
		Receivable against reimbursement of expenses	231,763	209,022
		Receivable against selling & marketing expenses	8,646,191	8,789,404
		Receivable against Shariah Fee	60,000	60,000
		Closing balance of investment in units	-	17,398,169
		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	2,482,054	1,991,345
		Sales load receivable	91,123	286,845
		Closing balance of investment in units	321,091,661	302,666,529
		Federal excise duty on remuneration	5,976,465	5,976,465
Alhamra Islamic Asset Allocation Fund	Funds under management	Remuneration receivable	4,801,789	5,286,782
		Sales load receivable	41	76,283
		Back end load receivable	66,567	507,423
		Receivable against reimbursement of expenses	128,769	141,775
		Receivable against selling & marketing expenses	-	-
		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	1,715,806	1,377,536
		Sales load receivable	35,104	173,861
		Closing balance of investment in units	314,624,585	303,234,844
		Federal excise duty on remuneration	3,030,332	3,030,332
Pakistan Sarmaya Mahfooz Fund	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	9,120,787	2,832,968
		Receivable against reimbursement of expenses	160,599	-
		Receivable against selling & marketing expenses	21,076,483	72,552
		Sales load receivable	-	-
		Closing balance of investment in units	-	-
		Federal excise duty on remuneration	11,932,884	11,932,884
Pakistan Income Enhancement Fund	Funds under management	Remuneration receivable	570,566	1,134,740
		Sales load receivable	436,485	2,450,213
		Back end load receivable	-	-
		Other receivable	-	-
		Receivable against reimbursement of expenses	171,609	70,171
		Receivable against selling & marketing expenses	1,758,962	150,471
		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	12,792,762	2,263,698
		Sales load receivable	299,456	-
		Receivable against reimbursement of expenses	316,505	33,915
		Receivable against selling & marketing expenses	9,754,485	889,592
		Receivable against Shariah Fee	120,000	60,000
		Closing balance of investment in units	-	-
		Others Payable	-	-
		Federal excise duty on remuneration	840,741	840,741
		Federal excise duty on sales load	3,624,619	3,624,619
Alhamra Islamic Active Allocation Fund (Alhamra Smart Portfolio)	Funds under management	Remuneration receivable	7,582	7,758
		Receivable against reimbursement of expenses	10,319	12,528
		Closing balance of investment in units	92,180,357	120,895,058

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Nine Months Ended March 31, 2023**

Name of the related party	Relationship and percentage of shareholding	Nature of transaction	(Un-audited)	(Audited)
			March 31, 2023	June 30, 2022
----- (Rupees) -----				
Alhamra Daily Dividend Fund	Funds under management	Remuneration receivable	1,758,414	2,800,809
		Payable against bank charges	61,317	68,480
		Receivable against reimbursement of expenses	-	18,897
		Receivable against selling & marketing expenses	7,145,850	682,186
		Closing balance of investment in units	-	-
		Sales load receivable	358,677	2,554,294
Alhamra Wada Fund (Alhamra Wada Plan I)	Funds under management	Remuneration receivable	-	35,783
		Closing balance of investment in units	-	50,033,787
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan I)	Funds under management	Remuneration receivable	-	22,721
		Payable against bank charges	-	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan II)	Funds under management	Remuneration receivable	583,836	-
		Closing balance of investment in units	1,679,022	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan VII)	Funds under management	Remuneration receivable	336,656	-
		Receivable against reimbursement of expenses	53,720	-
		Closing balance of investment in units	1,304,603	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan V)	Funds under management	Remuneration receivable	4,589,733	-
		Receivable against reimbursement of expenses	2,298,746	-
		Closing balance of investment in units	34,215	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan VI)	Funds under management	Closing balance of investment in units	2,548,750	-
		Receivable against reimbursement of expenses	236,094	-
		Closing balance of investment in units	47,924	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan IX)	Funds under management	Remuneration receivable	246,507	-
		Receivable against reimbursement of expenses	105,644	-
		Closing balance of investment in units	10,003,730	-
MCB Pakistan Opportunity Fund (MCB Pakistan Dividend Yield Plan)	Funds under management	Remuneration receivable	178,155	3,395
		Closing balance of investment in units	58,220,074	59,812,260
Muhammad Saqib Saleem	Funds under management	Loan outstanding	11,541,705	12,309,656

23 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the 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 are based on the net assets value announced by the Company and calculated using market rates at each reporting date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from carrying values as the items are either short-term in nature or are periodically repriced.

23.1 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 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); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Nine Months Ended March 31, 2023**

Valuation techniques used in determination of fair values within level 2

Items	Valuation technique
Units of open-end collective investment schemes and voluntary pension schemes	The fair values of investments in units of mutual funds are determined based on their net asset values as published at the close of each business day.

As at March 31, 2023 and June 30, 2022, the Company held the following financial instruments measured at fair value:

(Un-audited)				
As at March 31, 2023				
Level 1	Level 2	Level 3	Total	
----- (Rupees) -----				
Financial assets 'at fair value through profit or loss'				
Investment in units of open-end collective investment schemes and voluntary pension schemes	-	1,158,048,754	-	1,158,048,754
Investment in shares *	-	-	265,000	265,000
	-	1,158,048,754	265,000	1,158,313,754
----- (Rupees) -----				
(Audited)				
As at June 30, 2022				
Level 1	Level 2	Level 3	Total	
----- (Rupees) -----				
Financial assets 'at fair value through profit or loss'				
Investment in units of open-end collective investment schemes and voluntary pension schemes	-	1,114,549,728	-	1,114,549,728
Investment in shares *	-	-	265,000	265,000
	-	1,114,549,728	265,000	1,114,814,728

* These represent shares of Mutual Funds Association of Pakistan which have been carried at cost since their fair value is not considered to be materially different from its carrying amount. Accordingly, the disclosures with respect to level 3 financial assets have not been given.

24 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 14th April, 2023 by the Board of directors of the Company.

25 GENERAL

25.1 Figures have been rounded off to the nearest Rupee, unless otherwise specified.

25.2 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and to reflect the substance of the transactions. There have been no significant reclassifications or rearrangements in these condensed interim financial statements during the current period.



Chief Executive Officer



Chief Financial Officer



Director

MCB-Arif Habib Savings and Investments Limited

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