



MCB FUNDS
Investments for Life

QUARTERLY
REPORT

SEPTEMBER

2023

(UNAUDITED)

MCB INVESTMENT MANAGEMENT LIMITED
(Formerly: 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”

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. Shoaib Mumtaz Mr. Muhammad Saqib Saleem Mr. Ahmed Jahangir Mr. Manzar Mushtaq Mr. Fahd Kamal Chinoy Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman Director Chief Executive Officer Director Director Director Director Director
Audit Committee	Syed Savail Meekal Hussain Mr. Ahmed Jahangir Mr. Manzar Mushtaq	Chairman Member Member
Human Resource & Remuneration Committee	Mr. Fahd Kamal Chinoy Mr. Ahmed Jahangir Mr. Shoaib Mumtaz Ms. Mavra Adil Khan Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member
Credit Committee	Mr. Ahmed Jahangir Mr. Manzar Mushtaq Syed Savail Meekal Hussain Mr. Muhammad Saqib Saleem	Member Member Member Member
Chief Executive Officer	Mr. Muhammad Saqib Saleem	
Chief Operating & Financial Officer	Mr. Muhammad Asif Mehdi Rizvi	
Company Secretary	Mr. Altaf Ahmad Faisal	
Share Registrar	CDC Share Registrar Services Limited CDC House, 99-B, Block 'B', S.M.C.H.S Main Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcsrsl.com	
Bankers	MCB Bank Limited Bank Al-Falah Limited Faysal Bank Limited Bank Al-Habib Limited MCB Islamic Bank Limited Summit Bank Limited Askari 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 Bawany & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
Rating	AM1 Asset Manager Rating assigned by PACRA	
Registered Office	MCB Investment Management Limited (Formerly: MCB-Arif Habib Savings and Investments Limited) Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	

DIRECTOR'S REPORT

The Board of Directors of MCB Investment Management Limited (MCBIM) (formerly: Arif Habib Savings and Investments Limited) are pleased to present Report on the affairs of MCBIM for the quarter ended September 30, 2023.

Principal Business

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

Economy and Money Market Review

The new fiscal year started on a positive note as the government secured a much needed Stand-by Arrangement (SBA) facility of USD 3bn from the IMF, of which USD 1.2bn was promptly disbursed. This was followed by additional inflows of USD 3bn from Saudi Arabia and UAE and timely rollover from China. These led to an upgrade in Pakistan's sovereign rating by Fitch from CCC- to CCC due to the improved external outlook.

Macroeconomic concerns resurfaced in Aug-23 when there was change of political guard as the new interim government came into power. An immediate effort of new finance team to clear pending import payments turned by the speculators to give a notion of weakening external account putting significant pressure on the currency. The rupee weakened to PKR 307 against the greenback in interbank while the open market rate hovered around PKR 330. The interim setup albeit with some delay took decisive steps against smuggling of dollar and abuse of Afghan Transit which led a sharp recovery in exchange rate and elimination of the difference between open market and interbank rates. A sustained action and elimination of smuggling of goods and currency bodes well for the economy.

The country posted a current account deficit (CAD) of USD 0.9bn in the first two months of the fiscal year 2024 (2MFY24) declining by 54% YoY compared to a deficit of USD 2.0bn in the corresponding period last year. Narrowing trade deficit was the major contributor towards improving CAD as 8.3% decrease in exports coupled with a 26.0% drop in imports led to a 39.5% contraction in the trade deficit. The country's external position improved with SBP's foreign exchange reserves increasing to USD 7.6bn as of Sep-23 end compared to USD 4.5bn at the end of last fiscal year. This was on account of flows from IMF and friendly countries.

Headline inflation represented by CPI averaged 29.0% during 1QFY24 compared to 25.1% in the corresponding period last year. Inflation remained on the higher side as currency depreciation led to higher food and energy prices. The government increased electricity base tariff to comply with IMF conditions which led to further inflationary pressure. SBP mainlined status quo in monetary policy held in Sep-23 as it noted that inflation is projected to remain on the downwards trajectory and real interest rates continue to remain in positive territory on a forward-looking basis.

DIRECTOR'S REPORT

The country's GDP growth recorded at 0.29% in FY23 with Agricultural and Services sector increasing by 1.6% and 0.9%, respectively, while industrial sector witnessed a drop of 2.9%. Historic high interest rates coupled with import restrictions were the major culprits behind the fall in industrial output. On the fiscal side, FBR tax collection increased by 24.1% in 1QFY24 to PKR 2,041bn compared to PKR 1,644bn in the same period last year, outpacing the target by PKR 63bn.

The Secondary markets yields initially increased in the period preceding Sep-23 monetary policy as there was a general market consensus that interest rates will be increased by 100-200bps in the MPS. The 3 month yields increased from 22.7% to a high of 23.8% while 3 Year Bond yields rose from 19.5% to a peak of 21.2%. After SBP maintained status quo in the MPS and dollar started reversing, the yields also receded. The 3-month T-Bill Yield declined to 22.5% while 3 Year PIB decreased to 19.1% as of Sep 23.

Equity Market Review

The stock market witnessed a broad based rally in the quarter as the benchmark KSE-100 increased by 11.5% or 4,780 points to close at 46,232 points. The Initial exuberance was on the back of securing SBA facility of USD 3.0bn from the IMF which took the index to 48,764 points. However, optimism quickly dissipated by the mid of the quarter as the macro economic challenges resurfaced as PKR tanked to all time low, political uncertainty increased and market expected a big interest rate hike all of which unnerved the investors. Nonetheless, the market recouped some of the lost gains near the end of the quarter as PKR appreciated post Government crackdown on smuggling and hoarding of dollar. Moreover, the SBP maintained status quo in the recent monetary policy against market expectation of rate hike, which helped the index to sustain its gains.

During 1QFY24, Insurance, Corporates and Foreigners were net buyers with an inflow of USD 44.8mn, USD 24.8mn and USD 22.0mn, respectively. While major selling was witnessed from Banks and Mutual Funds with outflow of USD 43.3mn and USD 37.9mn, respectively. During the quarter, average trading volumes saw an increase of 84% over the last quarter to 281mn shares while the average trading value saw a rise of 109% to USD 33 million.

Banking, E&P and Power sector were the major contributors to the index gain adding 2,208/870/611 points, respectively. Banking sector witnessed broad based rally as entry into the IMF program diminished the probability of local debt restructuring which was hampering the sector performance. Power sector performed due to better than expected dividends while E&P rallied due to the news of clearance of gas circular debt which would improve the sector cash flows.

DIRECTOR'S REPORT

Economy & Market – Future Outlook

Pakistan GDP is expected to rebound to 4.1% in FY24 after a dismal performance last year. The industrial and services sector is expected to show growth as import restriction has been removed which will help to normalize trade activities. Agriculture growth is likely to remain on the higher side due to base effect as the heavy floods last year affected agriculture output. The arrivals of crops have been encouraging with cotton arrival increasing by 72% YoY to 5.0mn bales in the quarter.

The successful resumption of IMF program is a key positive as it will allow us to tap funding from bilateral and multilateral sources. We expect SBP reserves to increase to USD 10.5bn on the back of flows from friendly countries, IMF and multilateral agencies. However, our external position still remains precarious as we are unlikely to issue international Eurobond or Sukuk owing to the challenging global conditions. The proceeds from FDI and RDA are also likely to remain muted owing to the current economic challenges. Thus we would have to ensure a sustainable current account this year to stave off external concerns. We expect a CAD of USD 3.1bn (0.9% of GDP) in FY24 as policy of consolidation is likely to continue under the IMF umbrella.

The rupee has recovered from its recent low due to the administrative measures by the government to curb dollar smuggling and hoarding. However, the sustainability of this recovery will depend on recovery in export and remittances flow. In addition, the flows from bilateral and multilateral sources and reserve building will be vital for external outlook. We expect USD/PKR to close the fiscal year on 311.7 on an ending REER of 95.

We expect Average FY24 inflation to ease to 24.1% compared to 29.0% in FY23 as the base effect will come into play. Inflation readings have peaked and inflation is expected to follow a downward trajectory with headline number falling sharply in 2HFY24. This coupled with the buildup of forex reserves during the period will allow the monetary easing cycle to start in the second half of the year. We expect a cumulative easing of around 4.0% till Jun-24, however, its pace and timing would be determined by trend in FX reserves.

From the capital market perspective particularly equities, the market is trading at cheap valuations. Market cap to GDP ratio has declined to 7.6%, a discount of 61% from its historical average of 19.5%. Similarly, Earning Yield minus Risk Free Rate is close to 5.6%, compared to the historical average of 2.7% signifying a deep discount at which the market is trading. The resolution of challenges on external account will help to unlock market potential. We believe a micro view of sectors and stocks will remain important and investment selection should focus on companies which trade at a deep discount to their intrinsic value. The market is currently trading at PER of 4.6x, while offering a dividend yield of 12.2%.

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

DIRECTOR'S REPORT

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 14.7% during 1QFY24 to PKR 1,793bn. Total money market funds grew by about 15.8% since Jun-23. Within the money market sphere, conventional funds showed a growth of 17.0% to PKR 553bn while Islamic funds increased by 14.4% to PKR 491bn. In addition, the total fixed Income funds increased by about 23.0% since Jun-23 to PKR 454bn while Equity and related funds increased by 1.7% to PKR 170bn.

In terms of the segment share, Money Market funds were the leader with a share of around 58.2%, followed by Income funds with 25.3% and Equity and Equity related funds having a share of 8.5% as at the end of Sep-23.

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, external concerns have eased post agreement with IMF 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

During the first quarter of 2023-2024 core revenue of the Company increased by Rs.123 million (51%) to Rs.366 compared to Rs. 243 million earned during the corresponding period September quarter 2022-2023. During the quarter the market witnessed a rally and in the first three months KSE 100 increased by 11.5%. Moreover, compared to the corresponding period the interest rates also increased by about 7%. Since the Company investments are placed in both Equity Funds and Money Market Funds the investment income showed positive growth and increased by Rs. 58.9 million (182%) from Rs. 32.4 million (September 2022-2023) to Rs. 91.23 million in the first quarter of 2023-2024.

Due to higher AUMs and improved investment income, the Company earned profit after taxation of Rs. 168.9 million (EPS: Rs. 2.35) compared to Rs. 74.49 million (EPS: Rs. 1.03) in the corresponding period.

DIRECTOR'S REPORT

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.

On behalf of Directors,



Muhammad Saqib Saleem
Chief Executive Officer
October 18, 2023



Manzar Mushtaq
Director
October 18, 2023

ڈائریکٹرز رپورٹ

پر مبنی مارکیٹ فنڈ تقریباً 58.2 فیصد کے ساتھ سب سے آگے تھے، جبکہ دوسرے نمبر پر آگم فنڈ 25.3 فیصد کے ساتھ تھے، اور تیسرے نمبر پر ایکویٹی اور متعلقہ فنڈ 8.5 فیصد کے ساتھ تھے۔

میو چائل فنڈ صنعت کی مستقبل کا منظر

سود کی موجودہ شرحوں سے مٹی مارکیٹ فنڈز میں زیادہ آمدورفت کی حوصلہ افزائی ہوگی کیونکہ یہ مختصر المیعاد سرمایہ کاروں کے لیے موزوں ترین ہیں جو خطرے کی کم سطح پر رہنا چاہتے ہیں۔ تاہم آئی ایم ایف معاہدے کے بعد خارجی خدشات کم ہو گئے ہیں اور طویل المیعاد سرمایہ کاران بے حد ہنس کشتش سطحوں پر ایکویٹی میں مزید پیسہ لگا سکتے ہیں۔ ہمارے آپریٹنگ بلز رکاوٹ جاری رہے، اور ڈیجیٹل رسائی اور آن لائن سہولیات میں بھرپور سرمایہ کاری کے نتیجے میں ہمیں جو سہولت حاصل ہے اس کی بدولت ہم آن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کرنے کے لیے تیار ہیں۔

کمپنی کی کارکردگی کا جائزہ

سال 2023-2024ء کی پہلی سہ ماہی کے دوران کمپنی کی بنیادی آمدنی 123 ملین روپے (51 فیصد) بڑھ کر 336 ملین روپے ہوئی، بالمتقابل گزشتہ سال کی مماثل مدت میں ہونے والی آمدنی 243 ملین روپے کے۔ دوران سہ ماہی مارکیٹ میں بھرپور بڑھوتری دیکھنے میں آئی اور KSE-100 انڈیکس میں 11.5 فیصد اضافہ ہوا۔ مزید برآں، مماثل مدت کے بالمتقابل سود کی شرحوں میں بھی تقریباً 7 فیصد اضافہ ہوا۔ چونکہ کمپنی کی سرمایہ کاریاں ایکویٹی فنڈز اور مٹی مارکیٹ فنڈز، دونوں میں لگی ہوئی ہیں، سرمایہ کارانہ آمدنی میں مثبت ترقی ہوئی، جو 32.4 ملین روپے (ستمبر 2022-2023ء) سے 58.9 ملین (182 فیصد) بڑھ کر سال 2023-2024ء کی پہلی سہ ماہی میں 91.23 ملین روپے ہوئی۔

اثاثہ جات تحت الانتظامیہ کی بلند تر سطح اور بہتر سرمایہ کارانہ آمدنی کی بدولت کمپنی کا بعد از ٹیکس منافع 168.9 ملین روپے تھا (آمدنی فی شیئر: 2.35 روپے)، جبکہ مماثل مدت میں منافع 74.49 ملین روپے تھا (آمدنی فی شیئر: 1.03 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 لئے ان کے عزم، اخلاص اور جرت طراز سوچ کے لئے سراہتے ہیں اور ہمیں یقین ہے کہ وہ مستقبل میں بھی اسی طرح سرگرم عمل رہیں گے۔

منجانب ڈائریکٹرز

Mansoor Mushtaq

منظر مشتاق

ڈائریکٹر

18 اکتوبر 2023ء

Muhammad Taqib Saleem

محمد ثاقب سلیم

چیف ایگزیکٹو آفیسر

18 اکتوبر 2023ء

ڈائریکٹرز رپورٹ

گی۔

ڈالر کی اس گلنگ اور ذخیرہ اندوزی کی روک تھام کے حکومتی اقدامات کی بدولت روپے کی قدر اپنی حالیہ پستی سے بحال ہوئی ہے۔ تاہم اس بحالی کی قابلیت بقاء کا انحصار برآمدات اور ترسیلات کے بہاؤ کی بحالی پر ہے۔ مزید برآں، خارجی منظر نامے کے لیے باہمی اور کثیر الجہتی ذرائع سے آمدات اور ذخائر میں اضافہ اہمیت کے حامل ہیں۔ ڈالر روپیہ مالی سال کے اختتام پر 311.7 ہوگا اور اختتامی REER 95 ہوگی۔

مالی سال 2024ء کی اوسط مہنگائی متوقع طور پر مالی سال 2023ء کی سطح 29.0 فیصد سے کم ہو کر 24.1 فیصد ہو جائے گی کیونکہ base کا اثر اپنا کردار ادا کرے گا۔ مہنگائی کی سطحیں عروج پر پہنچ گئی ہیں اور اس میں بتدریج کمی متوقع ہے، اور ہیڈ لائن عدد مالی سال 2024ء کی دوسری سہ ماہی میں تیزی سے گرنے لگا۔ اس کے ساتھ ساتھ دوران مدت زرمبادلہ کے ذخائر میں اضافے کی بدولت سال کے نصف آخر میں مالیاتی تسہیل کی گردش شروع ہو سکتی ہے۔ جون 2024ء تک مجموعی طور پر تقریباً 4.0 فیصد مجموعی کمی متوقع ہے، تاہم اس کی رفتار اور اس کے وقت کا انحصار زرمبادلہ کے ذخائر کے رجحان پر ہوگا۔

کھپائے مارکیٹ، خصوصاً ایکویٹیز، کے نقطہ نظر سے مارکیٹ میں سستی valuations پر کاروبار ہو رہا ہے۔ مارکیٹ کا cap جی ڈی پی کے ساتھ تناسب کم ہو کر 7.6 فیصد ہو گیا ہے جو اس کے قدیم اوسط 19.7 فیصد سے 61 فیصد کمی ہے۔ اسی طرح Earning Yield مائنس محفوظ شرح تقریباً 5.6 فیصد کے قریب ہے، اور جو کہ 2.7 فیصد کی تاریخی اوسط سے موازنہ کرنے پر پتہ چلتا ہے کہ مارکیٹ میں بھرپور رعایت پر تجارت ہو رہی ہے۔ خارجی اکاؤنٹ کے مسائل حل کرنے سے مارکیٹ کی استعداد کارآمد بنانے میں مدد ملے گی۔ ہم سمجھتے ہیں کہ اسٹاک اور شعبہ جات کا مجموعی تناظر اہم رہے گا اور سرمایہ کاری کے انتخاب کے لیے اُن کمپنیز پر توجہ مرکوز کی جانی چاہیے جو اپنی اندرونی قدر میں بھرپور کمی پر تجارت کرتی ہیں۔ موجودہ طور پر مارکیٹ میں 4.6x PER پر تجارت ہو رہی ہے جبکہ ڈیویڈنڈ کی سطح 12.2 فیصد پر ہے۔

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

میو چل فنڈ صنعت کا جائزہ

اوپن اینڈ میو چل فنڈ صنعت کے net اثاثہ جات مالی سال 2024ء کی پہلی سہ ماہی کے دوران تقریباً 14.7 فیصد بڑھ کر 1,793 بلین روپے ہو گئے۔ منی مارکیٹ کے مجموعی فنڈز میں جون 2023ء سے اب تک تقریباً 15.8 فیصد اضافہ ہوا۔ منی مارکیٹ کے دائرہ کار میں رواجی فنڈز تقریباً 17.0 فیصد بڑھ کر 553 بلین روپے ہو گئے، جبکہ اسلامک فنڈز 14.4 فیصد بڑھ کر 491 بلین روپے ہو گئے۔ مزید برآں، فیکسڈ انکم کے مجموعی فنڈز جون 2023ء سے اب تک تقریباً 23.0 فیصد بڑھ کر 454 بلین روپے ہو گئے، جبکہ ایکویٹی اور متعلقہ فنڈز 1.7 فیصد بڑھ کر 170 بلین روپے ہو گئے۔ شعبہ جاتی شرکت کے اعتبار سے ستمبر 2023ء کے اختتام

ڈائریکٹرز رپورٹ

کیا جس سے انڈیکس کو اپنے منافع جات برقرار رکھنے میں مدد ملی۔

مالی سال 2024ء کی پہلی سہ ماہی کے دوران بیمہ، کارپوریٹس اور غیر منملکی net خریدار تھے جن کی بدولت پالترتیب 44.8 ملین ڈالر، 24.8 ملین ڈالر اور 22.0 ملین ڈالر کی آمد ہوئی، جبکہ سب سے زیادہ فروخت بینکوں اور میوچل فنڈز کی طرف سے ہوئی جو پالترتیب 43.3 ملین ڈالر اور 37.9 ملین ڈالر تھی۔ دوران سہ ماہی اوسط کاروباری حجم گزشتہ سہ ماہی کے مقابلے میں 84 فیصد بڑھ کر 281 ملین حصص ہو گیا، جبکہ اوسط کاروباری قدر 109 فیصد بڑھ کر 33 ملین ڈالر ہو گئی۔

انڈیکس کی بڑھوتری کے اہم ترین عوامل بینکاری اور E&P اینڈ پاور سیکٹرز تھے جنہوں نے پالترتیب 2,208، 870 اور 611 پوائنٹس کا اضافہ کیا۔ بینکاری کے شعبے میں وسیع پیمانے پر ترقی دیکھنے میں آئی کیونکہ آئی ایم ایف پروگرام میں داخلے کی بدولت مقامی قرض کی تشکیل نو کا امکان کم ہو گیا جو اس شعبے کی کارکردگی کو متاثر کر رہا تھا۔ پاور سیکٹرز نے بہتر متوقع ڈیویڈنڈز کی بدولت کارکردگی کا مظاہر کیا، جبکہ E&P نے گیس کا گردش قرض ختم ہوجانے کی بدولت ترقی کی راہیں طے کیں جس سے اس شعبے میں نقد کی آمدورفت میں بہتری آئے گی۔

معیشت اور مارکیٹ - مستقبل کا منظر نامہ

پاکستان کی مجموعی ملکی پیداوار (جی ڈی پی) میں گزشتہ سال مایوس کن کارکردگی کے بعد مالی سال 2024ء میں 4.1 فیصد بہتری متوقع ہے۔ صنعت اور خدمات کے شعبے میں ترقی متوقع ہے کیونکہ درآمدات پر عائد پابندی ختم کر دی گئی ہے جس کی بدولت کاروباری سرگرمیاں بحال ہوں گی۔

زراعت کے شعبے کی ترقی متوقع طور پر base کے اثر کی بدولت بلند سطح پر ہوگی کیونکہ گزشتہ سال سیلابوں کے باعث بڑے پیمانے پر زرعی پیداوار متاثر ہوئی تھی۔ فصلوں کی پیداوار حوصلہ افزا رہی، مثلاً کپاس دوران سہ ماہی 72 فیصد YoY (سال در سال) بڑھ کر 5.0 ملین گانٹھیں ہو گئی۔

آئی ایم ایف پروگرام کی کامیاب بحالی اہم ترین پیش رفت ہے کیونکہ اس سے پاکستان کو باہمی اور کثیرالجہتی ذرائع سے رقم کے حصول میں مدد ملے گی۔ دوستانہ ممالک، آئی ایم ایف اور کثیرالجہتی ایجنسیوں سے آمدات کی بدولت اسٹیٹ بینک آف پاکستان کے ذخائر متوقع طور پر بڑھ کر 10.5 بلین ڈالر ہو جائیں گے۔ تاہم ہماری خارجی صورتحال تا حال بے یقینی کا شکار ہے کیونکہ ہم مشکل عالمی حالات کے باعث بین الاقوامی یورو بانڈ اور سٹاک کا اجراء ممکن نظر نہیں آ رہا۔ غیر منملکی براہ راست سرمایہ کاری (ایف ڈی آئی) اور RDA سے ہونے والی آمدنی بھی موجودہ معاشی مسائل کے باعث ممکنہ طور پر قسطل کا شکار رہیں گی۔ چنانچہ ہمیں سال رواں میں ایک قابل بقاء کرنٹ اکاؤنٹ یقینی بنانا ہوگا تاکہ خارجی مسائل کا خطرہ ٹل سکے۔ مالی سال 2024ء میں کرنٹ اکاؤنٹ خسارہ (سی اے ڈی) متوقع طور پر 3.1 بلین ڈالر (جی ڈی پی کا 0.9 فیصد) ہوگا کیونکہ آئی ایم ایف کی چھتری تلے استحکام کے حصول کی پالیسی ممکنہ طور پر جاری رہے

ڈائریکٹرز رپورٹ

ہیڈ لائن مہنگائی، جس کی ترجمانی CPI یعنی صارفی قیمت کے انڈیکس سے ہوتی ہے، کا اوسط مالی سال 2024ء کی پہلی سہ ماہی کے دوران 29.0 فیصد تھا جبکہ گزشتہ سال مائش مدت میں 25.1 فیصد تھا۔ ایشیائے خورد و نوش کی قیمتوں میں اضافے کے ساتھ ساتھ بجلی، گیس اور پٹرول کی بڑھتی ہوئی قیمتیں CPI میں اضافے کے عوامل رہے۔ حکومت نے آئی ایم ایف کی شرائط پوری کرنے کے لیے بجلی کی بنیادی قیمت میں اضافہ کیا جس کے نتیجے میں مہنگائی کے دباؤ میں مزید اضافہ ہوا۔ ایس بی پی نے ستمبر 2023ء کی مانیٹری پالیسی میں جو موجودہ بنیادی طور پر برقرار رکھا کیونکہ افراد کی شرح نیچے کی طرف رہنے کا امکان ہے اور سود کی حقیقی شرحیں ترقی پسندانہ بنیاد پر بدستور مثبت زمرے میں برقرار ہیں گی۔

مجموعی ملکی پیداوار (GDP) میں مالی سال 2023ء میں 0.29 فیصد ترقی ہوئی۔ اس ضمن میں زراعت اور خدمات کے شعبوں میں بالترتیب 1.6 فیصد اور 0.9 فیصد اضافہ ہوا جبکہ صنعتی شعبے میں 2.9 فیصد گراؤ ہوئی۔ سود کی اب تک کی بلند ترین شرحوں کے ساتھ ساتھ درآمداتی پابندیاں صنعتی پیداوار میں کمی کے سب سے بڑے عوامل تھے۔ مالیاتی جہت میں دیکھا جائے تو ایف بی آرنگس حصولی مالی سال 2024ء کی پہلی سہ ماہی میں 24.1 فیصد بڑھ کر 2,041 بلین روپے ہو گئی، بالقابل گزشتہ سال مائش مدت میں 1,644 بلین روپے کے، چنانچہ ہدف سے 63 بلین روپے زیادہ لگس وصولی ہوئی۔

ثانوی مارکیٹوں کی پیداوار میں ستمبر 2023ء کی مانیٹری پالیسی سے قبل مدت میں ابتدائی طور پر اضافہ ہوا کیونکہ مارکیٹ میں اس بات پر اتفاق تھا کہ MPS میں سود کی شرحوں میں 100 سے 200 بی پی ایس اضافہ ہوگا۔ تین ماہانہ منافع جات 22.7 فیصد سے بڑھ کر 23.8 فیصد ہو گئے جبکہ تین سالہ بانڈز کے منافع جات 19.5 فیصد سے بڑھ کر 21.2 فیصد ہو گئے۔ ایس بی پی کی جانب سے MPS میں جو موجودہ برقرار رکھے اور ڈالر کی قدر میں کمی کے بعد منافع جات میں بھی کمی ہونا شروع ہو گئی۔ تین ماہانہ ٹیل کے منافع جات ستمبر 2023ء کے اختتام پر کم ہو کر 22.5 فیصد ہو گئے جبکہ تین سالہ پی آئی بی کم ہو کر 19.1 فیصد ہو گئے۔

ایکویٹی مارکیٹ کا جائزہ

اسٹاک مارکیٹ میں دوران سہ ماہی وسیع پیمانے پر تیزی آئی کیونکہ KSE-100 بیچ مارک 11.5 فیصد یعنی 4,780 پوائنٹس بڑھ کر 46,232 پوائنٹس پر بند ہوا۔ ابتدائی جوش و خروش آئی ایم ایف سے 3.0 بلین ڈالر کے SBA کے حصول کی بنیاد پر تھا جو انڈیکس کو 48,764 پوائنٹس تک لے گیا۔ تاہم سہ ماہی کے وسط تک مجموعی معاشی مسائل دوبارہ ابھرنے کے ساتھ رجائیت جلد ہی تحلیل ہو گئی کیونکہ روپیہ اپنی پست ترین سطح تک گر گیا، سیاسی غیر یقینی بڑھ گئی اور مارکیٹ میں شرح سود میں بڑا اضافہ متوقع ہو گیا، اور ان سب عوامل نے سرمایہ کاروں کو بے چینی کا شکار کر دیا۔ تاہم ڈالر کی اسمگلنگ اور ذخیرہ اندوزی کے خلاف حکومتی مہم کے بعد روپے کی قدر میں اضافے کی بدولت سہ ماہی کے اختتام کے قریب مارکیٹ میں منافع جات کی کچھ حد تک تلافی ہوئی۔ مزید برآں، اسٹیٹ بینک آف پاکستان نے مارکیٹ میں شرح میں اضافے کی توقع کے برخلاف حالیہ مانیٹری پالیسی میں جو جیسا ہے اُسے ویسا ہی رکھنے کا لائحہ عمل اختیار

ڈائریکٹرز رپورٹ

ایم سی بی انویسٹمنٹ مینجمنٹ لمیٹڈ (ایم سی بی آئی ایم) (سابقہ: MCB عارف حبیب سیویٹریز اینڈ انویسٹمنٹس لمیٹڈ) کے بورڈ آف ڈائریکٹرز کی جانب سے 30 ستمبر 2023ء کو ختم ہونے والی سہ ماہی کے لیے ایم سی بی آئی ایم کے معاملات کی رپورٹ پیش خدمت ہے۔

بنیادی کاروبار

کمپنی ایک غیر بینکاری مالیاتی ادارہ ہے جو نافذ جاتی انتظام کی کمپنی، مشیر برائے سرمایہ کاری اور انٹیشن فنڈ کے منظم کے طور پر سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے قانونی دائرہ کار کے تحت لائسنس یافتہ ہے۔

معیشت اور بازار زر کا جائزہ

نیا مالی سال مثبت انداز میں شروع ہوا کیونکہ حکومت نے آئی ایم ایف سے بے حد مطلوبہ 3 بلین ڈالر کا اسٹینڈ بائے اگریمنٹ (ایس بی اے) کر لیا، جس میں سے 1.2 بلین ڈالر فوری طور پر جاری کر دیے گئے۔ اس کے بعد سعودی عرب اور متحدہ عرب امارات سے 3 بلین ڈالر کی مزید آمد، اور چین کی طرف سے بروقت رول اوور کی فراہمی عمل میں آئی۔ اس کے نتیجے میں خارجی منظر نامے میں خوش آئند پیش رفت کی بدولت Fitch کی جاری کردہ پاکستان کی خود مختار درجہ بندی -CCC سے بہتر ہو کر CCC ہو گئی۔

مجموعی معاشی مسائل اگست 2023ء میں دوبارہ ابھرنے لگے جب سیاسی منظر نامہ تبدیل ہوا اور گراں حکومت آئی۔ درآمدات کے واجبات کی ادائیگی کے لیے نئی مالیاتی ٹیم کی فوری کوشش کو خارجی اکاؤنٹ کی صورتحال میں کمزوری کے طور پر قیاس کیا گیا جس سے روپے پر قابلی ڈر دباؤ پڑا۔ انٹرنیٹک میں ڈالر کے مقابلے میں روپے کی قدر میں 307 روپے کی کمی ہوئی جبکہ اوپن مارکیٹ کی شرح تقریباً 330 روپے کے آس پاس رہی۔ گراں حکومت نے، اگرچہ کچھ تاخیر کے ساتھ، ڈالر کی اسمگلنگ اور افغان ٹرانزٹ کے ناجائز استعمال کے خوالے سے فیصلہ کن اقدام کیے جس کے نتیجے میں زرمبادلہ کی شرح تیزی سے بحال ہوئی اور اوپن مارکیٹ اور انٹرنیٹک کی شرحوں میں فرق ختم ہوا۔ باقاعدہ بنیادوں پر کارروائی اور ایشیا، اور روپے کی اسمگلنگ کی روک تھام ملک کے حالات میں بہتری کی نوید ہیں۔

ملک کا کرنٹ اکاؤنٹ خسارہ (CAD) مالی سال 2024ء کے پہلے دو ماہ میں 0.9 بلین ڈالر تھا، جبکہ گزشتہ سال مائیکل مدت میں 2.0 بلین ڈالر تھا، یعنی 54 فیصد سال در سال (YoY) کمی ہوئی۔ تجارتی خسارے کا کم ہونا CAD کو بہتر بنانے میں اہم کردار ادا کر رہا ہے۔ برآمدات میں 8.3 فیصد کمی اور درآمدات میں 26.0 فیصد کمی کی بدولت کاروباری خسارے میں 39.5 فیصد کمی ہوئی۔

ملک کی خارجی صورتحال میں بہتری آئی کیونکہ اسٹیٹ بینک آف پاکستان کے زرمبادلہ کے ذخائر گزشتہ مالی سال کے اختتام پر 4.5 بلین ڈالر کے مقابلے میں بڑھ کر ستمبر 2023ء کے اختتام تک 7.6 بلین ڈالر ہو چکے تھے۔ اس کی وجہ آئی ایم ایف اور دوستانہ ممالک کی طرف سے مالیاتی آمدات تھی۔

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
As at September 30, 2023

		(Unaudited)	(Audited)
	Note	30 September, 2023	30 June, 2023
Rupees			
ASSETS			
Non-current assets			
Property and equipment	3	119,099,027	130,539,859
Intangible assets	4	294,049,298	297,398,843
Investment in associates	5	1,451,661,730	1,353,001,777
Long term investment	6	265,000	265,000
Long term loans and prepayments	7	33,478,404	28,994,766
Long term deposits		9,501,267	6,816,103
		<u>1,908,054,726</u>	<u>1,817,016,348</u>
Current assets			
Receivable from funds under management	8	803,675,570	707,420,040
Loans and advances	9	7,046,850	5,699,966
Prepayments and other receivables	10	97,845,875	115,747,891
Accrued profit on savings accounts		86,189	86,189
Cash and bank balances		48,618,530	65,478,577
		<u>957,273,014</u>	<u>894,432,663</u>
Total assets		<u>2,865,327,740</u>	<u>2,711,449,011</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital			
72,000,000 (2022: 72,000,000) ordinary shares of Rs. 10 each		<u>720,000,000</u>	<u>720,000,000</u>
Issued, subscribed and paid-up share capital		<u>720,000,000</u>	<u>720,000,000</u>
Reserves		<u>1,189,604,449</u>	<u>1,020,709,420</u>
Total equity		<u>1,909,604,449</u>	<u>1,740,709,420</u>
Non-current liabilities			
Deferred taxation - net	11	89,925,671	97,211,857
Lease liability against right-of-use-assets	12	50,832,513	56,628,776
Current liabilities			
Current portion of lease liability against right-of-use-assets	12	31,525,307	30,947,036
Trade and other payables	13	730,350,395	744,192,086
Taxation - net		47,793,107	36,463,538
Unclaimed dividend		5,296,298	5,296,298
		<u>814,965,107</u>	<u>816,898,958</u>
Total liabilities		<u>955,723,291</u>	<u>970,739,591</u>
Total equity and liabilities		<u>2,865,327,740</u>	<u>2,711,449,011</u>
CONTINGENCIES AND COMMITMENTS	14		

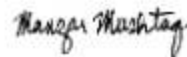
The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM PROFIT OR LOSS ACCOUNT (UNAUDITED)
For The Quarter Ended September 30, 2023

	Note	Quarter ended	
		September 30, 2023	September 30, 2022
----- Rupees -----			
REVENUE			
Management and investment advisory fee	15	335,789,087	224,668,402
Sales load and other related income		30,531,245	18,612,444
		366,320,332	243,280,846
Profit on savings accounts with banks		1,570,455	1,074,806
Total revenue		367,890,787	244,355,652
EXPENSES			
Administrative expenses	16	171,996,388	125,152,232
Selling and distribution expenses		31,157,340	42,603,404
Total expenses		203,153,728	167,755,636
Financial charges	17	3,673,376	1,255,977
Other expenses	18	5,846,555	3,159,770
		9,519,931	4,415,747
Other income		832,188	294,342
Share of profit / (loss) from associates	5	91,225,526	32,414,197
Profit for the period before taxation		247,274,842	104,892,808
Taxation - net	19	(78,379,813)	(30,400,000)
Profit for the period after taxation		168,895,029	74,492,808
----- Rupees -----			
Earnings per share		2.35	1.03

The annexed notes 1 to 23 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 Quarter Ended September 30, 2023

	Quarter ended	
	September 30, 2023	September 30, 2022
	----- Rupees -----	
Profit for the period after taxation	168,895,029	74,492,808
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>168,895,029</u>	<u>74,492,808</u>

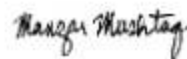
The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For The Quarter Ended September 30, 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, 2022 (Audited)	720,000,000	396,000,000	(60,000,000)	336,000,000	378,491,234	1,434,491,234
Profit after taxation for the quarter ended September 30, 2022 (Unaudited)	-	-	-	-	74,492,808	74,492,808
Other comprehensive income for the quarter ended September 30, 2022	-	-	-	-	-	-
Total comprehensive income for the quarter ended September 30, 2022 (Unaudited)	-	-	-	-	74,492,808	74,492,808
Transaction with owners recorded directly in equity						
Final dividend for the year ended June 30, 2022 at Re. 1 per share declared on October 24, 2022	-	-	-	-	(72,000,000)	(72,000,000)
Profit after taxation for the period from October 01, 2022 to June 30, 2023					303,725,378	
Balance as at June 30, 2023 (Audited)	720,000,000	396,000,000	(60,000,000)	336,000,000	684,709,420	1,740,709,420
Profit after taxation for the quarter ended September 30, 2023 (Unaudited)	-	-	-	-	168,895,029	168,895,029
Other comprehensive income for the quarter ended September 30, 2023	-	-	-	-	-	-
Total comprehensive income for the quarter ended September 30, 2023 (Unaudited)	-	-	-	-	168,895,029	168,895,029
Balance as at September 30, 2023 (Unaudited)	<u>720,000,000</u>	<u>396,000,000</u>	<u>(60,000,000)</u>	<u>336,000,000</u>	<u>853,604,449</u>	<u>1,909,604,449</u>

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.


 Chief Executive Officer

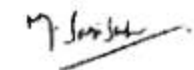

 Chief Financial Officer


 Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
For The Quarter Ended September 30, 2023

Note	Quarter ended	
	September 30, 2023	September 30, 2022
Rupees		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period before taxation	247,274,842	104,892,808
Adjustment for non-cash and other items:		
Depreciation	3.1.1 14,618,293	13,092,459
Amortisation	4.1 3,349,545	4,153,227
Interest expense on lease liability against right-of-use assets	17 3,596,488	1,190,258
Share of (profit) / loss from associates	5 (91,225,526)	(32,414,197)
Gain on disposal of property and equipment	(244,779)	(22,500)
Profit on savings accounts with banks	(1,570,455)	(1,074,806)
	(71,476,434)	(15,075,559)
Operating cash inflow before working capital changes	175,798,408	89,817,249
Movement in working capital		
(Increase) / decrease in current assets		
Receivable from funds under management	(96,255,530)	(38,723,865)
Loans and advances	(1,346,884)	3,124,192
Deposits, prepayments and other receivables	17,902,016	(8,662,425)
	(79,700,398)	(44,262,098)
Increase in current liabilities		
Trade and other payables	(13,841,691)	(42,805,909)
	(13,841,691)	(42,805,909)
Net cash generated from operations	82,256,319	2,749,242
Taxes paid		
Long term loans and prepayments	(1,409,355)	(35,011,907)
Long term deposits	(4,483,638)	9,543,503
	(2,685,164)	-
	(8,578,157)	(25,468,404)
Net cash generated from operating activities	73,678,162	(22,719,162)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure incurred	(818,943)	(10,502,930)
(Purchase) / sale of investments - net	(22,398,685)	26,877,476
Profit received on savings accounts	1,570,455	1,066,008
Dividend received	14,964,258	3,014,376
Net cash (used in) / generated from investing activities	(6,682,915)	20,454,930
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(72,000,000)	-
Lease rentals paid against right-of-use assets	(11,855,294)	(10,092,929)
Net cash used in financing activities	(83,855,294)	(10,092,929)
Net increase in cash and cash equivalents during the period	(16,860,047)	(12,357,161)
Cash and cash equivalents at the beginning of the period	65,478,577	51,523,257
Cash and cash equivalents at the end of the period	48,618,530	39,166,096

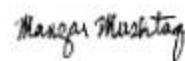
The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Quarter Ended September 30, 2023**

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 MCB Investment Management Limited [Formerly: 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 the Pakistan Stock Exchange Limited) by way of offer for sale of shares by few of its existing shareholders to the general public. In the same financial year, the name of AHIML was changed from "Arif Habib Investment Management Limited" to "Arif Habib Investments Limited" (AHIL). On 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 then owned 51.33% share capital of the Company. Pursuant to the merger of MCB AMC with and into AHIL, the name of AHIL was changed to MCB - Arif Habib Savings and Investments Limited (MCB-AHSIL) with effect from May 23, 2013. In April 2023, MCB Bank Limited acquired the entire shareholding of AHCL in MCB-AHSIL after which the shareholding of MCB Bank Limited has increased from 51.33% to 81.42% in the Company and AHCL no longer holds any shares in the Company. Consequently, members of the Company in an Extra Ordinary General Meeting (EOGM) held on July 7, 2023 resolved via special resolution that the name of the Company be changed from MCB-AHSIL to MCB Investment Management Limited. Thereafter, the Company applied to SECP, for approval of change of name, which was granted on August 15, 2023 and as such, the change of name became effective from that date.

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 81.42% (2022: 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, 2023 (2022: 'AM1' dated October 6, 2022).

1.5 The Company currently manages the following collective investment schemes and voluntary pension schemes:

(Unaudited)	(Audited)
Net asset value as at	
September 30, 2023	June 30, 2023

Open-end Collective Investment Schemes (CISs)

	Rupees	
Pakistan Income Fund	2,597,892,966	2,723,845,068
MCB Pakistan Stock Market Fund	4,393,196,069	4,820,727,885
MCB Pakistan Sovereign Fund	3,219,729,726	673,620,873
Pakistan Capital Market Fund	358,268,505	332,994,771
Pakistan Cash Management Fund	16,310,608,081	17,479,941,176
Pakistan Income Enhancement Fund	1,067,184,831	1,200,980,048
MCB Pakistan Asset Allocation Fund	628,309,490	610,650,003
MCB DCF Income Fund	9,558,742,798	7,706,469,389
MCB Cash Management Optimizer	47,272,415,231	58,153,430,555
Alhamra Islamic Money Market Fund	27,571,227,802	25,504,762,351
Alhamra Islamic Asset Allocation Fund	1,274,764,025	1,288,951,782
Alhamra Islamic Stock Fund	2,659,133,980	2,479,327,821
Alhamra Islamic Income Fund	3,675,346,877	4,275,124,538
Alhamra Daily Dividend Fund	2,667,369,901	2,990,631,415
Alhamra Islamic Active Allocation Fund (Alhamra Smart Portfolio)	116,974,391	114,718,985
Balance carried forward	123,367,164,673	130,356,176,640

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Quarter Ended September 30, 2023**

	(Unaudited)	(Audited)
	Net asset value as at	
	September 30, 2023	June 30, 2023
	Rupees	
Balance brought forward	123,367,164,673	130,356,176,640
Alhamra Wada Fund (Alhamra Wada Plan VII)	2,008,854,793	2,021,170,937
Alhamra Wada Fund (Alhamra Wada Plan VIII)	299,770,305	-
Alhamra Wada Fund (Alhamra Wada Plan X)	1,073,704,726	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan I)	-	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan XIII)	4,980,175,853	4,759,238,091
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan VII)	237,612,749	225,019,452
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan XII)	-	6,407,670,130
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan X)	713,166,935	676,271,089
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan XIV)	2,771,609,412	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan XV)	6,181,027,207	-
MCB Pakistan Opportunity Fund (MCB Pakistan Dividend Yield Plan)	233,948,472	208,937,784
Alhamra Cash Management Optimizer Fund	6,605,094,568	4,337,850,120
Voluntary Pension Funds		
Pakistan Pension Fund	3,109,636,187	2,860,195,373
Alhamra Islamic Pension Fund	1,739,891,809	1,614,400,855
	<u>153,321,657,689</u>	<u>153,467,130,471</u>

1.6 The Company is also managing investments under discretionary portfolio management agreements, the details of which are given in note 15.2 to these 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 PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) 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 VIII A of the repealed Companies Ordinance, 1984;
- 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 VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations differ from the requirements of IFRS standards, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.

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 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 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 5 and 6 to these condensed interim financial statements.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Quarter Ended September 30, 2023**

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

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

2.4 Standards, interpretations and amendments to the 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
- IFRS 16 - 'Leases' (amendments)	January 1, 2024

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

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 financial statements.

2A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

2A.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, 2023.

2A.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, 2023. 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, 2023.

	Note	(Unaudited) 30 September, 2023	(Audited) 30 June, 2023
		Rupees	
3 PROPERTY AND EQUIPMENT			
Operating fixed assets	3.1	119,099,027	128,081,651
Capital work-in-progress	3.2	-	2,458,208
		<u>119,099,027</u>	<u>130,539,859</u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Quarter Ended September 30, 2023**

3.1 Operating fixed assets

The following is the statement of operating fixed assets:

30 September 2023 (Unaudited)						
Computer equipment	Office equipment	Furniture and fixtures	Leasehold improvements	Vehicles	Right-of-use assets - Leasehold buildings	Total
(Rupees)						
As at July 1, 2023						
Cost	93,916,966	25,779,137	9,521,979	12,804,342	9,404,270	212,504,493
Accumulated depreciation	(64,989,302)	(18,993,830)	(7,804,683)	(3,846,258)	(5,165,021)	(128,594,994)
Accumulated impairment	-	-	(725,917)	(6,559,464)	-	(7,285,381)
Net book value	28,927,664	6,785,307	1,717,296	2,398,520	4,239,249	84,589,529
Quarter ended September 30, 2023						
Opening net book value	28,927,664	6,785,307	1,717,296	2,398,520	4,239,249	128,081,651
Additions (at cost)	-	-	42,000	3,235,151	-	2,358,518
Disposals						
Cost	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-
Depreciation charge for the year	(2,832,436)	(529,439)	(217,872)	(613,075)	(475,641)	(9,049,810)
Effect of termination	-	-	-	-	-	-
Closing net book value	25,955,228	6,255,868	965,507	5,020,604	3,763,608	77,099,227
As at September 30, 2023						
Cost	93,916,966	25,779,137	9,563,979	16,039,493	9,404,270	215,203,011
Accumulated depreciation	(67,521,738)	(19,523,274)	(7,872,555)	(4,409,425)	(5,640,862)	(130,104,774)
Accumulated impairment loss	-	-	(725,917)	(6,559,464)	-	(7,285,381)
Net book value	25,955,228	6,255,863	965,507	5,020,604	3,763,608	77,099,227
Depreciation rate (% per annum)	25%	20% - 50%	25% - 67%	25% - 50%	25%	20% - 33%
30 June 2023 (Audited)						
Computer equipment	Office equipment	Furniture and fixtures	Leasehold improvements	Vehicles	Right-of-use assets - Leasehold buildings	Total
(Rupees)						
As at July 1, 2022						
Cost	66,335,011	21,860,420	10,131,415	17,196,518	4,237,270	126,033,401
Accumulated depreciation	(52,237,415)	(17,468,549)	(6,994,736)	(7,279,265)	(3,170,933)	(90,509,148)
Accumulated impairment losses	-	-	(725,917)	(6,559,464)	-	(7,285,381)
Net book value	14,097,596	4,391,871	2,410,763	3,358,789	867,967	69,690,447
Year ended June 30, 2023						
Opening net book value	14,097,596	4,391,871	2,410,763	3,358,789	867,967	69,690,447
Additions (at cost)	27,841,202	4,449,806	125,789	784,700	5,167,800	83,531,136
Disposals						
Cost	(259,247)	(531,989)	(735,225)	(5,176,876)	-	(6,703,437)
Accumulated depreciation	171,179	410,316	724,500	5,157,904	-	6,463,949
Depreciation charge for the year	(88,068)	(120,773)	(10,675)	(18,972)	-	(238,488)
Effect of termination	(12,923,066)	(1,920,802)	(1,384,496)	(1,725,989)	(1,794,918)	(57,569,897)
Closing net book value	28,927,664	6,785,307	1,717,296	2,398,520	4,239,249	84,589,529
As at June 30, 2023						
Cost	93,916,966	25,779,137	9,521,979	12,804,342	9,404,270	212,504,493
Accumulated depreciation	(64,989,302)	(18,993,830)	(7,804,683)	(3,846,258)	(5,165,021)	(128,594,994)
Accumulated impairment loss	-	-	(725,917)	(6,559,464)	-	(7,285,381)
Net book value	28,927,664	6,785,307	1,717,296	2,398,520	4,239,249	84,589,529
Depreciation rate (% per annum)	25%	20% - 50%	25% - 67%	25% - 50%	25%	20% - 33%

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Quarter Ended September 30, 2023**

	Note	(Unaudited) 30 September, 2023	(Unaudited) September 30, 2022
----- Rupees -----			
3.1.1 Depreciation charge for the year has been allocated as follows:			
Administrative expenses	16	6,930,648	4,795,535
Selling and distribution expenses		7,687,645	3,914,918
		<u>14,618,293</u>	<u>8,710,453</u>
3.2 Capital work-in-progress			
Computer equipment		-	-
Advance to contractors		-	2,458,208
		<u>-</u>	<u>2,458,208</u>
4 INTANGIBLE ASSETS			
Definite life			
Computer software	4.1	19,922,365	23,271,910
Indefinite life			
Goodwill	4.1	82,126,933	82,126,933
Management rights	4.1	192,000,000	192,000,000
		<u>274,126,933</u>	<u>274,126,933</u>
		<u>294,049,298</u>	<u>297,398,843</u>

4.1 Following is the statement of intangible assets:

	Note	September 30, 2023 (Unaudited)			Total
		Computer software	Goodwill	Management rights	
----- (Rupees) -----					
As at July 1, 2023					
Cost		122,450,688	82,126,933	192,000,000	396,577,621
Accumulated amortisation		(99,178,778)	-	-	(99,178,778)
Net book value		<u>23,271,910</u>	<u>82,126,933</u>	<u>192,000,000</u>	<u>297,398,843</u>
Quarter ended September 30, 2023					
Opening net book value		23,271,910	82,126,933	192,000,000	297,398,843
Additions		-	-	-	-
Amortisation charge for the year	16	(3,349,545)	-	-	(3,349,545)
Closing net book value		<u>19,922,365</u>	<u>82,126,933</u>	<u>192,000,000</u>	<u>294,049,298</u>
As at September 30, 2023					
Cost		122,450,688	82,126,933	192,000,000	396,577,621
Accumulated amortisation		(102,528,323)	-	-	(102,528,323)
Net book value		<u>19,922,365</u>	<u>82,126,933</u>	<u>192,000,000</u>	<u>294,049,298</u>
Amortisation rate (% per annum)		<u>25% - 33%</u>			

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Quarter Ended September 30, 2023

	June 30, 2023 (Audited)			
	Computer software	Goodwill	Management rights	Total
Note	(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	38,042,063	82,126,933	192,000,000	312,168,996
Year ended June 30, 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	(15,557,524)	-	-	(15,557,524)
Closing net book value	23,271,910	82,126,933	192,000,000	297,398,843
As at June 30, 2023				
Cost	122,450,688	82,126,933	192,000,000	396,577,621
Accumulated amortisation	(99,178,778)	-	-	(99,178,778)
Net book value	23,271,910	82,126,933	192,000,000	297,398,843
Amortisation rate (% per annum)	25% - 33%			
			(Unaudited)	(Audited)
			30 September,	30 June,
			2023	2023
			Rupees	
5 INVESTMENT IN ASSOCIATES				
Investment in associated undertakings				
Investment in units of funds under management	5.1	1,451,661,730	1,353,001,777	
5.1 Investment in units of funds under management				

Name of the investee fund	Country of incorporation	Percentage holding	September 30, 2023 (Unaudited)				
			Investment as at the beginning of the year	Investment / (redemptions) during the year	Share of profit / (loss)	Dividend income	Investment as at September 30, 2023
Rupees							
Investment in associated undertaking							
Alhama Islamic Pension Fund - Equity Sub-Fund	Pakistan	38.45%	161,356,380	-	12,664,138	-	174,020,518
Alhama Islamic Pension Fund - Debt Sub-Fund	Pakistan	19.07%	86,851,243	-	4,298,193	-	91,149,436
Alhama Islamic Pension Fund - Money Market Sub-Fund	Pakistan	10.07%	77,386,466	-	4,144,193	-	81,530,659
Pakistan Pension Fund - Equity Sub-Fund	Pakistan	19.96%	124,095,961	-	12,250,247	-	136,346,208
Pakistan Pension Fund - Debt Sub-Fund	Pakistan	20.95%	102,772,330	-	5,517,774	-	108,290,104
Pakistan Pension Fund - Money Market Sub-Fund	Pakistan	6.02%	108,231,000	-	5,871,000	-	114,102,000
MCB Cash Management Optimizer	Pakistan	0.94%	367,723,741	53,111,463	26,278,643	(920,323)	446,193,524
MCB Pakistan Stock Market Fund	Pakistan	0.07%	-	-	3,188,732	-	3,188,732
Alhama Islamic Income Fund	Pakistan	0.18%	6,370,240	-	306,092	-	6,676,332
MCB Pakistan Sovereign Fund *	Pakistan	-	-	(329,188)	329,188	-	-
Alhama Islamic Stock Fund	Pakistan	1.86%	-	50,000,000	(464,400)	-	49,535,600
Alhama Islamic Active Allocation Fund (Alhama Smart Portfolio)	Pakistan	84.72%	95,483,539	7,423,295	4,928,629	(8,733,288)	99,102,175
Alhama Wada Fund (Alhama Wada Plan VII)	Pakistan	2.35%	141,351,935	(96,577,899)	2,351,406	-	47,125,442
Alhama Cash Management Optimizer	Pakistan	0.16%	10,150,100	17,704	516,203	(20,828)	10,663,179
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan VII)	Pakistan	6.47%	10,371,795	4,256,963	737,244	-	15,366,002
MCB Pakistan Opportunity Fund (MCB Pakistan Dividend Yield Plan)	Pakistan	29.22%	60,857,447	4,496,347	8,259,244	(5,289,819)	68,363,219
			1,363,001,777	22,398,685	91,225,526	(14,964,258)	1,451,661,730

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Quarter Ended September 30, 2023

Name of the investee fund	June 30, 2023 (Audited)						
	Country of incorporation	Percentage holding	Investment as at the beginning of the year	Investment / (redemptions) during the year	Share of profit / (loss)	Dividend Income	Investment as at June 30, 2023
Rupees							
Investment in associated undertaking							
Ahramma Islamic Pension Fund - Equity Sub-Fund	Pakistan	37.20%	161,002,394	-	353,985	-	161,356,380
Ahramma Islamic Pension Fund - Debt Sub-Fund	Pakistan	19.18%	75,592,695	-	11,258,548	-	86,851,243
Ahramma Islamic Pension Fund - Money Market Sub-Fund	Pakistan	10.63%	66,639,755	-	10,746,711	-	77,386,466
Pakistan Pension Fund - Equity Sub-Fund	Pakistan	16.12%	122,602,561	-	1,493,000	-	124,095,561
Pakistan Pension Fund - Debt Sub-Fund	Pakistan	20.86%	87,843,968	-	14,928,362	-	102,772,330
Pakistan Pension Fund - Money Market Sub-Fund	Pakistan	6.77%	92,220,000	-	16,011,000	-	108,231,000
MCB Cash Management Optimizer	Pakistan	0.63%	-	334,539,890	34,753,240	(1,569,389)	367,723,741
MCB Pakistan Stock Market Fund	Pakistan	-	90,390,302	(99,367,952)	8,977,650	-	-
Ahramma Islamic Income Fund	Pakistan	0.15%	-	4,786,208	1,929,512	(345,480)	6,370,240
MCB Pakistan Sovereign Fund *	Pakistan	-	-	(4,410,292)	4,410,292	-	-
Ahramma Islamic Money Market Fund *	Pakistan	-	-	-	1,044,188	(1,044,188)	-
Ahramma Daily Dividend Fund *	Pakistan	-	-	-	616,275	(616,275)	-
Ahramma Islamic Stock Fund	Pakistan	-	17,398,169	(16,174,348)	(1,223,821)	-	-
Ahramma Islamic Active Allocation Fund (Ahramma Smart Portfolio)	Pakistan	83.23%	120,895,058	(35,000,000)	9,588,481	-	95,483,539
Ahramma Wada Fund (Ahramma Wada Plan I)	Pakistan	-	50,033,787	(50,069,346)	377,769	(352,210)	-
Ahramma Wada Fund (Ahramma Wada Plan II) *	Pakistan	-	-	-	31,814	(31,814)	-
Ahramma Wada Fund (Ahramma Wada Plan III) *	Pakistan	-	-	-	112,517	(112,517)	-
Ahramma Wada Fund (Ahramma Wada Plan IV) *	Pakistan	-	-	-	783,980	(783,980)	-
Ahramma Wada Fund (Ahramma Wada Plan V) *	Pakistan	-	-	(53,076)	217,291	(164,215)	-
Ahramma Wada Fund (Ahramma Wada Plan VI) *	Pakistan	-	-	(520,023)	672,952	(152,929)	-
Ahramma Wada Fund (Ahramma Wada Plan VII)	Pakistan	6.99%	-	134,041,041	7,608,446	(297,552)	141,351,935
Ahramma Cash Management Optimizer	Pakistan	0.23%	-	10,150,100	176,587	(176,587)	10,150,100
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan I)	Pakistan	-	170,118,779	(170,119,601)	2,162,963	(2,162,141)	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan II) *	Pakistan	-	-	(1,337,605)	1,359,918	(22,312)	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan III) *	Pakistan	-	-	-	1,305,440	(1,305,440)	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan IV) *	Pakistan	-	-	(381,280)	507,069	(125,789)	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan V) *	Pakistan	-	-	(11,817)	67,766	(55,949)	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan VI) *	Pakistan	-	-	(103,984)	156,846	(52,862)	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan VII)	Pakistan	4.61%	-	8,569,393	2,111,128	(308,726)	10,371,795
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan IX) *	Pakistan	-	-	(15,329)	42,200	(26,871)	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan XI) *	Pakistan	-	-	(602,119)	611,058	(8,939)	-
MCB Pakistan Opportunity Fund (MCB Pakistan Dividend Yield Plan)	Pakistan	29.13%	59,812,260	(5,000,000)	6,045,187	-	60,857,447
			1,114,549,728	108,929,869	139,238,355	(9,716,165)	1,353,001,777

* The units of these associates were purchased and redeemed during the period / year.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Quarter Ended September 30, 2023**

	Note	(Unaudited) 30 September, 2023	(Audited) 30 June, 2023
		Rupees	
6	LONG TERM INVESTMENT		
At fair value through profit or loss			
	Investment in shares	265,000	265,000
6.1	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, was 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.		
7	LONG TERM LOANS AND PREPAYMENTS		
Considered good - secured			
	Loan to executive	4,112,647	4,136,901
	Less: current portion	(104,826)	(101,653)
		4,007,821	4,035,248
Considered good - unsecured			
	Loan to director	10,357,495	10,962,158
	Loans to executives	11,296,197	4,840,365
	Loans to employees	248,323	266,974
	Less: current portion	(4,923,754)	(4,526,518)
		16,978,261	11,542,979
		20,986,082	15,578,227
Prepayments			
	Prepaid commission against bachat units	43,963,372	38,875,042
	Less: current portion	(31,471,050)	(25,458,503)
		12,492,322	13,416,539
		33,478,404	28,994,766
7.1	This represents loan given to an executive at an interest 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 an interest 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. The loan was approved by the members in the general meeting and the approval of the SECP has also been obtained as per the provisions of the Companies Act, 2017.		
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.		

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Quarter Ended September 30, 2023**

8	RECEIVABLE FROM FUNDS UNDER MANAGEMENT	Note	(Unaudited)	(Audited)
			30 September, 2023	30 June, 2023
			-----Rupees-----	
Considered good - unsecured				
Open-end Collective Investment Schemes (CISs)				
	Pakistan Income Fund		18,798,550	18,692,329
	MCB Pakistan Stock Market Fund		82,313,097	85,933,241
	MCB Pakistan Sovereign Fund		40,643,219	34,487,230
	Pakistan Capital Market Fund		7,383,260	7,337,240
	Pakistan Cash Management Fund		48,194,712	49,258,569
	Pakistan Income Enhancement Fund		24,913,564	24,134,998
	MCB Pakistan Asset Allocation Fund		37,284,236	37,120,908
	MCB DCF Income Fund		175,016,615	153,747,001
	MCB Cash Management Optimizer		167,335,087	156,755,809
	Alhamra Islamic Money Market Fund		30,377,284	31,526,773
	Alhamra Islamic Asset Allocation Fund		11,124,758	11,216,497
	Alhamra Islamic Stock Fund		19,416,049	19,195,252
	Alhamra Islamic Income Fund		21,178,245	18,419,359
	Alhamra Daily Dividend Fund		6,932,894	8,126,716
	Alhamra Islamic Active Allocation Fund (Alhamra Smart Portfolio)		16,155	18,944
	Alhamra Wada Fund (Alhamra Wada Plan VII)		24,716,785	5,659,431
	Alhamra Wada Fund (Alhamra Wada Plan VIII)		817,971	-
	Alhamra Wada Fund (Alhamra Wada Plan X)		1,000,127	-
	MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan V)		6,003,485	9,956,991
	MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan VI)		3,010,376	4,942,990
	MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan VII)		1,225,385	984,229
	MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan IX)		4,379,689	6,048,332
	MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan X)		2,224,609	60,836
	MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan XI)		1,265,348	1,265,348
	MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan XII)		21,172,229	746,824
	MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan XIII)		15,370,206	537,707
	MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan XIV)		4,304,172	-
	MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan XV)		672,691	-
	MCB Pakistan Opportunity Fund (MCB Pakistan Dividend Yield Plan)		237,581	184,925
	Pakistan Sarmaya Mehfooz Fund		4,267,360	4,267,360
	Alhamra Cash Management Optimizer		8,300,592	3,231,186
			789,896,331	693,857,025
Voluntary Pension Funds				
	Pakistan Pension Fund		8,953,536	8,773,410
	Alhamra Islamic Pension Fund		4,825,703	4,789,605
			13,779,239	13,563,015
			803,675,570	707,420,040
			(Unaudited)	(Audited)
			30 September, 2023	30 June, 2023
			-----Rupees-----	
9	LOANS AND ADVANCES	Note		
Considered good - secured				
	Current portion of loan to executive	7	104,826	101,653
Considered good - unsecured				
	Current portion of loans to director, executives and employees	7	4,923,754	4,526,518
	Advance to employees, suppliers and contractors		2,018,270	1,071,795
			7,046,850	5,699,966

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Quarter Ended September 30, 2023**

10 PREPAYMENTS AND OTHER RECEIVABLES

Prepayments

Current portion of prepaid commission against bachat units	7	31,471,050	25,458,503
Prepaid insurance		9,905,837	15,037,245
Prepaid maintenance		965,829	560,294
Prepaid IT service level agreements		10,430,064	15,656,728
Prepaid license fee		326,959	408,703
Others		2,689,003	213,044
		55,808,742	57,334,517

Other receivables

Considered good - unsecured

Advisory fee on account of discretionary and portfolio management

Due from related party	10.1	20,071,367	15,437,414
Due from others	10.2	5,381,687	9,705,801
		25,453,054	25,143,215

Considered doubtful

Due from others		12,402,117	12,402,117
Receivable from funds against ATM card redemptions		15,631,179	32,732,859
Others		952,900	537,300
		54,439,250	70,815,491
Provision against advisory fee	10.3	(12,402,117)	(12,402,117)
		97,845,875	115,747,891

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.

10.3 Provision against advisory fee

Opening Balance	12,402,117	12,402,117
Provision made during the year	-	-
Closing Balance	12,402,117	12,402,117

(Unaudited) (Audited)
30 September, 2023 30 June, 2023

11 DEFERRED TAXATION - NET

Deferred tax assets arising on deductible temporary differences

- Lease liability against right-of-use assets	(32,119,550)	(34,154,567)
- Provision against advisory fee	(4,836,826)	(4,836,826)
- Finance cost on loans to executive and director	(1,005,732)	(1,034,455)
	(37,962,108)	(40,025,848)

Deferred tax liabilities arising on taxable temporary differences

- Property and equipment (including right-of-use assets)	20,786,966	26,575,341
- Intangible assets	106,122,970	105,842,066
- Investment in associates	977,843	4,820,298
	127,887,779	137,237,705
	89,925,671	97,211,857

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Quarter Ended September 30, 2023**

12 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 22.48% 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:

	(Unaudited) 30 September, 2023	(Audited) 30 June, 2023
	Rupees	
Present value of minimum lease payments	82,357,820	87,575,812
Less: current portion	(31,525,307)	(30,947,036)
	<u>50,832,513</u>	<u>56,628,776</u>

	30 September 2023 (Unaudited)		30 June 2023 (Audited)	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
	Rupees			
Not later than one year	42,812,717	31,525,307	43,053,256	30,947,036
Later than one year and not later than five years	56,801,290	50,832,513	64,520,498	56,628,776
	99,614,007	82,357,820	107,573,754	87,575,812
Less: finance cost allocated to future periods	(17,256,187)	-	(19,997,942)	-
Present value of minimum lease payments	82,357,820	82,357,820	87,575,812	87,575,812
Less: current portion	(31,525,307)	(31,525,307)	(30,947,036)	(30,947,036)
	<u>50,832,513</u>	<u>50,832,513</u>	<u>56,628,776</u>	<u>56,628,776</u>

13 TRADE AND OTHER PAYABLES

Accrued expenses		80,777,896	70,091,592
Bonus payable		46,099,234	117,682,516
Sindh Workers' Welfare Fund payable	13.1	72,969,400	68,022,845
Sales tax payable		23,115,185	16,750,992
Federal Excise Duty payable	13.2	412,892,880	412,892,880
Withholding tax payable		15,043,908	14,046,540
Payable to facilitators / distributors		79,451,892	44,704,721
		<u>730,350,395</u>	<u>744,192,086</u>

13.1 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, including financial institutions, 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 Company believes that SWWF is not applicable on the Company as it is not a Financial Institution as defined under SWWF Act, 2014. In view of the above developments regarding the applicability of SWWF on AMC's, the management as a matter of abundant caution has 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).

13.2 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

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
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In view of the above, the Company has 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 the financial statements of the Company as the matter is pending before the Supreme Court of Pakistan.

14 CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

14.1.1 On June 20, 2014, the Punjab Revenue Authority issued a show cause notice no. PRA/AM/70/14/18 to the Company to pay Sales Tax on management fee earned in the province of Punjab under the Punjab Sales Tax on Services Act, 2012 with effect from May 22, 2013. The Management Company jointly with other Asset Management Companies through the trustees of their Collective Investment Schemes challenged the above notice vide a petition filed on July 8, 2014 in the Honourable Sindh High Court (SHC). The SHC has ordered suspension of the show cause notice in its order dated July 10, 2014 till the date of the next hearing of appeals. The management is expecting no outflow of economic resources in this respect as the payments relating to sales tax have already been made to the Sindh Revenue Board and in case decision is made against the Company, the same is required to be settled between the two authorities.

During the period, Sindh High court via order dated Sept 11, 2023 admitted that entire liability has been paid and the same is admitted by the SRB's counsel. The case has been dismissed by the court and directed to pursue the show cause notice with the PRA.

14.1.2 On June 20, 2022, a Show Cause Notice (SCN) under section 161(1A) of Income Tax Ordinance, 2001 was issued by Deputy Commissioner Inland Revenue (DCIR) for the Tax Year 2016. On June 27, 2022, DCIR issued an Order under section 161(1) of Income Tax Ordinance, 2001 whereby it created a demand amounting to Rs. 29.078 million on account of short deduction of withholding taxes. Being aggrieved with the said order, the Company has filed an appeal with Commissioner Appeals Inland Revenue [CIR(A)] which is pending adjudication. 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.

During the current quarter, Commissioner Appeals via order dated Aug 31, 2023, have remanded back the case to the Commissioner.

14.1.3 During the year, the Deputy Commissioner Inland Revenue (DCIR) issued Show Cause Notice (SCN) dated January 20, 2023 to recover super tax on high earning persons under section 4C read with section 9 of the Income Tax Ordinance, 2001 claiming that the income of the Company as defined in sub-section (2) of section 4C of the Ordinance is subject to super tax at the rate of 4% and hence, computed the amount of super tax to Rs. 13.556 million against the taxable income of Rs. 328.556 million. In response to the aforesaid SCN, the Company via its tax advisor, submitted a response to the DCIR whereby the Company was of the view that the super tax under section 4C of the Ordinance is applicable prospectively from tax year 2023 and onwards in light of the judgment of the Honourable Sindh High Court (SHC).

During the quarter, the DCIR issued notice to the Company to pay the demanded of Super Tax against which company filed appealed with Commissioner Appeals, who upheld the demand raised by the DCIR. Based on the advice of the Tax consultant, the Company discharged the said liability on 27th Sept 2023. However, the Company is planning to file appeal with the Appellate Tribunal as per the advice of Tax Consultant.

14.1.4 During the year, the Deputy Commissioner Inland Revenue (DCIR) issued Show Cause Notice (SCN) dated October 31, 2022 under section 161(1A) of the Income Tax Ordinance, 2001 whereby the DCIR initiated proceedings regarding monitoring of withholding for tax year 2017. In this regard, the Company through its tax advisor submitted required necessary documents against the said notice. The DCIR then issued an Order under section 161(1) of the Ordinance whereby it created a demand of Rs. 15.121 million along with penalty and default surcharge against short payment of withholding income tax. Being aggrieved by the order of DCIR, the Company has filed an appeal with Commissioner Appeals Inland Revenue [CIR(A)] which is pending therein. Based on the advice of its tax consultant, the management anticipates a favourable outcome of such appeal, and accordingly, no provision has been recorded in these financial statements for the above matter.

During the current quarter, Commissioner Appeals via order dated Aug 18, 2023, have remanded back the case to the Commissioner.

14.2 COMMITMENTS

There were no commitments outstanding as at September 30, 2023.

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For The Quarter Ended September 30, 2023**

		(Unaudited) Quarter Ended	
		30 September, 2023	30 September, 2022
15	MANAGEMENT AND INVESTMENT ADVISORY FEE		
	Management fee from collective investment schemes - related parties		
	MCB Cash Management Optimizer	101,804,557	53,401,476
	MCB Pakistan Asset Allocation Fund	6,072,114	7,884,269
	MCB DCF Income Fund	34,945,713	20,571,269
	Alhamra Islamic Income Fund	7,649,647	9,720,246
	MCB Pakistan Sovereign Fund	3,147,948	1,577,324
	Pakistan Capital Market Fund	3,440,790	3,666,883
	Pakistan Cash Management Fund	46,716,496	12,662,485
	Pakistan Income Enhancement Fund	1,844,131	1,800,982
	Pakistan Income Fund	3,990,700	5,558,538
	Alhamra Islamic Asset Allocation Fund	12,619,511	15,419,609
	MCB Pakistan Stock Market Fund	27,067,523	50,810,564
	Alhamra Islamic Stock Fund	15,762,940	13,782,352
	Alhamra Islamic Money Market Fund	44,266,627	21,839,307
	Alhamra Daily Dividend Fund	5,750,343	5,015,958
	Alhamra Islamic Active Allocation Fund (Alhamra Smart Portfolio)	20,503	24,130
	Alhamra Wada Fund (Alhamra Wada Plan I)	-	576,635
	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)	-	810,148
	Alhamra Wada Fund (Alhamra Wada Plan VII)	3,410,091	-
	Alhamra Wada Fund (Alhamra Wada Plan VIII)	572,896	-
	Alhamra Wada Fund (Alhamra Wada Plan X)	700,086	-
	MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan I)	-	458,424
	MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan III)	-	241,817
	MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan IV)	-	124,401
	MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan VII)	167,217	-
	MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan X)	1,666,296	-
	MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan XII)	14,082,837	-
	MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan XIII)	9,572,402	-
	MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan XIV)	3,012,900	-
	MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan XV)	470,880	-
	Alhamra Cash Management Optimizer	8,367,742	-
	MCB Pakistan Opportunity Fund (MCB Pakistan Dividend Yield Plan)	524,196	320,247
		357,646,885	228,974,471
	Management fee from pension schemes - related parties		
	Alhamra Islamic Pension Fund	5,097,416	6,353,524
	Pakistan Pension Fund	8,489,751	4,358,636
		13,587,167	10,712,160
	Investment advisory fee from separately managed accounts	8,207,616	14,188,663
		379,441,668	253,875,294
	Less: Sindh Sales Tax	(43,652,581)	(29,206,892)
		335,789,087	224,668,402
15.1	This pertains to Sindh Sales Tax levied by the Provincial Government of Sindh at the rate of 13% (2022: 13%) through the Sindh Sales Tax on Services Act, 2011.		
15.2	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:		
		(Unaudited) 30 September, 2023	(Audited) 30 June, 2023
	Discretionary portfolio		
	Number of portfolios	34	34
	Total portfolio at cost (in Rupees)	77,062,258,074	73,259,480,820
	Total portfolio at market value (in Rupees)	76,116,391,608	72,073,197,923

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Quarter Ended September 30, 2023**

		(Unaudited)	
		Quarter Ended	
	Note	September 30, 2023	September 30, 2022
Rupees			
16	ADMINISTRATIVE EXPENSES		
	Salaries, allowances and other benefits	139,895,116	91,058,144
	Legal and professional charges	4,471,292	4,626,920
	Sharish advisor fee	150,000	180,000
	Travelling and conveyance	1,261,717	1,156,244
	Repairs, Utilities, communication, courier, taxes, etc.	26,654,288	24,543,758
	Office supplies	1,201,833	593,061
	Directors' meeting fee	2,750,000	2,925,000
	Insurance	1,212,457	1,801,025
	Depreciation	6,930,648	4,795,535
	Amortisation	3,349,545	4,153,227
	Stamp duty and taxes	254,999	250,000
	Registrar fee	834,024	601,061
	Printing and stationery	1,829,004	1,230,230
	Entertainment expense	1,603,581	1,071,578
	Fees and subscription	9,215,824	5,695,198
	Telephone expenses	766,249	1,673,861
		202,380,577	146,354,842
	Reimbursement of expenses from Collective Investment Schemes (CISs)	(30,384,189)	(21,202,610)
		<u>171,996,388</u>	<u>125,152,232</u>
17	FINANCIAL CHARGES		
	Interest expense on lease liability against right-of-use-assets	3,596,488	1,190,258
	Bank charges	76,888	65,719
		<u>3,673,376</u>	<u>1,255,977</u>
18	OTHER EXPENSES		
	Sindh Workers' Welfare Fund	4,946,555	2,350,000
	Auditors' remuneration	900,000	809,770
		<u>5,846,555</u>	<u>3,159,770</u>
19	TAXATION		
	Current		
	- for the current period	85,666,000	31,200,000
	- for prior period	-	-
		<u>85,666,000</u>	<u>31,200,000</u>
	Deferred	(7,286,187)	(800,000)
		<u>78,379,813</u>	<u>30,400,000</u>
20	TRANSACTIONS AND BALANCES WITH RELATED PARTIES		
	The related parties of the Company comprise of MCB Bank Limited (Parent Company), 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 June 30, 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 Quarter Ended September 30, 2023**

Name of the related party	Relationship and percentage of shareholding	Nature of transaction	Quarter ended	
			September 30, 2023	September 30, 2022
			(Rupees)	
MCB Bank Limited	Parent company with 81.62% shareholding (2022: 51.33% shareholding)	Commission and other expenses	24,230,881	13,166,155
		Profit on savings account	1,570,455	905,798
		Branch sharing expenses	2,765,820	862,708
		Rent as per rental agreement	2,422,980	1,320,000
		Bank charges	76,888	65,719
MCB Islamic Bank Limited	Subsidiary of Parent Company	Profit on savings account	-	7,191
Adanjee Life Assurance Company Limited	Group Company of Parent Company	Investment advisory fee	2,543,905	8,803,774
Adanjee Insurance Company Limited	Group Company of Parent Company	Amount paid against insurance	1,632,742	1,458,342
		Rent as per rental agreement	6,938,250	21,801,656
Mutual Funds Association of Pakistan	Associated Company by virtue of common directorship of Mr. Muhammad Saqib Saleem	Amount paid against membership fee	4,212,949	2,880,842
		Investment in shares	-	265,000
MCB Cash Management Optimizer	Funds under management	Management fee	90,092,528	47,257,944
		Investment in units of funds under management	2,294,199,230	1,376,461,792
		Redemption in units of funds under management	2,241,087,766	1,141,814,634
		Dividend income	926,323	236,683
		Reimbursement of allocated expenses	-	8,203,092
		Reimbursement of selling and marketing expenses	66,160,296	31,368,245
MCB DCF Income Fund	Funds under management	Management fee	30,925,410	18,204,684
		Sales load	18,672,696	4,663,902
		Back end load	6,173,159	1,313,400
		Reimbursement of allocated expenses	2,061,694	1,213,644
		Reimbursement of selling and marketing expenses	18,349,077	4,733,213
Alhama Islamic Income Fund	Funds under management	Management fee	6,769,589	8,001,987
		Sales load	433,903	1,831,769
		Back end load	1,357,375	20,410
		Sharia fee paid on behalf of the Fund	150,000	180,000
		Reimbursement of allocated expenses	1,308,755	1,351,306
		Reimbursement of selling and marketing expenses	5,671,994	-
		Investment in units of funds under management	-	35,366,146
		Redemption in units of funds under management	-	35,613,140
MCB Pakistan Asset Allocation Fund	Funds under management	Management fee	5,373,552	6,977,229
		Sales load	-	336,684
		Reimbursement of allocated expenses	962,635	211,431
Alhama Islamic Money Market Fund	Funds under management	Management fee	39,174,006	19,326,620
		Reimbursement of allocated expenses	926,013	2,483,982
		Reimbursement of selling and marketing expenses	10,000,663	3,430,680
		Sales load	182,933	28,481
		Sharia fee paid on behalf of the Fund	150,000	180,000
		Investment in units of funds under management	-	75,196,800
		Redemption in units of funds under management	-	75,196,800
		Dividend income	-	231,529

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Quarter Ended September 30, 2023**

Name of the related party	Relationship and percentage of shareholding	Nature of transaction	Unaudited	Unaudited
			Quarter ended	
			September 30, 2023	September 30, 2022
(Rupees)				
Alhama Islamic Stock Fund	Funds under management	Management fee	13,949,504	12,196,771
		Sales load	11,674	20,974
		Reimbursement of allocated expenses	1,338,108	609,839
		Reimbursement of selling and marketing expenses	7,490,250	7,927,901
		Investment in units of funds under management	50,000,000	-
		Redemption in units of funds under management	-	18,086,448
		Sharia fee paid on behalf of the Fund	150,000	180,000
MCB Pakistan Sovereign Fund	Funds under management	Management fee	2,785,795	1,395,862
		Sales load	120,950	7,375
		Reimbursement of allocated expenses	1,177,948	191,790
		Reimbursement of selling and marketing expenses	5,049,045	413,846
		Investment in units of funds under management	150,000,000	256,704,312
		Redemption in units of funds under management	150,329,188	258,550,277
MCB Pakistan Stock Market Fund	Funds under management	Management fee	23,953,580	44,965,102
		Sales load	130,518	44,626
		Reimbursement of allocated expenses	2,291,610	2,248,255
		Reimbursement of selling and marketing expenses	13,513,687	29,227,316
		Investment in units of funds under management	50,000,000	-
		Redemption in units of funds under management	50,000,000	95,261,752
Pakistan Capital Market Fund	Funds under management	Management fee	3,044,947	3,245,029
		Sales load	-	29
		Reimbursement of allocated expenses	90,894	95,821
Pakistan Cash Management Fund	Funds under management	Management fee	41,342,032	11,205,740
		Reimbursement of allocated expenses	1,965,525	1,930,135
		Reimbursement of selling and marketing expenses	16,942,542	8,065,571
		Sales load	10,383	-
Pakistan Income Enhancement Fund	Funds under management	Management fee	1,631,974	1,593,789
		Sales load	536,867	2,767,064
		Reimbursement of allocated expenses	608,142	294,269
		Reimbursement of selling and marketing expenses	2,539,846	508,697
Pakistan Income Fund	Funds under management	Management fee	3,531,580	4,919,080
		Sales load	426,155	362,296
		Reimbursement of allocated expenses	1,550,792	1,022,006
		Reimbursement of selling and marketing expenses	7,166,258	2,252,829
Alhama Islamic Asset Allocation Fund	Funds under management	Management fee	11,167,709	13,645,672
		Sales load	102	139
		Back end load	10,393	2,727,829
		Reimbursement of allocated expenses	338,415	413,505
		Sharia fee paid on behalf of the Fund	150,000	180,000
Alhama Islamic Pension Fund	Funds under management	Management fee	4,510,988	3,857,201
		Sales load	408,566	45,270
		Contribution to fund on behalf of the employees	-	7,211,524
Pakistan Pension Fund	Funds under management	Management fee	7,513,054	5,622,589
		Sales load	268,452	629,970
		Contribution to fund on behalf of the employees	-	1,886,642

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Quarter Ended September 30, 2023**

Name of the related party	Relationship and percentage of shareholding	Nature of transaction	Unaudited	Unaudited
			Quarter ended	
			September 30, 2023	September 30, 2022
(Rupees)				
Alhamra Islamic Active Allocation Fund (Alhamra Smart Portfolio)	Funds under management	Management fee	18,144	21,354
		Reimbursement of allocated expenses	29,170	35,969
		Investment in units of funds under management	7,423,295	-
		Redemption in units of funds under management	-	35,000,000
		Dividend income	8,733,288	-
Alhamra Daily Dividend Fund	Funds under management	Management fee	5,088,799	4,438,901
		Reimbursement of allocated expenses	248,726	897,565
		Reimbursement of selling and marketing expenses	4,487,778	3,649,023
		Bank charges paid on behalf of the Fund	123,196	138,626
		Sales load	574,062	2,471,474
Alhamra Wada Fund (Alhamra Wada Plan I)	Funds under management	Management fee	-	510,297
		Dividend income	-	352,210
		Investment in units of funds under management	-	299,379
		Redemption in units of funds under management	-	50,358,725
		Reimbursement of selling and marketing expenses	-	242,895
Alhamra Wada Fund (Alhamra Wada Plan II)	Funds under management	Management fee	-	1,758,947
		Dividend income	-	31,814
		Investment in units of funds under management	-	40,441,673
		Redemption in units of funds under management	-	40,441,673
		Reimbursement of selling and marketing expenses	-	1,365,810
Alhamra Wada Fund (Alhamra Wada Plan III)	Funds under management	Management fee	-	636,988
		Investment in units of funds under management	-	19,095,675
		Reimbursement of selling and marketing expenses	-	1,265,981
Alhamra Wada Fund (Alhamra Wada Plan IV)	Funds under management	Management fee	-	716,945
		Investment in units of funds under management	-	25,000,000
		Reimbursement of selling and marketing expenses	-	863,665
Alhamra Wada Fund (Alhamra Wada Plan VII)	Funds under management	Management fee	3,017,780	-
		Investment in units of funds under management	14,238,582	-
		Redemption in units of funds under management	110,816,480	-
		Reimbursement of allocated expenses	2,636,265	-
		Reimbursement of selling and marketing expenses	13,010,997	-
Alhamra Wada Fund (Alhamra Wada Plan VIII)	Funds under management	Management fee	506,810	-
		Reimbursement of allocated expenses	245,276	-
Alhamra Wada Fund (Alhamra Wada Plan X)	Funds under management	Management fee	619,545	-
		Reimbursement of allocated expenses	300,042	-
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan I)	Funds under management	Management fee	-	405,685
		Dividend income	-	2,162,141
		Investment in units of funds under management	-	1,837,820
		Redemption in units of funds under management	-	171,957,421
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan III)	Funds under management	Management fee	-	213,998
		Investment in units of funds under management	-	40,000,000
		Reimbursement of selling and marketing expenses	-	85,530
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan IV)	Funds under management	Management fee	-	110,089
		Reimbursement of selling and marketing expenses	-	7,516
		Investment in units of funds under management	-	20,000,000

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Quarter Ended September 30, 2023**

Name of the related party	Relationship and percentage of shareholding	Nature of transaction	Unaudited	
			Quarter ended	
			September 30, 2023	September 30, 2022
(Rupees)				
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan VII)	Funds under management	Management fee Reimbursement of allocated expenses Investment in units of funds under management	147,580 73,509 4,256,963	- - -
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan X)	Funds under management	Management fee Reimbursement of allocated expenses	1,474,588 713,603	- -
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan XII)	Funds under management	Management fee Reimbursement of allocated expenses	12,462,688 6,234,653	- -
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan XIII)	Funds under management	Management fee Reimbursement of allocated expenses	8,471,152 5,260,097	- -
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan XIV)	Funds under management	Management fee Reimbursement of allocated expenses	2,666,283 1,291,273	- -
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan XV)	Funds under management	Management fee Reimbursement of allocated expenses	416,708 291,811	- -
MCB Pakistan Opportunity Fund (MCB Pakistan Dividend Yield Plan)	Funds under management	Management fee Dividend income Investment in units of funds under management	463,890 5,289,819 4,496,347	283,404 - 5,000,000
Ahmarra Cash Management Optimizer	Funds under management	Management fee Dividend income Reimbursement of allocated expenses Reimbursement of selling and marketing expenses Sales load Investment in units of funds under management Sharia fee paid on behalf of the Fund	7,405,081 20,628 128,603 4,463,419 579,313 17,704 150,000	- - - - - - -
Muhammad Saqib Saleem	Chief Executive Officer	Loan repaid during the period Interest income on loan	604,662 459,628	12,309,656 141,454

Amount outstanding as at period / year end

Name of the related party	Relationship and percentage of shareholding	Nature of transaction	September 30,	June 30,
			2023	2023
(Rupees)				
MCB Bank Limited	Parent company with 81.42% shareholding (2022: 51.33% shareholding)	Bank balances Other payable Commission payable	15,646,364 5,919,103 29,091,081	50,194,668 5,699,242 16,890,569
MCB Islamic Bank Limited	Subsidiary of the	Bank balance	372,945	372,945

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Quarter Ended September 30, 2023**

Name of the related party	Relationship and percentage of shareholding	Nature of transaction	Unaudited	Audited
			September 30, 2023	June 30, 2023
			— (Rupees) —	
Adanjee Life Assurance Company Limited	Group Company	Advisory fee receivable	6,812,985	7,853,781
Adanjee Insurance Company Limited	Group Company of Parent Company	Prepaid insurance	8,817,100	13,533,586
Mutual Funds Association of Pakistan	Associated Company by virtue of common directorship of Mr. Muhammad Saqib Saleem	Investment in shares	265,000	265,000
MCB DCF Income Fund	Funds under management	Remuneration receivable	12,205,722	10,246,441
		Sales load receivable	13,953,312	7,189,989
		Receivable against reimbursement of allocated expenses	720,101	604,510
		Receivable against selling and marketing expenses	18,349,077	7,833,175
		Back end load receivable	2,794,976	899,479
		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	1,898,027	1,868,822
		Sales load receivable	135,005	1,685
		Receivable against reimbursement of allocated expenses	50,899	50,116
		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	46,889,191	40,986,709
		Receivable against selling and marketing expenses	66,950,296	61,483,500
		Federal excise duty on remuneration	54,266,812	54,266,812
		Federal excise duty on sales load	18,788	18,788
		Investment in units of funds under management	446,193,542	367,723,741
Ahama Islamic Income Fund	Funds under management	Remuneration receivable	2,643,181	2,736,866
		Sales load receivable	385,795	652,538
		Back end load receivable	131,082	464,787
		Receivable against reimbursement of allocated expenses	628,624	352,036
		Receivable against selling and marketing expenses	5,671,994	2,485,573
		Receivable against shariah advisor fee	50,000	60,000
		Federal excise duty on remuneration	8,639,183	8,639,183
		Federal excise duty on sales load	3,028,386	3,028,386
		Investment in units of funds under management	6,676,368	6,370,240
MCB Pakistan Stock Market Fund	Funds under management	Remuneration receivable	8,617,346	9,264,259
		Sales load receivable	216	1,891
		Investment in units of funds under management	3,388,732	-
		Receivable against reimbursement of allocated expenses	1,475,230	409,923
		Receivable against selling and marketing expenses	13,513,687	17,556,750
		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	1,089,024	1,362,782
		Sales load receivable	238,683	2,718,489
		Receivable against reimbursement of allocated expenses	855,141	350,034
		Receivable against selling and marketing expenses	7,966,258	4,811,580
		Federal excise duty on remuneration	9,210,245	9,210,245
		Federal excise duty on sales load	239,199	239,199

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Quarter Ended September 30, 2023**

Name of the related party	Relationship and percentage of shareholding	Nature of transaction	Unaudited	Audited
			September 30, 2023	June 30, 2023
			(Rupees)	
MCB Pakistan Sovereign Fund	Funds under management	Remuneration receivable	1,882,138	315,354
		Sales load receivable	9	21,677
		Receivable against reimbursement of allocated expenses	714,213	80,540
		Receivable against selling and marketing expenses	5,049,045	871,845
		Federal excise duty on remuneration	29,027,974	29,027,974
		Federal excise duty on sales load	4,959,840	4,959,840
Pakistan Capital Market Fund	Funds under management	Remuneration receivable	1,089,488	1,044,652
		Receivable against reimbursement of allocated expenses	28,780	27,586
		Federal excise duty on remuneration	5,872,250	5,872,250
		Federal excise duty on sales load	392,742	392,742
Ahhama Islamic Stock Fund	Funds under management	Remuneration receivable	5,989,402	4,634,835
		Sales load receivable	1,989	1,822
		Receivable against reimbursement of allocated expenses	870,253	205,081
		Receivable against selling and marketing expenses	7,490,250	8,479,359
		Receivable against shariah advisor fee	50,000	60,000
		Investment in units of funds under management	49,535,800	-
		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	2,739,193	2,622,426
		Sales load receivable	237,878	174,519
		Investment in units of funds under management	358,746,912	335,098,891
		Federal excise duty on remuneration	5,976,465	5,976,465
Ahhama Islamic Asset Allocation Fund	Funds under management	Remuneration receivable	3,923,334	4,002,939
		Sales load receivable	67	67
		Receivable against reimbursement of allocated expenses	905,212	937,346
		Receivable against shariah advisor fee	50,000	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
Ahhama Islamic Pension Fund	Funds under management	Remuneration receivable	1,641,067	1,540,395
		Sales load receivable	154,304	218,878
		Investment in units of funds under management	346,700,612	325,594,089
		Federal excise duty on remuneration	3,030,332	3,030,332
Pakistan Samaya Multifund	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	19,319,286	12,529,356
		Receivable against reimbursement of allocated expenses	-	1,074,115
		Receivable against selling and marketing expenses	16,942,542	23,722,214
		Federal excise duty on remuneration	11,932,884	11,932,884
Pakistan Income Enhancement Fund	Funds under management	Remuneration receivable	718,445	592,919
		Sales load receivable	4,420	337,033
		Receivable against reimbursement of allocated expenses	314,823	151,198
		Receivable against selling and marketing expenses	2,539,846	1,717,818
		Federal excise duty on remuneration	16,589,808	16,589,808
		Federal excise duty on sales load	4,746,222	4,746,222

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Quarter Ended September 30, 2023

Name of the related party	Relationship and percentage of shareholding	Nature of transaction	Unaudited	Audited
			September 30, 2023	June 30, 2023
			(Rupees)	
Alhama Islamic Money Market Fund	Funds under management	Remuneration receivable	14,893,347	12,358,372
		Sales load receivable	41,901	111,737
		Receivable against reimbursement of allocated expenses	926,013	-
		Receivable against selling and marketing expenses	10,000,663	14,960,974
		Receivable against shariah advisor fee	50,000	60,000
		Federal excise duty on remuneration	840,741	840,741
		Federal excise duty on sales load	3,624,619	3,584,949
Alhama Islamic Active Allocation Fund (Alhama Smart Portfolio)	Funds under management	Remuneration receivable	6,654	9,553
		Receivable against reimbursement of allocated expenses	9,501	9,391
		Investment in units of funds under management	99,102,154	95,483,539
Alhama Daily Dividend Fund	Funds under management	Remuneration receivable	2,084,687	1,807,636
		Payable against bank charges	36,811	11,679
		Receivable against reimbursement of allocated expenses	248,726	-
		Receivable against selling and marketing expenses	4,487,778	5,736,906
		Sales load receivable	111,703	582,174
Alhama Wada Fund (Alhama Wada Plan VII)	Funds under management	Remuneration receivable	7,372,297	3,952,205
		Receivable against reimbursement of allocated expenses	4,333,491	1,697,226
		Receivable against selling and marketing expenses	13,010,997	-
		Investment in units of funds under management	47,125,399	141,351,935
Alhama Wada Fund (Alhama Wada Plan VIII)	Funds under management	Remuneration receivable	572,695	3,952,205
		Receivable against reimbursement of allocated expenses	245,276	1,697,226
		Investment in units of funds under management	-	141,351,935
Alhama Wada Fund (Alhama Wada Plan X)	Funds under management	Remuneration receivable	700,085	3,952,205
		Receivable against reimbursement of allocated expenses	300,042	1,697,226
		Investment in units of funds under management	-	141,351,935
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan V)	Funds under management	Receivable against reimbursement of allocated expenses	6,003,485	6,003,485
		Receivable against selling and marketing expenses	-	3,953,506
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan VI)	Funds under management	Receivable against reimbursement of allocated expenses	3,010,376	3,010,376
		Receivable against selling and marketing expenses	-	1,932,614
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan VII)	Funds under management	Remuneration receivable	1,018,715	851,498
		Receivable against reimbursement of allocated expenses	206,670	132,731
		Investment in units of funds under management	15,366,037	10,371,795
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan IX)	Funds under management	Receivable against reimbursement of allocated expenses	4,379,689	4,379,689
		Receivable against selling and marketing expenses	-	1,668,643
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan X)	Funds under management	Remuneration receivable	1,486,830	36,650
		Receivable against reimbursement of allocated expenses	737,789	24,186
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan XI)	Funds under management	Receivable against reimbursement of allocated expenses	1,265,348	1,265,348
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan XII)	Funds under management	Remuneration receivable	14,605,686	522,849
		Receivable against reimbursement of allocated expenses	6,966,543	223,975

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
For The Quarter Ended September 30, 2023**

Name of the related party	Relationship and percentage of shareholding	Nature of transaction	Unaudited	Audited
			September 30, 2023	June 30, 2022
			(Rupees)	
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan XIII)	Funds under management	Remuneration receivable	9,946,798	376,396
		Receivable against reimbursement of allocated expenses	5,421,408	161,311
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan XIV)	Funds under management	Remuneration receivable	3,012,899	376,396
		Receivable against reimbursement of allocated expenses	1,291,273	161,311
MCB Pakistan Fixed Return Fund (MCB Pakistan Fixed Return Plan XV)	Funds under management	Remuneration receivable	470,880	376,396
		Receivable against reimbursement of allocated expenses	201,811	161,311
MCB Pakistan Opportunity Fund (MCB Pakistan Dividend Yield Plan)	Funds under management	Remuneration receivable	237,581	184,929
		Investment in units of funds under management	68,363,190	60,857,447
Alhama Cash Management Optimizer	Funds under management	Remuneration receivable	3,238,334	1,651,119
		Sales lead receivable	419,236	595,667
		Receivable against reimbursement of allocated expenses	128,603	79,506
		Receivable against selling and marketing expenses	4,463,419	904,894
		Receivable against Sharah Fee	50,000	-
		Investment in units of funds under management	10,663,178	10,150,100
Muhammad Saqib Saleem	Chief Executive Officer	Loan outstanding	10,357,485	10,962,158

21 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors in its meeting held on July 26, 2023 proposed a final cash dividend in respect of the year ended June 30, 2023 of Rs. 5.5 per share (55%) which will be placed for members approval in Annual General Meeting to be held on October 23, 2023. These financial statements do not include the effect of these appropriations which will be accounted for in the financial statements of the Company for the period ending December 31, 2023.

22 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on October 18, 2023 by the Board of Directors of the Company.

23 GENERAL

23.1 Figures have been rounded off to the nearest Rupees, unless otherwise specified.

23.2 CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified wherever necessary for the purpose of comparison or better presentation. No significant reclassification was made in this condensed interim financial information during the current period.


Chief Executive Officer


Chief Financial Officer


Director

MCB INVESTMENT MANAGEMENT LIMITED

(Formerly: MCB Arif Habib Savings and Investments Limited)

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