

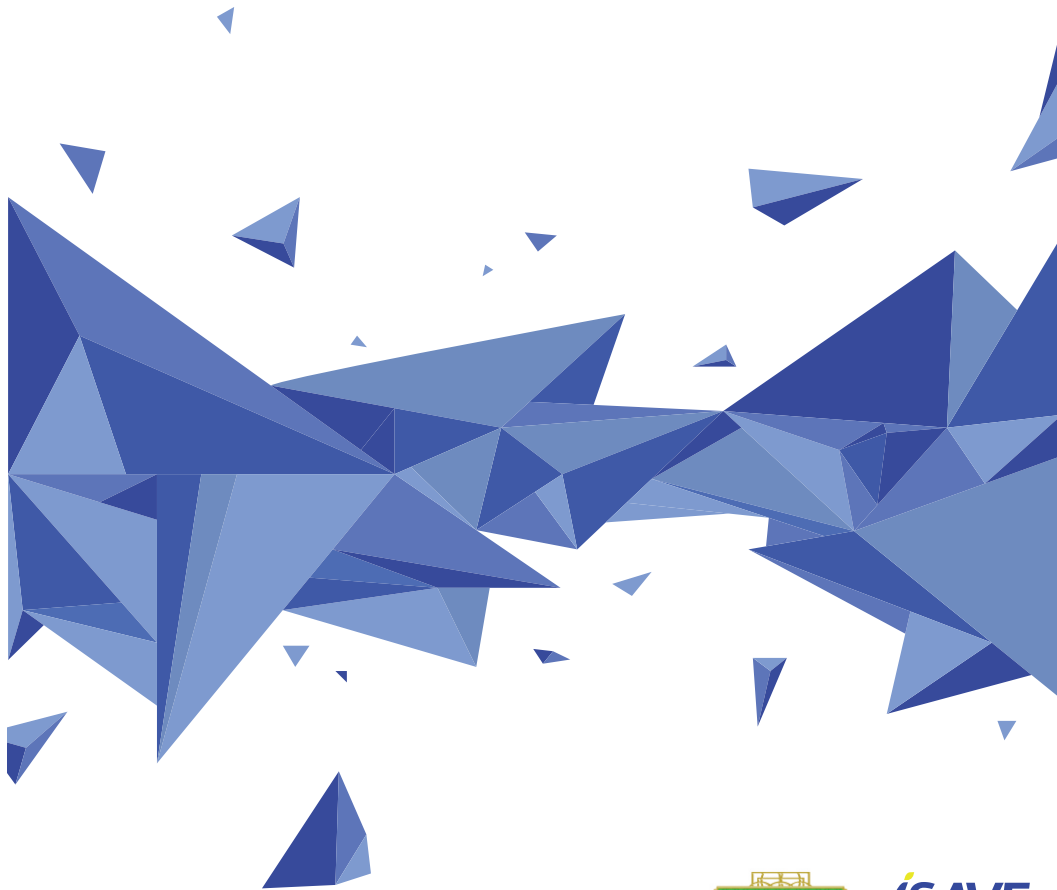


**MCB-ARIF HABIB**  
Savings and Investments Limited

# QUARTERLY REPORT

MARCH  
**2021**  
(UNAUDITED)

MCB-Arif Habib Savings and Investments Limited



Savings Asaan. Life Asaan.

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## **Vision**

To become synonymous with Savings

## **Mission**

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

## **Core Values**

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

## COMPANY INFORMATION

<b>Board of Directors</b>	Mr. Haroun Rashid Mr. Nasim Beg Mr. Muhammad Saqib Saleem Mr. Ahmed Jahangir Mr. Kashif A. Habib Mirza Qamar Beg Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman Vice Chairman Chief Executive Officer Director Director Director Director Director
<b>Audit Committee</b>	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Mr. Kashif A. Habib Syed Savail Meekal Hussain	Chairman Member Member Member Member
<b>Human Resource &amp; Remuneration Committee</b>	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Syed Savail Meekal Hussain Ms. Mavra Adil Khan Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member Member
<b>Chief Executive Officer</b>	Mr. Muhammad Saqib Saleem	
<b>Chief Operating &amp; Financial Officer</b>	Mr. Muhammad Asif Mehdi Rizvi	
<b>Company Secretary</b>	Mr. Altaf Ahmad Faisal	
<b>Share Registrar</b>	<b>CDC Share Registrar Services Limited</b> 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	
<b>Bankers</b>	MCB Bank Limited Bank Al-Falah Limited Faysal Bank Limited Bank Al-Habib Limited MCB Islamic Bank Limited Summit Bank Limited	
<b>Auditors</b>	<b>KPMG Taseer Hadi &amp; Co.</b> Chartered Accountants 1st Floor, Shaikh Sultan Trust, Building No. 2, Beaumont Road, Karachi - 75530	
<b>Legal Advisor</b>	<b>Akhund Forbes</b> D-21, Block-4, Scheme-5 Clifton, Karachi  <b>Bawaney &amp; Partners</b> 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
<b>Registered Office</b>	<b>MCB-Arif Habib Savings &amp; Investments Limited</b> Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
<b>Rating</b>	<b>AM1</b> Asset Manager Rating assigned by PACRA	

## DIRECTOR'S REPORT

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The Board of Directors of MCB-Arif Habib Savings and Investments Limited (MCBAH) are pleased to present Report on the affairs of MCBAH for the quarter and nine months ended March 31, 2021.

### 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 first nine months of fiscal year 2021 have been relatively stronger as economic activities resumed to a large extent though challenges from Covid continue to pose risks in the near term. The economic recovery has been better than expectations as stable interest rates and supportive financing schemes from SBP, amnesty to encourage construction sector, resumption in demand and continued strong inflow of remittances have supported economic growth. We therefore expect economic growth to be higher than estimates shared by multilateral agencies. Government had initial expectations of lower industrial growth (targeting a growth of 0.1% over last year) due to Covid-19, which we now believe would also be better than expectations as cyclical sectors have exhibited strong demand and volumetric growth.

Cement sector saw an impressive growth in local dispatches as they witnessed a growth of about 18% over last year in the first nine months of FY21. Sales of 2 and 3 wheeler units also rose at an impressive rate of near 17% over last year in the first eight months of FY21 reflecting on the resilience of economy. Similarly, the demand of petrol and diesel also increased by about 9.5% and 17% respectively over last year during the first nine months indicating a broader recovery in economy. Overall, Large Scale Manufacturing Index (LSM) has grown by about 7.9% in first seven months of the current fiscal year led by the cyclical sectors.

Current account posted a surplus of USD 881 million in the first eight months of fiscal year compared to a deficit of USD 2,741 million in the corresponding period of the last year. The improvement came in primarily on the back of higher remittances which grew at a stupendous rate of about 24% during the first eight months of this fiscal year. Foreign exchange reserves of central bank saw an increase of about USD 2.2 billion during the first eight months due to improved balance of payment position. Subsequently, the PKR/USD appreciated by about 9% during the period.

Inflation remained an Achilles heel for the government as rising food prices continued to create challenges for policy makers. Headline inflation represented by CPI averaged 8.4% over last year during the first nine months, with food inflation averaging about 13% during the period. The prices of perishable food items along with the price of wheat continued to advance higher as supply side disruptions and mismanagement caused the prices to soar. Nevertheless, core inflation as measured by Non Food Non Energy was still controlled and averaged 6.1% for the period. Monetary Policy Committee maintained status quo throughout the year after successive cuts in previous meetings. While real interest rates remained negative, the central bank was cautious with regards to demand side pressures owing to Covid-19 as well as comfort drawn from better external position.

As the economy started to open up, tax collection also improved and grew by about 10% during the first nine months of the fiscal year which exceeded the target by PKR 100 bn. Fiscal deficit for the first seven months of the period clocked in at 2.9% of GDP, compared to 3.2% of GDP last year. Primary balance was even better at a surplus of 0.9% of GDP compared to last year surplus of 0.3% of GDP.

Yield curve started to slope upward after inflation continued to disappoint investors. The central bank also raised its expectation of inflation as discussed in the minutes of MPC. It now expects it to fall in the upward range of 7-9% compared to earlier expectations of inflation falling in the lower range. 3, 5 and 10 Year bonds saw a rise of 182 bps, 175 bps and 173 bps respectively during the period.

## DIRECTOR'S REPORT

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### Equity Market Review

After showing strong positive momentum during the first half of this fiscal year, market performance could not display the same riveting momentum and remained dull during the third quarter of this fiscal year. The index posted a return of 1.9% during the third quarter of this fiscal year, taking the cumulative return of nine months to 29.5%. Local investors absorbed foreign investors selling of about USD 290mn. Trading activity at the bourse increased on a YoY basis as the average volumes and value traded amounted to near 483 Million shares (up 149%) and about PKR 19 Billion (up 165%) respectively.

Tech, Refineries and Steel were the major outperformers as they posted returns of 326%/145%/97% respectively during the nine months of the fiscal year. Tech companies saw a massive re-rating in their valuations as investor cherished the changing landscape of tech companies post Covid. Steel sector gained traction during period after a sharp increase in construction demand and prices sent their stocks soaring. Moreover, rumors of a guaranteed rate of return for refineries drove sector returns during the period. On the flip side, Fertilizer remained the major underperformer posting nominal returns of 8% only.

### Economy & Market – Future Outlook

GDP growth for FY21 is now projected at around 3% by central bank. We expect GDP growth to be better than general consensus of government and institutions as industrial growth has revived much earlier than our anticipation. Generally, economy appears to be operating close to pre-covid levels gauged by LSM growth, cement sales, auto sales, etc.

Balance of Payment worries are at bay for the near term with current account deficit expected to be about USD 1.1 bn for this fiscal year. We expect Current Account Deficit to settle near 0.4% of GDP in FY21 which could be easily financed from foreign investments and debt flows. However, the recent surge in commodity prices and growth momentum would require better financial management to fund the current account deficit over next year. Any reversal in trend of remittances would also be a concern for Balance of Payment management next year. With Real Effective Rate for Feb-2021 at 97.1 any significant movement in commodities may cause relative inflation and balance of payment to weaken further and thus can cause currency to weaken swiftly. Continuation of the IMF program is a good omen which would allow better financial flows from various institutions allowing better financial management. We expect foreign exchange reserves to further increase by about USD 2.7 bn from current levels by year end.

Inflation has exceeded our earlier expectations as food prices have sky rocketed. We expect CPI to average near 9.1% for FY21, slightly higher than the expected range (7.0-9.0) of central bank. For the next fiscal year, we expect CPI to average close to 9.1%. Central bank for the first time has provided guidance on interest rates in the short term which will perhaps bring more certainty in investor expectations. The central authority vowed to keep the existing accommodative monetary policy stance to support recovery while keeping inflation expectations well anchored. Given the guidance by central bank, we now expect interest rates to adjust by 100-150 bps over the next fiscal year.

From capital market perspective, particularly equities, markets are watchful of the 3<sup>rd</sup> wave of Covid cases which do pose risks in the near term. As growth momentum continues, the valuations are catching up with historical norms. Barring any external shock, we think equities have potential to provided decent return to investors. Given that low interest rate environment is likely to continue for the short to medium term, we believe equities will continue to attract flows. Risk premiums vis a vis 10-year bonds is right now at 3.3%, compared to historical average of 1.3% suggesting some upside due to re-rating would be possible. Alongside, earnings growth will be a key driver for the next few years as they have lagged behind nominal GDP growth during the last couple of years. We believe a micro view of sectors and stock will remain more important this year and investment selection should focus on companies which trade at a deep discount to their intrinsic value. Similarly, focus should also revert back to companies that are expected to exhibit stellar earnings growth over the medium term.

For debt holders, we expect Money Market Funds to continue to seamlessly mirror policy rates throughout the year. On the other hand, government bonds have priced in the anticipated yield curve. We remain cautious at the current levels of bond yields and would continue to monitor the data points to capitalize on opportunities.

## DIRECTOR'S REPORT

### Mutual Fund Industry Review

The Net Assets of the open end mutual fund industry increased by about 28.6% to PKR 954 billion at the end of the first nine months of the fiscal year. Money market funds and Fixed Income funds experienced an influx of investment as corporate liquidity swiftly moving towards mutual funds. Total money market funds grew by about 33% during the period to PKR 418 billion. Within the money market sphere, the conventional funds dominated as they grew by about 31% to PKR 271 billion. Equity and related funds surged rapidly by 27% from PKR 224 billion to PKR 284 billion over the quarter. Most of the rise in equity and equity linked fund assets can be attributed to a positive uptick in the market that was up ~29% YoY owing to favorable investor sentiments.

In terms of the segment share, Money Market funds were the leader with a share of around 44%, followed by Equity and Equity related funds with a share of 30% and Income funds having a share of 26% as at the end of the calendar year.

### Mutual Fund Industry Outlook

Record decline in interest rates have reinstated the confidence in risk asset classes. We expect liquidity to gear up towards equity and related funds. The sustainability of liquidity will however depend on how the economy transitions through this phase of pandemic. Our operations remained seamless and given our competitive edge due to aggressive investment in digital access and online customer experience, the environment provides an opportunity with growing number of investors available online.

### COMPANY'S PERFORMANCE REVIEW

In the month of October 2020, the Company achieved highest Asset Manager Rating of AM1. The rating reflects the Company's positioning as one of the leading players in the Asset Management Companies; supported by strong control environment, structured Investment processes, good governance framework and qualified management team.

As on March 31, 2021 the Company has Assets Under Management (AUM) of Rs.148 billion, a growth of 47% in AUMs as compared to corresponding period of March 31, 2020 when company had AUMs of Rs. 101 billion. Resultantly, the Company recorded a gross income of Rs.586.5 million compared to 525 million earned in corresponding period, which includes management / investment advisory fee and processing income. Moreover, due to active fund management coupled with KSE-100 increasing by over 29% the Company was able to earn Rs.151.1 million (March 31, 2020: 48.9 million) through investments and placement of excess funds.

After accounting for administrative, operating & financial expenses and marketing expenses of Rs.374.2million (March 31, 2020: 382.1 million), the Company during the nine-months of FY 2020-2021, earned Profit Before Tax of Rs.366.5 million compared to Rs. 192.9 million in corresponding period. After paying taxes, the Company earned profit after tax of Rs. 287.8 million compared to Rs. 127.5 million earned in the same corresponding period.

The Earnings per Share of nine months ended March 31, 2021 is Rs.4.00 as compared to Rs.1.77 per share in the corresponding period.

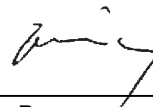
### ACKNOWLEDGEMENT

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

For and on behalf of Board



**Muhammad Saqib Saleem**  
Chief Executive Officer  
Karachi: April 16, 2021.



**Nasim Beg**  
Director and Vice Chairman

## ڈائریکٹر رپورٹ

### کمپنی کی کارکردگی کا جائزہ

اکتوبر 2020ء میں کمپنی نے اثاثہ جاتی انتظام کی بلند ترین درجہ بندی AM1 حاصل کی۔ اس درجہ بندی سے ظاہر ہوتا ہے کہ کمپنی کا شمار اثاثہ جاتی انتظام کے صف اول کے اداروں میں ہوتا ہے جس میں قواعد و ضوابط کا مضبوط نظام، سرمایہ کاری کے مربوط طریقے، نظم و ضبط کی عمدہ ساخت اور قابل انتظامیہ ٹیم موجود ہے۔

31 مارچ 2021ء کو کمپنی 148 بلین روپے کی اثاثہ جات تحت الانتظامیہ (اے یو ایم) کی حامل ہے، جو مثال مدت کے مقابلے میں 47 فیصد ترقی ہے کیونکہ 31 مارچ 2020ء کو کمپنی 101 بلین روپے اے یو ایم کی حامل تھی۔ نتیجتاً، کمپنی کی مجموعی آمدنی 586.5 ملین روپے تھی جبکہ اس کے بالمقابل مثال مدت کی مجموعی آمدنی 525 ملین روپے تھی، بشمول انتظامی / سرمایہ کاری مشاورتی فیس اور پراسسنگ آمدنی۔ مزید برآں، فنڈ کے متحرک انتظام بمع کراچی اسٹاک ایکسچینج -100 میں 29 فیصد سے زائد اضافے کی بدولت کمپنی نے سرمایہ کاروں اور اضافی قوم کے استعمال کے ذریعے 151.1 ملین روپے (31 مارچ 2020ء میں 48.9 ملین روپے) آمدنی حاصل کی۔

مالی سال 2020-21ء کے نو ماہ کے دوران انتظامی، آپریٹنگ اور مالیاتی اخراجات اور مارکیٹنگ اخراجات 374.2 ملین روپے (31 مارچ 2020ء کو 382.1 ملین روپے) منہا کرنے کے بعد کمپنی کا منافع قبل از ٹیکس 366.5 ملین روپے تھا جبکہ اس کے بالمقابل مثال مدت کا منافع قبل از ٹیکس 192.9 ملین روپے تھا۔ ٹیکسوں کی ادائیگی کے بعد کمپنی کا منافع (یعنی منافع بعد از ٹیکس) 287.8 ملین روپے تھا جبکہ اس کے بالمقابل مثال مدت کا منافع بعد از ٹیکس 127.5 ملین روپے تھا۔

31 مارچ 2021ء کو اختتام پذیر ہونے والے نو ماہ کی آمدنی فی شیئر 4.00 روپے ہے جبکہ اس کے بالمقابل مثال مدت کی آمدنی فی شیئر 1.77 روپے تھی۔

### اظہار تشکر

منجسٹ کمپنی کے بورڈ آف ڈائریکٹرز پاکستان اسٹاک ایکسچینج لمیٹڈ کی انتظامیہ، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی مسلسل معاونت اور حمایت کے لیے شکر گزار ہے۔ علاوہ ازیں، ڈائریکٹرز کمپنی کے ملازمین کی کوششوں، عزم و اخلاص، اور حصص یافتگان کے کمپنی میں اعتماد کو بھی خراج تحسین پیش کرتے ہیں۔

برائے اور من جانب بورڈ



نیم بیگ  
ڈائریکٹر / اوپس چیئر مین



محمد ثاقب سلیم  
چیف ایگزیکٹو آفیسر  
کراچی، 16 اپریل 2021ء



## ڈائریکٹر رپورٹ

کے لیے سی پی آئی کا اوسط 9.1 فیصد متوقع ہے۔ مرکزی بینک نے پہلی مرتبہ قریب المیاد میں سودی شرحوں سے متعلق راہنمائی فراہم کی ہے جس کی بدولت سرمایہ کاروں کی توقعات میں مزید یقینی صورتحال پیدا ہوگی۔ مرکزی مختار ادارے نے گنجائش پیدا کرنے والی موجودہ مالیاتی پالیسی کا موقف برقرار رکھنے کا عزم کیا تاکہ وصولی کے لیے معاونت فراہم ہو، جبکہ افراط زر کی توقعات کو قابو میں رکھا۔ مرکزی بینک کی راہنمائی کے پیش نظر اب ہمیں اُمید ہے کہ سودی شرحوں میں اگلے مالی سال کے دوران 100 سے 150 بیسیس پوائنٹس تک ترمیم ہوگی۔

کیپیٹل مارکیٹ کے نقطہ نظر سے، خصوصاً ایکویٹیز کے تناظر میں، مارکیٹس کو وڈ کی تیسری لہر کے حوالے سے گہری نظر رکھے ہوئے ہیں کیونکہ اس سے قریبی مدت میں خطرات لاحق ہیں۔ ترقی کی رفتار تیز تر ہونے کے ساتھ valuations بتدریج پرانے رجحانات کے ساتھ ہم آہنگ ہو رہی ہیں۔ ہمارے مطابق کوئی خارجی دھچکہ نہ لگے تو ایکویٹیز میں سرمایہ کاروں کو اچھا منافع دینے کی استعداد موجود ہے۔ اگر سودی پست شرحوں کا ماحول مختصر اور درمیانی مدت کے دوران قائم رہے تو ہم سمجھتے ہیں کہ ایکویٹیز آمدات کو مائل کرنے کا سلسلہ جاری رکھیں گی۔ دس سالہ بانڈز سے متعلق خطرات کے پریکٹس فی الوقت 3.3 فیصد پر ہیں، اور قدیم اوسط 1.3 فیصد کے ساتھ تقابل سے پتہ چلتا ہے کہ ری ریٹنگ کی بدولت کچھ فائدہ متوقع ہے۔ ساتھ ساتھ آمدنیوں میں اضافہ اگلے کچھ برسوں کے لیے کلیدی محرک ہوگا کیونکہ گزشتہ کچھ برسوں کے دوران آمدنیاں جی ڈی پی کی معمولی ترقی سے بھی پیچھے رہی ہیں۔ ہم سمجھتے ہیں کہ شعبہ جات اور اسٹاک کی خورد و تصویر اس سال زیادہ اہم رہے گی اور سرمایہ کاری کے انتخاب کا انحصار ایسی کمپنیوں پر ہونا چاہیے جو اپنی اندرونی قدر میں گہری رعایت پر تجارت کرتی ہیں۔ اسی طرح ایسی کمپنیوں کی طرف بھی توجہ دوبارہ مرکوز ہونی چاہیے جن کی درمیانی مدت کی آمدنی میں زبردست ترقی متوقع ہے۔ قرض حاملین کے لیے ہم توقع کرتے ہیں کہ بازار زر کے فنڈ سال بھر بلا رکاوٹ پالیسی شرحوں کی عکاسی جاری رکھیں گے۔ دوسری جانب حکومتی بانڈز متوقع پیداواری ختم میں شامل ہو چکے ہیں۔ ہم بانڈز کے منافعوں کی موجودہ سطحوں کے حوالے سے محتاط ہیں اور ڈیٹا کے نکات کی نگرانی جاری رکھیں گے تاکہ مواقع سے فائدہ اٹھایا جاسکے۔

### میوچل فنڈ صنعت کا جائزہ

اوپن end میوچل فنڈ صنعت کے net اثاثہ جات مالی سال 2021ء کے ابتدائی نو ماہ کے اختتام پر تقریباً 28.6 فیصد بڑھ کر 954 بلین روپے ہو گئے۔ مئی مارکیٹ فنڈز اور گنڈ اکم فنڈز میں خطرہ سرمایہ کاری ہوئی کیونکہ کارپوریٹ نقدیت تیزی سے میوچل فنڈز کی جانب بڑھ رہی ہے۔ مئی مارکیٹ کے مجموعی فنڈز دوران مدت تقریباً 33 فیصد بڑھ کر 418 بلین روپے ہو گئے۔ مئی مارکیٹ کے دائرہ کار میں روایتی فنڈز حاوی رہے اور تقریباً 31 فیصد بڑھ کر 271 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز میں دوران سہ ماہی 27 فیصد کا بھرپور اضافہ ہوا اور وہ 224 بلین روپے سے 284 بلین روپے ہو گئے۔ ایکویٹی اور متعلقہ فنڈز کے اثاثہ جات میں اضافے کا بڑا سبب سرمایہ کاروں کے مثبت جذبات کی بدولت مارکیٹ میں 29 فیصد سال در سال ترقی کو قرار دیا جاسکتا ہے۔

کیلنڈر سال کے اختتام پر شعبہ جاتی سرمایہ کاری کے اعتبار سے مئی مارکیٹ فنڈز تقریباً 44 فیصد کے ساتھ سب سے آگے تھے، جبکہ ایکویٹی اور متعلقہ فنڈز تقریباً 30 فیصد، اور اکم فنڈز تقریباً 26 فیصد کے حامل تھے۔

### میوچل فنڈ صنعت کے مستقبل کے امکانات

سودی شرحوں میں اب تک کی سب سے زیادہ کمی کی بدولت خطرات کے حامل اثاثہ جات میں اعتماد بحال ہوا ہے۔ ہمیں اُمید ہے کہ ایکویٹی اور متعلقہ فنڈز کے شعبے میں نقدیت کی صورتحال بہتر ہوگی۔ تاہم نقدیت کی پائیداری کا انحصار اس بات پر ہوگا کہ معیشت اس وبا کے مرحلے سے کس طرح گزرتی ہے۔ ہمارے آپریشنز بلا رکاوٹ جاری رہے، اور ڈیجیٹل رسائی اور آن لائن سہولیات میں بھرپور سرمایہ کاری کے نتیجے میں ہمیں جو سہولت حاصل ہے اس کی بدولت ہم آن لائن دستیاب سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کر سکتے۔

## ڈائریکٹر رپورٹ

معیشت کے مستحکم ہونے کے آغاز کے ساتھ ٹیکس وصولی بھی بہتر ہوئی اور اس میں مالی سال کے ابتدائی نو ماہ کے دوران 10 فیصد اضافہ ہوا جو ہدف سے 100 بلین روپے زیادہ تھا۔ ابتدائی سات ماہ کا مالیاتی خسارہ مجموعی ملکی پیداوار (جی ڈی پی) کا 2.9 فیصد تھا جبکہ اس کے بالمقابل سال گزشتہ جی ڈی پی کا 3.2 فیصد تھا۔ بنیادی توازن جی ڈی پی (GDP) کے 0.9 فیصد کے ساتھ مزید بہتر رہا جبکہ اس کے بالمقابل سال گزشتہ جی ڈی پی کا 0.3 فیصد تھا۔

مہنگائی کے بعد سرمایہ کاروں کو مایوس کرنے کے بعد پیداوار کی قیمت میں اضافی ہونا شروع ہوا۔ مرکزی بینک نے بھی افراط زر سے متعلق اپنی توقع کو بڑھایا جیسا کہ ایم پی سی کے ٹیسٹس میں مذکور ہے۔ اب مرکزی بینک کو توقع ہے کہ افراط زر 7 سے 9 فیصد کی اوپری سطح میں پہنچ جائے گا، جبکہ پہلے اس کا چٹائی سطح میں آنا متوقع تھا۔ دوران مدت تین، پانچ اور دس سالہ بانڈز میں بالترتیب 182، 175 اور 173 بیسیس پوائنٹس (پی پی ایس) کا اضافہ ہوا۔

### ایکویٹی مارکیٹ کا جائزہ

موجودہ مالی سال کی تیسری سہ ماہی کے دوران مارکیٹ کی کارکردگی وہ مستحکم اور مثبت رفتار جاری نہیں رکھ سکی جس کا مظاہرہ مالی سال کے نصف اوّل کے دوران ہوا تھا۔ انڈیکس نے تیسری سہ ماہی کے دوران 1.9 فیصد منافع پوسٹ کیا جس کے بعد نو ماہ کا مجموعی منافع 29.5 فیصد تک پہنچ گیا۔ مقامی سرمایہ کاروں نے غیر ملکی سرمایہ کاروں کی تقریباً 290 ملین ڈالر کی فروخت کو جذب کر لیا۔ اسٹاک مارکیٹ کی تجارتی سرگرمی میں سال در سال (YoY) بنیاد پر اضافہ ہوا کیونکہ تجارت کردہ اوسط حجم تقریباً 483 ملین حصص (149 فیصد زیادہ) اور تجارت کردہ اوسط قدر تقریباً 19 بلین روپے (165 فیصد زیادہ) تھی۔

ٹیکنالوجی، اسٹیل اور ریٹائرمنٹ ہدف سے بہتر کارکردگی کا مظاہرہ کرنے والے بڑے شعبے تھے جنہوں نے مالی سال کے نو ماہ کے دوران بالترتیب 326 فیصد، 145 فیصد اور 97 فیصد منافع پوسٹ کیا۔ ٹیکنالوجی کمپنیوں کی قدر کی بڑے پیمانے پر تشکیل نو ہوئی کیونکہ سرمایہ کاروں نے ٹیکنالوجی کمپنیوں کی بعد از کووڈ بدلتی ہوئی صورتحال کا خیر مقدم کیا۔ اسٹیل کے شعبے نے رفتار پکڑی کیونکہ تعمیراتی مانگ اور قیمتوں میں تیزی سے اضافے کے بعد ان کے اسٹاکس نے بھرپور ترقی کی۔ علاوہ ازیں، ریٹائرمنٹ کے لیے یقینی شرح منافع کی افواہوں نے دوران مدت اس شعبے کے منافع کو محرک فراہم کیا۔ دوسری جانب، کھاد کا شعبہ ہدف سے کم کارکردگی کا مظاہرہ کرنے والا بڑا شعبہ تھا جس نے صرف 8 فیصد منافع پوسٹ کیا۔

### معیشت اور بازار - مستقبل کے امکانات

مرکزی بینک کے مطابق مالی سال 2021ء کے لیے مجموعی ملکی پیداوار (جی ڈی پی) میں 3 فیصد ترقی متوقع ہے۔ ہمیں اُمید ہے کہ جی ڈی پی کی ترقی حکومت اور اداروں کے عمومی اتفاق رائے سے بہتر ہوگی کیونکہ صنعتی ترقی ہماری توقعات سے کافی قبل بحال ہوگئی ہے۔ معیشت اب عمومی طور پر قبل از کووڈ سطحوں کے قریب سرگرم عمل ہے جس کا اندازہ ایل ایس ایم کی ترقی اور سیمنٹ اور آٹوموبائل کے شعبے کی فروخت کے ذریعے لگایا جاسکتا ہے۔ ادائیگیوں کے توازن کی پریشانیوں قریب المیہ ختم ہوگئی ہیں کیونکہ موجودہ مالی سال کے لیے کرنٹ اکاؤنٹ کا متوقع خسارہ تقریباً 1.1 بلین ڈالر ہے۔ ہم سمجھتے ہیں کہ مالی سال 2021ء میں کرنٹ اکاؤنٹ خسارہ جی ڈی پی کے تقریباً 0.4 فیصد پر ٹھہرے گا، اور اس کے لیے مالیات کی فراہمی آسانی غیر ملکی سرمایہ کاروں اور قرض کے ذریعے ہو سکتی ہے۔ تاہم اشیاء کی قیمتوں اور ترقی کی رفتار میں حالیہ اضافے کے باعث اگلے سال کے دوران کرنٹ اکاؤنٹ خسارے کے لیے مالیات کی فراہمی کے لیے بہتر مالیاتی انتظام درکار ہے۔ ترسیلات زر کے رجحان میں ذرا بھی واپسی کے باعث اگلے سال ادائیگی کے توازن کے انتظام میں رکاوٹ حائل ہو سکتی ہے۔

فروری 2021ء کا رینٹل اِنڈیکس ریٹ 97.1 فیصد تھا، اور اشیاء میں کسی بھی قابل ذکر حرکت کے باعث افراط زر اور ادائیگیوں کے توازن کی نسبتاً صورتحال مزید خراب ہو سکتی ہے اور اس کے نتیجے میں روپے کی قدر تیزی سے گر سکتی ہے۔ آئی ایم ایف پروگرام کا جاری رہنا اچھا شگون ہے جس کی بدولت متعدد اداروں سے بہتر مالیاتی آمدات ممکن ہوگی اور اس کے نتیجے میں بہتر مالیاتی انتظام ممکن ہوگا۔ غیر ملکی زرمبادلہ کے ذخائر میں اختتام مدت تک موجودہ سطحوں کے مقابلے میں تقریباً 2.7 بلین ڈالر کا مزید اضافہ متوقع ہے۔

افراط زر ہماری سابقہ توقعات سے آگے نکل گئی ہے کیونکہ اشیاء خورد و نوش کی قیمتیں آسان سے باتیں کر رہی ہیں۔ ہمارے نزدیک مالی سال 2021ء

## ڈائریکٹر رپورٹ

ایم سی بی عارف حبیب سیونگس اینڈ انویسٹمنٹس لمیٹڈ (ایم سی بی اے ایچ) کے بورڈ آف ڈائریکٹرز کی جانب سے ایم سی بی اے ایچ کے معاملات برائے سہ ماہی اور نو ماہ مختتمہ 31 مارچ 2021ء کی رپورٹ پیش خدمت ہے۔

### بنیادی کاروبار

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

### معیشت اور بازار زر کا جائزہ

مالی سال 2021ء کے ابتدائی نو ماہ مستحکم رہے کیونکہ معاشی سرگرمیاں کافی حد تک بحال ہوئیں اگرچہ قریب المیاد میں کووڈ کے باعث پیدا ہونے والی مشکلات کے باعث خطرات ابھی بھی لاحق ہیں۔ معاشی بحالی توقعات سے بہتر رہی کیونکہ سود کی مستحکم شرحوں اور اسٹیٹ بینک آف پاکستان (ایس بی پی) کی معاونتی مالیاتی اسکیموں، تعمیرات کے شعبے کی حوصلہ افزائی کے لیے رعایات، مانگ میں بحالی، اور ترسیلات زر کی مسلسل اور مستحکم آمد سے معاشی ترقی کو سہارا ملا ہے۔ چنانچہ ہمیں اُمید ہے کہ معاشی ترقی کثیر النفعی اسبجکٹوں کے پیش کردہ تجویزوں سے بلند تر ہوگی۔ حکومت کی ابتدائی توقعات کے مطابق صنعتی ترقی (جس کا ہدف سال گزشتہ کے مقابلے میں 0.1 فیصد ترقی تھا) کووڈ-19 کے باعث پست تر ہوگی، لیکن اب ہم سمجھتے ہیں کہ یہ توقعات سے بہتر ہوگی کیونکہ گردش شعبوں میں بھرپور طلب اور حجم کے اعتبار سے ترقی کا مظاہرہ ہوا ہے۔

سیمنٹ کے شعبے میں مقامی فروخت میں متاثر کن ترقی ہوئی جو مالی سال 2021ء کے ابتدائی نو ماہ میں سال گزشتہ سے 18 فیصد زیادہ تھی۔ 2 اور 3 پہیوں والے ٹریکٹر کی فروخت میں بھی مزید متاثر کن ترقی ہوئی جو مالی سال 2021ء کے ابتدائی آٹھ ماہ میں سال گزشتہ سے تقریباً 17 فیصد زیادہ تھی جس سے معیشت کی پلک کی عکاسی ہوتی ہے۔ اسی طرح ابتدائی نو ماہ کے دوران پٹرول اور ڈیزل کی طلب میں بھی سال گزشتہ کے مقابلے میں پالترتیب تقریباً 9.5 فیصد اور 17 فیصد اضافہ ہوا جس سے معیشت میں وسیع تر بحالی کی ترجمانی ہوتی ہے۔ مجموعی طور پر بڑے پیمانے پر ہونے والی مینوفیکچرنگ (ایل ایس ایم) میں موجودہ مالی سال کے ابتدائی سات ماہ میں 7.9 فیصد ترقی ہوئی ہے جس میں گردش شعبے سب سے آگے رہے ہیں۔


مالی سال کے ابتدائی آٹھ ماہ میں کرنٹ اکاؤنٹ میں 881 ملین ڈالر منافع ہوا جبکہ اس کے بالمقابل سال گزشتہ کی مماثل مدت میں 2,741 ملین ڈالر خسارہ ہوا تھا۔ اس بہتری کی بنیادی وجہ ترسیلات زر میں اضافہ تھا جن میں مالی سال کے ابتدائی آٹھ ماہ کے دوران 24 فیصد کی زبردست شرح سے ترقی ہوئی۔ مرکزی بینک کے زرمبادلہ کے ذخائر میں ابتدائی آٹھ ماہ کے دوران تقریباً 2.2 ملین ڈالر اضافہ ہوا جس کی وجہ ادائیگی کے توازن کی صورتحال میں بہتری ہے۔ بعد ازاں، پاکستانی روپے / امریکی ڈالر میں دوران مدت تقریباً 9 فیصد ترقی ہوئی۔

افراط زر حکومت کی دکھتی رگ بنی رہی کیونکہ اشیائے خورد و نوش کی بڑھتی ہوئی قیمتوں کے باعث پالیسی ساز افراط زر کے مشکلات کا شکار رہے۔ مجموعی افراط زر، جس کی ترجمانی صارفین کی قیمت کے انڈیکس (سی پی آئی) سے ہوتی ہے، کا اوسط ابتدائی نو ماہ کے دوران 8.4 فیصد تھا، جبکہ اشیائے خورد و نوش کے افراط زر کا اوسط دوران مدت 13 فیصد تھا۔ رسد کی جہت میں مسائل اور بدانتظامی کے باعث جلد خراب ہو جانے والی اشیائے خورد و نوش اور گندم کی قیمتوں میں اضافہ جاری رہا۔ بہر حال بنیادی افراط زر، جس کی پیمائش اشیائے خورد و نوش اور توانائی کے علاوہ سے ہوتی ہے، قابو میں تھی اور اس کا اوسط برائے مدت 6.1 فیصد تھا۔ ماہی پالیسی کمیٹی (ایم پی سی) نے گزشتہ اجلاسوں میں پے در پے کٹوتیوں کے بعد صورتحال کو برقرار رکھا۔ اگرچہ حقیقی سود کی شرح منفی رہی لیکن مرکزی بینک کووڈ کے باعث طلب کی جہت پر پڑنے والے دباؤ اور بہتر خارجی صورتحال کی بدولت پیدا ہونے والی سہولت کے حوالے سے محتاط تھا۔

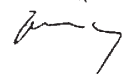
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**As at 31 March 2021**

		(Unaudited) 31 March, 2021	(Audited) 30 June, 2020
	Note		(Rupees)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	4	362,480,269	401,747,361
Long-term investments	5	618,225,448	533,563,426
Long-term loans and prepayments	6	12,939,931	7,062,588
Long-term deposits		4,869,903	5,289,229
		998,515,551	947,662,604
<b>Current assets</b>			
Receivable from related parties	7	557,646,034	536,446,025
Loans and advances		13,103,820	4,201,445
Deposits, prepayments and other receivables	8	54,631,172	30,508,123
Accrued mark-up		20,189	24,966
Short-term investments	9	580,776,048	661,620,881
Advance tax - net of provision	10	43,974,861	64,293,766
Cash and bank balances		56,714,959	19,814,591
		1,306,867,083	1,316,909,797
<b>TOTAL ASSETS</b>		<b>2,305,382,634</b>	<b>2,264,572,401</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised share capital			
72,000,000 (30 June 2020: 72,000,000) ordinary shares of Rs. 10 each		720,000,000	720,000,000
Issued, subscribed and paid-up share capital		720,000,000	720,000,000
Reserves		794,486,638	830,695,426
<b>Total equity</b>		<b>1,514,486,638</b>	<b>1,550,695,426</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred taxation - net	11	67,368,563	55,968,562
Lease liability against right-of-use assets	4.5	22,440,798	33,454,709
<b>Current liabilities</b>			
Unclaimed dividend		4,700,364	4,586,000
Current Portion of lease liability against right-of-use assets	4.5	29,593,221	27,191,338
Trade and other payables	12	666,793,050	593,676,366
<b>Total liabilities</b>		<b>790,895,996</b>	<b>714,876,975</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,305,382,634</b>	<b>2,265,572,401</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	16		

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

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)**  
**For The Nine Months Ended March 31, 2021**

Note	Nine months ended		Quarter ended		
	March 31	March 31	March 31	March 31	
	2021	2020	2021	2020	
-----Rupees-----					
<b>Revenue</b>					
Management fee / investment advisory fee	13	548,588,851	504,429,700	200,530,508	184,623,496
Processing and other related income		37,959,419	20,639,818	16,341,543	9,894,005
Profit on bank deposits		1,000,367	3,160,911	319,006	1,004,559
Dividend income		14,509,527	6,364,523	2,431,710	3,182,524
Capital gain / (loss) on sale of investments - net		27,200,111	36,503,399	15,480,250	7,399,837
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net		108,368,606	2,850,376	(2,124,707)	(85,128,395)
<b>Total income</b>		<b>737,626,879</b>	<b>573,948,727</b>	<b>232,978,308</b>	<b>120,976,027</b>
<b>Expenses</b>					
Administrative expenses	14	(322,380,795)	(321,735,313)	(116,449,759)	(101,475,019)
Selling and distribution expenses		(46,279,784)	(52,929,880)	(14,485,318)	(14,317,743)
Financial charges		(5,567,185)	(7,471,188)	(1,772,497)	(3,526,790)
		(374,227,764)	(382,136,380)	(132,707,574)	(119,319,553)
Other income		3,146,283	1,119,398	1,357,936	342,859
<b>Profit for the period before taxation</b>		<b>366,545,399</b>	<b>192,931,744</b>	<b>101,628,670</b>	<b>1,999,333</b>
<b>Taxation</b>					
- Current		(70,801,109)	(52,693,286)	(27,000,000)	(20,019,340)
- Prior		3,446,922	(346,901)	3,446,922	-
- Deferred		(11,400,000)	(12,352,086)	(700,000)	(4,216,788)
		(78,754,187)	(65,392,273)	(24,253,078)	(24,236,128)
<b>Profit for the period after taxation</b>		<b>287,791,212</b>	<b>127,539,471</b>	<b>77,375,592</b>	<b>(22,236,795)</b>
Earnings per share - basic and diluted (Rupees)		4.00	1.77	1.07	(0.31)

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

  
 Chief Executive Officer

  
 Chief Financial Officer

  
 Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**For The Nine Months Ended March 31, 2021**

	Nine months ended		Quarter ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	-----Rupees-----			
Profit for the period after taxation	287,791,212	127,539,471	77,375,592	(22,236,795)
Other comprehensive income for the period				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Net unrealised appreciation / (diminution) on re-measurement of 'available for sale' investments				
net of deferred tax	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>287,791,212</b>	<b>127,539,471</b>	<b>77,375,592</b>	<b>(22,236,795)</b>


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



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**For The Nine Months Ended March 31, 2021**

	Capital			Reserves			Total
	Issued, subscribed and paid-up capital	Share premium	Deficit arising on amalgamation	Sub-total	Unappropriated profit	Sub-total	
----- Rupees -----							
Balance as at July 01, 2019	720,000,000	396,000,000	(60,000,000)	336,000,000	406,226,313	406,226,313	1,462,226,313
Total comprehensive income for the nine months ended March 31, 2020	-	-	-	-	127,539,471	127,539,471	127,539,471
Final dividend for the year ended June 30, 2019 at 1.35 per share	-	-	-	-	(97,200,000)	(97,200,000)	(97,200,000)
Interim dividend for the year ended 30 June 2020 at Rs 1 per share	-	-	-	-	(72,000,000)	(72,000,000)	(72,000,000)
	-	-	-	-	(41,660,529)	(41,660,529)	(41,660,529)
Balance as at March 31, 2020	720,000,000	396,000,000	(60,000,000)	336,000,000	364,565,784	364,565,784	1,420,565,784
Profit after taxation for the quarter ended 30 June 2020	-	-	-	-	130,129,642	130,129,642	130,129,642
Balance as at June 30, 2020	720,000,000	396,000,000	(60,000,000)	336,000,000	494,695,426	494,695,426	1,550,695,426
Comprehensive income for the nine months ended March 31, 2020				-	287,791,212	287,791,212	287,791,212
Other comprehensive income for the nine months ended March 31, 2020					-	-	-
Total comprehensive income for the nine months ended March 31, 2020	-	-	-	-	287,791,212	287,791,212	287,791,212
Final dividend for the year ended 30 June 2020 at Rs 2.25 per share	-	-	-	-	(162,000,000)	(162,000,000)	(162,000,000)
Interim dividend for the period ended 30 December 2020 at Rs 2.25 per share	-	-	-	-	(162,000,000)	(162,000,000)	(162,000,000)
Balance as at March 31, 2021	720,000,000	396,000,000	(60,000,000)	336,000,000	620,486,638	620,486,638	1,514,486,638

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

  
 Chief Executive Officer

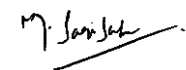
  
 Chief Financial Officer

  
 Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**For The Nine Months Ended March 31, 2021**

	<b>Nine months ended</b>	
	<b>March 31, 2021</b>	<b>March 31, 2020</b>
	<b>-----Rupees-----</b>	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit for the period before taxation	366,545,399	192,931,744
<b>Adjustments for non cash items:</b>		
Depreciation	15,481,916	25,523,893
Amortisation	9,039,788	10,001,535
Finance Cost on Lease Liabilities	5,069,835	5,367,682
Depreciation on right of use assets	21,305,112	18,344,709
(Gain) / Loss on sale of fixed assets	(2,461,340)	90,880
Capital gain on sale of marketable securities	(27,200,111)	(36,503,399)
Impairment of leasehold improvements	4,768,237	-
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	(108,368,606)	(2,850,376)
Financial charges	497,350	2,103,506
	<b>(81,867,817)</b>	<b>22,078,431</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES</b>	<b>284,677,582</b>	<b>215,010,175</b>
<b>WORKING CAPITAL CHANGES</b>		
<b>Increase in current assets</b>		
Receivable from related parties	(21,200,009)	(73,567,465)
Loans and advances	(8,902,375)	7,054,573
Deposits, prepayments and other receivables	(24,123,049)	18,610,925
Mark-up accrued	4,777	(225,296)
	<b>(54,220,656)</b>	<b>(48,127,262)</b>
<b>Increase in current liabilities</b>		
Unclaimed Dividend	114,364	79,887,094
Trade and other payables	73,116,684	74,096,311
<b>NET CASH USED IN WORKING CAPITAL CHANGES</b>	<b>19,010,392</b>	<b>105,856,143</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>303,687,974</b>	<b>320,866,318</b>
Income tax paid	64,901,843	(66,370,414)
Finance cost paid	(497,350)	(2,103,506)
Dividend paid	(324,000,000)	(169,200,000)
Rentals paid	(25,702,805)	(23,527,533)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>18,389,662</b>	<b>59,664,864</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(9,016,824)	(8,692,152)
Proceeds from sale of property plant and equipment	9,602,625	709,500
Net proceeds against redemption of investments	23,382,922	9,888,037
Long term loans and receivables	<b>(5,877,343)</b>	<b>4,602,195</b>
Long term deposits	419,326	(1,499,075)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>18,510,706</b>	<b>5,008,505</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>36,900,368</b>	<b>64,673,369</b>
Cash and cash equivalents at the beginning of the period	19,814,591	23,165,617
Cash and cash equivalents at the end of the period	<b>56,714,959</b>	<b>87,838,986</b>

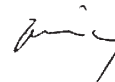
The annexed notes form an integral part of this condensed interim financial information.



Chief Executive Officer



Chief Financial Officer



Director



**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)  
For The Nine Months Ended March 31, 2021**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** MCB - Arif Habib Savings and Investments Limited ("the Company") was incorporated in the name of Arif Habib Investment Management Limited (AHIML) on 30 August 2000 as an unquoted public limited company under the requirements of the Companies Ordinance, 1984. During 2008, AHIML was listed on the Karachi Stock Exchange Limited (now integrated into the Pakistan Stock Exchange Limited) by way of offer for sale of shares by few of its existing shareholders to the general public. In the same financial year, the name of AHIML was changed from "Arif Habib Investment Management Limited" to "Arif Habib Investments Limited" (AHIL). On 19 January 2011, a transfer agreement was signed between Arif Habib Corporation Limited (AHCL) [the then parent of AHIL] and MCB Bank Limited (MCB Bank) [the then parent of MCB Asset Management Company Limited (MCB AMC)] for the transfer of the entire business of MCB AMC to AHIL to achieve synergies in business and to access a wider distribution network. The scheme of amalgamation ("the Scheme") was approved by the shareholders of AHIL and MCB AMC in their respective extraordinary general meetings held on 21 May 2011. The Scheme was also approved by the Securities and Exchange Commission of Pakistan (SECP) with the effective date of amalgamation being 27 June 2011 (the effective date). In accordance with the terms contained in the Scheme, the Company became a subsidiary of MCB Bank Limited from the end of the year ended 30 June 2011, which owns 51.33% ordinary shares in the Company till date. Pursuant to the merger of MCB AMC with and into AHIL, the name of AHIL has been changed to MCB - Arif Habib Savings and Investments Limited effective from 23 May 2013.
- 1.2** The registered office of the Company is situated at 2nd Floor, Adamjee House, I.I Chundrigar Road, Karachi, Pakistan.
- 1.3** The Company is registered as a Pension Fund Manager under the Voluntary Pension System Rules, 2005, as an Asset Management Company and an Investment Advisor under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003.
- 1.4** The Company has been assigned an Asset Manager rating of AM1 by the Pakistan Credit Rating Agency Limited (PACRA). The rating was determined by PACRA on 6 October 2020. Currently, the Company is managing the following funds under its management:

		Net assets value as at	
		31 March	30 June
Note		2021	2020
		(Rupees in million)	
<b>Open-end Collective Investment Schemes (CISs)</b>			
		2,914	2,076
		11,872	8,804
		1,402	1,816
		477	415
		2,664	3,693
		668	707
		1,469	1,299
		3,775	4,033
		35,148	28,106
	1.5	4,103	152
		2,638	1,964
		3,558	2,656
		6,865	4,442
		-	341
		137	177
		2,092	3,237
<b>Pension Funds</b>			
		1,851	1,723
		1,222	1,058
<b>Discretionary portfolio</b>			
		53,780	42,550

The Company is also managing investments under discretionary portfolio management agreements, the details of which are given below:

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)  
For The Nine Months Ended March 31, 2021**

	<b>Net assets value as at</b>	
	<b>31 March 2021</b>	<b>30 June 2020</b>
	<b>(Rupees in million)</b>	
Number of clients	<b>33</b>	36
Total portfolio at cost (Rs. in millions)	<b>45,715</b>	36,853
Total portfolio at market value (Rs. in millions)	<b>45,501</b>	35,426
Fee earned (Rs. in millions)	<b>41</b>	33

- 1.5** During the year, the name of Alhamra Islamic Money Market Fund (formerly MCB Pakistan Frequent Payout Fund) was changed.
- 1.6** 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 loss that may be incurred as a result of employees' fraud or gross negligence. The insurance Company has been assigned a credit rating of AA+ by the Pakistan Credit Rating Agency Limited (PACRA). The rating was determined by PACRA on 5 November 2020.

**2 BASIS OF PRESENTATION**

**2.1 Statement of compliance**

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

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

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

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

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) For The Nine Months Ended March 31, 2021

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### 2.5 Basis of measurement

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

### 2.6 Functional and presentation currency

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

### 2.8 IMPACT OF COVID-19

A novel strain of coronavirus (COVID- 19) that first surfaced in China was classified as a pandemic by the World Health Organization on 11 March 2020, impacting countries globally including Pakistan. Government of Pakistan has taken certain measures to reduce the spread of the COVID-19 including lockdown of businesses, suspension of flight operations, intercity movements, cancellation of major events, etc. The pandemic has resulted in an overall economic slowdown, disruptions to various business and significant volatility in the Pakistan Stock Exchange (PSX). However, currently, the potential impacts from COVID- 19 remain uncertain, including, among other things, on economic conditions, businesses and consumers. The extent of these impacts on the Company are unclear. The Company is conducting business with some modifications to employee working and cancellation of certain events, among other modifications while following all necessary Standard Operating Procedures (SOPs). The Company will continue to actively monitor the situation and may take further actions that alter its business operations as may be required by federal, provincial or local authorities or that are in the best interests of our employees, customers, partners, and stockholders. However, the management based on its assessment considers that there would be no significant impact that will adversely affect its businesses, results of operations and financial condition in future period.

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

- 3.1 The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of audited annual financial statements of the Company as at and for the year ended 30 June 2020.

### 3.2 New standards, interpretations and amendments adopted by the Company

There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after 1 July 2020 but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore are not detailed in these condensed interim financial statements.

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

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

### 3.4 Critical management estimates and judgments

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

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual financial statements as at and for the year ended 30 June 2020.

### 3.5 Financial risk management

The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Company for the year ended 30 June 2020.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**  
**For The Nine Months Ended March 31, 2021**

4	FIXED ASSETS	Note	(Unaudited) 31 March 2021	(Audited) 30 June 2020
			----- (Rupees) -----	
	<b>Tangible</b>			
	Property and equipment	4.1	26,428,660	45,363,804
	Right of use assets	4.4	49,032,190	60,884,879
			75,460,850	106,248,683
	<b>Intangible assets</b>			
	Computer software	4.2	12,892,486	21,371,745
	Goodwill	4.2	192,000,000	192,000,000
	Management rights	4.2	82,126,933	82,126,933
			287,019,419	295,498,678
			<b>362,480,269</b>	<b>401,747,361</b>

**4.1 Property and equipment**

Following is a statement of property and equipment:

	31 March 2021 (Unaudited)				
	Computers	Office equipments	Furniture and fixtures	Leasehold improvements	Vehicles
	----- (Rupees) -----				
<b>As at 1 July 2020</b>					
Cost	55,234,935	28,793,272	17,221,864	45,978,793	4,237,270
Accumulated depreciation	(35,925,068)	(21,960,664)	(9,542,085)	(24,138,932)	(1,328,060)
Accumulated impairment losses	-	(561,390)	(3,248,387)	(9,397,744)	-
Net book value	19,309,867	6,271,218	4,431,392	12,442,117	2,909,210
<b>Nine months ended 31 March 2021</b>					
Opening net book value	19,309,867	6,271,218	4,431,392	12,442,117	2,909,210
Additions during the period	6,746,203	452,830	363,568	893,694	-
Disposals during the period:					
- Cost	(951,394)	(11,178,668)	(10,715,340)	(13,002,140)	-
- Accumulated depreciation	948,407	8,741,313	5,964,183	7,130,213	-
- Accumulated impairment losses	-	561,390	2,522,470	2,838,280	-
	(2,987)	(1,875,965)	(2,228,687)	(3,033,647)	-
Impairment during the year	-	-	-	(4,768,237)	-
Depreciation for the period	(7,021,032)	(2,021,741)	(1,309,673)	(4,334,982)	(794,488)
Closing net book value	19,032,051	2,826,342	1,256,600	1,198,945	2,114,722
<b>As at 31 March 2021</b>					
Cost	61,029,744	18,067,434	6,870,092	33,870,347	4,237,270
Accumulated depreciation	(41,997,693)	(15,241,092)	(4,887,575)	(21,343,702)	(2,122,548)
Accumulated impairment loss	-	-	(725,917)	(11,327,701)	-
Net book value	19,032,051	2,826,342	1,256,600	1,198,945	2,114,722
<b>Depreciation rates (% per annum)</b>	<b>25%</b>	<b>20% - 50%</b>	<b>10%</b>	<b>10% - 20%</b>	<b>25%</b>
	30 June 2020 (Audited)				
	Computers	Office equipments	Furniture and fixtures	Leasehold improvements	Vehicles
	----- (Rupees) -----				
<b>As at 1 July 2019</b>					
Cost	50,316,668	28,800,538	18,742,110	77,725,699	1,794,000
Accumulated depreciation	(28,563,408)	(17,892,956)	(5,263,945)	(18,215,474)	(523,250)
			(3,008,277)	(27,237,796)	-
Net book value	21,753,260	10,907,582	10,469,888	32,272,429	1,270,750
<b>Year ended 30 June 2020</b>					
Opening net book value	21,753,260	10,907,582	10,469,888	32,272,429	1,270,750
Additions during the year	5,996,985	13,000	-	532,868	2,443,270
Disposals during the year					
- Cost	(1,078,718)	(20,266)	(1,520,246)	(32,279,774)	-
- Accumulated depreciation	1,061,888	20,266	406,097	10,301,442	-
- Accumulated impairment losses	-	-	630,158	20,678,332	-
	(16,830)	-	(483,991)	(1,300,000)	-
Impairment charged during the year	-	(561,390)	(870,267)	(2,838,280)	-
Depreciation for the year	(8,423,548)	(4,087,974)	(4,684,237)	(16,224,900)	(804,810)
Closing net book value	19,309,867	6,271,218	4,431,392	12,442,117	2,909,210
<b>As at 30 June 2020</b>					
Cost	55,234,935	28,793,272	17,221,864	45,978,793	4,237,270
Accumulated depreciation	(35,925,068)	(21,960,664)	(9,542,085)	(24,138,932)	(1,328,060)
Accumulated impairment loss	-	(561,390)	(3,248,387)	(9,397,744)	-
Net book value	19,309,867	6,271,218	4,431,392	12,442,117	2,909,210
<b>Depreciation rates (% per annum)</b>	<b>25%</b>	<b>20% - 50%</b>	<b>10%</b>	<b>10% - 20%</b>	<b>25%</b>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**  
**For The Nine Months Ended March 31, 2021**

4.1.1 There were no disposal of fixed assets during the period, whose aggregate book value (cost minus accumulated depreciation and impairment loss) exceeds Rs. 5 million.

4.1.2 Included in the cost of property and equipment are fully depreciated items which are still in use, aggregating to Rs. 35.34 million as of March 31, 2021. (30 June 2020: Rs. 66.39 million).

**4.2 Intangible assets**

Following is a statement of intangible assets:

	31 March 2021 (Unaudited)			
	Computer software	Goodwill	Management rights	Total
	(Rupees)			
<b>As at 1 July 2020</b>				
Cost	82,473,074	82,126,933	192,000,000	356,600,007
Accumulated amortisation	(61,101,329)	-	-	(61,101,329)
Net book value	21,371,745	82,126,933	192,000,000	295,498,678
<b>Nine months ended 31 March 2021</b>				
Opening net book value	21,371,745	82,126,933	192,000,000	295,498,678
Additions during the period	560,529	-	-	560,529
Amortisation for the period	(9,039,788)	-	-	(9,039,788)
Closing net book value	12,892,486	82,126,933	192,000,000	287,019,419
<b>As at 31 March 2021</b>				
Cost	83,033,603	82,126,933	192,000,000	357,160,536
Accumulated amortisation	(70,141,117)	-	-	(70,141,117)
Net book value	12,892,486	82,126,933	192,000,000	287,019,419
<b>Amortisation rates (% per annum)</b>	25%			
	30 June 2020 (Audited)			
	Computer software	Goodwill	Management rights	Total
	(Rupees)			
<b>As at 1 July 2019</b>				
Cost	82,095,045	82,126,933	192,000,000	356,221,978
Accumulated amortisation	(47,937,250)	-	-	(47,937,250)
Net book value	34,157,795	82,126,933	192,000,000	308,284,728
<b>Year ended 30 June 2020</b>				
Opening net book value	34,157,795	82,126,933	192,000,000	308,284,728
Additions during the year	378,029	-	-	378,029
Amortisation for the year	(13,164,079)	-	-	(13,164,079)
Closing net book value	21,371,745	82,126,933	192,000,000	295,498,678
<b>As at 30 June 2020</b>				
Cost	82,473,074	82,126,933	192,000,000	356,600,007
Accumulated amortisation	(61,101,329)	-	-	(61,101,329)
Net book value	21,371,745	82,126,933	192,000,000	295,498,678
<b>Amortisation rates (% per annum)</b>	25%			

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**4.3 Depreciation and amortisation is allocated as follows:**

Note	(Unaudited)			
	31 March 2021		31 March 2020	
	Depreciation	Amortisation	Depreciation	Amortisation
	(Rupees)			
14	13,853,446	8,551,578	24,839,169	9,543,406
14.1	1,628,470	488,211	684,725	458,129
	15,481,916	9,039,788	25,523,894	10,001,535

**4.4 RIGHT OF USE ASSETS**

	(Unaudited) 31 March 2021	(Audited) 30 June 2020
	(Rupees)	
Opening written down value	60,884,879	-
Recognition during the period	-	30,513,482
Additions during the period	17,237,692	57,445,375
Derecognition of right of use assets	(6,021,902)	-
Effect of the modification	(1,763,367)	-
Depreciation for the period	(21,305,112)	(27,073,978)
Closing written down value	<b>49,032,190</b>	<b>60,884,879</b>

**4.5 Finance lease liabilities are payable as follows:**

	As at 31 March 2021 (Unaudited)		
	Minimum Lease Payments	Future Finance Cost	Present Value of Minimum Lease Payments
Not later than one year	34,224,299	4,631,078	29,593,221
Later than one year and not later than five years	23,541,898	1,101,100	22,440,798
	<b>57,766,197</b>	<b>5,732,178</b>	<b>52,034,019</b>
Less: Current portion			<b>(29,593,221)</b>
			<b>22,440,798</b>

	As at 30 June 2020 (Audited)		
	Minimum Lease Payments	Future Finance Cost	Present Value of Minimum Lease Payments
Not later than one year	33,847,442	6,656,104	27,191,338
Later than one year and not later than five years	36,618,398	3,163,689	33,454,709
	<b>70,465,840</b>	<b>9,819,793</b>	<b>60,646,047</b>
Less: Current portion			<b>(27,191,338)</b>
			<b>33,454,709</b>

4.5.1 Above balance have been discounted at the rates ranging between 8.07% to 14.95% ( 30 June 2020: 8.47% to 14.95%) per annum.

**5 LONG-TERM INVESTMENTS**

	Note	(Unaudited) 31 March 2021	(Audited) 30 June 2020
LONG-TERM INVESTMENTS			
		----- (Rupees) -----	
Investments in pension schemes - related parties			
At fair value through profit or loss	5.1	618,225,448	533,563,426

**5.1 At fair value through profit or loss**

Name of the Investee Fund	As at 1 July 2020	Purchased during the period (Number of units)	Redeemed / sold during the period	As at 31 March 2021	As at 31 March 2021 (Unaudited)		
					Carrying value	Market value	Unrealised diminution
					(Rupees)		
Pakistan Pension Fund	805,305	-	-	805,305	266,239,774	301,176,805	34,937,031
Alhamra Islamic Pension Fund	876,129	-	-	876,129	267,323,652	317,048,643	49,724,991
					<b>533,563,426</b>	<b>618,225,448</b>	<b>84,662,022</b>

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		(Unaudited) 31 March 2021	(Audited) 30 June 2020
	<i>Note</i>	----- (Rupees) -----	
<b>6 LONG-TERM LOANS AND PREPAYMENTS</b>			
<b>Loans:</b>			
<b>Secured - considered good</b>			
- to executives	6.1	9,592,165	6,938,951
- to other employees		6,537	2,111
Less: Current portion of loans		<u>(2,474,165)</u>	<u>(1,176,024)</u>
		7,124,537	5,765,038
<b>Prepayments:</b>			
Prepaid commission against bachat units		<u>14,491,794</u>	5,234,305
Less: Current portion		<u>(8,676,400)</u>	<u>(3,936,755)</u>
		5,815,394	1,297,550
		<u>12,939,931</u>	<u>7,062,588</u>

6.1 This includes interest-free loans amounting to Rs. 5.122 million (30 June 2020: Rs. 4.37 million) for a period of 5 years given to executives as per the terms of employment for the purchase of motor vehicles. This also includes interest based housing finance loan amounting to Rs. 4.47 million (30 June 2020: Rs. 4.38 million) given to an executive at the rate of 4.5% per annum for a period of 20 years secured against the mortgage of house. The later balance has been discounted at 12.36% per annum and the actual amount due is Rs. 4.32 million. Based on month end balances, the maximum aggregate balance of loans to an executive outstanding at any time during the year was Rs. 7.80 million (30 June 2020: Rs. 7.82 million).

		(Unaudited) 31 March 2020	(Audited) 30 June 2020
	<i>Note</i>	----- (Rupees) -----	
<b>7 RECEIVABLE FROM RELATED PARTIES -net</b>			
<b>Unsecured - considered good</b>			
Pakistan Income Fund		19,131,574	12,485,626
MCB Pakistan Stock Market Fund		120,181,131	104,108,874
MCB Pakistan Sovereign Fund		34,305,258	35,992,189
Pakistan Capital Market Fund		8,498,301	8,529,951
Pakistan Pension Fund		8,733,457	8,593,459
Alhamra Islamic Pension Fund		4,897,830	4,562,002
Pakistan Cash Management Fund		12,502,016	12,610,282
Pakistan Income Enhancement Fund		23,120,262	22,431,177
Pakistan Sarmaya Mehfooz Fund		4,267,360	4,267,360
MCB Pakistan Asset allocation Fund		40,356,756	41,693,575
MCB Cash Management Optimizer		65,883,263	71,598,618
MCB DCF Income Fund		138,344,648	138,483,978
Alhamra Islamic Money Market Fund (formerly: MCB Pakistan Frequent Payout Fund)		5,414,394	5,003,898
Alhamra Islamic Stock Fund		25,530,153	19,117,825
Alhamra Islamic Asset Allocation Fund		20,275,048	17,380,198
Alhamra Islamic Income Fund		15,884,561	15,843,180
Alhamra Islamic Active Asset Allocation Fund - Plan I		-	39,275
Alhamra Islamic Active Asset Allocation Fund - Plan II		12,292	19,979
Alhamra Daily Dividend Fund		392,443	3,280,594
	7.1	<u>547,730,745</u>	526,042,040
<b>Advisory fee on account of discretionary portfolio management</b>			
Adamjee Life Assurance Company Limited		9,915,289	10,403,985
		<u>557,646,034</u>	<u>536,446,025</u>

7.1 The above amounts includes Federal Excise Duty amounting to Rs 412.88 million (30 June 2020: Rs 412.88 million) which has been accrued by the Company and is receivable from the funds under its management. The matter is further explained in note 15 to the condensed interim financial statements.

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					(Unaudited) 31 March 2021	(Audited) 30 June 2020
					(Rupees)	
<b>8</b>	<b>DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>	<i>Note</i>				
	<b>Deposits</b>				200,000	1,776,960
	<b>Prepayment</b>				26,191,589	17,007,295
	<b>Other receivables</b>					
	Advisory fee on account of discretionary portfolio management				37,326,637	23,720,613
	Others				3,315,063	405,372
					40,641,701	24,125,986
	Provision against advisory fee	8.1			(12,402,117)	(12,402,117)
					<u>54,631,172</u>	<u>30,508,124</u>
<b>8.1</b>	<b>Movement in provision</b>					
	Opening balance				12,402,117	11,953,175
	Provision made during the period				-	448,942
	Closing balance				<u>12,402,117</u>	<u>12,402,117</u>
<b>9</b>	<b>SHORT-TERM INVESTMENTS</b>				(Unaudited) 31 March 2021	(Audited) 30 June 2020
		<i>Note</i>				
	<b>Investment in Collective Investment Schemes - related parties</b>					
	At fair value through profit or loss	9.1			<u>580,776,048</u>	<u>661,620,881</u>
<b>9.1</b>	<b>At fair value through profit or loss</b>					
	<b>Name of the Investee Fund</b>	<b>As at 1 July 2020</b>	<b>Purchased during the period</b>	<b>Redeemed / sold during the period</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2021 (Unaudited)</b>
					<b>Carrying value</b>	<b>Market value</b>
						<b>Unrealised appreciation / (diminution)</b>
						(Rupees)
	MCB CASH MANAGEMENT OPTIMIZER	5,469,446	40,194,334	45,663,780	-	-
	PAKISTAN INCOME FUND	-	10,601,995	5,962,524	4,639,471	262,716,691
	MCB PAKISTAN STOCK MARKET FUND	1,422,539	4,202,832	2,452,131	3,173,240	294,352,763
	ALHAMRA ISLAMIC MONEY MARKET FUND	-	18,763,729	18,763,729	-	-
	ALHAMRA DAILY DIVIDEND FUND	-	3,502,354	3,502,354	-	-
					<u>557,069,454</u>	<u>580,776,048</u>
						<u>23,706,594</u>
<b>10</b>	<b>ADVANCE TAX - NET OF PROVISIONS</b>					
	Income tax refundable includes assessed refunds for the tax years 2008, 2009, 2010, 2011 and 2017. The income tax returns upto the tax year 2018 have been filed under the self assessment scheme and are deemed to be finalised under section 120 of the Income Tax Ordinance, 2001.					



**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**  
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			(Unaudited) 31 March 2021	(Audited) 30 June 2020
			----- (Rupees) -----	
<b>11 DEFERRED TAX LIABILITY - NET</b>	<b>Note</b>			
<b>Deferred tax liability on taxable temporary differences</b>				
- Intangible assets			73,733,733	64,613,575
- Right of use asset			14,218,741	19,291,940
- Investments at fair value through profit or loss			3,030,871	-
			<u>90,983,345</u>	<u>83,905,515</u>
<b>Deferred tax asset on deductible temporary differences</b>				
- Property and equipment			(4,185,859)	(5,523,312)
- Finance cost on discounted loans			(856,280)	992,105
- Provision against advisory fee			(3,596,614)	(3,596,614)
- Investments at fair value through profit or loss			-	(391,359)
- Intangible assets			(14,976,029)	(19,417,773)
- Lease liabilities			(23,614,782)	(27,936,953)
			<u>67,368,563</u>	<u>55,968,562</u>
<b>12 TRADE AND OTHER PAYABLES</b>	<b>Note</b>		(Unaudited) March 31, 2021	(Audited) June 30, 2020
			-----Rupees-----	
Accrued expenses and other payables			126,838,796	105,891,203
Sindh Workers' Welfare Fund	12.1		46,169,050	38,769,050
Withholding tax payable			1,038,572	1,573,528
Indirect taxes and duties payable	12.2		429,073,475	421,490,255
Payable to facilitators / distributors			63,673,158	23,862,303
			<u>666,793,050</u>	<u>591,586,339</u>
12.1	There is no change in the status of the SWWF as reported in the annual financial statements of the company for the year ended June 30, 2020.			
12.2	There is no change in the status of the FED as reported in the annual financial statements of the company for the year ended June 30, 2020.			
<b>13 MANAGEMENT FEE / INVESTMENT ADVISORY FEE</b>	<b>Note</b>		(Unaudited) Nine months ended March 31, 2021	(Unaudited) Quarter ended March 31, 2020
			-----Rupees-----	-----Rupees-----
From Collective Investment Schemes - related parties	13.1	578,549,770	540,274,354	207,348,032
From Discretionary Portfolio	13.3	41,355,632	29,737,207	19,251,442
		619,905,402	570,011,561	226,599,474
		(71,316,551)	(65,575,861)	(26,068,966)
Less: Indirect taxes and duties on management fees		<u>548,588,851</u>	<u>504,435,700</u>	<u>200,530,508</u>
				<u>184,623,496</u>
<b>13.1 From Collective Investment Schemes - related parties</b>	<b>Note</b>		(Unaudited) Nine months ended March 31, 2021	(Unaudited) Quarter ended March 31, 2020
			-----Rupees-----	-----Rupees-----
MCB Cash Management Optimizer		85,361,008	77,932,370	29,915,564
MCB Pakistan Asset Allocation Fund		24,607,254	26,862,484	8,524,468
MCB DCF Income Fund		51,343,969	54,691,015	15,969,726
Alhamra Islamic Income Fund		18,975,317	23,496,120	6,433,308
MCB Pakistan Sovereign Fund		10,127,898	35,455,351	2,488,654
Pakistan Capital Market Fund		8,973,553	8,141,496	3,660,607
Pakistan Cash Management Fund		2,874,641	1,730,703	1,457,427
Pakistan Income Enhancement Fund		5,176,797	10,175,559	2,336,145
Pakistan Income Fund		28,331,996	21,959,829	14,889,553
Alhamra Islamic Asset Allocation Fund		46,860,658	42,496,483	19,502,539
MCB Pakistan Stock Market Fund		191,495,120	150,911,142	65,709,606
Alhamra Islamic Stock Fund		58,774,424	45,687,559	20,698,835
Alhamra Islamic Money Market Fund (Formerly: MCB Pakistan Frequent Payout Fund)		1,789,570	2,640,581	1,485,639
Al Hamra Islamic Active Asset Allocation Fund - Plan I		38,678	168,953	0
Al Hamra Islamic Active Asset Allocation Fund - Plan II		36,246	102,172	5,518
Alhamra Daily Dividend Fund		5,093,413	5,340,631	1,226,225
		<u>539,860,542</u>	<u>507,792,448</u>	<u>194,303,814</u>
<b>From Pension Schemes - related parties</b>				
Pakistan Pension Fund		23,406,330	21,071,017	7,800,493
Pakistan Islamic Pension Fund		15,282,899	11,410,889	5,243,725
		<u>38,689,228</u>	<u>32,481,906</u>	<u>13,044,218</u>
13.2		<u>578,549,770</u>	<u>540,274,354</u>	<u>207,348,032</u>
				<u>198,117,003</u>

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) For The Nine Months Ended March 31, 2021

- 13.2 Management fee from open-end Collective Investment Schemes is calculated by charging the specified rates to the net asset value / income of such schemes as at the close of business of each calendar day. In accordance with Regulation 61 of the NBFC Regulations, 2008, the fee so charged to Collective Investment Schemes shall be within allowed expense ratio limit and shall not exceed the maximum rate of management fee disclosed in the Offering Document.
- 13.3 The Company is managing investments under discretionary portfolio management agreement. Investment advisory fee from the discretionary portfolios is calculated on a daily / monthly basis by charging specified rates to the net asset value of the portfolios as stated in the respective agreements with the clients. The details of these portfolios are given in note 1.4 of these condensed interim financial statements.

### 14 ADMINISTRATIVE AND OPERATING EXPENSES

ADMINISTRATIVE AND OPERATING EXPENSES		(Unaudited)		(Unaudited)	
		Nine months ended		Quarter ended	
		March 31,	March 31,	March 31,	March 31,
		2021	2020	2021	2020
		-----Rupees-----		-----Rupees-----	
Salaries, allowances and other benefits		192,565,525	176,450,728	71,037,485	55,050,450
Legal and professional charges		7,672,419	3,945,231	3,964,015	1,406,727
Travelling and conveyance charges		835,647	976,085	342,500	507,549
Rent, utilities, repairs and maintenance	14.2	47,685,542	62,642,295	18,466,249	19,303,604
Office supplies		1,529,615	802,741	522,120	312,638
Auditors' remuneration		2,732,536	2,664,367	700,844	625,000
Directors' meeting fee		7,200,000	5,400,000	1,575,000	1,875,000
Insurance		1,388,976	1,622,880	351,103	504,103
Depreciation	4.3	13,853,446	24,839,169	2,768,720	8,218,505
Amortisation	4.3	8,551,578	9,543,406	2,872,614	2,789,722
Stamp duty and taxes		6,750	3,723,000	-	3,394,400
Registrar fee		464,445	231,558	137,595	59,058
Printing and stationery		3,258,815	3,267,065	752,191	1,074,148
Telephone expenses		3,845,271	3,921,945	1,384,081	1,143,575
Entertainment expenses		1,428,418	1,667,503	567,920	538,596
Books, periodicals and subscription		17,193,577	15,437,341	4,239,085	4,771,945
Impairment on property and equipment		4,768,237	-	4,768,237	-
Provision against advisory fees receivable		-	600,000	-	-
Sindh Workers' Welfare Fund		7,400,000	4,000,000	2,000,000	(100,000)
		<u>322,380,795</u>	<u>321,735,313</u>	<u>116,449,759</u>	<u>101,475,019</u>

- 14.1 The SECP vide S.R.O No. 1160 (1) / 2015 dated 25 November 2015 as amended through SRO 639 (i) / 2019 dated 20 June 2019 introduced amendments in the NBFC Regulations. As a result of these amendments, the management company may charge fees and expenses pertaining to registrar services, accounting, operations and valuation services, related to Collective Investment Schemes (CISs). Accordingly, expenses amounting to Rs. 48.82 million (31 March 2020: Rs. 36.75 million) have been charged by the Company to the respective CISs under its

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

### 15 SELLING AND DISTRIBUTION EXPENSES

The SECP vide Circular 11/2019 dated 5 July 2019, prescribed certain conditions on Asset Management Companies (AMCs) for charging of selling and marketing expenses to all categories of open end mutual funds except for fund of funds for the cost pertaining to opening and maintenance of all branches by the AMC in all cities and payment of salaries to sales team posted at all branches of an AMC. The expenses amounting to Rs. 208.3 million (31 March 2020: Rs. 180.69 million) have been charged by the Company to aforesaid funds under its management.

### 16 CONTINGENCIES AND COMMITMENTS

- 16.1 The contingencies and commitments of the Company remains unchanged during the period. For details of contingencies and commitments, refer Note 20 of the annual financial statements of the Company for the year ended 30 June 2020.

### 17 TRANSACTIONS WITH RELATED PARTIES

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

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**17.1 Transactions with related parties during the period**

Transactions with related parties during the period			Quarter ended	
Name of the related party	Relationship and percentage of shareholding	Nature of transaction	31 March 2021	31 March 2020
			(Rupees)	
MCB Bank Limited	Parent company with 51.33% Holding	Commission and other expenses	16,228,448	24,205,878
		Profit on bank deposits	825,024	2,830,556
		Branch sharing expenses	2,188,530	2,188,530
		Rent as per rental agreement	2,400,000	-
		Dividend paid	166,305,456	86,848,405
		Financial charges	397,567	281,642
MCB Islamic Bank Limited	Subsidiary of Parent Company	Bank charges	-	3,108
		Profit on bank deposits	8,288	10,858
Nishat Real Estate Development Company (Pvt) Limited	Group Company of Parent Company	Rent as per rental agreement	1,078,736	2,087,876
Adamjee Life Assurance Company Limited	Group Company of Parent Company	Investment advisory fee	20,979,998	14,772,706
		Amount paid against insurance	2,536,337	-
Adamjee Insurance Company Limited	Group Company of Parent Company	Amount paid against insurance	18,814,140	3,186,230
		Dividend paid	24,579,000	10,910,345
		Rent as per rental agreement	15,152,500	1,595,000
Dolmen City REIT	Group Company of Associated Company	Investment advisory fee	-	94,521
Nishat Mills Limited	Group Company of Parent Company	Gain on disposal	-	516,009
Arif Habib Corporation Limited	Associate with 30.09% Holding Company	Dividend paid	97,488,752	43,274,173
MCB Cash Management Optimizer	Funds under management	Management fee	85,361,008	77,932,370
		Investment in units	4,053,866,891	5,899,717,435
		Redemption of units	4,609,992,057	5,695,405,200
		Dividend Income	12,844,468	5,800,120
		Reimbursement of expenses	20,039,753	13,185,438
		Selling and marketing	-	30,337,299
MCB DCF Income Fund	Funds under management	Management fee	51,343,969	54,691,015
		Share of sales load	1,779,865	93,383
		Back end load	-	11,819
		Reimbursement of expenses	3,029,143	3,226,609
		Selling and marketing	11,813,657	9,256,322
		Investment in units	1,014,790	80,139,578
		Redemption of units	1,015,540	30,175,608
Alhamra Islamic Income Fund	Funds under management	Management fee	18,975,316	23,496,120
		Share of sales load	941,122	1,219,232
		Back end load	55,080	6,579
		Sharia fee paid on behalf of the fund	564,193	675,000
		Reimbursement of expenses	4,969,816	2,239,439
		Selling and marketing	8,123,665	2,871,262
		Investment in units	-	31,849
		Redemption of units	-	32,257
MCB Pakistan Asset Allocation Fund	Funds under management	Management fee	24,607,255	26,862,484
		Share of sales load	338,044	249,720
		Reimbursement of expenses	995,786	1,188,563
		Selling and marketing	11,084,595	11,696,793
		Back end load	16,391	2,301,469
		Investment in units	-	64
		Redemption of units	-	61
Alhamra Islamic Money Market Fund (Formerly: MCB Pakistan Frequent Payout Fund)	Funds under management	Management fee	1,789,569	2,640,581
		Reimbursement of expenses	20,640	141,783
		Selling and marketing	164,905	910,771
		Share of sales load	28,454	398
		Investment in units	1,867,665,457	-
		Redemption of units	1,867,631,544	-
		Dividend Income	1,388,096	-
Other Expenses	1,888,703	-		
Alhamra Islamic Stock Fund	Funds under management	Management fee	58,774,425	45,687,559
		Share of sales load	638,579	346,959
		Reimbursement of expenses	2,600,638	2,021,572
		Selling and marketing	33,808,297	20,641,393
		Sharia fee paid on behalf of the fund	564,193	675,000
		Back end load	-	331,990
		Other Expenses	-	-

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Name of the related party	Relationship and percentage of shareholding	Nature of transaction	Quarter ended	
			31 March 2021	31 March 2020
			----- (Rupees) -----	
MCB Pakistan Sovereign Fund	Funds under management	Management fee	10,127,898	35,455,351
		Share of sales load	8,572	1,035,027
		Reimbursement of expenses	1,054,863	1,503,902
		Selling and marketing	1,476,808	2,103,047
		Investment in units	590,222	450,215,700
		Redemption of units	590,660	432,007,784
MCB Pakistan Stock Market Fund	Funds under management	Management fee	191,495,121	150,911,142
		Share of sales load	3,141,743	1,076,278
		Reimbursement of expenses	8,473,235	6,677,483
		Selling and marketing	110,152,061	71,659,355
		Investment in units	397,420,886	114,995,629
		Redemption of units	235,000,000	355,369,324
		Back end load	-	7,621
		Other Expenses	-	-
Pakistan Capital Market Fund	Funds under management	Management fee	8,973,553	8,141,496
		Share of sales load	13,691	12,728
		Reimbursement of expenses	352,851	360,243
		Selling and marketing	3,879,305	3,942,708
		Other Expenses	-	-
		Redemption of units	-	-
Pakistan Cash Management Fund	Funds under management	Management fee	2,857,367	1,679,393
		Reimbursement of expenses	914,364	1,007,609
		Share of sales load	-	10,530
		Investment in units	84	250,600,798
		Redemption of units	84	250,778,502
Pakistan Income Enhancement Fund	Funds under management	Management fee	5,176,798	10,175,559
		Share of sales load	130,784	306,293
		Reimbursement of expenses	520,144	555,786
		Investment in units	-	286
		Redemption of units	-	290
		Selling and marketing	3,195,090	2,686,976
		Back end load	-	4
Pakistan Income Fund	Funds under management	Management fee	28,331,996	21,959,829
		Share of sales load	1,053,307	374,483
		Reimbursement of expenses	2,754,708	1,167,259
		Other Expenses	-	-
		Selling and marketing	2,592,765	1,513,291
		Back end load	-	-
		Investment in units	600,237,744	-
		Redemption of units	338,317,732	-
Alhamra Islamic Asset Allocation Fund	Funds under management	Management fee	46,860,658	42,496,483
		Share of sales load	517,809	1,128,570
		Back end load	11,418,762	13,961,454
		Reimbursement of expenses	1,845,365	1,880,375
		Selling and marketing	19,427,449	19,617,626
		Sharia fee paid on behalf of the fund	564,194	675,000
Alhamra Islamic Pension Fund	Funds under management	Management fee	15,282,897	11,410,889
		Share of sales load	300,825	314,787
		Contribution to fund on behalf of the employees	15,114,489	9,027,081
Pakistan Pension Fund	Funds under management	Management fee	23,406,327	21,071,017
		Share of sales load	177,510	145,184
		Contribution to fund on behalf of the employees	5,230,316	3,029,082
Al-Hamra Islamic Active Asset Allocation Fund	Funds under management	Management fee	38,678	168,953
		Reimbursement of expenses	148,370	348,389
Al-Hamra Islamic Active Asset Allocation Fund	Funds under management	Management fee	36,245	102,172
		Reimbursement of expenses	115,582	278,864
Alhamra Daily Dividend Fund	Funds under management	Management fee	5,093,410	5,434,322
		Dividend income	276,963	564,402
		Investment in units	350,235,419	479,741
		Redemption of units	350,235,419	37,183,725
		Selling and marketing	2,587,207	3,472,500
		Reimbursement of expenses	985,766	969,528
		Bank Charges	574,033	682,561
		Share of sales load	60,305	1,171,306

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**  
**For The Nine Months Ended March 31, 2021**

**17.2 Amount outstanding as at period end**

Name of the related	Relationship and percentage of shareholding	Nature of transaction	(Unaudited) 31 March 2021	(Audited) 30 June 2020
			----- (Rupees) -----	
MCB Bank Limited	Parent company with 51.33% Holding	Bank balance Other payable Commission payable Mark-up receivable	24,699,274 4,380,075 4,575,938 -	10,067,104 4,380,075 3,671,827 -
MCB Islamic Bank Limited	Subsidiary of Parent Company	Bank balance Mark-up receivable	515,640 -	327,330 1,353
Adamjee Life Assurance Company Limited	Group Company of Parent Company	Advisory fee receivable Other payable	10,175,340 1,624,999	2,860,457 -
Nishat Real Estate Development Company (Pvt.) Ltd.	Group Company of Parent Company	Rent Deposit	-	784,326
MCB DCF Income Fund	Funds under management	Remuneration receivable Sales load receivable Receivable against reimbursement of expenses Receivable against selling & marketing expenses Back end load receivable Closing balance of investment in units Federal excise duty on remuneration Federal excise duty on sales load	5,613,660 1,731,921 331,189 3,674,450 - - 99,060,437 27,932,990	6,340,288 54,969 374,058 4,721,237 - - 99,060,437 27,932,990
MCB Pakistan Asset Allocation Fund	Funds under management	Remuneration receivable Sales load receivable Back end load receivable Receivable against reimbursement of expenses Receivable against selling & marketing expenses Federal excise duty on remuneration Federal excise duty on sales load	3,156,401 81,971 - 84,645 1,833,434 19,027,350 16,172,955	2,355,138 246,077 - 104,210 4,033,759 19,027,350 16,172,955
MCB Cash Management Optimizer	Funds under management	Remuneration receivable Sales load receivable Receivable against reimbursement of expenses Receivable against selling & marketing expenses Federal excise duty on remuneration Federal excise duty on sales load Closing balance of investment in units	10,172,998 - 1,424,665 - 54,266,812 18,788 -	10,470,848 - 2,187,907 4,654,264 54,266,812 18,788 551,483,642
Alhamra Islamic Income Fund	Funds under management	Remuneration receivable Sales load receivable Back end load receivable Receivable against reimbursement of expenses Receivable against Shariah Fee Receivable against selling & marketing expenses Federal excise duty on remuneration Federal excise duty on sales load	2,063,955 104,604 25,586 553,353 60,000 1,409,494 8,639,183 3,028,386	1,887,943 408,972 - 357,973 75,000 1,694,723 8,639,183 3,028,386
MCB Pakistan Stock Market Fund	Funds under management	Remuneration receivable Sales load receivable Other receivable Closing balance of investment in units Receivable against reimbursement of expenses Receivable against selling & marketing expenses Federal excise duty on remuneration Federal excise duty on sales load	22,310,529 379,230 - 315,357,498 987,192 37,797,562 54,773,935 3,932,683	15,904,439 183,846 - 109,436,502 703,736 28,269,543 54,773,935 3,932,683
Pakistan Income Fund	Funds under management	Remuneration receivable Sales load receivable Receivable against reimbursement of expenses Receivable against selling & marketing expenses Federal excise duty on remuneration Federal excise duty on sales load Other receivable	7,229,153 508,381 711,767 1,100,269 9,210,245 239,199 132,561	1,709,855 403,694 175,851 614,221 9,210,245 239,199 132,561
MCB Pakistan Sovereign Fund	Funds under management	Remuneration receivable Sales load receivable Receivable against reimbursement of expenses Receivable against selling & marketing expenses Federal excise duty on remuneration Federal excise duty on sales load	649,821 - 77,779 380,144 29,027,974 4,169,840	1,381,532 355,019 146,506 911,319 29,027,974 4,169,840
Pakistan Capital Market Fund	Funds under management	Remuneration receivable Sales load receivable Receivable against reimbursement of expenses Receivable against selling & marketing expenses Federal excise duty on remuneration Federal excise duty on sales load	1,488,349 - 39,317 705,643 5,872,250 392,742	790,450 - 34,976 1,439,534 5,872,250 392,742
Alhamra Islamic Stock Fund	Funds under management	Remuneration receivable Sales load receivable Receivable against reimbursement of expenses Receivable against selling & marketing expenses Receivable against Shariah Fee Federal excise duty on remuneration Federal excise duty on sales load	7,216,608 213,662 319,319 11,906,410 60,000 5,689,242 124,913	4,815,010 53,369 213,054 8,147,238 75,000 5,689,242 124,913

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**  
**For The Nine Months Ended March 31, 2021**

Pakistan Pension Fund	Funds under management	Remuneration receivable	2,673,808	2,358,801
		Sales load receivable	83,184	258,193
		Closing balance of investment in units	301,176,805	266,239,774
		Federal excise duty on remuneration	5,976,465	5,976,465
Alhamra Islamic Asset Allocation Fund	Funds under management	Remuneration receivable	7,806,246	3,633,832
		Sales load receivable	10,416	201,813
		Back end load receivable	1,452,425	82,245
		Receivable against reimbursement of expenses	209,339	160,789
		Receivable against selling & marketing expenses	3,690,478	6,180,374
		Receivable against Shariah Fee	60,000	75,000
		Federal excise duty on remuneration	5,910,300	5,910,300
		Federal excise duty on sales load	1,135,845	1,135,845
Alhamra Islamic Pension Fund	Funds under management	Remuneration receivable	1,818,422	1,414,549
		Sales load receivable	49,076	189,121
		Closing balance of investment in units	317,048,643	266,955,633
		Federal excise duty on remuneration	3,030,332	3,030,332
Pakistan Sarmaya Mahfooz Fund (Matured)	Funds under management	Remuneration receivable	-	-
		Sales load receivable	-	-
		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	453,093	512,154
		Receivable against reimbursement of expenses	116,040	165,245
		Sales load receivable	-	-
		Federal excise duty on remuneration	11,932,884	11,932,884
Pakistan Income Enhancement Fund	Funds under management	Remuneration receivable	1,041,356	202,575
		Sales load receivable	22,101	28,731
		Back end load receivable	-	-
		Other receivable	132,561	132,561
		Receivable against reimbursement of expenses	56,987	17,675
		Receivable against selling & marketing expenses	531,229	392,605
		Federal excise duty on remuneration	16,589,808	16,589,808
		Federal excise duty on sales load	4,746,222	4,746,222
Alhamra Islamic Money Market Fund (Formerly: MCB Pakistan Frequent Payout Fund)	Funds under management	Remuneration receivable	921,770	221,657
		Sales load receivable	27,264	14,639
		Receivable against reimbursement of expenses	-	11,794
		Receivable against selling & marketing expenses	-	290,448
		Closing balance of investment in units	-	-
		Others Payable	1,296,736	-
		Federal excise duty on remuneration	840,741	840,741
		Federal excise duty on sales load	3,624,619	3,624,619
Al-Hamra Islamic Active Asset Allocation Fund Plan-I	Funds under management	Remuneration receivable	-	10,692
		Receivable against reimbursement of expenses	-	28,583
Al-Hamra Islamic Active Asset Allocation Fund Plan-II	Funds under management	Remuneration receivable	1,594	5,132
		Receivable against reimbursement of expenses	10,698	14,847
Alhamra Daily Dividend Fund	Funds under management	Remuneration receivable	360,877	776,026
		Payable against bank charges	46,721	88,126
		Receivable against reimbursement of expenses	-	274,700
		Receivable against selling & marketing expenses	-	2,141,742
		Closing balance of investment in units	-	-
		Sales load receivable	31,566	-

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) For The Nine Months Ended March 31, 2021

### 18 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

#### Fair value hierarchy

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

#### - Level 1

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

#### - Level 2

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

#### - Level 3

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

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

On-balance sheet financial instruments	31 March 2021 (Unaudited)						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
	(Rupees)						
<b>Financial assets measured at fair value</b>							
Long-term investments	618,225,448	-	-	618,225,448	618,225,448	-	-
Short-term investments	580,776,048	-	-	580,776,048	580,776,048	-	-
	<u>1,199,001,496</u>	<u>-</u>	<u>-</u>	<u>1,199,001,496</u>	<u>1,199,001,496</u>	<u>-</u>	<u>-</u>
<b>Financial assets not measured at fair value</b>							
Long-term loans	-	7,124,537	-	7,124,537			
Long-term deposits	-	4,869,903	-	4,869,903			
Receivable from related parties	-	557,646,034	-	557,646,034			
Loans and advances	-	13,103,820	-	13,103,820			
Deposits and other receivables	-	54,631,172	-	54,631,172			
Accrued mark-up	-	20,189	-	20,189			
Cash and Bank balances	-	56,714,959	-	56,714,959			
	<u>-</u>	<u>694,110,614</u>	<u>-</u>	<u>694,110,614</u>			
<b>Financial liabilities not measured at fair value</b>							
Trade & other payables	-	-	190,511,953	190,511,953			
Unclaimed dividend	-	-	4,700,364	4,700,364			
	<u>-</u>	<u>-</u>	<u>195,212,317</u>	<u>195,212,317</u>			

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)  
For The Nine Months Ended March 31, 2021**

On-balance sheet financial instruments	Note	30 June 2020 (Audited)						
		Carrying amount				Fair value		
		Fair value	Amortized cost	Other financial	Total	Level 1	Level 2	Level 3
		(Rupees)						
<b>Financial assets measured at fair value</b>								
Long-term investments		533,563,426	-	-	533,563,426	533,563,426	-	-
Short-term investments		661,620,881	-	-	661,620,881	661,620,881	-	-
		<u>1,195,184,307</u>	<u>-</u>	<u>-</u>	<u>1,195,184,307</u>	<u>1,195,184,307</u>	<u>-</u>	<u>-</u>
<b>Financial assets not measured at fair value</b>	18.2							
Long-term loans		-	5,765,038	-	5,765,038			
Long-term deposits		-	5,289,229	-	5,289,229			
Receivable from related parties		-	517,418,676	-	517,418,676			
Loans and advances		-	1,176,024	-	1,176,024			
Deposits and other receivables		-	13,500,829	-	13,500,829			
Accrued mark-up		-	24,966	-	24,966			
Cash and bank balances		-	19,814,591	-	19,814,591			
		<u>-</u>	<u>562,989,353</u>	<u>-</u>	<u>562,989,353</u>			
<b>Financial liabilities not measured at fair value</b>	18.2							
Trade & other payables		-	-	129,753,506	129,753,506			
Unclaimed dividend		-	-	4,586,000	4,586,000			
		<u>-</u>	<u>-</u>	<u>134,339,506</u>	<u>134,339,506</u>			

18.1 During the period ended 31 March 2021, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

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

**19 GENERAL**

**19.1 Corresponding figures**

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

**19.2 Date of authorisation for issue**

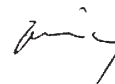
This condensed interim financial information was authorised for issue on April 16, 2021 by the Board of Directors of the Company.



Chief Executive Officer



Chief Financial Officer



Director



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