

MCB - ARIF HABIB SAVINGS AND INVESTMENTS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

	Note	(Unaudited) December 31, 2021	(Audited) June 30, 2021
(Rupees)			
ASSETS			
Non-current assets			
Fixed assets	4	356,128,379	358,789,899
Long-term investments	5	634,744,936	638,596,952
Long-term loans and prepayments	6	29,875,734	14,161,597
Long-term deposits		5,224,103	4,994,903
		1,025,973,152	1,016,543,351
Current assets			
Receivable from related parties	7	550,352,689	543,936,536
Loans and advances	8	8,483,380	2,377,576
Deposits, prepayments and other receivables	9	29,102,957	43,794,004
Accrued mark-up on bank balances		33,980	22,487
Short-term investments	10	607,886,103	685,758,449
Advance tax - net of provision	11	35,751,663	39,149,452
Cash and bank balances		44,579,891	43,929,106
		1,276,190,663	1,358,967,610
TOTAL ASSETS		2,302,163,815	2,375,510,961
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital		720,000,000	720,000,000
72,000,000 (June 30, 2021: 72,000,000) ordinary shares of Rs. 10 each			
Issued, subscribed and paid-up share capital		720,000,000	720,000,000
Reserves		823,206,107	883,129,589
Total equity		1,543,206,107	1,603,129,589
Liabilities			
Non-current liabilities			
Deferred taxation - net	12	65,734,342	67,176,622
Lease liability against right-of-use assets	13	23,225,896	18,001,467
Current liabilities			
Current portion of lease liability against right-of-use assets	13	28,974,288	32,347,100
Trade and other payables	14	636,022,691	650,183,189
Unclaimed dividend		5,000,491	4,672,994
Total liabilities		758,957,708	772,381,372
TOTAL EQUITY AND LIABILITIES		2,302,163,815	2,375,510,961
CONTINGENCIES AND COMMITMENTS			
	19		

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.



Chief Executive Officer

Chief Financial Officer

Director

MCB - ARIF HABIB SAVINGS AND INVESTMENTS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

	Note	Half year ended		Quarter ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
		(Rupees)	(Rupees)	(Rupees)	(Rupees)
Revenue					
Management and investment advisory fee	15	445,723,608	348,058,343	208,190,276	173,827,638
Processing and other related income		23,200,194	21,617,876	12,704,387	16,762,052
Profit on bank balances		829,174	681,361	358,577	302,838
Dividend income on short term investments		2,314,586	12,077,817	1,993,978	6,177,517
Gain on sale of short term investments - net		6,540,643	11,719,861	978,042	4,367,396
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net		(7,012,914)	110,493,313	17,791,463	49,712,015
		471,595,291	504,648,571	242,016,723	251,149,456
Expenses					
Administrative expenses	16	(225,739,218)	(200,531,036)	(110,020,623)	(109,369,224)
Selling and distribution expenses	17	(45,601,008)	(31,794,466)	(32,876,621)	(15,813,909)
Financial charges		(2,821,313)	(3,794,688)	(1,373,007)	(2,291,950)
Sindh Workers' Welfare Fund	14.1	(4,000,000)	(5,400,000)	(1,500,000)	(2,400,000)
		(278,161,539)	(241,520,190)	(145,770,251)	(129,875,083)
		193,433,752	263,128,381	96,246,473	121,274,373
Other income	18	2,257,695	1,788,348	2,026,614	1,060,403
Profit for the period before taxation		195,691,447	264,916,729	98,273,087	122,334,776
Taxation					
- Current year tax		(58,132,141)	(43,801,109)	(22,132,141)	(22,600,000)
- Prior year tax		(925,070)	-	(925,070)	-
- Deferred tax - net		1,442,282	(10,700,000)	(2,157,718)	(3,400,000)
		(57,614,929)	(54,501,109)	(25,214,929)	(26,000,000)
Profit for the period after taxation		138,076,518	210,415,620	73,058,158	96,334,776
Earnings per share for the period- basic and diluted		1.92	2.92	1.01	1.34

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.



Chief Executive Officer

Chief Financial Officer

Director

MCB - ARIF HABIB SAVINGS AND INVESTMENTS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

	Half year ended December 31		Quarter ended December 31	
	2021	2020	2021	2020
	(Rupees)		(Rupees)	
Profit for the period after taxation	138,076,518	210,415,620	73,058,158	96,334,776
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>138,076,518</u>	<u>210,415,620</u>	<u>73,058,158</u>	<u>96,334,776</u>

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.

Al

Chief Executive Officer

Chief Financial Officer

Director

MCB - ARIF HABIB SAVINGS AND INVESTMENTS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

Issued, subscribed and paid-up capital	Reserves				Total	
	Capital			Revenue		
	Share premium	Deficit arising on amalga- mation	Sub-total	Unappropriated profit		
(Rupees)						
Balance as at July 1, 2020	720,000,000	396,000,000	(60,000,000)	336,000,000	494,695,426	1,550,695,426
Profit after taxation for the half year ended December 31, 2020	-	-	-	-	210,415,620	210,415,620
Other comprehensive income for the half year ended December 31, 2020	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	210,415,620	210,415,620
Final dividend for the year ended June 30, 2020 at Rs 2.25 per share declared subsequent to year ended June 30, 2020 on October 19, 2020	-	-	-	-	(162,000,000)	(162,000,000)
Balance as at December 31, 2020 (Un-audited)	720,000,000	396,000,000	(60,000,000)	336,000,000	543,111,046	1,599,111,046
Profit after taxation for the half year ended June 30, 2021	-	-	-	-	166,018,543	166,018,543
Other comprehensive income for the half year ended June 30, 2021	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	166,018,543	166,018,543
Interim dividend for the year ended June 30, 2021 at Rs. 2.25 per share declared on February 8, 2021	-	-	-	-	(162,000,000)	(162,000,000)
Balance as at June 30, 2021 (Audited)	720,000,000	396,000,000	(60,000,000)	336,000,000	547,129,589	1,603,129,589
Profit after taxation for the half year ended December 31, 2021	-	-	-	-	138,076,518	138,076,518
Other comprehensive income for the half year ended December 31, 2021	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	138,076,518	138,076,518
Final dividend for the year ended June 30, 2021 at Rs 2.75 per share declared subsequent to year ended June 30, 2021 on October 26, 2021	-	-	-	-	(198,000,000)	(198,000,000)
Balance as at December 31, 2021 (Un-audited)	720,000,000	396,000,000	(60,000,000)	336,000,000	487,206,107	1,543,206,107

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.



Chief Executive Officer

Chief Financial Officer

Director

MCB - ARIF HABIB SAVINGS AND INVESTMENTS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

OR THE HALF YEAR ENDED DECEMBER 31, 2021

	Note	Half year ended	
		December 31, 2021	December 31, 2020
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period before taxation		195,691,447	264,916,729
Adjustments for non-cash and other items:			
Depreciation	4.1	7,559,254	11,983,986
Amortisation	4.2	5,023,764	6,139,676
Depreciation on right-of-use-assets		15,857,363	15,681,059
Financial charges		2,821,313	3,794,688
Unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net		7,012,914	(110,493,313)
Gain on sale of investments - net		(6,540,643)	(11,719,861)
Gain on disposal of fixed assets		-	(1,510,283)
		31,733,965	(86,124,048)
Operating cash flows before working capital changes		227,425,412	178,792,681
Movement in working capital			
Decrease / (increase) in current assets			
Loans and advances		(6,105,804)	(1,058,957)
Deposits, prepayments and other receivables		14,691,047	167,047
Accrued mark-up		(11,493)	1,059
Receivable from related parties		(6,416,153)	(20,103,850)
		2,157,597	(20,994,701)
(Decrease) / increase in current liabilities			
Unclaimed dividend		327,497	(119,808)
Trade and other payables		(14,160,498)	13,752,233
		(13,833,001)	13,632,425
Net cash generated from operations		215,750,008	171,430,405
Income taxes paid		(55,659,420)	(29,510,721)
Financial charges paid		-	(3,794,688)
		(55,659,420)	(33,305,409)
Net cash generated from operating activities		160,090,588	138,124,996
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(8,836,181)	(5,285,843)
Sale proceeds from disposal		-	7,086,150
Long-term loans and receivables		(15,943,337)	(6,900,388)
Net proceeds against redemption of investments		81,252,091	47,952,624
Net cash generated from investing activities		56,472,573	42,852,543
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liability against right-of-use assets		(17,912,376)	(12,938,873)
Dividend paid		(198,000,000)	(162,000,000)
Net cash used in financing activities		(215,912,376)	(174,938,873)
Net increase in cash and cash equivalents		650,785	6,038,666
Cash and cash equivalents at the beginning of the period		43,929,106	19,814,591
Cash and cash equivalents at the end of the period		44,579,891	25,853,257

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.



Chief Executive Officer

Chief Financial Officer

Director

MCB - ARIF HABIB SAVINGS AND INVESTMENTS LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 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 August 30, 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 January 19, 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 May 21, 2011. The Scheme was also approved by the Securities and Exchange Commission of Pakistan (SECP) with the effective date of amalgamation being June 27, 2011 (the effective date). In accordance with the terms contained in the Scheme, the Company became a subsidiary of MCB Bank Limited from the end of the year ended June 30, 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 May 23, 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 Regulations) 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 October 6, 2021. Currently, the Company is managing the following funds under its management:

	(Unaudited) December 31, 2021	(Audited) June 30, 2021
Net assets value as at		
----- (Rupees in million) -----		
Open-end Collective Investment Schemes (CISs)		
Pakistan Income Fund	4,725	9,595
MCB Pakistan Stock Market Fund	11,304	12,397
MCB Pakistan Sovereign Fund	708	738
Pakistan Capital Market Fund	457	467
Pakistan Cash Management Fund	14,525	3,119
Pakistan Income Enhancement Fund	1,212	630
MCB Pakistan Asset Allocation Fund	1,179	912
MCB DCF Income Fund	4,313	3,646
MCB Cash Management Optimizer	38,261	34,030
Alhamra Money Market Fund	13,610	15,258
Alhamra Islamic Asset Allocation Fund	2,255	2,335
Alhamra Islamic Stock Fund	3,137	3,410
Alhamra Islamic Income Fund	7,738	5,575
Alhamra Daily Dividend Fund	3,153	2,279
Pakistan Pension Fund	2,064	1,933
Alhamra Islamic Pension Fund	1,363	1,354
	<u>110,174</u>	<u>97,801</u>
Discretionary portfolio	<u>60,714</u>	<u>57,014</u>

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

	Net assets value as at	
	December 31, 2021	June 30, 2021
	----- (Rupees in million) -----	
Number of clients	36	37
Total portfolio at cost (Rs. in millions)	52,092	46,869
Total portfolio at market value (Rs. in millions)	51,172	47,074
Fee earned (Rs. in millions)	39	54

- 1.5 In accordance with the requirements of Rule 9, of the Non-Banking Finance Companies (Establishment and Regulations Rules, 2003, the Company has obtained insurance coverage from Jubilee General Insurance Company Limited against any loss that may be incurred as a result of employees' fraud or gross negligence. The insurance Company has been assigned a credit rating of AM1 by the Pakistan Credit Rating Agency Limited. (PACRA). The rating was determined by PACRA on October 6, 2021.

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

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

- 2.2 The disclosures made in these condensed interim financial statements are based on the requirements of the International Accounting Standard (IAS) 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the published annual audited financial statements of the Company for the year ended June 30, 2021.
- 2.3 The comparative condensed interim statement of financial position presented in these condensed interim financial statements has been extracted from the audited annual financial statements of the Company for the year ended June 30, 2021, whereas, the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been extracted from the unaudited condensed interim financial statements for the period ended December 31, 2020.
- 2.4 The Company has made investments in mutual funds established under the 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 are not applicable in case of investment by companies in mutual funds established under trust structure. Accordingly, the mutual funds are not consolidated by the Company.

2.5 Basis of measurement

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

2.6 Functional and presentation currency

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

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

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

The preparation of the 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 June 30, 2021.

3.2 Amendments to accounting and reporting standards that are effective in the current period

There are certain amendments to the accounting and reporting standards that are mandatory for the Company's annual accounting period beginning on July 1, 2021. However, these are considered either not to be relevant or do not have any significant impact on the Company's operations and, therefore, have not been detailed in these condensed interim financial statements.

3.3 Amendments to accounting and reporting standards that are not yet effective

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

	Note	(Unaudited) December 31, 2021	(Audited) June 30, 2021
		----- (Rupees) -----	
4 FIXED ASSETS			
Tangible			
Property and equipment	4.1	26,937,580	25,660,653
Right of use assets	4.3	49,934,240	47,018,584
Capital work in progress		-	1,830,339
		<u>76,871,820</u>	<u>74,509,576</u>
Intangible assets			
Computer software	4.2	5,129,626	10,153,390
Goodwill	4.2	82,126,933	82,126,933
Management rights	4.2	192,000,000	192,000,000
		<u>279,256,559</u>	<u>284,280,323</u>
		<u>356,128,379</u>	<u>358,789,899</u>

Alfa

4.1 Property and equipment

Following is a statement of property and equipment:

December 31, 2021 (Unaudited)						
Computers	Office equipment	Furniture and fixtures	Leasehold improvements	Vehicles	Total	
----- (Rupees) -----						
As at July 1, 2021						
Cost	61,402,064	19,252,265	8,182,368	13,388,935	4,237,270	106,462,902
Accumulated depreciation	(44,367,298)	(15,674,244)	(5,291,723)	(5,798,064)	(2,385,539)	(73,516,868)
Accumulated impairment losses	-	-	(725,917)	(6,559,464)	-	(7,285,381)
Net book value	17,034,766	3,578,021	2,164,728	1,031,407	1,851,731	25,660,653
Half year ended December 31, 2021						
Opening net book value	17,034,766	3,578,021	2,164,728	1,031,407	1,851,731	25,660,653
Additions during the period	4,879,218	1,357,620	391,380	2,207,963	-	8,836,181
Disposals during the period:						
- Cost	-	-	-	-	-	-
- Accumulated depreciation	-	-	-	-	-	-
- Accumulated impairment losses	-	-	-	-	-	-
Depreciation for the period	(4,557,803)	(993,001)	(825,703)	(653,091)	(529,656)	(7,559,254)
Closing net book value	17,356,181	3,942,640	1,730,405	2,586,279	1,322,075	26,937,580
As at December 31, 2021						
Cost	66,281,282	20,609,885	8,573,748	15,596,898	4,237,270	115,299,083
Accumulated depreciation	(48,925,101)	(16,667,245)	(6,117,426)	(6,451,155)	(2,915,195)	(81,076,122)
Accumulated impairment loss	-	-	(725,917)	(6,559,464)	-	(7,285,381)
Net book value	17,356,181	3,942,640	1,730,405	2,586,279	1,322,075	26,937,580
Depreciation rates (% per annum)	25%	20% - 50%	10%	10%	25%	
June 30, 2021 (Audited)						
Computers	Office equipment	Furniture and fixtures	Leasehold improvements	Vehicles	Total	
----- (Rupees) -----						
As at July 1, 2020						
Cost	55,234,935	28,793,272	17,221,864	45,978,793	4,237,270	151,466,134
Accumulated depreciation	(35,925,068)	(21,960,664)	(9,542,085)	(24,138,932)	(1,328,060)	(92,894,809)
Accumulated impairment losses	-	(561,390)	(3,248,387)	(9,397,744)	-	(13,207,521)
Net book value	19,309,867	6,271,218	4,431,392	12,442,117	2,909,210	45,363,804
Year ended June 30, 2021						
Opening net book value	19,309,867	6,271,218	4,431,392	12,442,117	2,909,210	45,363,804
Additions during the year	7,118,523	1,637,661	1,675,844	893,694	-	11,325,722
Disposals during the year						
- Cost	(951,394)	(11,178,668)	(10,715,340)	(13,002,140)	-	(35,847,542)
- Accumulated depreciation	948,407	8,741,313	5,964,183	7,130,213	-	22,784,116
- Accumulated impairment losses	-	561,390	2,522,470	2,838,280	-	5,922,140
	(2,987)	(1,875,965)	(2,228,687)	(3,033,647)	-	(7,141,286)
Write offs during the year						
Cost	-	-	-	(20,481,412)	-	(20,481,412)
Accumulated depreciation	-	-	-	15,713,175	-	15,713,175
	-	-	-	(4,768,237)	-	(4,768,237)
Depreciation for the year	(9,390,637)	(2,454,893)	(1,713,821)	(4,502,520)	(1,057,479)	(19,119,350)
Closing net book value	17,034,766	3,578,021	2,164,728	1,031,407	1,851,731	25,660,653
As at June 30, 2021						
Cost	61,402,064	19,252,265	8,182,368	13,388,935	4,237,270	106,462,902
Accumulated depreciation	(44,367,298)	(15,674,244)	(5,291,723)	(5,798,064)	(2,385,539)	(73,516,868)
Accumulated impairment loss	-	-	(725,917)	(6,559,464)	-	(7,285,381)
Net book value	17,034,766	3,578,021	2,164,728	1,031,407	1,851,731	25,660,653
Depreciation rates (% per annum)	25%	20% - 50%	10%	10%	25%	

4.1.1 There were no disposals of fixed assets during the period.

4.1.2 Included in the cost of property and equipment are fully depreciated items which are still in use, aggregating to Rs. 96.23 million (June 30, 2021: Rs. 91.7 million) which are still in use by the Company.

4.2 Intangible assets

Following is a statement of intangible assets:

Following is a statement of intangible assets:

	December 31, 2021 (Unaudited)			
	Computer software	Goodwill	Management rights	Total
	(Rupees)			
As at 1 July 2021				
Cost	83,033,817	82,126,933	192,000,000	357,160,750
Accumulated amortisation	(72,880,427)	-	-	(72,880,427)
Net book value	10,153,390	82,126,933	192,000,000	284,280,323
Half year ended December 31, 2021				
Opening net book value	10,153,390	82,126,933	192,000,000	284,280,323
Additions during the period	-	-	-	-
Disposals / transfers during the period				
Cost	-	-	-	-
Accumulated amortisation	-	-	-	-
Amortisation for the period	(5,023,764)	-	-	(5,023,764)
Closing net book value	5,129,626	82,126,933	192,000,000	279,256,559
As at December 31, 2021				
Cost	83,033,817	82,126,933	192,000,000	357,160,750
Accumulated amortisation	(77,904,191)	-	-	(77,904,191)
Net book value	5,129,626	82,126,933	192,000,000	279,256,559
Amortisation rates (% per annum)	25% - 33 %			
	June 30, 2021 (Audited)			
	Computer software	Goodwill	Management rights	Total
	(Rupees)			
As at July 1, 2020				
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
Year ended June 30, 2021				
Opening net book value	21,371,745	82,126,933	192,000,000	295,498,678
Additions during the year	560,743	-	-	560,743
Disposals / transfers during the period				
Cost	-	-	-	-
Accumulated amortisation	-	-	-	-
Amortisation for the year	(11,779,098)	-	-	(11,779,098)
Closing net book value	10,153,390	82,126,933	192,000,000	284,280,323
As at June 30, 2021				
Cost	83,033,817	82,126,933	192,000,000	357,160,750
Accumulated amortisation	(72,880,427)	-	-	(72,880,427)
Net book value	10,153,390	82,126,933	192,000,000	284,280,323
Amortisation rates (% per annum)	25% - 33 %			

Atty

	Note	(Unaudited) December 31, 2021	(Audited) June 30, 2021
4.3 Right of use assets		----- (Rupees) -----	
Opening written down value		47,018,584	60,884,879
Additions during the period		18,773,019	22,768,921
Effect of modification		-	(5,697,763)
Depreciation for the period		(15,857,363)	(30,937,453)
Closing written down value		<u>49,934,240</u>	<u>47,018,584</u>

5 LONG-TERM INVESTMENTS

Investments in pension schemes - related parties

Investments at fair value through profit or loss

5.1	<u>634,744,936</u>	<u>638,596,952</u>
-----	--------------------	--------------------

5.1 Investments at fair value through profit or loss

Name of the Investee Fund	As at July 1, 2021	Purchased during the period	Redeemed / sold during the period	As at December 31, 2021	As at December 31, 2021 (Unaudited)		
					Carrying value	Market value	Unre alised appreciation / diminution
----- (Rupees) -----							
Alhamra Islamic Pension Fund	876,129	-	-	876,129	326,724,663	320,526,130	(6,198,533)
Pakistan Pension Fund	805,305	-	-	805,305	311,872,289	314,218,806	2,346,518
					638,596,952	634,744,936	(3,852,015)

	Note	(Unaudited) December 31, 2021	(Audited) June 30, 2021
		----- (Rupees) -----	

6 LONG-TERM LOANS AND PREPAYMENTS

Secured - considered good

- to executives

6.1	18,572,315	4,306,289
-----	------------	-----------

Unsecured - considered good

- to executives

6.2	<u>6,063,049</u>	<u>5,875,024</u>
	<u>(5,955,509)</u>	<u>(1,869,422)</u>
	107,540	4,005,602

Less: current portion of loans

6.3	<u>18,679,855</u>	<u>8,311,891</u>
-----	-------------------	------------------

Prepayments:

Prepaid commission against bachat units

Less: current portion

9	<u>28,635,228</u>	<u>16,847,454</u>
	<u>(17,439,349)</u>	<u>(10,997,748)</u>
	11,195,879	5,849,706

	<u>29,875,734</u>	<u>14,161,597</u>
--	-------------------	-------------------

- 6.1 These represent interest based housing finance loans given to executives at the rate ranging from 4.5% to 7.01% per annum for a period of upto 20 years secured against house mortgage.
- 6.2 These represent interest-free loans for a period of 5 years given to executives as per the terms of employment for the purchase of motor vehicles.
- 6.3 Based on month end balances, the maximum aggregate balance of loans to executives outstanding at any time during the year was Rs. 14.7 million (June 30, 2021: Rs. 10.55 million).

Alfa

7	RECEIVABLE FROM RELATED PARTIES	Note	(Unaudited) December 31, 2021	(Audited) June 30, 2021
			----- (Rupees) -----	
	Unsecured - considered good			
	Pakistan Income Fund		15,264,976	18,431,896
	MCB Pakistan Stock Market Fund		118,948,207	122,311,547
	MCB Pakistan Sovereign Fund		34,482,665	34,215,894
	Pakistan Capital Market Fund		7,764,770	7,643,048
	Pakistan Pension Fund		8,991,500	8,524,272
	Alhamra Islamic Pension Fund		4,955,266	5,176,771
	Pakistan Cash Management Fund		14,361,569	12,243,674
	Pakistan Income Enhancement Fund		22,987,749	22,733,982
	Pakistan Sarmaya Mehfooz Fund		4,267,360	4,267,360
	MCB Pakistan Asset allocation Fund		38,993,643	37,456,312
	MCB Cash Management Optimizer		64,354,295	64,482,664
	MCB DCF Income Fund		138,887,042	137,055,740
	Alhamra Islamic Money Market Fund		5,317,192	4,532,405
	Alhamra Islamic Stock Fund		22,567,225	23,772,572
	Alhamra Islamic Asset Allocation Fund		14,316,334	15,909,125
	Alhamra Islamic Income Fund		16,713,292	14,454,260
	Alhamra Daily Dividend Fund		803,588	435,889
	Al-Hamra Smart Portfolio		20,968	9,888
		7.1	533,997,640	533,657,299
	Advisory fee on account of discretionary portfolio management			
	Adamjee Life Assurance Company Limited		16,355,049	10,279,237
			<u>550,352,689</u>	<u>543,936,536</u>
7.1	The above amounts include Federal Excise Duty amounting to Rs. 412.88 million (June 30, 2021: 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 14.2 to the condensed interim financial statements.			
8	LOANS AND ADVANCES	Note	(Unaudited) December 31, 2021	(Audited) June 30, 2021
			----- (Rupees) -----	
	Secured - Considered good			
	Current portion of loans to executives	6	5,955,509	1,869,422
	Unsecured - Considered good			
	Advances to employees, suppliers and contractors		2,527,871	508,154
			<u>8,483,380</u>	<u>2,377,576</u>
9	DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
	Prepayments			
	Current portion of prepaid commission against bachat units		17,439,349	10,997,748
	Insurance		2,443,329	11,101,389
	Maintenance		1,217,133	533,132
	Service level agreement		1,047,372	5,180,110
	License fee		294,396	179,374
	Registration fee		1,872,282	534,556
	Others		613,730	174,000
			24,927,591	28,700,309
	Other receivables			
	Advisory fee on account of discretionary portfolio management		16,097,966	23,005,861
	Commission receivable		342,637	4,217,311
	Others		136,880	197,640
			16,577,484	27,420,812
	Provision against advisory fee	9.1	(12,402,117)	(12,402,117)
			<u>29,102,957</u>	<u>43,794,004</u>

Note	(Unaudited) December 31, 2021	(Audited) June 30, 2021
	----- (Rupees) -----	

9.1 Movement in provision

Opening balance	12,402,117	12,402,117
Provision made during the period	-	-
Closing balance	<u>12,402,117</u>	<u>12,402,117</u>

10 SHORT-TERM INVESTMENTS

Investments at fair value through profit or loss	10.1	<u>607,886,103</u>	<u>685,758,449</u>
--	------	--------------------	--------------------

10.1 Investments at fair value through profit or loss

Name of the Investee Fund	As at July 1, 2021	Purchased during the period	Redeemed / sold during the period	As at December 31, 2021	As at December 31, 2021 (Unaudited)		
					Carrying value	Market value	Unrealised appreciation/ (diminution)
----- (Number of units) -----					----- (Rupees) -----		
MCB Cash Management Optimizer	64,767	22,319,274	21,164,042	1,219,999	123,195,531	123,275,807	80,275
MCB Pakistan Stock Market Fund	1,415,390	496,770	1,415,391	496,770	50,000,000	49,207,353	(792,647)
Alhamra Islamic Stock Fund	2,164,502	-	-	2,164,502	24,437,229	22,813,853	(1,623,377)
Pakistan Income Fund	7,152,428	8,753,800	15,906,228	-	-	-	-
Alhamra Smart Portfolio	1,200,000	-	-	1,200,000	119,852,520	121,088,280	1,235,759
MCB Pakistan Asset Allocation Fund	-	1,572,494	-	1,572,494	135,000,000	132,939,090	(2,060,910)
MCB Pakistan Sovereignfund	-	1,802,776	1,802,776	-	-	-	-
Pakistan Cash Management Fund	-	5,876,256	2,734,417	3,141,839	158,561,720	158,561,720	-
					611,047,002	607,886,103	(3,160,899)

11 ADVANCE TAX - NET OF PROVISION

Income tax refundable includes assessed refunds for the tax years 2008, 2009, 2010, 2011. The income tax returns upto the tax year 2021 have been filed under the self assessment scheme and are deemed to be finalised under section 120 of the Income Tax Ordinance, 2001.

(Unaudited) December 31, 2021	(Audited) June 30, 2021
----- (Rupees) -----	

12 DEFERRED TAX LIABILITY - NET

Deferred tax liability on taxable temporary differences

- Intangible assets
- Right-of-use-assets
- Investments at fair value through profit or loss

77,017,949	75,190,106
14,480,930	13,635,390
-	1,768,869
<u>91,498,879</u>	<u>90,594,365</u>

Deferred tax asset on deductible temporary differences

- Property and equipment (other than right of use assets)
- Investments at fair value through profit or loss
- Provision against advisory fee
- Finance cost on interest free loans
- Liability against right-of-use assets

(5,972,857)	(4,328,055)
(362,211)	-
(3,596,614)	(3,596,614)
(694,801)	(891,989)
(15,138,053)	(14,601,085)
(25,764,537)	(23,417,743)
<u>65,734,342</u>	<u>67,176,622</u>

Alhama

13 LEASE LIABILITY AGAINST RIGHT-OF-USE ASSETS

Finance lease liabilities are payable as follows.

December 31, 2021 (Unaudited)		
Minimum lease payments	Future finance cost	Present value of minimum lease payments
(Rupees)		
Not later than one year	32,912,479	28,974,288
Later than one year and not later than five years	27,204,211	23,225,896
	60,116,690	52,200,184
Less: current portion		(28,974,288)
		23,225,896

June 30, 2021 (Audited)		
Minimum lease payments	Future finance cost	Present value of minimum lease payments
(Rupees)		
Not later than one year	36,357,777	32,347,100
Later than one year and not later than five years	18,814,995	18,001,467
	55,172,772	50,348,567
Less: current portion		(32,347,100)
		18,001,467

- 13.1 Lease liabilities have been discounted at the rates ranging between 8.08% to 14.95% (June 30, 2021: 8.01% to 14.95%) per annum.

Note	(Unaudited) December 31, 2021	(Audited) June 30, 2021
	(Rupees)	
14 TRADE AND OTHER PAYABLES		
Accrued expenses and other payables	82,974,528	123,429,377
Sindh Workers' Welfare Fund	14.1 52,669,050	48,669,050
Withholding tax payable	971,516	2,958,091
Indirect taxes and duties payable	14.2 452,063,438	419,057,465
Payable to facilitators / distributors	47,344,159	56,069,206
	636,022,691	650,183,189

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

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

In light of the judgment passed by the Supreme Court of Pakistan, the Management believes that the Company is not liable to pay any amounts under the Workers' Welfare Fund Ordinance, 1971, and accordingly an amount of Rs. 14.442 million was reversed on January 12, 2017. Further, as a consequence of the 18th Amendment to the Constitution, levy for Workers' Welfare was also introduced by the Government of Sindh (SWWF) which was effective from July 1, 2014. The Company believes that contribution to Workers' Welfare Fund under the Sindh Workers' Welfare Act, 2014 is not applicable on the Company as it is not a Financial Institution as required under SWWF Act, 2014.

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

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

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

15 MANAGEMENT AND INVESTMENT ADVISORY FEE

	Note	Half year ended		Quarter ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
		(Unaudited)			
		(Rupees)			
Management fee from Collective Investment Schemes - related parties					
MCB Cash Management Optimizer		51,476,295	55,445,444	23,869,316	26,113,743
MCB Pakistan Asset Allocation Fund		20,445,137	16,082,786	11,206,460	8,164,621
MCB DCF Income Fund		35,603,791	35,374,243	18,071,438	17,347,438
Alhamra Islamic Income Fund		16,344,458	12,542,009	9,116,649	6,007,680
MCB Pakistan Sovereign Fund		4,118,270	7,639,244	1,981,868	3,391,309
Pakistan Capital Market Fund		8,806,309	5,312,946	4,391,000	2,665,165
Pakistan Cash Management Fund		6,467,612	1,417,214	4,704,236	672,216
Pakistan Income Enhancement Fund		5,858,438	2,840,652	3,605,969	1,290,290
Pakistan Income Fund		45,942,515	13,442,443	18,591,969	6,740,121
Alhamra Islamic Asset Allocation Fund		43,524,201	27,358,119	21,420,836	14,389,178
MCB Pakistan Stock Market Fund		136,926,364	125,785,514	65,968,181	64,703,688
Alhamra Islamic Stock Fund		39,946,820	38,075,590	18,314,824	19,556,815
Alhamra Islamic Money Market Fund		11,321,361	303,930	4,321,500	170,225
Alhamra Islamic Active Allocation Fund Plan I		-	38,678	-	17,718
Alhamra Islamic Active Allocation Fund Plan II		-	30,728	-	13,943
Alhamra Daily Dividend Fund		3,849,948	3,867,188	2,138,310	1,784,019
Al-Hamra Smart Portfolio		30,690	-	16,043	-
		<u>430,662,209</u>	<u>345,556,728</u>	<u>207,718,600</u>	<u>173,028,169</u>
Management fee from Pension Schemes - related parties					
Pakistan Pension Fund		11,636,766	15,605,837	3,046,837	7,842,987
Alhamra Islamic Pension Fund		17,280,545	10,039,173	11,400,283	5,105,604
		28,917,311	25,645,010	14,447,120	12,948,591
	15.1	<u>459,579,520</u>	<u>371,201,738</u>	<u>222,165,719</u>	<u>185,976,760</u>
Investment advisory fee from discretionary portfolio management	15.2	44,088,157	22,104,189	13,089,293	10,448,470
		<u>503,667,677</u>	<u>393,305,927</u>	<u>235,255,012</u>	<u>196,425,230</u>
Less: Sindh Sales Tax		(57,944,069)	(45,247,584)	(27,064,736)	(22,597,592)
		<u><u>445,723,608</u></u>	<u><u>348,058,343</u></u>	<u><u>208,190,276</u></u>	<u><u>173,827,637</u></u>

- 15.1** 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 the allowed expense ratio limit and shall not exceed the maximum rate of the management fee disclosed in the offering document.



- 15.2** The Company is managing investments under the discretionary portfolio management agreements. 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.

16 ADMINISTRATIVE EXPENSES

	Note	Half year ended		Quarter ended	
		December 31,	December 31,	December 31,	December 31,
		2021	2020	2021	2020
		----- (Unaudited) -----			
----- (Rupees) -----					
Salaries, allowances and other benefits		156,162,931	149,289,636	82,910,238	81,024,300
Legal and professional charges		4,904,529	5,806,577	2,183,490	2,210,543
Travelling and conveyance charges		594,373	493,147	354,373	282,868
Rent, utilities, repairs and maintenance		48,824,006	31,755,755	18,561,577	19,112,154
Office supplies		824,669	1,007,495	402,973	321,571
Auditors' remuneration		1,475,402	2,031,692	800,258	878,500
Directors' meeting fee		4,350,000	5,625,000	2,325,000	2,700,000
Insurance		976,266	1,037,874	530,132	485,093
Depreciation on property and equipment	4.3	7,559,254	3,092,097	3,834,100	1,052,811
Depreciation on right of use assets		8,891,886	8,891,886	4,445,943	4,445,943
Amortisation	4.3	5,023,764	6,139,675	2,511,882	2,963,575
Stamp duty and taxes		-	6,750	-	-
Registrar fee		799,196	326,850	463,277	201,503
Printing and stationery		2,083,849	2,622,832	1,007,414	1,117,732
Telephone expenses		2,834,036	2,461,190	1,488,373	1,122,598
Entertainment expenses		1,820,516	1,581,585	1,000,008	738,046
Books, periodicals and subscription		10,622,575	12,954,492	5,947,647	7,514,503
		<u>257,747,252</u>	<u>235,124,533</u>	<u>128,766,684</u>	<u>126,171,740</u>
Charged to the Collective Investment Schemes (CISs)	16.1	(32,008,034)	(34,593,497)	(18,746,061)	(16,802,516)
		<u>225,739,218</u>	<u>200,531,036</u>	<u>110,020,623</u>	<u>109,369,224</u>

- 16.1** The SECP vide S.R.O No. 1160 (1) / 2015 dated November 25, 2015 introduced amendments in the NBFC Regulations 2008. As a result of these amendments, the management company may charge fees and expenses pertaining to registrar services, accounting, operations on Collective Investment Schemes upto a maximum of 0.1% of average annual net assets of the scheme. The maximum cap of 0.1% of average annual net assets was removed by SECP vide S.R.O No. 639 (1) / 2019. The management company, based on its discretion has charged 0.1% of average annual net assets.

17 SELLING AND DISTRIBUTION EXPENSES

SECP vide its Circular 40/2016 dated December 30, 2016, prescribed certain conditions on Asset Management Companies (AMCs) for charging of selling and marketing expenses to open end equity, asset allocation and index funds initially for a period of three years (from January 1, 2017 till December 31, 2019) for opening of new branches in cities, except Karachi, Lahore, Islamabad and Rawalpindi. The said condition was amended through Circular No. 11 of 2019 dated June 5, 2019, according to which an AMC may charge selling and marketing expenses to all types of open end mutual funds except for Fund of Funds against the cost pertaining to opening and maintenance of all branches in all cities. Under this circular, expenses amounting to Rs. 153.62 million (December 31, 2020: Rs. 145.28 million) have been charged by the Company to the aforesaid funds under its management.

18 OTHER INCOME

This includes interest income on loans to executives amounting to Rs. 0.647 million (December 31, 2020: Rs. 0.27 million).

19 CONTINGENCIES AND COMMITMENTS

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

During the year ended June 30, 2021, the Sindh Revenue Board (SRB) issued a show cause notice on April 15, 2021 on account of short payment of Sindh Sales Tax amounting to Rs. 9.97 million pertaining to tax periods July 2015 till June 2016. The Company in consultation with its tax consultant anticipated a favourable outcome of the show cause notice.

During the period under review, assistant commissioner SRB passed an order-in-original (against the show cause notice issued on April 15, 2021), whereby demand of Rs.10.4 million was raised. The Company, being an aggrieved party, filed an appeal with commissioner appeals SRB. The Company has also filed a stay application in Honourable High Court of Sindh (SHC). The stay order was duly granted by SHC on January 17, 2022.

20 TRANSACTIONS WITH RELATED PARTIES

MCB Bank Limited (MCB) holds 51.33% (June 30, 2021: 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:

20.1 Transactions with related parties during the period

			(Unaudited)	(Unaudited)
			Half Year ended	
Name of the related party	Relationship and percentage of shareholding	Nature of transaction	December 31,	December 31,
			2021	2020
			----- (Rupees) -----	
MCB Bank Limited	Parent company with 51.33% Holding	Commission and other expenses	26,410,444	9,657,763
		Profit on bank deposits	682,816	548,202
		Branch sharing expenses	1,604,922	1,459,020
		Rent as per rental agreement	2,520,000	1,200,000
		Dividend paid	-	83,152,728
		Sale proceeds on disposal of fixed assets	-	1,550,050
		Financial charges	85,733	374,659
MCB Islamic Bank Limited	Subsidiary of Parent Company	Profit on bank deposits	7,029	7,178
			-	1,078,736
Nishat Real Estate Development Company (Pvt) Limited	Group Company of Parent Company	Rent as per rental agreement		
Adamjee Life Assurance Company Limited	Group Company of Parent Company	Investment advisory fee	15,620,093	11,929,797
Adamjee Insurance Company Limited	Group Company of Parent Company	Amount paid against insurance	19,838,108	2,586,157
		Dividend paid	-	12,289,500
		Rent as per rental agreement	12,396,141	9,769,375
Arif Habib Corporation Limited	Associate with 30.09% Holding Company	Dividend paid	-	48,744,376
MCB Cash Management Optimizer	Funds under management	Management fee	45,554,243	49,066,765
		Investment in units	2,255,136,194	3,228,831,242
		Redemption of units	2,143,637,180	3,774,338,729
		Dividend income	540,896	10,806,747
		Reimbursement of expenses	10,141,020	15,676,577
		Selling and marketing	26,835,866	-

			(Unaudited)	(Unaudited)
			Half Year ended	
Name of the related party	Relationship and percentage of shareholding	Nature of transaction	December 31,	December 31,
			2021	2020
----- (Rupees) -----				
MCB DCF Income Fund	Funds under management	Management fee	31,507,780	31,304,639
		Share of sales load	1,480,831	34,669
		Back end load	560,069	-
		Reimbursement of expenses	2,100,519	2,086,976
		Selling and marketing	8,917,428	8,139,206
		Investment in units	-	1,014,790
		Redemption of units	-	1,015,540
Alhamra Islamic Income Fund	Funds under management	Management fee	14,464,122	11,099,122
		Share of sales load	4,052,657	776,779
		Sharia fee paid on behalf of the fund	180,000	369,193
		Reimbursement of expenses	3,765,337	3,357,086
		Selling and marketing	6,457,756	6,714,171
MCB Pakistan Asset Allocation Fund	Funds under management	Management fee	18,093,042	14,232,555
		Share of sales load	62,009	214,854
		Reimbursement of expenses	548,518	711,628
		Selling and marketing	-	9,251,161
		Back end load	18,090	8,769
		Investment in units	135,000,000	-
Alhamra Islamic Money Market Fund (Formerly: MCB Pakistan Frequent Payout Fund)	Funds under management	Management fee	10,018,904	268,965
		Reimbursement of expenses	141,248	20,640
		Selling and marketing	3,554,199	164,905
		Share of sales load	3,911	1,171
		Sharia fee paid on behalf of the fund	180,000	-
		Investment in units	-	1,640,543,112
		Redemption of units	-	1,305,407,828
		Dividend income	-	994,108
		Other expenses	468,821	768,883
Alhamra Islamic Stock Fund	Funds under management	Management fee	35,351,168	33,695,212
		Share of sales load	1,096,409	382,674
		Reimbursement of expenses	1,767,558	1,684,761
		Selling and marketing	22,978,259	21,901,888
		Sharia fee paid on behalf of the fund	180,000	369,193
MCB Pakistan Sovereign Fund	Funds under management	Management fee	3,644,486	6,760,392
		Share of sales load	32,007	354
		Reimbursement of expenses	373,096	783,332
		Selling and marketing	1,470,130	1,096,665
		Investment in units	100,000,000	590,222
		Redemption of units	100,054,083	590,660
MCB Pakistan Stock Market Fund	Funds under management	Management fee	121,173,773	111,314,614
		Share of sales load	2,481,196	2,394,661
		Reimbursement of expenses	6,058,689	5,565,731
		Selling and marketing	78,762,953	72,354,499
		Investment in units	50,000,000	272,420,886
		Redemption of units	140,830,439	110,000,000
Pakistan Capital Market Fund	Funds under management	Management fee	7,793,194	4,701,722
		Share of sales load	213	13,691
		Reimbursement of expenses	232,633	235,086
		Selling and marketing	-	3,173,663
Pakistan Cash Management Fund	Funds under management	Management fee	5,723,550	1,238,886
		Reimbursement of expenses	21,468	541,281
		Share of sales load	85,039	-
		Investment in units	296,561,721	84
		Redemption of units	138,000,000	84

Name of the related party	Relationship and percentage of shareholding	Nature of transaction	(Unaudited)	(Unaudited)
			Half Year ended	
			December 31, 2021	December 31, 2020
----- (Rupees) -----				
Pakistan Income Enhancement Fund	Funds under management	Management fee	5,184,459	2,513,852
		Share of sales load	205,500	82,280
		Reimbursement of expenses	540,247	355,182
		Selling and marketing	165,353	2,663,862
Pakistan Income Fund	Funds under management	Management fee	40,657,093	11,895,966
		Share of sales load	2,491,637	394,812
		Reimbursement of expenses	4,575,549	1,148,069
		Selling and marketing	2,328,550	1,492,496
		Back end load	-	29,494
		Investment in units	486,000,000	-
		Redemption of units	881,428,303	-
Alhamra Islamic Asset Allocation Fund	Funds under management	Management fee	38,516,992	24,210,725
		Share of sales load	609,240	306,722
		Back end load	2,357,967	4,456,245
		Reimbursement of expenses	1,167,182	1,210,536
		Selling and marketing	-	15,736,971
		Sharia fee paid on behalf of the fund	180,000	369,194
Alhamra Islamic Pension Fund	Funds under management	Management fee	10,298,023	8,884,223
		Share of sales load	414,349	223,361
		Contribution to fund on behalf of the employees	12,258,802	10,132,362
Pakistan Pension Fund	Funds under management	Management fee	15,292,518	13,810,473
		Share of sales load	1,032,847	71,130
		Contribution to fund on behalf of the employees	3,748,756	3,519,683
Al-Hamra Islamic Active Asset Allocation Fund Plan-I	Funds under management	Management fee	-	34,228
		Reimbursement of expenses	-	148,370
Al-Hamra Islamic Active Asset Allocation Fund Plan-II	Funds under management	Management fee	-	27,193
		Reimbursement of expenses	-	82,477
Al-Hamra Smart Portfolio	Funds under management	Management fee	27,159	-
		Reimbursement of expenses	89,741	-
		Share of sales load	790,672	-
Alhamra Daily Dividend Fund	Funds under management	Management fee	3,407,034	3,422,288
		Dividend income	-	276,963
		Investment in units	-	350,235,419
		Redemption of units	-	350,235,419
		Selling and marketing	-	2,587,207
		Reimbursement of expenses	485,230	985,766
		Bank charges	349,302	415,863
		Share of sales load	97,194	11,203

20.2 Amount outstanding as at period end

Name of the related party	Relationship and percentage of shareholding	Nature of transaction	(Unaudited)	(Audited)
			December 31, 2021	30 June 2021
			----- (Rupees) -----	
MCB Bank Limited	Parent company with 51.33% Holding	Bank balance	12,631,044	11,755,764
		Other payable	-	4,380,075
		Commission payable	6,085,952	4,492,704
		Mark-up receivable	2,181	-

Name of the related party	Relationship and percentage of shareholding	Nature of transaction	(Unaudited)	(Audited)
			December 31,	30 June
			2021	2021
----- (Rupees) -----				
MCB Islamic Bank Limited	Subsidiary of the Parent Company	Bank balance	345,712	519,878
		Mark-up receivable	1,242	1,212
Adamjee Life Assurance	Group Company	Advisory fee receivable	3,096,666	2,736,923
MCB DCF Income Fund	Funds under management	Remuneration receivable	6,136,740	5,605,112
		Sales load receivable	1,150,057	36,252
		Receivable against reimbursement of expenses	362,050	330,685
		Receivable against selling & marketing expenses	4,158,030	3,918,724
		Back end load receivable	86,739	171,540
		Federal excise duty on remuneration	99,060,437	99,060,437
		Federal excise duty on sales load	27,932,990	27,932,990
MCB Pakistan Asset Allocation Fund	Funds under management	Remuneration receivable	3,694,111	2,158,536
		Sales load receivable	163	16,558
		Receivable against reimbursement of expenses	99,064	80,913
		Closing balance of investment in units	132,939,090	-
		Federal excise duty on remuneration	19,027,350	19,027,350
		Federal excise duty on sales load	16,172,955	16,172,955
MCB Cash Management Optimizer	Funds under management	Remuneration receivable	7,537,436	9,201,283
		Sales load receivable	-	995,781
		Receivable against reimbursement of expenses	2,531,259	-
		Federal excise duty on remuneration	54,266,812	54,266,812
		Federal excise duty on sales load	18,788	18,788
		Closing balance of investment in units	123,275,807	6,538,775
Alhamra Islamic Income Fund	Funds under management	Remuneration receivable	3,728,521	1,793,235
		Sales load receivable	581,964	325,267
		Receivable against reimbursement of expenses	675,237	608,189
		Receivable against Shariah Fee	60,000	60,000
		Federal excise duty on remuneration	8,639,183	8,639,183
		Federal excise duty on sales load	3,028,386	3,028,386
MCB Pakistan Stock Market Fund	Funds under management	Remuneration receivable	21,331,372	23,299,687
		Sales load receivable	75,631	836,859
		Closing balance of investment in units	49,207,353	146,676,096
		Receivable against reimbursement of expenses	943,866	1,030,960
		Receivable against selling & marketing expenses	37,890,721	38,437,423
		Federal excise duty on remuneration	54,773,935	54,773,935
		Federal excise duty on sales load	3,932,683	3,932,683
Pakistan Income Fund	Funds under management	Remuneration receivable	5,004,856	7,651,531
		Sales load receivable	281,710	345,554
		Receivable against reimbursement of expenses	477,941	852,806
		Closing balance of investment in units	-	388,253,829
		Federal excise duty on remuneration	9,210,245	9,210,245
		Federal excise duty on sales load	239,199	239,199
		Other receivable	132,561	132,561
MCB Pakistan Sovereign Fund	Funds under management	Remuneration receivable	713,153	663,926
		Sales load receivable	9	8
		Receivable against reimbursement of expenses	60,386	63,516
		Receivable against selling & marketing expenses	511,303	290,630
		Federal excise duty on remuneration	29,027,974	29,027,974
		Federal excise duty on sales load	4,169,840	4,169,840
Pakistan Capital Market Fund	Funds under management	Remuneration receivable	1,461,178	1,338,866
		Receivable against reimbursement of expenses	38,599	39,190
		Federal excise duty on remuneration	5,872,250	5,872,250
		Federal excise duty on sales load	392,742	392,742

Name of the related party	Relationship and percentage of shareholding	Nature of transaction	(Unaudited)	(Audited)
			December 31, 2021	30 June 2021
----- (Rupees) -----				
Alhamra Islamic Stock Fund	Funds under management	Remuneration receivable	5,850,746	6,456,723
		Sales load receivable	48,366	81,700
		Receivable against reimbursement of expenses	258,883	285,696
		Receivable against selling & marketing expenses	10,535,076	11,074,298
		Receivable against Shariah Fee	60,000	60,000
		Closing balance of investment in units	22,813,853	24,437,229
		Federal excise duty on remuneration	5,689,242	5,689,242
		Federal excise duty on sales load	124,913	124,913
Pakistan Pension Fund	Funds under management	Remuneration receivable	2,913,674	2,547,807
		Sales load receivable	101,361	-
		Closing balance of investment in units	314,218,806	311,872,289
		Federal excise duty on remuneration	5,976,465	5,976,465
Alhamra Islamic Asset Allocation Fund	Funds under management	Remuneration receivable	7,002,685	7,384,899
		Sales load receivable	19,714	404,315
		Back end load receivable	-	815,726
		Receivable against reimbursement of expenses	187,790	198,040
		Receivable against Shariah Fee	60,000	60,000
		Federal excise duty on remuneration	5,910,300	5,910,300
		Federal excise duty on sales load	1,135,845	1,135,845
Alhamra Islamic Pension Fund	Funds under management	Remuneration receivable	1,919,940	1,874,842
		Sales load receivable	4,995	271,597
		Closing balance of investment in units	320,526,130	326,724,663
		Federal excise duty on remuneration	3,030,332	3,030,332
Pakistan Sarmaya Mahfooz Fund (Matured)	Funds under management	Federal excise duty on remuneration	1,960,082	1,960,082
		Federal excise duty on sales load	2,307,278	2,307,278
Pakistan Cash Management Fund	Funds under management	Remuneration receivable	2,428,685	217,783
		Receivable against reimbursement of expenses	-	62,402
		Sales load receivable	-	30,605
		Federal excise duty on remuneration	11,932,884	11,932,884
Pakistan Income Enhancement Fund	Funds under management	Remuneration receivable	1,294,614	1,188,734
		Sales load receivable	99,453	20,666
		Other receivable	132,561	132,561
		Receivable against reimbursement of expenses	125,092	55,991
		Federal excise duty on remuneration	16,589,808	16,589,808
		Federal excise duty on sales load	4,746,222	4,746,222
Alhamra Islamic Money Market Fund (Formerly: MCB Pakistan)	Funds under management	Remuneration receivable	791,826	-
		Sales load receivable	6	7,045
		Receivable against Shariah Fee	60,000	60,000
		Others Payable	-	(1,844,136)
		Federal excise duty on remuneration	840,741	840,741
		Federal excise duty on sales load	3,624,619	3,624,619
Al-Hamra Smart Portfolio	Funds under management	Remuneration receivable	6,482	3,298
		Receivable against reimbursement of expenses	14,487	6,590
		Closing balance of investment in units	121,088,280	119,852,520
Alhamra Daily Dividend Fund	Funds under management	Remuneration receivable	576,401	433,744
		Payable against bank charges	80,371	(32,653)
		Receivable against reimbursement of expenses	39,392	-
		Sales load receivable	107,424	2,145

21 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

The fair values of investments 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	December 31, 2021 (Unaudited)							
	Carrying amount				Fair value			
	Fair value through profit or loss	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	(Rupees)							
Financial assets measured at fair value								
Long-term investments	634,744,936	-	-	634,744,936	-	634,744,936	-	634,744,936
Short-term investments	607,886,103	-	-	607,886,103	-	607,886,103	-	607,886,103
	<u>1,242,631,039</u>	<u>-</u>	<u>-</u>	<u>1,242,631,039</u>	<u>-</u>	<u>1,242,631,039</u>	<u>-</u>	<u>1,242,631,039</u>

On-balance sheet financial instruments	June 30, 2021 (Audited)							
	Carrying amount				Fair value			
	Fair value through profit or loss	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	(Rupees)							
Financial assets measured at fair value								
Long-term investments	638,596,952	-	-	638,596,952	-	638,596,952	-	638,596,952
Short-term investments	685,758,449	-	-	685,758,449	-	685,758,449	-	685,758,449
	<u>1,324,355,401</u>	<u>-</u>	<u>-</u>	<u>1,324,355,401</u>	<u>-</u>	<u>1,324,355,401</u>	<u>-</u>	<u>1,324,355,401</u>

During the period ended December 31, 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.

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

22 GENERAL**22.1 Corresponding figures**

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

22.2 Non adjusting events after the reporting period

The Board of Directors in their meeting held on ____ have for the half year ended December 31, 2021, declared interim cash dividend of Rs. ____ per share (December 31, 2020: Rs. 1 per share) amounting to Rs. ____ (December 31, 2020: 72 million). This condensed interim financial statements for the half year ended December 31, 2021 do not include the effect of the declared interim cash dividend which will be recognized in the financial statements for the year ended June 30, 2022.

22.3 Date of authorisation for issue

This condensed interim financial statements was authorised for issue on _____ by the Board of Directors of the Company.



Chief Executive Officer

Chief Financial Officer

Director