



Meezan  
Islamic Fund

## Meezan Islamic Fund (MIF)

Meezan Islamic Fund seeks to optimize total investor returns by participating in shariah compliant equities focusing on both capital gains and dividend income.

MANAGER OF  
**LARGEST**  
EQUITY FUND



# FUND INFORMATION

## MANAGEMENT COMPANY

Al Meezan Investment Management Limited  
Ground Floor, Block "B", Finance & Trade Centre,  
Shahrah-e-Faisal Karachi 74400, Pakistan.  
Phone (+9221) 35630722-6, 111-MEEZAN  
Fax: (+9221) 35676143, 35630808  
Website: [www.almeezangroup.com](http://www.almeezangroup.com)  
E-mail: [info@almeezangroup.com](mailto:info@almeezangroup.com)

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Mr. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Moin M. Fudda	Nominee Director - MBL
Mr. Furquan R Kidwai	Independent Director
Mr. Mubashar Maqbool	Nominee Director – PKIC
Mr. Tariq Mairaj	Nominee Director - MBL
Mr. Naeem Sattar	Nominee Director - PKIC
Mr. Feroz Rizvi	Independent Director
Ms. Danish Zuberi	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer

## CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

## AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Naeem Sattar	Member

## RISK MANAGEMENT COMMITTEE

Mr. Mubashar Maqbool	Chairman
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member

## HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Mubashar Maqbool	Member
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member
Mr. Mohammad Shoaib, CFA	Member

## TRUSTEE

Central Depository Company of Pakistan Limited  
CDC House, 99-B, Block B, S.M.C.H.S., Main Sharah-e-Faisal Karachi.

## AUDITORS

A. F. Ferguson & Co.  
Chartered Accountants  
State Life Building# 1-C,  
I.I. Chundrigar Road , Karachi-74000

## SHARIAH ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

Allied Bank Limited	Habib Metropolitan Bank Limited - Islamic Banking
Al Baraka Islamic Bank B.S.C (E.C)	MCB Bank Limited
Askari Bank Limited - Islamic Banking	MCB Islamic Bank Limited
Bank Al Habib Limited - Islamic Banking	Meezan Bank Limited
Bank Alfalah Limited	National Bank of Pakistan - Islamic Banking
Bank Islami Pakistan Limited	Samba Bank Limited
Dubai Islamic Bank Pakistan Limited	Sindh Bank Limited
Faysal Bank Limited - Islamic Banking	UBL Ameen - Islamic Banking
Habib Bank Limited - Islamic Banking	

## LEGAL ADVISER

Bawaney & Partners  
3rd & 4th Floor, 68-C, Lane-13, Bokhari Commercial Area,  
Phase VI, DHA, Karachi.  
Phone (9221) 35156191-94 Fax: (9221) 35156195  
E-mail:

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited  
Standard Chartered Bank (Pakistan) Limited

**MEEZAN ISLAMIC FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT MARCH 31, 2021**



**Meezan**  
Islamic Fund

		<b>March 31, 2021 (Unaudited) (Rupees in '000)</b>	<b>June 30, 2020 (Audited)</b>
	<b>Note</b>		
<b>Assets</b>			
Balances with banks	5	1,858,012	1,755,340
Investments	6	31,075,217	23,381,047
Receivable against sale of investments		468,923	73,789
Receivable against conversion of units		112,917	82,856
Dividend receivable		129,546	52,314
Deposits, prepayments and other receivables		18,933	13,419
<b>Total assets</b>		<b>33,663,548</b>	<b>25,358,765</b>
<b>Liabilities</b>			
Payable to Al Meezan Investment Management Limited - the Management Company	7	114,235	32,677
Payable to Central Depository Company of Pakistan Limited - the Trustee		3,299	2,349
Payable to Meezan Bank Limited		957	654
Payable to the Securities and Exchange Commission of Pakistan		4,560	5,024
Payable on redemption and conversion of units		67,716	116,155
Payable against purchase of investments		34,406	158,826
Dividend payable		-	152,480
Accrued expenses and other liabilities	8	833,803	818,415
<b>Total liabilities</b>		<b>1,058,976</b>	<b>1,286,580</b>
<b>Net assets</b>		<b>32,604,572</b>	<b>24,072,185</b>
<b>Contingencies and commitments</b>	9		
<b>Unit holders' funds (as per statement attached)</b>		<b>32,604,572</b>	<b>24,072,185</b>
		<b>(Number of units)</b>	
<b>Number of units in issue</b>		<b>536,215,721</b>	<b>514,682,160</b>
		<b>(Rupees)</b>	
<b>Net asset value per unit</b>		<b>60.8050</b>	<b>46.7710</b>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For Al Meezan Investment Management Limited**  
**(Management Company)**

\_\_\_\_\_  
**Chief Executive**

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Director**

**MEEZAN ISLAMIC FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021**

		Nine months period ended March 31,		Quarter ended March 31,	
	Note	2021 (Rupees in '000)	2020 (Rupees in '000)	2021 (Rupees in '000)	2020 (Rupees in '000)
<b>Income</b>					
Net realised gain / (loss) on sale of investments		1,495,962	(297,396)	900,827	189
Dividend income		940,924	958,703	295,544	163,158
Profit on saving accounts with banks		90,378	165,317	32,510	58,811
		<u>2,527,264</u>	<u>826,624</u>	<u>1,228,881</u>	<u>222,158</u>
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.1	5,567,292	(4,153,607)	(82,187)	(8,751,747)
<b>Total income / (loss)</b>		<u>8,094,556</u>	<u>(3,326,983)</u>	<u>1,146,694</u>	<u>(8,529,589)</u>
<b>Expenses</b>					
Remuneration of Al Meezan Investment Management Limited					
- the Management Company	7.1	455,959	382,816	164,369	136,399
Sindh Sales Tax on management fee		59,275	49,766	21,368	17,732
Remuneration of Central Depository Company of Pakistan Limited					
- the Trustee		23,549	19,892	8,465	7,068
Sindh Sales Tax on remuneration of the Trustee		3,061	2,586	1,100	919
Annual fee to the Securities and Exchange Commission of Pakistan		4,560	3,828	1,644	1,364
Auditors' remuneration		602	603	221	141
Charity expense		22,498	26,826	2,784	4,851
Fees and subscription		1,958	2,103	631	697
Legal and professional charges		160	160	160	-
Brokerage expense		45,036	22,983	20,064	11,721
Bank and settlement charges		3,058	2,370	1,272	858
Allocated expenses	7.2	22,997	19,141	8,418	6,820
Selling and marketing expense	7.3	103,118	76,563	44,800	27,280
Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	146,975	-	17,428	(96,176)
<b>Total expenses</b>		<u>892,806</u>	<u>609,637</u>	<u>292,724</u>	<u>119,674</u>
<b>Net income / (loss) for the period before taxation</b>		<u>7,201,750</u>	<u>(3,936,620)</u>	<u>853,970</u>	<u>(8,649,263)</u>
Taxation	13	-	-	-	-
<b>Net income / (loss) for the period after taxation</b>		<u>7,201,750</u>	<u>(3,936,620)</u>	<u>853,970</u>	<u>(8,649,263)</u>
<b>Allocation of net income for the period</b>					
Net income for the period after taxation		7,201,750			
Income already paid on units redeemed		(1,439,339)			
		<u>5,762,411</u>			
<b>Accounting income available for distribution</b>					
- Relating to capital gains		5,762,411			
- Excluding capital gains		-			
		<u>5,762,411</u>			

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For AI Meezan Investment Management Limited**  
**(Management Company)**

Chief Executive

Chief Financial Officer

Director



**MEEZAN ISLAMIC FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021**

	Nine months period ended March 31,		Quarter ended, March 31,	
	2021	2020	2021	2020
	(Rupees in '000)		(Rupees in '000)	
<b>Net income / (loss) for the period after taxation</b>	7,201,750	(3,936,620)	853,970	(8,649,263)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>7,201,750</u>	<u>(3,936,620)</u>	<u>853,970</u>	<u>(8,649,263)</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For Al Meezan Investment Management Limited**  
**(Management Company)**

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director



**MEEZAN ISLAMIC FUND**  
**STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

	2021				2020		
	Capital value	(Accumulated loss) / Undistributed income	Over distribution	Total	Capital value	Accumulated loss	Total
	Rupees in '000				Rupees in '000		
<b>Net assets at the beginning of the period</b>	26,641,970	(1,860,387)	(709,398)	24,072,185	27,600,726	(1,860,387)	25,740,339
Issue of 606,885,053 units (March 31, 2020: 397,823,906 units)							
- Capital value (at net asset value per unit at the beginning of the period)	28,384,621	-	-	28,384,621	19,065,114	-	19,065,114
- Element of income	6,466,782	-	-	6,466,782	1,534,267	-	1,534,267
Total proceeds on issuance of units	34,851,403	-	-	34,851,403	20,599,381	-	20,599,381
Redemption of 585,351,492 units (March 31, 2020: 454,971,741 units)							
- Capital value (at net asset value per unit at the beginning of the period)	27,377,475	-	-	27,377,475	21,803,838	-	21,803,838
- Element of loss	4,703,952	1,439,339	-	6,143,291	1,317,772	-	1,317,772
Total payments on redemption of units	32,081,427	1,439,339	-	33,520,766	23,121,610	-	23,121,610
Total comprehensive income for the period	-	7,201,750	-	7,201,750	-	(3,936,620)	(3,936,620)
Distribution during the period	-	-	-	-	-	-	-
Net income / (loss) for the period less distribution	-	7,201,750	-	7,201,750	-	(3,936,620)	(3,936,620)
<b>Net assets at the end of the period</b>	<b>29,411,946</b>	<b>3,902,024</b>	<b>(709,398)</b>	<b>32,604,572</b>	<b>25,078,497</b>	<b>(5,797,007)</b>	<b>19,281,490</b>
<b>Accumulated loss brought forward</b>							
- Realised (loss) / income		(1,065,399)				5,520,342	
- Unrealised loss		(794,988)				(7,380,729)	
		<u>(1,860,387)</u>				<u>(1,860,387)</u>	
<b>Accounting income available for distribution</b>							
- Relating to capital gains	5,762,411				-		
- Excluding capital gains	-				-		
	<u>5,762,411</u>				<u>-</u>		
<b>Net loss for the period after taxation</b>						(3,936,620)	
Undistributed income / (accumulated loss) carried forward		<u>3,902,024</u>				<u>(5,797,007)</u>	
<b>Undistributed income / (accumulated loss) carried forward</b>							
- Realised loss		(1,665,268)				(1,643,400)	
- Unrealised income / (loss)		5,567,292				(4,153,607)	
		<u>3,902,024</u>				<u>(5,797,007)</u>	
				(Rupees)			(Rupees)
Net assets value per unit at the beginning of the period				<u>46.7710</u>			<u>47.9235</u>
Net assets value per unit at the end of the period				<u>60.8050</u>			<u>40.1726</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For Al Meezan Investment Management Limited**  
**(Management Company)**

Chief Executive

Chief Financial Officer

Director

**MEEZAN ISLAMIC FUND**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**



**Meezan**  
Islamic Fund

Note	Nine months period ended March 31,	
	2021	2020
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income / (loss) for the period before taxation	7,201,750	(3,936,620)
<b>Adjustments for:</b>		
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(5,567,292)	4,153,607
	1,634,458	216,987
<b>(Increase) / decrease in assets</b>		
Investments - net	(2,126,878)	2,596,393
Receivable against sale of investments	(395,134)	107,301
Dividend receivable	(77,232)	(9,177)
Deposits, prepayments and other receivables	(5,514)	708
	(2,604,758)	2,695,225
<b>Increase / (decrease) in liabilities</b>		
Payable to Al Meezan Investment Management Limited - the Management Company	81,558	(6,003)
Payable to Central Depository Company of Pakistan Limited - the Trustee	950	(314)
Payable to Meezan Bank Limited	303	306
Payable to the Securities and Exchange Commission of Pakistan	(464)	(28,532)
Payable against purchase of investments	(124,420)	(64,808)
Accrued expenses and other liabilities	15,388	16,125
	(26,685)	(83,226)
<b>Net cash (used in) / generated from operating activities</b>	(996,985)	2,828,986
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	34,821,342	20,632,463
Dividend paid	(152,480)	-
Payment against redemption and conversion of units	(33,569,205)	(23,173,962)
<b>Net cash generated from / (used in) financing activities</b>	1,099,657	(2,541,499)
<b>Net increase in cash and cash equivalents during the period</b>	102,672	287,487
Cash and cash equivalents at the beginning of the period	1,755,340	1,340,974
<b>Cash and cash equivalents at the end of the period</b>	<b>5</b> 1,858,012	1,628,461

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For Al Meezan Investment Management Limited**  
**(Management Company)**

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**MEEZAN ISLAMIC FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** Meezan Islamic Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on June 16, 2003 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on June 4, 2003 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations, 2008). The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund, is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund has been formed to enable the unitholders to participate in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah. The Management Company has appointed Meezan Bank Limited (MBL) as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah. The investment objectives and policies are explained in the Fund's offering document.
- 1.3** The Fund is an open-end fund listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorized as an Equity Scheme in accordance with Circular 7 of 2009 issued by Securities and Exchange Commission of Pakistan (SECP).
- 1.4** The Management Company has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 31, 2020 (2019: AM1 dated December 31, 2019) and by PACRA dated June 26, 2020 (2019: AM1 dated December 28, 2019). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.5** The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

**2. BASIS OF PRESENTATION**

The transactions undertaken by the Fund in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor are accounted for on substance rather than the form prescribed by the aforementioned guidelines. This practice is being followed to comply with the requirements of the accounting and reporting standards as applicable in Pakistan.

**3. BASIS OF PREPARATION**

**3.1 STATEMENT OF COMPLIANCE**

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

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

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.



The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2020.

These condensed interim financial statements are unaudited. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at March 31, 2021.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT

- 4.1** The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2020.
- 4.2** The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2020. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2020.
- 4.3** There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2020. However, these do not have any impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	Note	(Rupees in '000)	
<b>5. BALANCES WITH BANKS</b>			
In current accounts		9,963	8,043
In saving accounts	5.1	1,848,049	1,747,297
		<u>1,858,012</u>	<u>1,755,340</u>

- 5.1** The balance in saving accounts have an expected profit ranging from 1.99% to 7.00% per annum (June 30, 2020: 1.50% to 7.50% per annum).

		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	Note	(Rupees in '000)	
<b>6. INVESTMENTS</b>			
<b>At fair value through profit or loss</b>			
Shares of listed companies - 'ordinary shares'	6.1	<u>31,075,217</u>	<u>23,381,047</u>

## 6.1 Shares of listed companies - 'ordinary shares'

Name of the investee company	As at July 1, 2020	Purchases during the period	Bonus / Right issue	Sales during the period	As at March 31, 2021	Carrying value as at March 31, 2021	Market value as at March 31, 2021	Unrealised gain / (loss) as at March 31, 2021	Percentage in relation to		
									Net assets of the Fund	Total market value of investments	Paid-up capital of investee company (with face value of investment)
-----Number of shares-----						----- (Rupees in '000) -----			----- % -----		
Sectors / companies											
Automobile Assembler											
Honda Atlas Cars (Pakistan) Limited	179,000	150,000	-	329,000	-	-	-	-	-	-	-
Indus Motor Company Limited	39,740	83,050	-	122,790	-	-	-	-	-	-	-
Panther Tyres Limited	-	202,090	-	-	202,090	13,298	13,025	(273)	0.04	0.04	0.14
Millat Tractors Limited (Note 6.1.3)	100,113	424,430	65,567	-	590,110	477,602	648,973	171,371	1.99	2.09	1.05
									2.03	2.13	1.19
Automobile Parts & Accessories											
Agriauto Industries Limited (Note 6.1.1)	436,300	-	-	295,600	140,700	25,607	30,156	4,549	0.09	0.10	0.49
Cement											
Attock Cement Pakistan Limited	270,200	165,200	-	-	435,400	62,201	73,883	11,682	0.23	0.24	0.32
Cherat Cement Company Limited	2,724,100	1,880,500	-	1,520,600	3,084,000	408,006	495,290	87,284	1.52	1.59	1.59
DG Khan Cement Company Limited	3,557,500	1,450,000	-	3,382,650	1,624,850	165,867	195,811	29,944	0.60	0.63	0.37
Fauji Cement Company Limited	2,550,000	7,650,000	-	4,670,500	5,529,500	133,112	126,183	(6,929)	0.39	0.41	0.40
Kohat Cement Company Limited	4,488,850	614,800	-	172,100	4,931,550	716,951	1,021,916	304,965	3.13	3.29	2.46
Lucky Cement Limited	3,798,203	1,180,640	-	1,212,351	3,766,492	1,991,780	3,079,446	1,087,666	9.44	9.91	1.16
Power Cement Limited	-	3,500,000	-	2,000,000	1,500,000	15,641	13,815	(1,826)	0.04	0.04	0.14
Maple Leaf Cement Limited	13,447,000	19,549,622	-	12,813,171	20,183,451	765,368	904,219	138,851	2.77	2.91	1.84
									18.12	19.02	8.28
Chemical											
Dynea Pakistan Limited (Note 6.1.1)	-	293,000	-	-	293,000	65,603	58,178	(7,425)	0.18	0.19	1.55
Engro Polymer & Chemicals Limited	15,913,721	9,084,500	-	6,132,500	18,865,721	596,813	1,037,426	440,613	3.18	3.34	2.08
Ghani Global Holdings Limited (Note 6.1.3)	-	11,785,500	858,550	4,250,000	8,394,050	132,743	198,267	65,524	0.61	0.64	3.00
ICI Pakistan Limited	1,109,985	107,600	-	252,550	965,035	677,029	802,610	125,581	2.46	2.58	1.04
Lotte Chemical Pakistan Limited	6,661,000	50,000	-	6,711,000	-	-	-	-	-	-	-
Ittehad Chemicals Limited	117,500	-	-	117,500	-	-	-	-	-	-	-
Nimir Resins Limited (Note 6.1.1)	-	6,672,000	-	3,500,000	3,172,000	40,149	36,763	(3,386)	0.11	0.12	1.12
Sitara Chemicals Industries Limited	30,500	-	-	-	30,500	8,452	12,048	3,596	0.04	0.04	0.14
Sitara Peroxide Limited	157,000	-	-	157,000	-	-	-	-	-	-	-
									6.58	6.91	8.93
Commercial Banks											
BankIslami Pakistan Limited	6,447,500	10,245,000	-	2,000,000	14,692,500	161,798	172,784	10,986	0.53	0.56	1.33
Meezan Bank Limited (an associate of the Fund) (Note 6.1.3)	12,075,097	2,362,000	1,258,209	530,000	15,165,306	1,001,029	1,716,409	715,380	5.26	5.52	1.07
									5.79	6.08	2.40
Cable and Electrical Goods											
Pak Elektron Limited	-	700,000	-	650,000	50,000	1,921	1,652	(269)	0.01	0.01	0.01
Engineering											
Agha Steels Industries Limited	-	5,097,910	-	1,809,000	3,288,910	108,302	101,562	(6,740)	0.31	0.33	0.57
Amreli Steels Limited	121,500	-	-	121,500	-	-	-	-	-	-	-
International Industries Limited	1,713,140	1,033,000	-	664,700	2,081,440	284,356	422,886	138,530	1.30	1.36	1.58
International Steel Limited	5,537,800	2,829,870	-	4,174,563	4,193,107	293,766	358,846	65,080	1.10	1.15	0.96
Mughal Iron & Steel Industries Limited	2,528,500	2,504,000	-	1,210,500	3,822,000	243,115	355,752	112,637	1.09	1.14	1.52
K.S.B. Pumps Company Limited	73,700	-	-	35,000	38,700	5,573	9,247	3,674	0.03	0.03	0.29
									3.83	4.01	4.92
Fertilizer											
Engro Corporation Limited (Note 6.1.2)	7,873,573	909,869	-	3,132,175	5,651,267	1,670,149	1,567,209	(102,940)	4.81	5.04	0.98
Engro Fertilizers Limited	16,475,252	5,384,833	-	8,290,466	13,569,619	845,144	846,744	1,600	2.60	2.72	1.02
									7.41	7.76	2.00
Food & Personal Care Products											
Al-Shaheer Corporation Limited	61,463	-	1,248	-	62,711	716	957	241	-	-	0.02
At-Tahur Limited (Note 6.1.3)	120,045	500,000	12,004	-	632,049	12,038	10,568	(1,470)	0.03	0.03	0.36
National Foods Limited (Note 6.1.1) & (Note 6.1.3)	203,320	-	50,830	-	254,150	50,921	52,985	2,064	0.16	0.17	0.14
									0.19	0.20	0.52

Name of the investee company	As at July 1, 2020	Purchases during the period	Bonus / Right issue	Sales during the period	As at March 31, 2021	Carrying value as at March 31, 2021	Market value as at March 31, 2021	Unrealised gain / (loss) as at March 31, 2021	Percentage in relation to		
									Net assets of the Fund	Total market value of investments	Paid-up capital of investee company (with face value of investment)
-----Number of shares-----						----- (Rupees in '000) -----			----- % -----		
<b>Glass &amp; Ceramics</b>											
Tariq Glass Industries Limited	527,750	-	-	527,750	-	-	-	-	-	-	-
Shabbir Tiles and Ceramics Limited (Note 6.1.1)	-	2,395,000	-	-	2,395,000	46,895	56,570	9,675	0.17	0.18	0.73
Ghani Glass Limited	866,000	-	409,200	122,000	1,153,200	34,708	54,177	19,469	0.17	0.17	0.14
									<b>0.34</b>	<b>0.35</b>	<b>0.87</b>
<b>Oil &amp; Gas Exploration Companies</b>											
Mari Petroleum Company Limited	2,020,667	30,000	-	203,320	1,847,347	2,297,425	2,828,842	531,417	8.68	9.10	1.38
Oil & Gas Development Company Limited	17,271,568	6,804,001	-	9,724,226	14,351,343	1,558,927	1,458,240	(100,687)	4.47	4.69	0.33
Pakistan Oilfields Limited	2,647,522	344,000	-	785,107	2,206,415	785,812	838,195	52,383	2.57	2.70	0.78
Pakistan Petroleum Limited	16,327,428	7,136,053	-	10,267,605	13,195,876	1,200,466	1,152,396	(48,070)	3.53	3.71	0.48
									<b>19.25</b>	<b>20.20</b>	<b>2.97</b>
<b>Oil &amp; Gas Marketing Companies</b>											
Attock Petroleum Limited	906,334	10,000	-	118,000	798,334	243,916	261,071	17,155	0.80	0.84	0.80
Hascol Petroleum Limited	13,533,361	3,427,500	-	16,920,000	40,861	619	419	(200)	-	-	-
Pakistan State Oil Company Limited	4,861,259	3,453,745	-	1,977,270	6,337,734	1,191,943	1,461,672	269,729	4.48	4.70	1.35
Hi-Tech Lubricants Limited	305,000	1,669,500	-	1,924,500	50,000	2,025	3,525	1,500	0.01	0.01	0.04
Sui Northern Gas Pipelines Limited	10,100,300	1,500,000	-	10,999,500	600,800	24,895	23,563	(1,332)	0.07	0.08	0.09
Shell Pakistan Limited	-	273,200	174,200	99,000	348,400	62,727	53,626	(9,101)	0.16	0.17	0.16
Sui Southern Gas Company Limited	745,000	-	-	745,000	-	-	-	-	-	-	-
									<b>5.52</b>	<b>5.80</b>	<b>2.44</b>
<b>Paper &amp; Board</b>											
Cherat Packaging Limited	276,747	100	-	115,000	161,847	18,960	32,347	13,387	0.10	0.10	0.38
Century Paper & Board Mills Limited (Note 6.1.3)	348,600	2,903,000	391,000	-	3,642,600	301,596	344,736	43,140	1.06	1.11	2.06
Roshan Packages Limited	200,000	3,241,500	-	109,000	3,332,500	125,232	95,609	(29,623)	0.29	0.31	2.35
Security Papers Limited	-	41,000	-	-	41,000	6,327	5,433	(894)	0.02	0.02	0.07
Packages Limited	1,421,953	307,200	-	35,650	1,693,503	642,254	856,523	214,269	2.63	2.76	1.89
									<b>4.10</b>	<b>4.30</b>	<b>6.75</b>
<b>Pharmaceuticals</b>											
Abbott Laboratories (Pakistan) Limited	69,050	-	-	-	69,050	45,780	50,054	4,274	0.15	0.16	0.07
AGP Limited	5,266,500	485,500	-	1,457,700	4,294,300	471,706	490,108	18,402	1.50	1.58	1.53
Ferozsons Laboratories Limited (Note 6.1.3)	-	100,000	4,000	80,000	24,000	7,838	7,307	(531)	0.02	0.02	0.07
Glaxosmithkline Consumer Healthcare Limited	374,656	-	-	10,000	364,656	99,070	78,726	(20,344)	0.24	0.25	0.31
Glaxosmithkline Pakistan Limited	5,816	-	-	5,816	-	-	-	-	-	-	-
Highnoon Laboratories Limited (Note 6.1.2)	49,878	40,000	-	15,550	74,328	41,807	48,275	6,468	0.15	0.16	0.21
The Searle Company Limited	2,761,879	1,172,282	403,244	784,500	3,552,905	768,086	877,674	109,588	2.69	2.82	1.48
									<b>4.75</b>	<b>4.99</b>	<b>3.67</b>
<b>Power Generation &amp; Distribution</b>											
K-Electric Limited (Note 6.1.1)	159,270,500	11,150,000	-	58,851,000	111,569,500	345,201	444,047	98,846	1.36	1.43	0.40
The Hub Power Company Limited	20,884,921	14,975,759	-	15,459,268	20,401,412	1,680,325	1,655,371	(24,954)	5.08	5.33	1.57
									<b>6.44</b>	<b>6.76</b>	<b>1.97</b>
<b>Refinery</b>											
Attock Refinery Limited	-	425,000	-	300,000	125,000	31,528	31,923	395	0.10	0.10	0.12
National Refinery Limited	-	25,000	-	25,000	-	-	-	-	-	-	-
									<b>0.10</b>	<b>0.10</b>	<b>0.12</b>
<b>Technology &amp; Communication</b>											
Avanceon Limited	739,630	4,191,000	-	1,770,000	3,160,630	204,210	279,305	75,095	0.86	0.90	1.48
Netsol Technologies Limited	142,600	-	-	142,600	-	-	-	-	-	-	-
Pakistan Telecommunication Company Limited	800,000	14,112,000	-	4,832,500	10,079,500	108,114	93,538	(14,576)	0.29	0.30	0.27
TPL Tracker limited	-	3,564,000	-	2,959,000	605,000	7,260	6,002	(1,258)	0.02	0.02	0.32
Systems Limited (Note 6.1.3)	2,384,900	308,900	226,360	405,200	2,514,960	467,753	1,183,364	715,611	3.63	3.81	1.83
									<b>4.80</b>	<b>5.03</b>	<b>3.90</b>
<b>Textile Composite</b>											
Feroze1888 Mills Limited	1,704,600	494,500	-	800,000	1,399,100	122,060	141,631	19,571	0.43	0.46	0.37
Kohinoor Textile Mills Limited	244,014	1,197,000	-	306,500	1,134,514	83,209	69,591	(13,618)	0.21	0.22	0.38
Nishat Mills Limited	3,625,600	3,267,000	-	733,000	6,159,600	566,910	569,886	2,976	1.75	1.83	1.75
									<b>2.39</b>	<b>2.51</b>	<b>2.50</b>
<b>Textiles &amp; Apparel</b>											
Interloop Limited	8,917,500	5,292,000	-	1,724,000	1,248,500	663,009	825,541	162,532	<b>2.53</b>	<b>2.66</b>	<b>1.43</b>

Name of the investee company	As at July 1, 2020	Purchases during the period	Bonus / Right issue	Sales during the period	As at March 31, 2021	Carrying value as at March 31, 2021	Market value as at March 31, 2021	Unrealised gain / (loss) as at March 31, 2021	Percentage in relation to		
									Net assets of the Fund	Total market value of investments	Paid-up capital of investee company (with face value of investment)
	-----Number of shares-----					----- (Rupees in '000) -----			----- % -----		
<b>Vanaspati &amp; Allied Industries</b>											
Unity Foods Limited	2,648,846	15,569,500	-	8,908,846	9,309,500	225,799	276,865	51,066	0.85	0.89	0.94
<b>Miscellaneous</b>											
Shifa International Hospital Limited	-	65,000	-	65,000	-	-	-	-	-	-	-
Synthetic Products Limited	-	1,345,000	60,525	365,000	1,040,525	48,483	39,984	(8,499)	0.12	0.13	1.13
									0.12	0.13	1.13
<b>Right Certificates</b>											
Mughal Iron & Steel Industries Limited	-	-	595,520	-	595,520	-	13,471	13,471	0.04	0.04	1.48
<b>Total - March 31, 2021</b>						<b>25,507,925</b>	<b>31,075,217</b>	<b>5,567,292</b>		<b>100</b>	
<b>Total - June 30, 2020</b>						<b>24,176,035</b>	<b>23,381,047</b>	<b>(794,988)</b>			

**6.1.1** All shares have a nominal value of Rs 10 each except for the shares of Agriauto Industries Limited, National Foods Limited, Dynea Pakistan Limited, Nimir Resins Limited and Shabbir Tiles and Ceramics Limited which have a nominal value of Rs 5 each and K-Electric Limited which have a nominal value of Rs 3.5 each.

**6.1.2** Investments include 1,060,000 shares (June 30, 2020: 1,060,000 shares) of Engro Corporation Limited, having market value of Rs 293.959 million as at March 31, 2021 (June 30, 2020: Rs. 310.50 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

**6.1.3** The status of bonus shares already withheld prior to the introduction of Finance Act, 2018 is the same as that disclosed in the audited financial statements of the Fund for the year ended June 30, 2020. As at March 31, 2021, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 63.427 million (June 30, 2020: Rs. 49.076 million).

		<b>March 31, 2021 (Unaudited)</b>	<b>June 30, 2020 (Audited)</b>
	<b>Note</b>	<b>(Rupees in '000)</b>	
<b>7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - THE MANAGEMENT COMPANY</b>			
Management fee payable	7.1	56,453	5,286
Sindh Sales Tax payable on remuneration of the Management Company		7,339	687
Allocated expenses payable	7.2	3,021	2,016
Selling and marketing expenses payable	7.3	44,800	23,914
Sales load payable		2,320	685
Sindh Sales Tax on sales load payable		302	89
		<b>114,235</b>	<b>32,677</b>

**7.1** As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 2% (June 30, 2020: 2%) per annum of the average net assets of the Fund during the period. The remuneration is payable to the Management Company monthly in arrears.

**7.2** In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The management company based on its own discretion charged 0.10% of the average annual net assets of the scheme for allocation of such expenses to the Fund from July 01, 2020 till March 09, 2021. From March 10, 2021, the Management Company has decided to charge allocation of such expenses at 0.11% per annum of the average annual net assets of the scheme.

**7.3** In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company based on its own discretion charged selling and marketing expense at 0.4% per annum of the average annual net assets of the Fund from July 01, 2020 till March 09, 2021. From March 10, 2021, the Management Company has decided to charge selling and marketing expense at 1% per annum of the average annual net assets of the Fund.

		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
		(Rupees in '000)	
<b>8. ACCRUED EXPENSES AND OTHER LIABILITIES</b>	<b>Note</b>		
Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	498,678	351,703
Charity payable		35,187	34,497
Withholding tax payable		-	922
Capital gain tax payable		18,040	4,328
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	8.2	231,867	231,867
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	8.2	32,607	32,607
Auditors' remuneration		360	480
Withholding tax payable on dividend		-	142,432
Zakat payable		165	31
Printing expenses payable		483	483
Shariah advisory fee payable		1,005	2,041
Brokerage payable		15,411	17,024
		<u>833,803</u>	<u>818,415</u>

**8.1** The status of Sindh Workers' Welfare Fund is same as disclosed in financial statement for the year ended June 30, 2020. Had the provision of Sindh Workers' Welfare Fund not been made, the net asset value per unit as at March 31, 2021 would have been higher by Re. 0.93 per unit (June 30, 2020: Re. 0.68 per unit)

**8.2** The status of provision of Federal Excise Duty is same as disclosed in financial statement for the year ended June 30, 2020. Had the provision of Federal Excise Duty not being made, the net asset value per unit as at March 31, 2021 would have been higher by Re. 0.49 (June 30, 2020: Re. 0.51) per unit.

#### **9. CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at March 31, 2021 and June 30, 2020.

#### **10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES**

Connected persons include Al Meezan Investment Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and executives of the Management Company, other Funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited - Employees' Gratuity Fund and unitholders holding 10 percent or more of the Fund's net assets.

Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Rules, the NBFC Regulations and the Trust Deed respectively.

Details of transactions with connected persons and balances with them are as follows:

	March 31, 2021 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
<b>AI Meezan Investment Management Limited - the Management Company</b>		
Remuneration payable	56,453	5,286
Sindh Sales Tax on management fee payable	7,339	687
Sales load payable	2,320	685
Sindh Sales Tax and on sales load payable	302	89
Allocated expenses	3,021	2,016
Selling and marketing expense payable	44,800	23,914
Investment of 1,972,056 units (June 30, 2020: 4,997,648 units)	119,911	233,745
<b>Meezan Bank Limited</b>		
Balance with bank	240,409	282,156
Profit receivable on saving accounts	192	87
Sales load payable	847	579
Sindh Sales Tax on sales load payable	110	75
Investment in 15,165,306 shares (June 30, 2020: 12,075,097 shares)	1,716,409	831,370
Investment of 12,475,049 units (June 30, 2020: 12,475,049 units)	758,545	583,471
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Trustee fee payable	2,919	2,079
Sindh Sales Tax on trustee fee payable	380	270
Security deposit	100	100
<b>AI Meezan Investment Management Limited - Employees' Gratuity Fund</b>		
Investment of 189,837 units (June 30, 2020: 189,837 units)	11,543	8,879
<b>Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan</b>		
Investment of 4,073,382 units (June 30, 2020: 4,834,002 units)	247,682	226,091
<b>Meezan Financial Planning Fund of Funds - Moderate Allocation Plan</b>		
Investment of 1,172,201 units (June 30, 2020: 1,412,939 units)	71,276	66,085
<b>Meezan Financial Planning Fund of Funds - Conservative Allocation Plan</b>		
Investment of 743,896 units (June 30, 2020: 880,333 units)	45,233	41,174
<b>Meezan Financial Planning Fund of Funds - MAAP - I</b>		
Investment of nil units (June 30, 2020: 1,984,595 units)	-	92,821
<b>Meezan Strategic Allocation Fund - MSAP - I</b>		
Investment of 4,659,759 units (June 30, 2020: 5,317,944 units)	283,337	248,726
<b>Meezan Strategic Allocation Fund - MSAP - II</b>		
Investment of 2,185,895 units (June 30, 2020: 3,124,685 units)	132,913	146,145
<b>Meezan Strategic Allocation Fund - MSAP - III</b>		
Investment of 3,111,620 units (June 30, 2020: 9,045,806 units)	189,202	423,081
<b>Meezan Strategic Allocation Fund - MSAP - IV</b>		
Investment of 45,372 units (June 30, 2020: 7,145,017 units)	2,759	334,180
<b>Meezan Strategic Allocation Fund - MSAP - V</b>		
Investment of 66,159 units (June 30, 2020: 2,205,831 units)	4,023	103,169
<b>Directors and executives of the Management Company</b>		
Investment of 10,299,494 units (June 30, 2020: 11,924,793 units)	626,261	557,734



**Transactions during the period**
**Al Meezan Investment Management Limited - the Management Company**

Remuneration for the period	
Sindh Sales Tax on management fee	
Allocated expenses	
Selling and marketing expense	
Units issued: 9,551,904 units (March 31, 2020: 8,686,442 units)	
Units redeemed: 12,577,495 units (March 31, 2020: 14,899,869 units)	

**Nine months period ended  
March 31,**

**2021                      2020**  
**(Unaudited)**  
**(Rupees in '000)**

455,959	382,816
59,275	49,766
22,997	19,141
103,118	76,563
541,000	439,396
715,434	705,178

**Meezan Bank Limited**

Profit on saving accounts	
Shares purchased: 2,362,000 shares (March 31, 2020: 3,527,000 shares)	
Shares sold: 530,000 shares (March 31, 2020: 826,000 shares)	
Bonus issue: 1,258,209 (March 31, 2020: nil)	
Dividend income	

907	22,545
206,019	271,457
47,148	68,331
-	-
90,792	35,993

**Central Depository Company of Pakistan Limited - the Trustee**

Trustee fee	
Sindh Sales Tax on trustee fee	
CDS charges	

23,549	19,892
3,061	2,586
1,055	608

**Meezan Financial Planning Fund of Funds**
**- Aggressive Allocation Plan**

Units issued: 180,354 units (March 31, 2020: 365,419 units)	
Units redeemed: 940,974 units (March 31, 2020: 2,103,848 units)	

10,875	18,344
51,496	99,713

**Meezan Financial Planning Fund of Funds**
**- Moderate Allocation Plan**

Units issued: 448,341 units (March 31, 2020: 89,136 units)	
Units redeemed: 689,079 units (March 31, 2020: 1,052,695 units)	

26,250	4,057
39,071	51,881

**Meezan Financial Planning Fund of Funds**
**- Conservative Allocation Plan**

Units issued: 216,759 units (March 31, 2020: 92,630 units)	
Units redeemed: 353,196 units (March 31, 2020: 622,629 units)	

13,125	4,242
19,394	31,194

**Meezan Financial Planning Fund of Funds - MAAP - I**

Units issued: 1,148,071 units (March 31, 2020: 2,022,195 units)	
Units redeemed: 3,132,666 units (March 31, 2020: 497,166 units)	

66,200	101,000
184,862	24,920

**Meezan Strategic Allocation Fund - MSAP - I**

Units issued: 2,073,695 units (March 31, 2020: 5,076,498 units)	
Units redeemed: 2,731,880 units (March 31, 2020: 3,594,295 units)	

111,000	252,000
159,460	169,260

**Meezan Strategic Allocation Fund - MSAP - II**

Units issued: 944,175 units (March 31, 2020: 1,111,251 units)	
Units redeemed: 1,882,965 units (March 31, 2020: 1,362,932 units)	

51,955	60,000
107,400	75,130

**Meezan Strategic Allocation Fund - MSAP - III**

Units issued: 460,132 units (March 31, 2020: 2,426,531 units)	
Units redeemed: 6,394,319 units (March 31, 2020: 3,966,467 units)	

25,255	116,600
353,450	204,699

**Meezan Strategic Allocation Fund - MSAP - IV**

Units issued: 768,100 units (March 31, 2020: 2,033,378 units)	
Units redeemed: 7,867,746 units (March 31, 2020: 6,759,902 units)	

43,800	116,934
427,400	349,456

	Nine months period ended March 31,	
	2021	2020
	(Unaudited)	
	(Rupees in '000)	
<b>Meezan Strategic Allocation Fund - MSAP - V</b>		
Units issued: 100,400 units (March 31, 2020: 634,033 units)	5,500	33,000
Units redeemed: 2,240,072 units (March 31, 2020: 1,584,788 units)	124,690	75,340
<b>Directors and executives of the Management Company</b>		
Units issued: 2,338,673 units (March 31, 2020: 10,706,377 units)	136,133	489,645
Units redeemed: 4,060,262 units (March 31, 2020: 379,758 units)	228,361	17,698

## 11. 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 Fund 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.

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

### 11.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets 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: Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities.
- Level 2: Fair value measurements using 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 3: Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at March 31, 2021 and June 30, 2020, the Fund held the following financial instruments measured at fair value:

As at March 31, 2021			
Level 1	Level 2	Level 3	Total
(Rupees in '000)			

#### ASSETS

##### Financial assets 'at fair value through profit or loss'

Shares of listed companies - 'ordinary shares'	31,075,217	-	-	31,075,217
--	------------	---	---	------------

As at June 30, 2020			
Level 1	Level 2	Level 3	Total
(Rupees in '000)			

#### ASSETS

##### Financial assets 'at fair value through profit or loss'

Shares of listed companies - 'ordinary shares'	23,381,047	-	-	23,381,047
--	------------	---	---	------------

## 12. TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 3.76% which includes 0.80% representing Government Levy, Sindh Worker's Welfare Fund and the SECP Fee. The prescribed limit for the ratio is 4.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a "equity fund".

### 13. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute atleast 90 percent of the net accounting income other than capital gains to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2021 as reduced by capital gains (whether realised or unrealised) to its unit holders.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

### 14. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on April 12, 2021 by the Board of Directors of the Management Company.

### 15. GENERAL

#### 15.1 COVID - 19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

- The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

#### 15.2 Figures have been rounded off to the nearest thousand rupees.

**For Al Meezan Investment Management Limited  
(Management Company)**

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director





Meezan  
Mutual Fund

## Al Meezan Mutual Fund (AMMF)

Al Meezan Mutual Fund aims to optimize the total investment returns in the form of capital gains and dividend income, through prudent investment management.

**LARGEST FUND MANAGER**  
IN PAKISTAN WITH AUMS  
OF OVER **150 BILLION**



# FUND INFORMATION

## MANAGEMENT COMPANY

Al Meezan Investment Management Limited  
Ground Floor, Block "B", Finance & Trade Centre,  
Shahrah-e-Faisal Karachi 74400, Pakistan.  
Phone (+9221) 35630722-6, 111-MEEZAN  
Fax: (+9221) 35676143, 35630808  
Website: [www.almeezangroup.com](http://www.almeezangroup.com)  
E-mail: [info@almeezangroup.com](mailto:info@almeezangroup.com)

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Mr. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Moin M. Fudda	Nominee Director - MBL
Mr. Furquan R Kidwai	Independent Director
Mr. Mubashar Maqbool	Nominee Director – PKIC
Mr. Tariq Mairaj	Nominee Director - MBL
Mr. Naeem Sattar	Nominee Director - PKIC
Mr. Feroz Rizvi	Independent Director
Ms. Danish Zuberi	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer

## CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

## AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Naeem Sattar	Member

## RISK MANAGEMENT COMMITTEE

Mr. Mubashar Maqbool	Chairman
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member

## HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Mubashar Maqbool	Member
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member
Mr. Mohammad Shoaib, CFA	Member

## TRUSTEE

Central Depository Company of Pakistan Limited  
CDC House, 99-B, Block B, S.M.C.H.S., Main Sharah-e-Faisal Karachi.

## AUDITORS

A. F. Ferguson & Co.  
Chartered Accountants  
State Life Building# 1-C,  
I.I. Chundrigar Road , Karachi-74000

## SHARIAH ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

Allied Bank Limited	Habib Metropolitan Bank Limited - Islamic Banking
Al Baraka Islamic Bank B.S.C (E.C)	MCB Islamic Bank Limited
Askari Bank Limited - Islamic Banking	Meezan Bank Limited
Bank Alfalah Limited	National Bank of Pakistan - Islamic Banking
Bank Islami Pakistan Limited	Sindh Bank Limited
Dubai Islamic Bank Pakistan Limited	UBL Ameen - Islamic Banking
Faysal Bank Limited - Islamic Banking	

## LEGAL ADVISER

Bawaney & Partners  
3rd & 4th Floor, 68-C, Lane-13, Bokhari Commercial Area,  
Phase VI, DHA, Karachi.  
Phone (+9221) 35156191-94 Fax: (+9221) 35156195  
E-mail:

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited



**AL MEEZAN MUTUAL FUND  
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT MARCH 31, 2021**

		<b>March 31, 2021 (Unaudited) (Rupees in '000)</b>	<b>June 30, 2020 (Audited) (Rupees in '000)</b>
<b>Assets</b>			
Balances with banks	5	348,772	259,646
Investments	6	4,557,865	3,782,362
Receivable against sale of investments		24,752	16,861
Receivable against conversion of units		12,808	21,337
Dividend receivable		17,020	9,316
Advances, deposits, prepayments and other receivable		4,604	3,025
<b>Total assets</b>		<b>4,965,821</b>	<b>4,092,547</b>
<b>Liabilities</b>			
Payable to Al Meezan Investment Management Limited - Management Company		16,537	5,351
Payable to Central Depository Company of Pakistan Limited - Trustee		566	455
Payable to Securities and Exchange Commission of Pakistan		699	853
Payable to Meezan Bank Limited		54	20
Payable against purchase of investments		3,244	9,988
Payable against conversion and redemption of units		19,202	23,718
Dividend payable		4,917	19,572
Accrued expenses and other liabilities	9	131,567	119,253
<b>Total liabilities</b>		<b>176,787</b>	<b>179,210</b>
<b>Net assets</b>		<b>4,789,034</b>	<b>3,913,337</b>
<b>Unitholders' fund (as per statement attached)</b>		<b>4,789,034</b>	<b>3,913,337</b>
<b>Contingencies And Commitments</b>	8		
<b>Number of units in issue</b>		<b>281,456,499</b>	<b>293,846,741</b>
		<b>(Rupees)</b>	
<b>Net assets value per unit</b>		<b>17.0152</b>	<b>13.3176</b>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For Al Meezan Investment Management Limited  
(Management Company)**

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director



**AL MEEZAN MUTUAL FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021**

	Note	Nine months period ended March 31,		Quarter ended March 31,	
		2021	2020	2021	2020
		(Rupees in '000)		(Rupees in '000)	
<b>Income</b>					
Net realised gain on sale of investments		310,861	6,655	188,756	35,410
Dividend income		138,231	159,091	38,183	25,693
Profit on saving accounts with banks		12,091	22,373	4,342	8,432
		<u>461,183</u>	<u>188,119</u>	<u>231,281</u>	<u>69,535</u>
Net unrealised appreciation / (diminution) on re-measurement of investments classified as "financial assets at fair value through profit or loss"	6.1	754,774	(662,072)	(62,303)	(1,418,669)
<b>Total income / (loss)</b>		<u>1,215,957</u>	<u>(473,953)</u>	<u>168,978</u>	<u>(1,349,134)</u>
<b>Expenses</b>					
Remuneration to Al Meezan Investment Management Limited - Management Company	7.1	69,927	65,273	24,371	22,420
Sindh Sales Tax on management fee		9,091	8,486	3,169	2,915
Allocated expenses	7.2	3,525	3,264	1,248	1,122
Remuneration to Central Depository Company of Pakistan Limited - Trustee		4,247	4,015	1,465	1,370
Sindh Sales Tax on trustee fee		552	522	190	178
Annual fee to Securities and Exchange Commission of Pakistan		699	663	243	224
Auditors' remuneration		641	661	169	169
Charity expense		3,440	4,412	333	750
Fees and subscription		429	292	288	9
Brokerage expense		8,787	7,839	4,014	4,215
Selling and marketing expenses	7.3	15,722	13,055	6,611	4,484
Bank and settlement charges		739	806	338	296
Provision for Sindh Workers' Welfare Fund (SWWF)	9.1	21,963	-	2,531	(16,081)
<b>Total expenses</b>		<u>139,764</u>	<u>109,287</u>	<u>44,971</u>	<u>22,071</u>
<b>Net income / (loss) for the period before taxation</b>		<u>1,076,193</u>	<u>(583,240)</u>	<u>124,006</u>	<u>(1,371,205)</u>
Taxation	12	-	-	-	-
<b>Net income / (loss) for the period after taxation</b>		<u>1,076,193</u>	<u>(583,240)</u>	<u>124,006</u>	<u>(1,371,205)</u>
<b>Allocation of net income for the period</b>					
Net income for the period after taxation		1,076,193	-		
Income already paid on units redeemed		(159,206)	-		
		<u>916,987</u>	<u>-</u>		
<b>Accounting income available for distribution</b>					
- Relating to capital gains		916,987	-		
- Excluding capital gains		-	-		
		<u>916,987</u>	<u>-</u>		

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For Al Meezan Investment Management Limited**  
**(Management Company)**

Chief Executive

Chief Financial Officer

Director



**AL MEEZAN MUTUAL FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021**

	Nine months period ended, March 31,		Quarter ended, March 31,	
	2021	2020	2021	2020
	(Rupees in '000)		(Rupees in '000)	
<b>Net income / (loss) for the period after taxation</b>	1,076,193	(583,240)	124,006	(1,371,205)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<u>1,076,193</u>	<u>(583,240)</u>	<u>124,006</u>	<u>(1,371,205)</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For Al Meezan Investment Management Limited**  
**(Management Company)**

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**AL MEEZAN MUTUAL FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021**

	Nine months period ended March 31, 2021				Nine months period ended March 31, 2020		
	Capital Value	(Accumulated (loss) / Undistributed income)	Over Distribution	Total	Capital Value	(Accumulated loss)	Total
	(Rupees in '000)				(Rupees in '000)		
Net assets at the beginning of the period	4,045,463	(109,627)	(22,499)	3,913,337	4,877,433	(109,627)	4,767,806
Issuance of 188,362,477 units (2020: 216,642,112 units)							
- Capital value (at net asset value per unit at the beginning of the period)	2,508,536	-	-	2,508,536	2,893,017	-	2,893,017
- Element of Income	531,513	-	-	531,513	269,837	-	269,837
Total proceeds on issuance of units	3,040,049	-	-	3,040,049	3,162,854	-	3,162,854
Redemption of 200,752,718 units (2020: 290,217,992 units)							
- Capital value (at net asset value per unit at the beginning of the period)	2,673,544	-	-	2,673,544	3,875,543	-	3,875,543
- Element of loss	407,795	159,206	-	567,001	261,088	-	261,088
Total payments on redemption of units	3,081,339	159,206	-	3,240,545	4,136,631	-	4,136,631
Total comprehensive income / (loss) for the period	-	1,076,193	-	1,076,193	-	(583,240)	(583,240)
Distribution for the period	-	-	-	-	-	-	-
Income / (loss) for the period after adjustment		1,076,193	-	-		(583,240)	-
<b>Net assets at end of the period</b>	<b>4,004,173</b>	<b>807,360</b>	<b>(22,499)</b>	<b>4,789,034</b>	<b>3,903,655</b>	<b>(692,867)</b>	<b>3,210,788</b>
<b>Accumulated loss brought forward</b>							
- Realised (loss) / income		(77,132)				1,197,928	
- Unrealised loss		(32,495)				(1,307,555)	
		(109,627)				(109,627)	
Accounting income available for distribution(after adjusting income already paid on units redeemed)							
- Relating to capital gains	916,987				-		
- Excluding capital gains	-				-		
	916,987				-		
Net loss for the period after taxation		-				(583,240)	
Undistributed income / (Accumulated losses) carried forward		807,360				(692,867)	
Undistributed income / (Accumulated losses) carried forward							
-Realised gain / (loss)		52,586				(30,795)	
-Unrealised gain / (loss)		754,774				(662,072)	
		807,360				(692,867)	
		(Rupees)				(Rupees)	
Net assets value per unit at beginning of the period	13.3176				13.3539		
Net assets value per unit at end of the period	17.0152				11.3272		

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For Al Meezan Investment Management Limited**  
**(Management Company)**

Chief Executive

Chief Financial Officer

Director



**AL MEEZAN MUTUAL FUND**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

	<b>Nine months period ended</b>	
	<b>March 31,</b>	
	<b>2020</b>	<b>2019</b>
	<b>(Rupees in '000)</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income / (loss) for the period before taxation	1,076,193	(583,240)
<b>Adjustments for:</b>		
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(754,774)	662,072
	321,419	78,832
<b>(Increase) / decrease in assets</b>		
Investments - net	(20,729)	937,087
Receivable against sale of investments	(7,891)	20,993
Dividend receivable	(7,704)	6,969
Deposits, prepayments, profit accrued and other receivables	(1,579)	3,577
	(37,903)	968,626
<b>Increase / (decrease) in liabilities</b>		
Payable to Al Meezan Investment Management Limited - Management Company	11,186	(2,823)
Payable to Central Depository Company of Pakistan Limited - Trustee	111	(102)
Payable to Meezan Bank Limited	34	67
Payable to Securities and Exchange Commission of Pakistan	(154)	(5,289)
Payable against purchase of investments - net	(6,744)	40,908
Accrued expenses and other liabilities	12,314	(1,764)
	16,748	30,997
<b>Net cash generated from operating activities</b>	300,265	1,078,455
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	3,048,578	3,166,345
Payment against redemption and conversion of units	(3,245,062)	(4,175,788)
Dividend Paid	(14,655)	-
<b>Net cash used in financing activities</b>	(211,138)	(1,009,444)
<b>Net Increase in cash and cash equivalents during the period</b>	89,126	69,011
Cash and cash equivalents at the beginning of the period	259,646	271,162
<b>Cash and cash equivalents at the end of the period</b>	348,772	340,173

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For Al Meezan Investment Management Limited**  
**(Management Company)**

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**AL MEEZAN MUTUAL FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** Al Meezan Mutual Fund (the Fund) was constituted by virtue of a scheme of arrangement for conversion of Al Meezan Mutual Fund Limited (AMMFL) into an Open End Scheme under a Trust Deed executed between Al Meezan Investment Management Limited (Al Meezan) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on June 17, 2011 in accordance with the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, (the NBFC Regulations). The Management Company has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund has been formed to provide the unitholders safe and stable stream of halal income on their investments and to generate superior long-term risk adjusted returns. The Fund shall also keep an exposure in short-term instruments for the purpose of maintaining liquidity and to capitalise on exceptional returns, if available, at any given point of time. The objective of the Fund is to provide the maximum total return to the unitholders from investment in "Shariah Compliant" equity investments for the given level of risk, while abiding by the regulations and any other prevailing rules and regulations. At least seventy percent of its net assets shall remain invested in listed equity securities during the year based on quarterly average investment calculated on daily basis. The remaining net assets shall be invested in cash and near cash instruments. Under the Trust Deed, all conducts and acts of the Fund are based on Shariah. Meezan Bank Limited (MBL) acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3** The Fund is an open-end fund listed on the Pakistan Stock Exchange Limited. Units of the Fund are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorized as an Equity Scheme.
- 1.4** The Management Company has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 31, 2020 (2019: AM1 dated December 31, 2019) and by PACRA dated June 26, 2020 (2019: AM1 dated December 28, 2019). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and
- 1.5** Title of the assets of the Fund is held in the name of CDC as a Trustee of the Fund.

**2. BASIS OF PRESENTATION**

The transactions undertaken by the Fund are in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor and are accounted for on substance rather than the form prescribed by the earlier referred guidelines. This practice is being followed to comply with the requirements of the accounting and reporting standards as applicable in Pakistan.

**3. BASIS OF PREPARATION**

**3.1 Statement of compliance**

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2020.

These condensed interim financial statements are unaudited. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at March 31, 2021.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT**

- 4.1** The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2020



**4.2** The preparation of these condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2020. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2020.

**4.3** There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2020. However, these do not have any impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	Note	(Rupees in '000)	
<b>5. BALANCES WITH BANKS</b>			
In saving accounts	5.1	338,291	249,528
In current accounts		10,482	10,118
		<b>348,772</b>	<b>259,646</b>

**5.1** The balance in saving accounts have an expected profit ranging from 1.99% to 7.00% per annum (June 30, 2020: 2.00% to 7.50% per annum).

		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	Note	(Rupees in '000)	
<b>6. INVESTMENTS</b>			
Investments - 'at fair value through profit or loss'	6.1	4,557,865	3,782,362
		<b>4,557,865</b>	<b>3,782,362</b>

**6.1 Investments - 'at fair value through profit or loss'**

Name of the investee company	As at July 1, 2020	Purchases during the period	Bonus / right shares	Sales during the period	As at March 31, 2021	Carrying value as at March 31, 2021	Market Value as at March 31, 2021	Unrealised (diminution) / appreciation as at March 31, 2021	Percentage in relation to			
									Net assets of the fund on the basis of market value (note 6.1.3)	Market value of total investment	Paid-up capital of investee company (with face value of investment)	
												-%
(Number of shares)									(Rupees in '000)			
Sectors / companies												
Automobile Assembler												
Ghandhara Industries Limited	2,200	-	-	-	2,200	266	555	289	0.01	0.01	0.01	
Honda Atlas Cars (Pakistan) Ltd	31,300	31,000	-	62,300	140	139	162	23	0.00	0.00	-	
Indus Motor Company Ltd	35,640	-	-	35,500	-	-	-	-	0.14	0.15	0.03	
Pak Suzuki Motor Company Limited	-	22,000	-	-	22,000	6,670	6,927	258	1.43	1.50	0.11	
Milat Tractors Limited (note 6.1.3)	9,675	45,700	6,921	-	62,296	50,723	68,510	17,787	1.59	1.67	0.15	
Automobile Parts and Accessories												
Agriauto Industries Ltd	75,000	-	-	75,000	-	-	-	-	0.06	0.07	0.03	
Panther Tyres Ltd	-	47,735	-	-	47,735	3,141	3,077	(64)	0.06	0.07	0.03	
Commercial Banks												
BankIslami Pakistan Ltd	432,000	5,698,000	-	205,000	5,925,000	64,014	69,678	5,664	1.45	1.53	0.53	
Meezan Bank Limited	-	-	-	-	-	-	-	-	-	-	-	
(an associate of the Fund) (note 6.1.3)	1,349,050	1,005,000	154,905	55,000	2,453,955	189,856	277,739	87,882	5.80	6.09	0.17	
Cable & Electrical Goods												
Pak Elektron Limited	-	850,000	-	850,000	-	-	-	-	-	-	-	
Cement												
Cherat Cement Co.Ltd	-	395,100	-	115,000	280,100	45,088	44,984	(104)	0.94	0.99	0.14	
D.G. Khan Cement Company Limited	799,500	1,065,000	-	1,120,000	744,500	85,519	89,720	4,200	1.87	1.97	0.17	
Fauji Cement Co.Ltd	45,000	515,000	-	500,000	60,000	1,378	1,369	(9)	0.03	0.03	-	
Kohat Cement Company Limited	673,020	127,800	-	135,000	665,820	95,118	137,971	42,853	2.88	3.03	0.33	
Lucky Cement Company Limited	648,067	56,500	-	148,864	555,703	274,406	454,337	179,931	9.49	9.97	0.17	
Power Cement Limited	-	3,555,000	-	3,555,000	-	-	-	-	-	-	-	
Maple Leaf Cement Company Limited	1,971,577	2,150,000	-	2,029,000	2,092,577	73,931	93,747	19,817	1.96	2.06	0.19	
Attock Cement Pakistan Limited	-	75,000	-	-	75,000	12,600	12,727	126	0.27	0.28	0.05	
									17.43	18.32	1.05	
Chemicals												
Dynesa Pakistan Limited	-	119,500	-	-	119,500	25,210	23,728	(1,482)	0.50	0.52	0.12	
Engro Polymer and Chemicals Limited	2,318,041	2,460,000	-	1,441,000	3,337,041	124,878	183,504	58,626	3.83	4.03	0.37	
Ghani Global Holdings Limited (note 6.1.3)	-	2,200,000	158,000	1,883,000	475,000	10,400	11,220	819	0.23	0.25	0.17	
ICI Pakistan Limited	204,679	16,800	-	55,500	165,979	115,922	138,043	22,121	2.88	3.03	0.18	
Lotte Chemical Pakistan Ltd.	65,000	-	-	65,000	-	-	-	-	-	-	-	
Ittehad Chemical Ltd.	216,000	-	-	216,000	-	-	-	-	-	-	-	
Sitara Peroxide Limited	400,000	-	-	400,000	-	-	-	-	-	-	-	
Sitara Chemical Industries Limited	57,000	15,000	-	54,200	17,800	6,376	7,031	655	0.15	0.15	0.08	
									7.59	7.98	2.07	
Engineering												
Alpha Steel Ind.Ltd	-	4,340,000	-	3,258,000	1,082,000	34,206	33,412	(794)	0.70	0.73	0.19	
Int. Ind.Ltd	221,300	161,000	-	183,000	199,300	31,503	40,492	8,989	0.85	0.89	0.15	
International Steel Limited	726,500	195,000	-	627,000	294,500	19,978	25,203	5,225	0.53	0.55	0.07	
Ittefaq Iron Industries Limited	-	150,000	-	150,000	-	-	-	-	-	-	-	
Mughal Iron & Steel Industries	1,000	926,500	-	262,000	665,500	54,248	61,945	7,696	1.29	1.36	0.26	
									3.36	3.53	0.67	
Fertilizer												
Engro Corporation Limited (note 6.1.2)	1,283,790	105,000	-	497,000	891,790	262,466	247,311	(15,155)	5.16	5.43	0.15	
Fatima Fertilizer Co.Ltd.	287,000	-	-	287,000	-	-	-	-	-	-	-	
Engro Fertilizers Limited	2,374,500	785,000	-	1,952,000	1,207,500	74,814	75,348	534	1.57	1.65	0.09	
									6.74	7.08	0.24	
Food and Personal Care Products												
Al-Tahur Limited	-	75,000	-	75,000	-	-	-	-	-	-	-	
Al-Shaheer Corporation Limited	12,511	486	-	-	12,997	148	198	50	0.00	0.00	0.01	
The Organic Meat Company Limited	-	100,000	-	100,000	-	-	-	-	-	-	-	
National foods (note 6.1.1 & 6.1.3)	4,920	-	1,230	-	6,150	1,232	1,282	50	0.03	0.03	0.01	
									0.03	0.03	0.02	
Glass & Ceramics												
Ghani Global Glass Limited	-	1,200,000	-	1,200,000	-	-	-	-	-	-	-	
Ghani Glass Ltd.	227,500	125,125	-	-	352,625	10,613	16,566	5,953	0.35	0.36	0.07	
Shabbir Tiles & Ceramics Limited (note 6.1.1)	-	755,000	-	-	755,000	17,060	17,833	773	0.37	0.39	0.46	
Tariq Glass Industries Ltd	29,800	-	-	29,800	-	-	-	-	-	-	-	
									0.72	0.75	0.53	



Name of the investee company	As at July 1, 2020	Purchases during the period	Bonus / right shares	Sales during the period	As at March 31, 2021	Carrying value as at March 31, 2021	Market Value as at March 31, 2021	Unrealised (diminution) / appreciation as at March 31, 2021	Percentage in relation to		
									Net assets of the fund on the basis of market value (note 6.1.3)	Market value of total investment	Paid-up capital of investee company (with face value of investment)
									(Number of shares)	(Rupees in '000)	%
Miscellaneous											
Shifa International Hospitals Limited	-	40,000	-	40,000	-	-	-	-	-	-	-
Siddiqsons Tin Plate Limited	-	500,000	-	500,000	-	-	-	-	-	-	-
Synthetic Products Enterprises Limited	-	314,545	-	314,000	545	26	21	(5)	0.00	0.00	-
									0.00	0.00	-
Oil and Gas Exploration Companies											
Mari Petroleum Company Limited	320,881	15,000	-	49,300	286,581	360,730	438,841	78,111	9.16	9.63	0.21
Oil and Gas Development Company Limited									-	-	-
Limited	3,029,388	945,000	-	1,680,500	2,293,888	247,797	233,082	(14,715)	4.87	5.11	0.05
Pakistan Oilfields Limited	487,929	59,480	-	227,500	319,809	115,324	121,530	6,207	2.54	2.67	0.11
Pakistan Petroleum Limited	2,587,913	1,078,000	-	1,305,550	2,360,363	213,141	206,131	(7,010)	4.30	4.52	0.09
									20.87	21.93	0.46
Oil & Gas Marketing Companies											
Attock Petroleum Limited	172,338	16,000	-	149,200	39,138	11,994	12,799	805	0.27	0.28	0.04
Hasco Petroleum Limited	2,081,375	451,571	-	2,525,000	7,946	124	81	(42)	0.00	0.00	-
Roshan Packages Limited	822,688	415,100	-	257,022	980,766	182,017	226,194	44,177	4.72	4.96	0.21
Hi-Tech Lubricants Limited	85,000	450,000	-	526,000	9,000	380	634	255	0.01	0.01	0.01
Shell Pakistan Ltd.	23,700	49,700	-	65,000	8,400	1,438	1,293	(145)	0.03	0.03	0.01
Sui Northern Gas Pipeline Limited	1,879,000	600,000	-	1,981,000	498,000	20,700	19,532	(1,169)	0.41	0.43	0.08
									5.44	5.71	0.35
Paper and Board											
Cherat Packaging Limited	125,180	-	-	125,000	180	21	36	15	0.00	0.00	-
Century Paper & Board Mills (note 6.1.3)	350,000	319,500	112,100	50,000	731,600	53,388	69,239	15,851	1.45	1.52	0.41
Roshan Packages Limited	200,000	-	-	200,000	-	-	-	-	-	-	-
Security Papers Limited	-	46,800	-	-	46,800	9,251	6,201	(3,050)	0.13	0.14	0.08
Packages Limited	205,928	16,000	-	-	221,928	79,640	112,245	32,605	2.34	2.46	0.25
									3.92	4.12	0.74
Pharmaceuticals											
AGP Limited	961,750	25,000	-	393,500	593,250	65,123	67,708	2,584	1.41	1.49	0.21
GlaxoSmithKline Consumer Health	150,200	-	-	20,800	129,400	35,155	27,936	(7,219)	0.58	0.61	0.11
GlaxoSmithKline Pakistan Limited	10,000	-	-	10,000	-	-	-	-	-	-	-
Highnoon Laboratories Limited	1,751	-	-	-	1,751	878	1,137	260	0.02	0.02	0.01
IBL HealthCare Limited	-	188,500	-	-	188,500	22,922	17,165	(5,758)	0.36	0.38	0.35
The Searle Company Limited	338,248	125,172	-	49,000	414,420	85,633	102,374	16,741	2.14	2.25	0.20
									4.52	4.75	0.88
Power Generation and Distribution											
K-Electric Limited (note 6.1.1)	25,973,500	6,260,000	-	15,496,000	16,737,500	54,010	66,615	12,605	1.39	1.46	0.17
Hub Power Company Limited	3,392,316	1,345,000	-	2,036,000	2,701,316	214,374	219,185	4,811	4.58	4.81	0.21
									5.97	6.27	0.38
Refinery											
Attock Refinery Limited	-	150,000	-	100,000	50,000	12,851	12,769	(82)	0.27	0.28	0.05
Technology and Communication											
Avanceon Limited	143,440	550,000	-	400,000	293,440	23,064	25,931	2,868	0.54	0.57	0.14
Pakistan Telecommunication Company Ltd	-	1,215,000	-	1,215,000	-	-	-	-	-	-	-
TPL Trakker Limited	-	583,000	-	511,000	72,000	864	714	(150)	0.01	0.02	0.04
Systems Limited (note 6.1.3)	265,750	105,000	29,925	71,500	329,175	66,467	154,887	88,419	3.23	3.40	0.24
									3.79	3.98	0.42
Textile Composite											
Nishat Mills Limited	150,100	1,083,000	-	330,000	903,100	91,535	83,555	(7,980)	1.74	1.83	0.26
Interloop Limited	1,802,000	325,000	-	503,500	1,623,500	77,214	107,346	30,132	2.24	2.36	0.19
									3.99	4.19	0.45
Textile Weaving											
Feroze 1888 Mills Limited	450,700	101,000	-	297,000	254,700	22,177	25,783	3,606	0.54	0.57	0.07
Vanaspati & Allied Industries											
Unity Foods Limited	300,000	4,315,000	-	2,935,000	1,680,000	42,948	49,963	7,015	1.04	1.10	0.17
Rights Certificates											
Miscellaneous											
Synthetic Products Enterprises Limited*	-	-	13,545	13,545	-	-	-	-	-	-	-
Pharmaceuticals											
The Searle Company Limited*	-	-	51,902	51,902	-	-	-	-	-	-	-
Food and Personal Care Products											
Al-Shaheer Corporation Limited*	-	-	486	486	-	-	-	-	-	-	-
Oil & Gas Marketing Companies											
Shell Pakistan Limited	-	-	4,200	4,200	-	-	-	-	-	-	-
Glass & Ceramics											
Ghani Glass Limited	-	-	125,125	125,125	-	-	-	-	-	-	-
Ghani Global Glass Limited	-	-	700,000	700,000	-	-	-	-	-	-	-
Engineering											
Mughal Iron & Steel Industries Limited	-	-	102,480	-	102,480	-	2,318	2,318	0.05	0.05	0.25
Total as at March 31, 2021						3,803,091	4,557,865	754,774		100	
Total as at June 30, 2020						3,814,857	3,782,362	(32,495)		100	

**6.1.1** All shares have a nominal value of Rs 10 each except for the shares of National Foods Limited and Shabbir Tiles & Ceramics Limited which have a nominal value of Rs 5 each and K-Electric Limited which have a nominal value of Rs 3.5 each.

**6.1.2** Investments include 202,000 shares (June 30, 2020: 202,000 shares) of Engro Corporation Limited, having market value of Rs 56.019 million (June 30, 2020: Rs 59.170 million) as at March 31, 2021, have been pledged as collateral in favour of National Clearing Company Pakistan Limited against exposure margins and mark to market losses.

**6.1.3** The status of bonus shares already withheld prior to the introduction of Finance Act, 2018 is the same as that disclosed in the audited financial statements of the Fund for the year ended June 30, 2020. As at March 31, 2021, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 9.359 million (June 30, 2020: Rs. 7.794 million).

7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - THE MANAGEMENT COMPANY	Note	March 31, 2021 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
Management fee payable	7.1	8,279	877
Sindh Sales Tax on Management fee payable		1,076	114
Allocated expenses payable	7.2	443	325
Sales load payable		113	192
Sindh Sales Tax on sales load		15	25
Selling and marketing expenses payable	7.3	6,610	3,818
		<b>16,537</b>	<b>5,351</b>

**7.1** As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. The Management Company has charged the rate of remuneration at 2.0% of average annual net assets of the fund. The remuneration is payable to the Management Company monthly in arrears.

**7.2** In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The management company based on its own discretion charged 0.10% of the average annual net assets of the scheme for allocation of such expenses to the Fund from July 01, 2020 till March 09, 2021. From March 10, 2021, the Management Company has decided to charge allocation of such expenses at 0.11% per annum of the average annual net assets of the scheme.

**7.3** In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company based on its own discretion charged selling and marketing expense at 0.4% per annum of the average annual net assets of the Fund from July 01, 2020 till March 09, 2021. From March 10, 2021, the Management Company has decided to charge selling and marketing expense at 1% per annum of the average annual net assets of the Fund.

## **8. CONTINGENCIES AND COMMITMENTS**

There were no other contingencies and commitments outstanding as at March 31, 2021 and June 30, 2020.

		<b>March 31, 2021 (Unaudited)</b>	<b>June 30, 2020 (Audited)</b>
	<b>Note</b>	<b>(Rupees in '000)</b>	
<b>9. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Auditors' remuneration payable		430	585
Brokerage payable		5,688	7,082
Shariah advisor fee payable		138	269
Charity payable		6,767	6,827
Withholding tax payable		2	9,415
Capital gain tax payable		2,779	1,469
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	9.2	37,524	37,524
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	9.2	3,732	3,732
Provision for Sindh Workers' Welfare Fund (SWWF)	9.1	74,272	52,308
Zakat payable		235	42
		<b>131,567</b>	<b>119,253</b>

**9.1** The status of Sindh Workers' Welfare Fund is same as disclosed in financial statement for the year ended June 30, 2020. Had the provision for SWWF not been recorded in the condensed interim financial statements of the Fund for the period from May 21, 2015 to March 31, 2021, the net asset value of the Fund as at March 31, 2021 would have been higher by Re 0.26 (June 30, 2020: Re

**9.2** The status of provision of Federal Excise Duty is same as disclosed in financial statement for the year ended June 30, 2020. Had the provision for FED not been made, the Net Asset Value of the Fund as at March 31, 2021 would have been higher by Re 0.14 (June 30, 2020 : Rs. 0.14) per unit.

## **10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES**

Connected persons include Al Meezan Investment Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and Executives of the Management Company, other Funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited - Employees Gratuity Fund and unitholders holding 10 percent or more of the Fund's net

Transactions with connected persons / related parties are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Rules, the NBFC Regulations and the Trust Deed.

Transactions and balances with related parties are as follows:

	<b>March 31, 2021 (Unaudited)</b>	<b>June 30, 2020 (Audited)</b>
	<b>(Rupees in '000)</b>	
<b>Al Meezan Investment Management Limited - Management Company</b>		
Remuneration payable	8,279	877
Sindh Sales Tax on management fee payable	1,076	114
Sales load payable	113	192
Sindh Sales Tax on sales load payable	15	25
Selling and marketing expense payable	6,611	3,818
Allocated expenses payable	443	325
Investment of 28,608,405 units (June 30, 2020: 30,854,173 units)	486,777	410,904

<b>Meezan Bank Limited</b>		
Balance with bank	14,160	16,414
Profit receivable on saving account	53	70
Sales load payable	48	18
Sindh Sales Tax on sales load	6	2
Investment of 2,453,955.00 shares (June 30, 2020: 1,349,050 shares)	277,739	92,882
Investment of 22,984,581 units ( June 30, 2020: 22,984,581 units)	391,087	306,099
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Security deposit	238	238
Remuneration payable	501	403
Sindh Sales Tax on trustee fee payable	65	52
<b>MSAF- Meezan Strategic Allocation Plan- I</b>		
Investment of 9,530,913 units (June 30, 2020: 9,865,832 units)	162,170	131,389
<b>MSAF - Meezan Strategic Allocation Plan II</b>		
Investment of 9,949,558 units (June 30, 2020: 12,644,001 units)	169,294	168,388
<b>MSAF- Meezan Strategic Allocation Plan IV</b>		
Investment of 4,771,289 units (June 30, 2020: 7,770,394 units)	81,184	103,483
<b>Meezan Financial Planning Fund of Funds - MAAP - I</b>		
Investment of 4,484,059 units ( June 30, 2020: 3,382,999 units)	76,297	45,053
<b>MSAF - Meezan Strategic Allocation Plan - III</b>		
Investment of 2,701,461 units ( June 30,2020: 563,466 units)	45,966	7,504
<b>MSAF - Meezan Strategic Allocation Plan - V</b>		
Investment of 313,912 units (June 30,2020: 160,990 units)	5,341	2,144
<b>Pakistan Kuwait Investment Company (Private) Limited</b>		
Investment of 16,895,690 units (June 30, 2020: 16,895,690 units)	287,483	225,010
<b>Directors and executives of the Management Company</b>		
Investment of 9,700,319 units (June 30 2020: 8,693,977 units)	165,053	115,783
<b>Al Meezan Investment Management Limited - Employees Gratuity Fund</b>		
Investment of 438,459 units (June 30 2020: nil units)	7,460	-
<b>Unitholders holding 10% or more units of the Fund</b>	486,777	410,904
	<b>For the nine months period ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
	<b>(Unaudited)</b>	
	<b>(Rupees in '000)</b>	
<b>Al Meezan Investment Management Limited - Management Company</b>		
Remuneration for the period	69,927	65,273
Sindh Sales Tax on management fee	9,091	8,486
Allocated expenses	3,525	3,264
Selling and marketing expense	15,722	13,055
Units issued: 2,282,882 units (March 31, 2020: 42,525,061 units)	35,000	617,585
Units redeemed: 4,528,649 units (March 31, 2020: 50,491,150 units)	77,500	736,474
<b>Meezan Bank Limited</b>		
Profit on saving accounts with banks	286	3,715
Shares purchased : 1,005,000 shares ( March 31, 2020: 1,376,000 shares)	100,872	104,500
Shares sold: 55,000 shares ( March 31, 2020: 325,000 shares)	4,739	27,400
Bonus share received: 154,905 shares ( March 31, 2020: nil shares )	-	-
Dividend income from shares	11,824	4,785



**Central Depository Company of Pakistan Limited - Trustee**

Trustee fee for the period  
Sindh Sales Tax on trustee fee  
CDS charges for the period

4,247	4,015
552	522
209	189

**Meezan Financial Planning Fund of Funds - MAAP - I**

Units issued: 3,409,015 (March 31, 2020: 4,087,120 units)  
Redemption of 2,307,955 units (March 31, 2020: 1,088,228 units)

58,819	63,000
39,000	16,000

**MSAF- Meezan Strategic Allocation Plan IV**

Units issued: 545,554 (March 31, 2020: 5,093,289 units)  
Redemption of 3,544,659 units (March 31, 2020: nil units)

9,362	75,000
56,000	-

**MSAF- Meezan Strategic Allocation Plan - I**

Units issued: 1,124,091 (March 31, 2020: nil units)  
Redemption of 1,459,011 units (March 31, 2020: 9,928,458 units)

17,707	-
22,000	124,470

**MSAF -Meezan Strategic Allocation Plan - II**

Units issued: 1,505,982 (March 31, 2020: nil units)  
Redemption of 4,200,424 units (March 31, 2020: 10,899,917 units)

25,903	-
67,000	140,760

**MSAF - Meezan Strategic Allocation Plan - V**

Units issued: 269,258 (March 31, 2020: nil units)  
Redemption of 116,337 units (March 31, 2020: nil units)

4,629	-
2,000	-

**MSAF - Meezan Strategic Allocation Plan - III**

Units issued: 2,428,837 (March 31, 2020: nil units)  
Redemption of 290,843 units (March 31, 2020: nil units)

40,885	-
5,000	-

**Al Meezan Investment Management Limited (GF)**

Units issued: 438,459 (March 31, 2020: nil units)

7,000	-
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**Directors and executives of the Management Company**

Units issued: 4,869,629 units (March 31, 2020: 730,556 units)  
Units redeemed: 3,881,504 units (March 31, 2020: 28,682,090 units)

73,114	10,221
64,226	361,622

**11. TOTAL EXPENSE RATIO**

The annualised total expense ratio (TER) of the Fund based on the current period results is 3.84% which includes 0.80% representing Government Levy, Sindh Worker's Welfare Fund and the SECP Fee. The prescribed limit for the ratio is 4.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a "equity fund".

**12. TAXATION**

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute atleast 90 percent of the Fund's accounting income for the year ending June 30, 2021 as reduced by capital gains (whether realised or unrealised) to its unit holders

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

**13. FAIR VALUES 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 Fund 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.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

**13.1 Fair value hierarchy**

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

- Level 1: Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities.
- Level 2: Fair value measurements using 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 3: Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at March 31, 2021 the Fund held the following financial instruments measured at fair value:

As at March 31, 2021			
Level 1	Level 2	Level 3	Total
(Rupees in '000)			

#### ASSETS

##### Financial assets 'at fair value through profit or loss'

Shares of listed companies 'ordinary shares'	4,557,865	-	-	4,557,865
--	-----------	---	---	-----------

As at June 30, 2020			
Level 1	Level 2	Level 3	Total
(Rupees in '000)			

#### ASSETS

##### Financial assets 'at fair value through profit or loss'

Shares of listed companies 'ordinary shares'	3,782,362	-	-	3,782,362
--	-----------	---	---	-----------

#### 14. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on **April 12, 2021** by the Board of Directors of the Management Company.

#### 15. GENERAL

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

- The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

15.2 Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.

For Al Meezan Investment Management Limited  
(Management Company)

Chief Executive

Chief Financial Officer

Director





KSE-Meezan  
Index Fund

## KSE-Meezan Index Fund (KMIF)

KSE Meezan Index Fund (KMIF) is a Shariah compliant Index Fund that aims to provide investors an opportunity to closely track the performance of the KSE-Meezan Index 30 (KMI 30) by investing in companies of the index in proportion to their weightages.

FOUNDER OF THE  
**MEEZAN ISLAMIC INDEX**





# FUND INFORMATION

## MANAGEMENT COMPANY

Al Meezan Investment Management Limited  
Ground Floor, Block "B", Finance & Trade Centre,  
Shahrah-e-Faisal Karachi 74400, Pakistan.  
Phone (+9221) 35630722-6, 111-MEEZAN  
Fax: (+9221) 35676143, 35630808  
Website: [www.almeezangroup.com](http://www.almeezangroup.com)  
E-mail: [info@almeezangroup.com](mailto:info@almeezangroup.com)

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Mr. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Moin M. Fudda	Nominee Director - MBL
Mr. Furquan R Kidwai	Independent Director
Mr. Mubashar Maqbool	Nominee Director – PKIC
Mr. Tariq Mairaj	Nominee Director - MBL
Mr. Naeem Sattar	Nominee Director - PKIC
Mr. Feroz Rizvi	Independent Director
Ms. Danish Zuberi	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer

## CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

## AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Naeem Sattar	Member

## RISK MANAGEMENT COMMITTEE

Mr. Mubashar Maqbool	Chairman
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member

## HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Mubashar Maqbool	Member
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member
Mr. Mohammad Shoaib, CFA	Member

## TRUSTEE

Central Depository Company of Pakistan Limited  
CDC House, 99-B, Block B, S.M.C.H.S., Main Sharah-e-Faisal Karachi.

## AUDITORS

A. F. Ferguson & Co.  
Chartered Accountants  
State Life Building# 1-C,  
I.I. Chundrigar Road , Karachi-74000

## SHARIAH ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

Dubai Islamic Bank Pakistan Limited  
Habib Metropolitan Bank Limited - Islamic Banking  
Meezan Bank Limited  
National Bank of Pakistan - Islamic Banking

## LEGAL ADVISER

Bawaney & Partners  
3rd & 4th Floor, 68-C, Lane-13, Bokhari Commercial Area,  
Phase VI, DHA, Karachi.  
Phone (+9221) 35156191-94 Fax: (+9221) 35156195  
E-mail:

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited



**KSE MEEZAN INDEX FUND  
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT MARCH 31, 2021**

		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
<b>Assets</b>			
Balances with banks	5	34,898	46,350
Investments	6	2,611,969	1,857,289
Receivable against conversion of units		837	1,130
Dividend receivable		13,079	8,277
Receivable against sale of investement		10,647	-
Deposits, prepayments and other receivables		2,697	2,632
<b>Total assets</b>		<u>2,674,127</u>	<u>1,915,678</u>
<b>Liabilities</b>			
Payable to Al Meezan Investment Management Limited - the Management Company	8	3,276	2,088
Payable to Central Depository Company of Pakistan Limited - the Trustee		351	259
Payable to the Securities and Exchange Commission of Pakistan		357	342
Payable to Meezan Bank Limited		85	93
Payable on redemption and conversion of units		12,852	497
Payable against purchase of investments		-	33,760
Accrued expenses and other liabilities	9	46,310	21,466
<b>Total liabilities</b>		<u>63,231</u>	<u>58,505</u>
<b>Net assets</b>		<u>2,610,896</u>	<u>1,857,173</u>
<b>Contingencies and commitments</b>	7		
<b>Unit holders' fund (as per statement attached)</b>		<u>2,610,896</u>	<u>1,857,173</u>
<b>(Number of units)</b>			
<b>Number of units in issue</b>		<u>37,482,278</u>	<u>34,770,100</u>
<b>(Rupees)</b>			
<b>Net asset value per unit</b>		<u>69.6568</u>	<u>53.4129</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For Al Meezan Investment Management Limited  
(Management Company)**

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**KSE MEEZAN INDEX FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021**

		Nine months period ended March 31,		Quarter ended March 31,	
		2021	2020	2021	2020
Note		(Rupees in '000)			
<b>Income</b>					
		138,775	71,637	24,823	29,320
		90,496	79,641	27,926	12,787
		463	861	167	306
		3,943	2,130	2,287	1,562
		233,677	154,269	55,203	43,975

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For AI Meezan Investment Management Limited**  
**(Management Company)**

Chief Executive

Chief Financial Officer

Director

**KSE MEEZAN INDEX FUND**
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021**

	<b>Nine months period March 31,</b>		<b>Quarter ended, March 31,</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>(Rupees in '000)</b>		<b>(Rupees in '000)</b>	
<b>Net income / (loss) for the period after taxation</b>	574,584	(303,392)	54,031	(645,761)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<u>574,584</u>	<u>(303,392)</u>	<u>54,031</u>	<u>(645,761)</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For AI Meezan Investment Management Limited  
(Management Company)**

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**KSE MEEZAN INDEX FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

	Nine months period ended March 31, 2021			Nine months period ended March 31, 2020		
	Capital value	(Accumulated loss) / undistributed income	Total	Capital value	Accumulated loss	Total
	(Rupees in '000)			(Rupees in '000)		
<b>Net assets at the beginning of the period</b>	2,094,337	(237,164)	1,857,173	1,779,406	(262,268)	1,517,138
Issuance of 29,834,995 units (2020: 16,096,893 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,593,574	-	1,593,574	852,282	-	852,282
- Element of income	443,147	-	443,147	52,234	-	52,234
Total proceeds on issuance of units	2,036,721	-	2,036,721	904,516	-	904,516
Redemption of 27,122,817 units (2020: 10,452,841 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,448,708	-	1,448,708	553,447	-	553,447
- Element of loss	166,096	242,778	408,874	57,817	-	57,817
Total payments on redemption of units	1,614,804	242,778	1,857,582	611,263	-	611,263
Total comprehensive income / (loss) for the period	-	574,584	574,584	-	(303,392)	(303,392)
Distribution during the period	-	-	-	-	-	-
Net income / (loss) for the period less distribution	-	574,584	574,584	-	(303,392)	(303,392)
<b>Net assets at the end of the period</b>	<b>2,516,254</b>	<b>94,642</b>	<b>2,610,896</b>	<b>2,072,659</b>	<b>(565,660)</b>	<b>1,506,999</b>
<b>Accumulated loss brought forward</b>						
- Realised (loss) / income		(138,664)			184,604	
- Unrealised loss		(98,500)			(446,872)	
		(237,164)			(262,268)	
Accounting income available for distribution						
- Relating to capital gains	331,806			-		
- Excluding capital gains	-			-		
	331,806			-		
Net loss for the period after taxation		-			(303,392)	
Undistributed income / (Accumulated loss) carried forward		94,642			(565,660)	
<b>Undistributed income / (Accumulated loss) carried forward</b>						
- Realised loss		(290,667)			(132,991)	
- Unrealised gain / (loss)		385,309			(432,669)	
		94,642			(565,660)	
		(Rupees)			(Rupees)	
Net assets value per unit at the beginning of the period	53.4129			52.9470		
Net assets value per unit at the end of the period	69.6568			43.9384		

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For Al Meezan Investment Management Limited**  
**(Management Company)**

Chief Executive

Chief Financial Officer

Director

**KSE MEEZAN INDEX FUND**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**



**KSE-Meezan**  
**Index Fund**

Note	Nine months period ended	
	March 31,	
	2021	2020
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income / (loss) for the period before taxation	574,584	(303,392)
<b>Adjustments for:</b>		
Net unrealised (appreciation) / diminution on re-measurement of investments at 'fair value through profit or loss'	(385,309)	432,669
	189,275	129,277
<b>(Increase) / decrease in assets</b>		
Investments	(369,371)	(417,859)
Dividend receivable	(4,802)	(1,848)
Receivable against sale of investement	(10,647)	-
Deposits, prepayments and other receivables	(65)	15
	(384,885)	(419,692)
<b>Increase / (decrease) in liabilities</b>		
Payable to Al Meezan Investment Management Limited - the Management Company	1,188	308
Payable to Central Depository Company of Pakistan Limited - the Trustee	92	19
Payable to the Securities and Exchange Commission of Pakistan	15	(1,313)
Payable to Meezan Bank Limited	(8)	46
Payable against purchase of investments	(33,760)	(42,690)
Accrued expenses and other liabilities	24,844	2,937
	(7,629)	(40,693)
<b>Net cash used in operating activities</b>	(203,239)	(331,108)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipt against issuance of units	2,037,014	943,057
Payment against redemption of units	(1,845,227)	(611,152)
<b>Net cash generated from financing activities</b>	191,787	331,905
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	(11,452)	796
Cash and cash equivalents at beginning of the period	46,350	8,935
<b>Cash and cash equivalents at the end of the period</b>	<b>5</b>	<b>9,731</b>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For Al Meezan Investment Management Limited**  
**(Management Company)**

\_\_\_\_\_  
**Chief Executive**

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Director**

**KSE MEEZAN INDEX FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** KSE Meezan Index Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on March 13, 2012 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund is a Shariah Compliant Index Fund that aims to provide investors an opportunity to track closely the performance of the KSE-Meezan Index 30 (KMI 30) by investing in companies of the index in proportion to their weightages. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah principles. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3** The Fund is an open-end fund listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorised as a Shariah Compliant Index Fund.
- 1.4** The Management Company has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 31, 2020 (2019: AM1 dated December 31, 2019) and by PACRA dated June 26, 2020 (2019: AM1 dated December 28, 2019). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.5** Title to the assets of the Fund are held in the name of the CDC as the Trustee of the Fund.

**2 BASIS OF PRESENTATION**

The transactions undertaken by the Fund are in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor and are accounted for on substance rather than the form prescribed by the earlier referred guidelines. This practice is being followed to comply with the requirements of the accounting and reporting standards as applicable in Pakistan.

**3 BASIS OF PREPARATION**

**3.1 STATEMENT OF COMPLIANCE**

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.



The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2020.

These condensed interim financial statements are unaudited. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at March 31, 2021.

#### **4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT**

- 4.1** The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2020.
- 4.2** The preparation of these condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2019. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2020.
- 4.3** There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2020. However, these do not have any impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

<b>5</b>	<b>BALANCES WITH BANKS</b>	<b>Note</b>	<b>March 31, 2021 (Unaudited) (Rupees in '000)</b>	<b>June 30, 2020 (Audited) (Rupees in '000)</b>
	In saving accounts	5.1	30,448	43,559
	In current accounts		4,450	2,791
			<u>34,898</u>	<u>46,350</u>

- 5.1** The balance in saving accounts have an expected profit ranging from 2.5% to 6.60% per annum (June 30, 2020: 1.50% to 3.00% per annum).

<b>6</b>	<b>INVESTMENTS</b>	<b>Note</b>	<b>March 31, 2021 (Unaudited) (Rupees in '000)</b>	<b>June 30, 2020 (Audited) (Rupees in '000)</b>
	<b>Investments at 'fair value through profit or loss'</b>			
	Shares of listed companies - 'ordinary shares'	6.1	<u>2,611,969</u>	<u>1,857,289</u>

## 6.1 Shares of listed companies - 'ordinary shares'

Name of the investee company	As at July 1, 2020	Purchases during the period	Rights / Bonus issue	Sales during the period	As at March 31, 2021	Carrying value as at March 31, 2021	Market value as at March 31, 2021	Unrealised gain / (loss) as at March 31, 2021	Percentage in relation to		
									Net assets of the Fund	Paid-up capital of investee company (with face value of investment)	Total market value of investments
----- Number of shares -----						(Rupees in '000)			----- % -----		
Sectors / companies											
Automobile Assembler											
Honda Atlas Cars (Pakistan) Limited	71,200	42,800	-	25,900	88,100	19,987	24,032	4,045	0.92	0.06	0.92
Indus Motor Company Limited	-	48,300	-	48,300	-	-	-	-	-	-	-
Millat Tractors Limited	50,412	31,470	8,641	12,570	77,953	53,781	85,729	31,948	3.28	0.10	3.28
Pak Suzuki Motor Company Limited	43,800	-	-	43,800	-	-	-	-	-	-	-
									4.20	0.16	4.20
Bank											
Meezan Bank Limited (an associate of the Fund)	739,701	421,563	93,570	164,208	1,090,626	74,977	123,437	48,460	4.73	0.08	4.73
									4.73	0.08	4.73
Cable And Electrical Goods											
Pak Elektron Limited	580,803	331,000	-	144,000	767,803	20,284	25,368	5,084	0.97	0.14	0.97
									0.97	0.14	0.97
Cement											
Cherat Cement Company Limited	-	424,600	-	95,499	329,101	36,293	52,854	16,561	2.02	0.17	2.02
D.G. Khan Cement Company Limited	518,500	275,857	-	119,234	675,123	62,391	81,359	18,968	3.12	0.15	3.11
Fauji Cement Company Limited	1,793,875	890,200	-	337,700	2,346,375	42,034	53,544	11,510	2.05	0.17	2.05
Kohat Cement Company Limited	-	197,300	-	11,200	186,100	41,423	38,564	(2,859)	1.48	0.09	1.48
Lucky Cement Limited	322,180	134,925	-	57,992	399,113	203,002	326,311	123,308	12.50	0.12	12.49
Maple Leaf Cement Factory Limited	453,336	1,309,667	-	239,606	1,523,397	46,097	68,248	22,151	2.61	0.14	2.61
									23.78	0.84	23.76
Chemical											
Engro Polymer & Chemicals Limited	806,271	339,000	-	162,500	982,771	28,619	54,043	25,424	2.07	0.11	2.07
Lotte Chemical Pakistan Limited	933,000	336,500	-	1,269,500	-	-	-	-	-	-	-
ICI Pakistan Limited	-	47,450	-	4,800	42,650	31,616	35,472	3,856	1.36	-	1.36
									3.43	0.11	3.43
Engineering											
International Industries Limited	-	197,500	-	14,500	183,000	29,498	37,180	7,682	1.42	0.14	1.42
International Steels Limited	366,901	199,428	-	95,542	470,787	29,325	40,290	10,965	1.54	0.11	1.54
									2.96	0.25	2.96
Fertilizer											
Engro Corporation Limited	882,322	401,112	-	321,743	961,691	287,644	266,696	(20,948)	10.21	0.17	10.21
Engro Fertilizers Limited	1,773,818	384,265	-	303,393	1,854,690	113,087	115,733	2,646	4.43	0.14	4.43
									14.64	0.31	14.64
Food And Personal Care											
Frieslandcampina Engro Pakistan Limited	219,500	-	-	219,500	-	-	-	-	-	-	-
									-	-	-
Investment Banks / Investment Companies / Securities Companies											
Dawood Hercules Corporation Limited	941,400	-	-	941,400	-	-	-	-	-	-	-
									-	-	-
Oil And Gas Exploration Companies											
Mari Petroleum Company Limited (note 6.2)	65,905	30,200	-	13,840	82,265	104,825	125,972	21,147	4.82	0.06	4.82
Oil & Gas Development Company Limited (note 6.1.2)	1,671,781	628,417	-	310,740	1,989,458	216,695	202,149	(14,546)	7.74	0.05	7.74
Pakistan Oilfields Limited	337,086	129,148	-	65,638	400,596	144,522	152,182	7,661	5.83	0.14	5.83
Pakistan Petroleum Limited (note 6.1.2)	1,633,791	735,982	-	314,012	2,055,761	182,665	179,530	(3,135)	6.88	0.08	6.87
									25.27	0.33	25.26
Oil And Gas Marketing Companies											
Hascol Petroleum Limited (note 6.2)	471	1,991,385	-	1,991,385	471	7	5	(2)	-	-	-
Pakistan State Oil Company Limited	542,757	211,883	-	102,305	652,335	110,638	150,448	39,810	5.76	0.14	5.76
Sui Northern Gas Pipelines Limited	704,333	322,181	-	144,202	882,312	48,065	34,604	(13,461)	1.33	0.14	1.32
Sui Southern Gas Company Limited	741,231	-	-	741,231	-	-	-	-	-	-	-
									7.09	0.28	7.08

Name of the investee company	As at July 1, 2020	Purchases during the period	Rights / Bonus issue	Sales during the period	As at March 31, 2021	Carrying value as at March 31, 2021	Market value as at March 31, 2021	Unrealised gain / (loss) as at March 31, 2021	Percentage in relation to		
									Net assets of the Fund	Paid-up capital of investee company (with face value of investment)	Total market value of investments
Number of shares						(Rupees in '000)			%		
<b>Paper &amp; Board</b>											
Packages Limited	-	74,150	-	5,150	69,000	40,540	34,898	(5,642)	1.34	0.08	1.34
									1.34	0.08	1.34
<b>Pharmaceuticals</b>											
Abbott Laboratories Pakistan	-	69,250	-	4,500	64,750	49,596	46,937	(2,660)	1.80	0.07	1.80
GlaxoSmithKline Pakistan Limited	-	175,600	-	14,700	160,900	30,609	25,274	(5,334)	0.97	0.05	0.97
The Searle Company Limited (note 6.2)	249,959	84,666	38,557	78,597	294,585	60,936	72,771	11,835	2.79	0.14	2.79
									5.56	0.26	5.56
<b>Power Generation &amp; Distribution</b>											
K-Electric Limited (note 6.1.1)	6,085,040	3,406,500	-	978,000	8,513,540	27,177	33,884	6,707	1.30	0.03	1.30
The Hub Power Company Limited	2,421,050	-	-	2,421,050	-	-	-	-	-	-	-
									1.30	0.03	1.30
<b>Refinery</b>											
Attock Refinery Ltd	118,992	108,247	-	95,583	131,656	16,761	33,622	16,861	1.29	0.12	1.29
National Refinery Limited	-	96,200	-	96,200	-	-	-	-	-	-	-
									1.29	0.12	1.29
<b>Technology &amp; Communication</b>											
Netsol Technologies Limited	81,900	90,000	-	171,900	-	-	-	-	-	-	-
Systems Limited	-	243,900	-	243,900	-	-	-	-	-	-	-
									-	-	-
<b>Textile Composite</b>											
Nishat Mills Limited	393,900	213,250	-	117,600	489,550	41,870	45,293	3,424	1.73	0.14	1.73
									1.73	0.14	1.73
<b>Vanaspati &amp; Allied Industries</b>											
Unity Foods Limited	384,000	1,295,012	596,752	744,492	1,531,272	31,697	45,540	13,843	1.74	0.15	1.74
									1.74	0.15	1.74
<b>Total as at March 31, 2021</b>						<b>2,226,659</b>	<b>2,611,969</b>	<b>385,309</b>	<b>100</b>		
<b>Total as at June 30, 2020</b>						<b>1,955,789</b>	<b>1,857,289</b>	<b>(98,500)</b>			

**6.1.1** All shares have a nominal value of Rs 10 each except for the shares of K-Electric Limited which have nominal value of Rs 3.50 each.

**6.1.2** Investments include 682,000 shares (June 30, 2020: 682,000 shares) of Pakistan Petroleum Limited having market value of Rs 59.559 million as at March 31, 2021 (June 30, 2020: Rs 59.184 million) and 80,000 shares (June 30, 2020: nil) of Oil and Gas Development Company Limited having market value of Rs 8.129 million as at March 31, 2021 (June 30, 2020: nil), which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

**6.2** The status of bonus shares already withheld prior to the introduction of Finance Act, 2018 is the same as that disclosed in the audited financial statements of the Fund for the year ended June 30, 2020. As at March 31, 2021, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 1.434 million (June 30, 2020: Rs. 1.160 million).

## 7 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2021 and June 30, 2020.

8	PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - THE MANAGEMENT COMPANY	Note	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
			(Rupees in '000)	
	Management fee payable	8.1	2275	1,511
	Sindh Sales Tax on the management fee payable		296	196
	Allocated expenses payable	8.2	243	151
	Sales load payable		409	204
	Sindh Sales Tax payable on sales load		53	26
			<u>3,276</u>	<u>2,088</u>

**8.1** As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1% per annum of the average net assets of the Fund during the period. The remuneration is payable to the Management Company monthly in arrears.

**8.2** In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The management company based on its own discretion charged 0.10% of the average annual net assets of the scheme for allocation of such expenses to the Fund from July 01, 2020 till March 09, 2021. From March 10, 2021, the Management Company has decided to charge allocation of such expenses at 0.11% per annum of the average annual net assets of the scheme.

9	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
			(Rupees in '000)	
	Auditor's remuneration payable		192	224
	Provision for Federal Excise Duty and related Sindh Sales Tax on remuneration of the Management Company	9.2	5,741	5,741
	Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	9.2	497	497
	Provision for Sindh Workers' Welfare Fund	9.1	21,509	9,782
	Withholding tax and capital gain tax payable		11,294	266
	Charity payable		3,815	3,115
	Brokerage payable		2,995	1,437
	Shariah advisory fee payable		129	269
	Printing charges payable		124	124
	Zakat payable		14	11
			<u>46,310</u>	<u>21,466</u>

**9.1** The status of Sindh Workers' Welfare Fund is same as disclosed in financial statement for the year ended June 30, 2020. Had the provision of Sindh Workers' Welfare Fund not been made, the net asset value per unit as at March 31, 2021 would have been higher by Re. 0.57 (June 30, 2020: Re 0.28 per unit)

**9.2** The status of provision of Federal Excise Duty is same as disclosed in financial statement for the year ended June 30, 2020. Had the provision of Federal Excise Duty not being made, the net asset value per unit as at March 31, 2021 would have been higher by Rs. Re 0.18 (June 30, 2020: Re 0.18)

## 10 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include Al Meezan Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and Executives of the Management Company, other funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited - Employees Gratuity Fund and unit holders holding 10 percent or more of the Fund's net assets.

Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provision of the NBFC Rules, the NBFC Regulations and the Trust Deed respectively.

Details of transactions with connected persons and balances with them are as follows:

	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	(Rupees in '000)	
<b>Balances</b>		
<b>AI Meezan Investment Management Limited - the Management Company</b>		
Remuneration payable	2,275	1,511
Sindh Sales Tax on management fee payable	296	196
Sales load payable	409	204
Sindh Sales Tax on sales load payable	53	26
Allocated expenses payable	243	151
Investment of 13,952,768 units (June 30, 2020: 12,467,051 units)	971,905	665,901
<b>Meezan Bank Limited</b>		
Sales load payable	75	82
Sindh Sales Tax on sales load payable	10	11
Bank balance	7,580	8,068
Profit receivable on savings account	26	16
Outstanding 2,113,224 units (June 30, 2020: 2,113,224 units)	147,200	112,873
Investment in 1,090,626 shares (June 30, 2020: 739,301 shares)	123,437	50,928
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Trustee fee payable	291	210
Sindh Sales Tax on trustee fee payable	60	49
Security deposit	103	103
<b>Directors and their close family members and key management</b>		
Investment of 1,122,016 units (June 30, 2020: 626,396 units)	78,156	33,458
<b>Unit holders holding 10% or more units of the Fund</b>		
Investment of 9,725,888 units (June 30, 2020: 9,725,888 units)	677,482	519,488
<b>AI Meezan Investment Management Limited (Gratuity Fund)</b>		
Investment as at March 31, 2021: 133,559 units (June 30, 2020: 133,559 units)	9,303	7,134
<b>Meezan Strategic Allocation Fund MSAP-I</b>		
Investment as at March 31, 2021: 70,737 units (June 30, 2020: 4,311 units)	4,927	230
<b>Meezan Strategic Allocation Fund MSAP-II</b>		
Investment as at March 31, 2021: 297,107 units (June 30, 2020: 137,526 units)	20,696	7,346
<b>Meezan Strategic Allocation Fund MSAP-III</b>		
Investment as at March 31, 2021: nil units (June 30, 2020: 374,075 units)	-	19,980
<b>Meezan Strategic Allocation Fund MSAP-IV</b>		
Investment as at March 31, 2021: 13,634 units (June 30, 2020: 396,682 units)	950	21,188
<b>Meezan Strategic Allocation Fund MSAP-V</b>		
Investment as at March 31, 2021: 28,295 units (June 30, 2020: 56,518 units)	1,971	3,019
	<b>Nine months period ended</b>	
	<b>March 31,</b>	
	<b>2021</b>	<b>2020</b>
	<b>(Unaudited)</b>	
	<b>(Rupees in '000)</b>	
<b>Transactions during the period</b>		
<b>AI Meezan Investment Management Limited - the Management Company</b>		
Remuneration for the period	17,832	12,572
Sindh Sales Tax on remuneration of the Management Company	2,318	1,634
Allocated expenses	1,799	1,257
Units issued: 15,116,866 units (March 31, 2020: 7,015,588 units)	1,051,850	360,600
Units redeemed: 13,631,149 units (March 31, 2020: 1,966,953 units)	954,050	113,100
<b>Meezan Bank Limited</b>		
Profit on savings account	135	421
Dividend income	6,565	2,776
Shares purchased: 421,563 shares (March 31, 2020: 890,100 shares)	34,977	73,376
Shares sold: 164,208 shares (March 31, 2020: 164,399 shares)	15,976	15,676
Bonus shares received: 93,570 shares (March 31, 2020: nil shares)	-	-

**Central Depository Company of Pakistan Limited - the Trustee**

Trustee fee	2,533	2,009
Sindh Sales Tax on trustee fee for the period	329	261
CDS charges	128	99

**Directors and their close family members and key management**

Units issued: 523,170 units (March 31, 2020: 602,081 units)	37,600	40,596
Units redeemed: 117,129 units (March 31, 2020: 270 units)	8,318	25

**Meezan Strategic Allocation Fund MSAP-I**

Units issued: 70,737 units (March 31, 2020: nil units)	5,000	-
Units redeemed: 4,311 units (March 31, 2020: 197,269 units)	307	10,000

**Meezan Strategic Allocation Fund MSAP-II**

Units issued: 367,845 units (March 31, 2020: nil units)	26,000	-
Units redeemed: 208,264 units (March 31, 2020: nil units)	14,758	-

**Meezan Strategic Allocation Fund MSAP-III**

Units issued: 70,737 units (March 31, 2020: 206,406 units)	5,000	10,000
Units redeemed: 444,812 units (March 31, 2020: nil units)	31,440	-

**Meezan Strategic Allocation Fund MSAP-IV**

Units issued: 70,737 units (March 31, 2020: 206,406 units)	5,000	10,000
Units redeemed: 453,785 units (March 31, 2020: nil units)	31,762	-

**Meezan Strategic Allocation Fund MSAP-V**

Units issued: 28,295 units (March 31, 2020: nil units)	2,000	-
Units redeemed: 56,518 units (March 31, 2020: nil units)	4,029	-

**11 TOTAL EXPENSE RATIO**

The annualised total expense ratio (TER) of the Fund based on the current period results is 2.33% which includes 0.69% representing Government Levy, Sindh Worker's Welfare Fund and the SECP Fee. The prescribed limit for the ratio is 2.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a "index fund".

**12 TAXATION**

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute atleast 90 percent of the net accounting income other than capital gains to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2021 as reduced by capital gains (whether realised or unrealised) to its unit holders.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

**13 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 Fund 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.

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.



### 13.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets 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: Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities.
- Level 2: Fair value measurements using 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 3: Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at March 31, 2021 and June 30, 2020, the Fund held the following financial instruments measured at fair value:

As at March 31, 2021				
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
<b>ASSETS</b>				
<b>Financial assets 'at fair value through profit or loss'</b>				
Shares of listed companies - 'ordinary shares'	2,611,969	-	-	2,611,969

As at June 30, 2020				
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
<b>ASSETS</b>				
<b>Financial assets 'at fair value through profit or loss'</b>				
Shares of listed companies - 'ordinary shares'	1,857,289	-	-	1,857,289

### 14 DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on April, 12 2021 by the Board of Directors of the Management Company.

### 15 GENERAL

#### 15.1 COVID - 19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

- The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

#### 15.2 Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.

**For AI Meezan Investment Management Limited  
(Management Company)**

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director





**Meezan**  
Energy Fund

## Meezan Energy Fund (MEF)

Meezan Energy Fund (MEF) is a Shariah compliant Energy Sector (Equity) Scheme. It is an actively managed fund offering a simple way to take exposure to Shariah compliant energy sector stocks available at Pakistan Stock Exchange (PSX).

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# FUND INFORMATION

## MANAGEMENT COMPANY

Al Meezan Investment Management Limited  
Ground Floor, Block "B", Finance & Trade Centre,  
Shahrah-e-Faisal Karachi 74400, Pakistan.  
Phone (+9221) 35630722-6, 111-MEEZAN  
Fax: (+9221) 35676143, 35630808  
Website: [www.almeezangroup.com](http://www.almeezangroup.com)  
E-mail: [info@almeezangroup.com](mailto:info@almeezangroup.com)

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Mr. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Moin M. Fudda	Nominee Director - MBL
Mr. Mohammad Furquan R Kidwai	Independent Director
Mr. Mubashar Maqbool	Nominee Director - PKIC
Mr. Tariq Mairaj	Nominee Director - MBL
Mr. Naeem Sattar	Nominee Director - PKIC
Mr. Feroz Rizvi	Independent Director
Ms. Danish Zuberi	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer

## CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

## AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Naeem Sattar	Member

## RISK MANAGEMENT COMMITTEE

Mr. Mubashar Maqbool	Chairman
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member

## HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Mubashar Maqbool	Member
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member
Mr. Mohammad Shoaib, CFA	Member

## TRUSTEE

Central Depository Company of Pakistan Limited  
CDC House, 99-B, Block B, S.M.C.H.S., Main Sharah-e-Faisal Karachi.

## AUDITORS

A. F. Ferguson & Co.  
Chartered Accountants  
State Life Building# 1-C,  
I.I. Chundrigar Road , Karachi-74000

## SHARIAH ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

Allied Bank Limited  
Al Baraka Islamic Bank B.S.C (E.C)  
Bank Al Habib Limited - Islamic Banking  
Habib Metropolitan Bank Limited - Islamic Banking  
Meezan Bank Limited

## LEGAL ADVISER

Bawaney & Partners  
3rd & 4th Floor, 68-C, Lane-13, Bokhari Commercial Area,  
Phase VI, DHA, Karachi.  
Phone (9221) 35156191-94 Fax: (9221) 35156195  
E-mail:

## TRANSFER AGENT

Meezan Bank Limited  
Meezan House  
C-25, Estate Avenue, SITE, Karachi.  
Phone: 38103538 Fax: 36406017  
Website: [www.meezanbank.com](http://www.meezanbank.com)

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited



**MEEZAN ENERGY FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT MARCH 31, 2021**

		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	Note	(Rupees in '000)	
<b>Assets</b>			
Balances with banks	5	15,815	3,214
Investments	6	562,356	518,105
Receivable against conversion of units		11,653	8,224
Dividend receivable		5,517	109
Receivable against sale of investments		14,113	30,650
Advances, deposit and other receivables		4,242	4,127
Preliminary expenses and floatation costs		133	283
<b>Total assets</b>		<b>613,829</b>	<b>564,712</b>
<b>Liabilities</b>			
Payable to Al Meezan Investment Management Limited - the Management Company	7	1,864	1,687
Payable to Central Depository Company of Pakistan Limited - the Trustee		330	104
Payable to Meezan Bank Limited		10	345
Payable to the Securities and Exchange Commission of Pakistan		75	109
Payable against conversion and redemption of units		6,912	13,036
Payable against purchase of investments - net		-	2,776
Accrued expenses and other liabilities	9	5,805	4,789
<b>Total liabilities</b>		<b>14,996</b>	<b>22,846</b>
<b>Net assets</b>		<b>598,833</b>	<b>541,866</b>
<b>Contingencies and commitments</b>			
	8		
<b>Unit holders' funds (as per statement attached)</b>		<b>598,833</b>	<b>541,866</b>
<b>(Number of units)</b>			
<b>Number of units in issue</b>		<b>17,648,039</b>	<b>18,050,159</b>
<b>(Rupees)</b>			
<b>Net asset value per unit</b>		<b>33.9320</b>	<b>30.0200</b>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For AI Meezan Investment Management Limited**  
**(Management Company)**

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**MEEZAN ENERGY FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021**

		Nine months period ended		Quarter ended	
		March 31,		March 31,	
		2021	2020	2021	2020
Note		(Rupees in '000)		(Rupees in '000)	
<b>Income</b>					
		53,694	(35,298)	25,007	3,854
	Net realised gain / (loss) on sale of investments	17,467	15,033	5,408	3,098
	Dividend income	522	2,197	188	551
	Profit on saving accounts with banks	71,683	(18,068)	30,603	7,503
	Net unrealised diminution on re-measurement				
	of investments - 'at fair value through profit or loss'	6.1	(3,391)	(103,345)	(26,711)
			(214,034)		
	<b>Total income / (loss)</b>	68,292	(121,413)	3,892	(206,531)
<b>Expenses</b>					
	Remuneration of Al Meezan Investment Management Limited				
	- the Management Company	7.1	7,520	8,274	2,736
			977	1,076	355
	Sindh Sales Tax on remuneration of management fee				344
	Remuneration to Central Depository Company of Pakistan Limited				
	- the Trustee		752	831	274
			98	108	36
	Sindh Sales Tax on trustee fee				34
	Annual fee to the Securities and Exchange Commission of Pakistan		75	83	27
	Auditors' remuneration		236	232	63
	Charity expense		641	569	94
	Fees and subscription		423	424	140
	Brokerage expense		2,727	1,151	1,466
	Bank and settlement charges		351	224	119
	Selling and marketing expense	7.3	1,504	1,655	547
			149	150	49
	Amortisation of preliminary expenses and floatation costs				50
	Allocated expenses	7.2	380	414	141
					132
	Provision for Sindh Workers' Welfare Fund (SWWF)	9.1	1,049	-	(43)
					(1,492)
	<b>Total expenses</b>		16,882	15,191	6,004
					3,185
	<b>Net income / (loss) for the period before taxation</b>		51,410	(136,604)	(2,112)
					(209,716)
	Taxation	13	-	-	-
					-
	<b>Net income / (loss) for the period after taxation</b>		51,410	(136,604)	(2,112)
					(209,716)
<b>Allocation of net income for the period</b>					
	Net income for the period after taxation		51,410		
	Income already paid on units redeemed		(30,269)		
			21,141		
<b>Accounting income available for distribution</b>					
	- Relating to capital gains		21,141		
	- Excluding capital (loss) / gains		-		
			21,141		

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For AI Meezan Investment Management Limited**  
**(Management Company)**

Chief Executive

Chief Financial Officer

Director

**MEEZAN ENERGY FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021**

	Nine months period ended March 31,		Quarter ended March 31,	
	2021	2020	2021	2020
	(Rupees in '000)		(Rupees in '000)	
<b>Net income / (loss) for the period after taxation</b>	51,410	(136,604)	(2,112)	(209,716)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>51,410</u>	<u>(136,604)</u>	<u>(2,112)</u>	<u>(209,716)</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For AI Meezan Investment Management Limited**  
**(Management Company)**

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director



**MEEZAN ENERGY FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

	Nine months period ended March 31, 2021			Nine months period ended March 31, 2020		
	Capital value	Accumulated Loss	Total	Capital value	Accumulated loss	Total
	(Rupees in '000)			(Rupees in '000)		
<b>Net assets at the beginning of the period</b>	964,237	(422,371)	541,866	967,743	(369,040)	598,703
Issue of 60,311,156 units (March 31, 2020: 25,858,900 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,810,541	-	1,810,541	862,780	-	862,780
- Element of income	241,213	-	241,213	51,064	-	51,064
Total proceeds on issuance of units	2,051,754	-	2,051,754	913,844	-	913,844
Redemption of 60,713,276 units (March 31, 2020: 30,793,904 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,822,613	-	1,822,613	1,027,436	-	1,027,436
- Element of loss	193,315	30,269	223,584	30,774	-	30,774
Total payments on redemption of units	2,015,928	30,269	2,046,197	1,058,210	-	1,058,210
Total comprehensive income for the period	-	51,410	51,410	-	(136,604)	(136,604)
Distribution during the period	-	-	-	-	-	-
Net income for the period less distribution	-	51,410	51,410	-	(136,604)	(136,604)
<b>Net assets at the end of the period</b>	<b>1,000,063</b>	<b>(401,230)</b>	<b>598,833</b>	<b>823,377</b>	<b>(505,644)</b>	<b>317,733</b>
Accumulated loss brought forward						
- Realised loss		(422,342)			(228,021)	
- Unrealised loss		(29)			(141,019)	
		(422,371)			(369,040)	
<b>Accounting income available for distribution</b>						
- Relating to capital gains	21,141			-		
- Excluding capital gains	-			-		
	21,141			-		
Net loss for the period after taxation	-			(136,604)		
Accumulated loss carried forward		(401,230)			(505,644)	
<b>Accumulated loss carried forward</b>						
- Realised loss		(397,839)			(402,299)	
- Unrealised loss		(3,391)			(103,345)	
		(401,230)			(505,644)	
		(Rupees)			(Rupees)	
Net assets value per unit at the beginning of the period		30.0200			33.3649	
Net assets value per unit at the end of the period		33.9320			24.4239	

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For AI Meezan Investment Management Limited**  
**(Management Company)**

Chief Executive

Chief Financial Officer

Director

**MEEZAN ENERGY FUND**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

Note	Nine months period ended	
	March 31,	
	2021	2020
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	51,410	(136,604)
<b>Adjustments for:</b>		
Amortisation of preliminary expenses and floatation costs	149	150
Net unrealised appreciation on re-measurement of investments - 'at fair value through profit or loss'	3,391	103,345
	<u>54,950</u>	<u>(33,109)</u>
<b>(Increase) / decrease in assets</b>		
Investments - net	(47,642)	182,550
Dividend receivable	(5,408)	(476)
Receivable against sale of investments	16,537	-
Advances, deposits and other receivables	(115)	(2,302)
	<u>(36,628)</u>	<u>179,772</u>
<b>Increase / (decrease) in liabilities</b>		
Payable to AI Meezan Investment Management Limited - the Management Company	177	(719)
Payable to Central Depository Company of Pakistan Limited - the Trustee	226	(56)
Payable to Meezan Bank Limited	(335)	52
Payable to Securities and Exchange Commission of Pakistan	(34)	(850)
Payable against purchase of investments - net	(2,776)	(3,424)
Accrued expenses and other liabilities	1,016	(204)
	<u>(1,726)</u>	<u>(5,201)</u>
<b>Net cash generated from operating activities</b>	<u>16,596</u>	<u>141,462</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	2,048,325	912,907
Payment against redemption and conversion of units	(2,052,320)	(1,058,847)
<b>Net cash used in financing activities</b>	<u>(3,995)</u>	<u>(145,940)</u>
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>	<u>12,601</u>	<u>(4,478)</u>
Cash and cash equivalents at the beginning of the period	3,214	20,442
<b>Cash and cash equivalents at the end of the period</b>	<u>5</u> <u>15,815</u>	<u>15,964</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For AI Meezan Investment Management Limited**  
**(Management Company)**

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**MEEZAN ENERGY FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** Meezan Energy Fund (the Fund) was established under a trust deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on September 9, 2016 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The objective of the Fund is to seek long term capital appreciation through investments in Shariah compliant equity stocks, primarily from the energy sector / segment / industry, as defined in the constitutive documents. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah principles. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3** Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited. The Fund is categorised as an Open End Shariah Compliant (Islamic) Equity Scheme in accordance with Circular 7 of 2009 issued by the SECP.
- 1.4** The Management Company has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 31, 2020 (2019: AM1 dated December 31, 2019) and by PACRA dated June 26, 2020 (2019: AM1 dated December 28, 2019). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.5** Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

**2. BASIS OF PRESENTATION**

The transactions undertaken by the Fund are in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor and are accounted for on substance rather than the form prescribed by the earlier referred guidelines. This practice is being followed to comply with the requirements of the accounting and reporting standards as applicable in Pakistan.

**3. BASIS OF PREPARATION**

**3.1 STATEMENT OF COMPLIANCE**

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

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

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2020.

These condensed interim financial statements are unaudited. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at March 31, 2021.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT

- 4.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2020.
- 4.2 The preparation of these condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2020. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2020.
- 4.3 There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2020. However, these do not have any impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	Note	(Rupees in '000)	
<b>5. BALANCES WITH BANKS</b>			
In saving accounts	5.1	14,973	2,545
In current accounts		842	669
		<u>15,815</u>	<u>3,214</u>

- 5.1 The balance in saving accounts have an expected profit ranging from 2.31% to 6.60% per annum (June 30, 2020: 2.31% to 7.40% per annum).

		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	Note	(Rupees in '000)	
<b>6. INVESTMENTS</b>			
<b>Investments - 'at fair value through profit or loss'</b>			
Shares of listed companies 'ordinary shares'	6.1	<u>562,356</u>	<u>518,105</u>

## 6.1 Shares of listed companies 'ordinary shares'

Name of the investee company	As at July 1, 2020	Purchases during the period	Bonus / Right issue	Sales during the period	As at March 31, 2021	Carrying value as at March 31, 2021	Market value as at March 31, 2021	Unrealised gain as at March 31, 2021	Percentage in relation to		
									Net assets of the Fund	Total market value of investments	Paid-up capital of investee company (with face value of investment)
	-----Number of shares-----					----- (Rupees in '000) -----			----- % -----		
Sectors / companies											
Oil and Gas Exploration Companies											
Mari Petroleum Company Limited (note 6.2)	64,244	26,520	-	37,120	53,644	71,099	82,144	11,045	13.72	14.61	0.04
Oil and Gas Development Company Limited	874,228	1,349,929	-	1,356,140	868,017	96,109	88,199	(7,910)	14.73	15.68	0.02
Pakistan Oilfields Limited (note 6.2)	280,680	151,400	-	225,800	206,280	79,462	78,364	(1,098)	13.09	13.93	0.07
Pakistan Petroleum Limited (note 6.2)	928,718	1,552,900	-	1,417,200	1,064,418	99,427	92,956	(6,471)	15.52	16.53	0.04
									57.06	60.75	0.17
Oil and Gas Marketing Companies											
Attock Petroleum Limited	51,200	22,000	-	35,400	37,800	12,033	12,361	328	2.06	2.20	0.04
Hascol Petroleum Limited	1,074,011	530,000	-	1,600,000	4,011	60	41	(19)	0.01	0.01	-
Hi-Tech Lubricants Limited	410,000	330,500	-	662,000	78,500	5,074	5,533	459	0.92	0.98	0.07
Pakistan State Oil Company Limited (note 6.2)	198,388	387,500	-	206,010	379,878	83,861	87,611	3,750	14.63	15.58	0.08
Shell Pakistan Limited	49,000	122,800	36,900	154,900	53,800	8,047	8,281	234	1.38	1.47	0.03
Sui Northern Gas Pipelines Limited	378,800	631,000	-	625,500	384,300	17,015	15,072	(1,943)	2.52	2.68	0.06
									21.52	22.92	0.28
Power Generation and Distribution											
Hub Power Company Limited	748,444	933,000	-	906,000	775,444	65,242	62,920	(2,322)	10.51	11.19	0.06
K - Electric Limited (note 6.1.1)	2,141,000	3,300,000	-	2,487,500	2,953,500	11,888	11,755	(133)	1.96	2.09	0.01
									12.47	13.28	0.07
Refinery											
Attock Refinery Limited	-	302,500	-	247,000	55,500	13,430	14,174	744	2.37	2.52	0.05
National Refinery Limited	-	25,000	-	20,000	5,000	3,000	2,945	(55)	0.49	0.52	0.01
									2.86	3.04	0.06
Total as at March 31, 2021						565,747	562,356	(3,391)	100		
Total as at June 30, 2020						518,134	518,105	(29)			

**6.1.1** All shares have a nominal value of Rs 10 each except for the shares of K-Electric Limited which has face value of Rs 3.5 each.

**6.1.2** Investments include 26,500 shares (June 30, 2020: 26,500 shares) of Pakistan Oilfields Limited, 65,000 shares (June 30, 2020: 65,000 shares) of Pakistan Petroleum Limited, 4,000 shares (June 30, 2020: nil shares) of Mari Petroleum Limited and 5,000 shares (June 30, 2020: nil shares) of Pakistan State Oil Limited, having market values of Rs 10.01 million, Rs 5.68 million, Rs 6.13 million and Rs. 1.15 million respectively as at March 31, 2021 (June 30, 2020: Rs 9.29 million, Rs. 5.64 million, nil and nil respectively), which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

**6.1.3** The status of bonus shares already withheld prior to the introduction of Finance Act, 2018 is the same as that disclosed in the audited financial statements of the Fund for the year ended June 30, 2020. As at March 31, 2021, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 1.345 million (June 30, 2020: Rs. 0.922 million).

7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - THE MANAGEMENT COMPANY	Note	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
		(Rupees in '000)	
Management fee payable	7.1	1,046	928
Sindh Sales Tax payable on remuneration of the Management Company		136	121
Sales load		69	66
Sindh Sales Tax payable on sales load		10	9
Allocated expense payable	7.2	56	46
Selling and marketing expenses payable	7.3	547	517
		<b>1,864</b>	<b>1,687</b>

**7.1** As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 2% (June 30, 2020: 2%) per annum of the average net assets of the Fund during the period. The remuneration is payable to the Management Company monthly in arrears.

**7.2** In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The management company based on its own discretion charged 0.10% of the average annual net assets of the scheme for allocation of such expenses to the Fund from July 01, 2020 till March 09, 2021. From March 10, 2021, the Management Company has decided to charge allocation of such expenses at 0.11% per annum of the average annual net assets of the scheme.

**7.3** In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company based on its own discretion has charged selling and marketing expense at 0.4% per annum of average annual net assets of the Fund during the period.

## **8. CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at March 31, 2021 and June 30, 2020.

<b>9. ACCRUED EXPENSES AND OTHER LIABILITIES</b>	<b>Note</b>	<b>March 31, 2021 (Unaudited)</b>	<b>June 30, 2020 (Audited)</b>
		<b>(Rupees in '000)</b>	
Auditors' remuneration payable		151	195
Printing charges payable		34	34
Shariah advisor fee payable		131	269
Charity payable		595	655
Capital gain tax payable		150	425
Provision for Sindh Workers' Welfare Fund	9.1	2,576	1,527
Brokerage payable		2,153	1,679
Zakat payable		15	5
		<b>5,805</b>	<b>4,789</b>

**9.1** The status of Sindh Workers' Welfare Fund is same as disclosed in financial statement for the year ended June 30, 2020. Had the provision of Sindh Workers' Welfare Fund not been made, the net asset value per unit as at March 31, 2021 would have been higher by Re. 0.15 per unit (June 30, 2020: Re. 0.08 per unit)

## **10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES**

Connected persons include Al Meezan Investment Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and Executives of the Management Company, other Funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited - Employees Gratuity Fund and unitholders holding 10 percent or more of the Fund's net assets.

Transactions with connected persons / related parties are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Rules, the NBFC Regulations and the Trust Deed.



Transactions and balances with related parties are as follows:

	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	(Rupees in '000)	
<b>Balances</b>		
<b>AI Meezan Investment Management Limited - the Management Company</b>		
Remuneration payable	1,046	928
Sindh Sales Tax on management fee payable	136	121
Sales load payable	69	66
Sindh Sales Tax on sales load payable	9	9
Allocated expenses	56	46
Selling and marketing expense payable	547	517
Investment of 3,263,145 units (June 30, 2020: 5,379,191 units)	110,725	161,483
<b>Meezan Bank Limited</b>		
Bank balance	6,452	2,651
Profit receivable on saving accounts	41	72
Sales load payable	9	306
Sindh Sales Tax on sales load payable	1	40
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Trustee fee payable	292	92
Sindh Sales Tax on trustee fee payable	38	12
Security deposit	100	100
<b>Directors and executives of the Management Company</b>		
Investment of 368,075 units (June 30, 2020: 23,930 units)	12,490	718
	<b>Nine months period ended March 31, 2021</b>	<b>Nine months period ended March 31, 2020</b>
	(Rupees in '000)	
<b>Transactions during the period</b>		
<b>AI Meezan Investment Management Limited - the Management Company</b>		
Remuneration for the period	7,520	8,274
Sindh Sales Tax on management fee	978	1,076
Allocated expenses	380	414
Selling and marketing expense	1,504	1,655
Units issued: 431,954 units (March 31, 2020: 972,238 Units)	15,000	30,179
Units redeemed: 2,548,000 units (March 31, 2020: 1,743,506 units)	85,000	61,000
<b>Meezan Bank Limited</b>		
Profit on saving accounts	213	1,433
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Trustee fee	752	831
Sindh Sales Tax on trustee fee	98	108
CDS charges	77	53
<b>Directors and executives of the Management Company</b>		
Units issued: 700,672 units (March 31, 2020: 3,389,033 units)	22,279	104,631
Units redeemed: 356,527 units (March 31, 2020: 3,528,353 units)	12,223	100,594

## 11. TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 4.42% which includes 0.60% representing Government Levy, Sindh Worker's Welfare Fund and the SECP Fee. The prescribed limit for the ratio is 4.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a "equity fund".

## 12. 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 Fund 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.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

### 12.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets 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: Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities.
- Level 2: Fair value measurements using 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 3: Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at March 31, 2021 and June 30, 2020, the Fund held the following financial instruments measured at fair value:

	As at March 31, 2021			
	Level 1	Level 2	Level 3	Total
<b>ASSETS</b>				
<b>Financial assets 'at fair value through profit or loss'</b>				
Shares of listed companies 'ordinary shares'	562,356	-	-	562,356
<b>ASSETS</b>				
<b>Financial assets 'at fair value through profit or loss'</b>				
Shares of listed companies 'ordinary shares'	518,105	-	-	518,105

## 13. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute atleast 90 percent of the Fund's accounting income for the year ending June 30, 2021 as reduced by capital gains (whether realised or unrealised) to its unit holders.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

#### **14. DATE OF AUTHORISATION**

These condensed interim financial statements were authorised for issue on April 12, 2021 by the Board of Directors of the Management Company.

#### **15. GENERAL**

##### **15.1 COVID-19**

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

- The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

##### **15.2** Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.

**For AI Meezan Investment Management Limited  
(Management Company)**

---

**Chief Executive**

---

**Chief Financial Officer**

---

**Director**





**Meezan**  
Balanced Fund

# COMPLETE SUITE OF DIGITAL SERVICES

## MEEZAN BALANCED FUND (MBF)

Meezan Balanced Fund is Pakistan's first Shariah compliant balanced scheme. It seeks to generate long term capital appreciation as well as current income by creating a balanced portfolio that is invested in both high quality Shariah compliant equity securities and income instruments such as TFC's, COI's, Certificates of Musharika, Islamic Sukuks, Ready-future hedges and other Shariah compliant instruments.



# FUND INFORMATION

## MANAGEMENT COMPANY

Al Meezan Investment Management Limited  
Ground Floor, Block "B", Finance & Trade Centre,  
Shahrah-e-Faisal Karachi 74400, Pakistan.  
Phone (+9221) 35630722-6, 111-MEEZAN  
Fax: (+9221) 35676143, 35630808  
Website: [www.almeezangroup.com](http://www.almeezangroup.com)  
E-mail: [info@almeezangroup.com](mailto:info@almeezangroup.com)

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Mr. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Moin M. Fudda	Nominee Director - MBL
Mr. Furquan R Kidwai	Independent Director
Mr. Mubashar Maqbool	Nominee Director – PKIC
Mr. Tariq Mairaj	Nominee Director - MBL
Mr. Naeem Sattar	Nominee Director - PKIC
Mr. Feroz Rizvi	Independent Director
Ms. Danish Zuberi	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer

## CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

## AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Naeem Sattar	Member

## RISK MANAGEMENT COMMITTEE

Mr. Mubashar Maqbool	Chairman
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member

## HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Mubashar Maqbool	Member
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member
Mr. Mohammad Shoaib, CFA	Member

## TRUSTEE

Central Depository Company of Pakistan Limited  
CDC House, 99-B, Block B, S.M.C.H.S., Main Sharah-e-Faisal Karachi.

## AUDITORS

A. F. Ferguson & Co.  
Chartered Accountants  
State Life Building# 1-C,  
I.I. Chundrigar Road , Karachi-74000

## SHARIAH ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

Allied Bank Limited	Habib Metropolitan Bank Limited - Islamic Banking
Al Baraka Islamic Bank B.S.C (E.C)	MCB Islamic Bank
Askari Bank Limited - Islamic Banking	Meezan Bank Limited
Bank Al Habib Limited - Islamic Banking	National Bank of Pakistan - Islamic Banking
Bank Alfalah Limited	Samba Bank Limited
Bank Islami Pakistan Limited	Sindh Bank Limited
Dubai Islamic Bank Pakistan Limited	The Bank Of Khyber - Islamic Banking
Faysal Bank Limited - Islamic Banking	UBL Ameen - Islamic Banking

## LEGAL ADVISER

Bawaney & Partners  
3rd & 4th Floor, 68-C, Lane-13, Bokhari Commercial Area,  
Phase VI, DHA, Karachi.  
Phone (+9221) 35156191-94 Fax: (+9221) 35156195  
E-mail:

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited



**MEEZAN BALANCED FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT MARCH 31, 2021**



**Meezan**  
 Balanced Fund

		<b>March 31, 2021 (Unaudited) (Rupees in '000)</b>	<b>June 30, 2020 (Audited)</b>
	<b>Note</b>		
<b>Assets</b>			
Balances with banks	5	646,322	785,606
Investments	6	3,855,226	3,266,840
Receivables against conversion of units		15,829	4,245
Dividend receivable		8,511	605
Receivable against sale of investments		27,273	4,364
Deposits and other receivables		47,747	40,593
<b>Total assets</b>		<b>4,600,908</b>	<b>4,102,253</b>
<b>Liabilities</b>			
Payable to Al Meezan Investment Management Limited - the Management Company	8	15,802	5,473
Payable to Central Depository Company of Pakistan Limited - the Trustee		535	458
Payable to the Securities and Exchange Commission of Pakistan		657	905
Payable to Meezan Bank Limited		54	76
Payable against purchase of investments - net		-	4,740
Payable on redemption and conversion of units		12,690	4,614
Dividend payable		7,498	52,994
Accrued expenses and other liabilities	9	105,027	117,432
<b>Total liabilities</b>		<b>142,262</b>	<b>186,692</b>
<b>Net assets</b>		<b>4,458,646</b>	<b>3,915,561</b>
<b>Contingencies and commitments</b>	7		
<b>Unit holders' fund (as per statement attached)</b>		<b>4,458,646</b>	<b>3,915,561</b>
		<b>(Number of units)</b>	
<b>Number of units in issue</b>		<b>281,722,963</b>	<b>285,524,181</b>
		<b>(Rupees)</b>	
<b>Net asset value per unit</b>		<b>15.8263</b>	<b>13.7136</b>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For Al Meezan Investment Management Limited**  
**(Management Company)**

\_\_\_\_\_  
 Chief Executive

\_\_\_\_\_  
 Chief Financial Officer

\_\_\_\_\_  
 Director



**MEEZAN BALANCED FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021**

		Nine months period ended March 31,		Quarter ended March 31,	
		2021	2020	2021	2020
	Note	(Rupees in '000)		(Rupees in '000)	
<b>Income</b>					
Net realised gain on sale of investments		137,595	92,935	82,545	60,173
Dividend income		72,103	109,984	19,634	17,416
Profit on sukuk certificates		89,489	145,789	29,174	45,419
Profit on saving accounts with banks		39,178	67,769	12,092	25,845
		338,365	416,477	143,445	148,853
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6	380,253	(349,305)	(41,738)	(791,375)
<b>Total income / (loss)</b>		<b>718,618</b>	<b>67,172</b>	<b>101,707</b>	<b>(642,522)</b>
<b>Expenses</b>					
Remuneration of Al Meezan Investment Management Limited - the Management Company	8	65,732	69,949	22,414	21,921
Sindh Sales Tax on remuneration of the management company		8,545	9,093	2,914	2,849
Allocated expenses		3,314	3,497	1,148	1,096
Selling and marketing expenses		14,781	13,990	6,117	4,384
Remuneration of Central Depository Company of Pakistan Limited - the Trustee		4,036	4,249	1,367	1,345
Sindh Sales Tax on remuneration of the Trustee		525	552	178	174
Annual fee to the Securities and Exchange Commission of Pakistan		657	709	224	219
Auditors' remuneration		448	458	106	109
Charity expense		1,779	2,980	189	533
Fees and subscription		403	258	188	45
Brokerage expense		3,936	2,744	1,926	1,016
Bank and settlement charges		319	533	96	141
Provision for Sindh Workers' Welfare Fund (SWWF)	9.1	12,283	-	1,297	(12,690)
<b>Total expenses</b>		<b>116,758</b>	<b>109,012</b>	<b>38,164</b>	<b>21,142</b>
<b>Net income / (loss) for the period before taxation</b>		<b>601,860</b>	<b>(41,840)</b>	<b>63,543</b>	<b>(663,664)</b>
Taxation	12	-	-	-	-
<b>Net income / (loss) for the period after taxation</b>		<b>601,860</b>	<b>(41,840)</b>	<b>63,543</b>	<b>(663,664)</b>
<b>Allocation of net income for the period</b>					
Net income for the period after taxation		601,860	-		
Income already paid on units redeemed		(76,253)	-		
		<b>525,607</b>	<b>-</b>		
<b>Accounting income available for distribution</b>					
- Relating to capital gains		517,848	-		
- Excluding capital gains		7,759	-		
		<b>525,607</b>	<b>-</b>		

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For Al Meezan Investment Management Limited**  
**(Management Company)**

Chief Executive

Chief Financial Officer

Director

**MEEZAN BALANCED FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2020**

	Nine months period March 31,		Quarter ended, March 31,	
	2021	2020	2021	2020
	(Rupees in '000)		(Rupees in '000)	
<b>Net income / (loss) for the period after taxation</b>	601,860	(41,840)	63,543	(663,664)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>601,860</u>	<u>(41,840)</u>	<u>63,543</u>	<u>(663,664)</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For Al Meezan Investment Management Limited**  
**(Management Company)**

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**MEEZAN BALANCED FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

	Nine months period ended March 31, 2021			Nine months period ended March 31, 2020		
	Capital value	Undistri-buted income	Total	Capital value	(Accumulated loss) / Undistri-buted income	Total
	(Rupees in '000)			(Rupees in '000)		
<b>Net assets at the beginning of the period</b>	3,839,430	76,131	3,915,561	5,405,175	(55,085)	5,350,090
Issue of 125,909,558 units (2020: 20,070,315 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,726,673	-	1,726,673	270,163	-	270,163
- Element of income	207,227	-	207,227	25,322	-	25,322
Total proceeds on issuance of units	1,933,900	-	1,933,900	295,485	-	295,485
Redemption of 129,710,776 units (2020: 141,790,329 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,778,802	-	1,778,802	1,908,612	-	1,908,612
- Element of loss	137,620	76,253	213,873	18,353	76,003	94,356
Total payments on redemption of units	1,916,422	76,253	1,992,675	1,926,965	76,003	2,002,968
Total comprehensive income for the period	-	601,860	601,860	-	(41,840)	(41,840)
Distribution during the period	-	-	-	-	-	-
Net income for the period less distribution	-	601,860	601,860	-	(41,840)	(41,840)
<b>Net assets at the end of the period</b>	<b>3,856,908</b>	<b>601,738</b>	<b>4,458,646</b>	<b>3,773,695</b>	<b>(172,928)</b>	<b>3,600,767</b>
<b>Undistributed income brought forward</b>						
- Realised income		25,518			819,542	
- Unrealised income / (loss)		50,613			(874,627)	
		<u>76,131</u>			<u>(55,085)</u>	
Accounting income available for distribution						
- Relating to capital gains	517,848			-		
- Excluding capital gains	7,759			-		
	<u>525,607</u>			-		
Net loss for the period after taxation	-			(41,840)		
Distribution during the period	-			-		
Undistributed income carried forward	<u>601,738</u>			<u>(96,925)</u>		
<b>Undistributed income carried forward</b>						
- Realised income		221,485			252,380	
- Unrealised gain		380,253			(349,305)	
		<u>601,738</u>			<u>(96,925)</u>	
		(Rupees)			(Rupees)	
Net assets value per unit at the beginning of the period		<u>13.7136</u>			<u>13.4608</u>	
Net assets value per unit at the end of the period		<u>15.8263</u>			<u>13.0587</u>	

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For Al Meezan Investment Management Limited**  
**(Management Company)**

Chief Executive

Chief Financial Officer

Director



**MEEZAN BALANCED FUND**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

	<b>Nine months period ended</b>	
	<b>March 31,</b>	
	<b>2021</b>	<b>2020</b>
	<b>(Rupees in '000)</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income / (loss) for the period before taxation	601,860	(41,840)
<b>Adjustments for:</b>		
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(380,253)	349,305
	221,607	307,465
<b>(Increase) / decrease in assets</b>		
Investments - net	(208,133)	1,846,551
Dividend receivable	(7,906)	1,918
Receivable against sale of investments - net	(22,909)	75,910
Deposits and other receivables	(7,154)	17,061
	(246,102)	1,941,440
<b>Increase / (decrease) in liabilities</b>		
Payable to Al Meezan Investment Management Limited - the Management Company	10,329	(4,302)
Payable to Central Depository Company of Pakistan Limited - the Trustee	77	(145)
Payable to the Securities and Exchange Commission of Pakistan	(248)	(5,122)
Payable to Meezan Bank Limited	(22)	(1)
Payable against purchase of investments - net	(4,740)	22,471
Accrued expenses and other liabilities	(12,405)	1,606
	(7,010)	14,507
<b>Net cash (used in) / generated from operating activities</b>	(31,504)	2,263,412
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	1,922,316	295,446
Payment against redemption and conversion of units	(1,984,599)	(2,003,400)
Dividend paid	(45,496)	8
<b>Net cash used in financing activities</b>	(107,779)	(1,707,946)
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	(139,284)	555,466
Cash and cash equivalents at the beginning of the period	785,606	357,560
<b>Cash and cash equivalents at the end of the period</b>	<b>646,322</b>	<b>913,026</b>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For Al Meezan Investment Management Limited**  
**(Management Company)**

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**MEEZAN BALANCED FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** Meezan Balanced Fund (the Fund) was initially established as a closed-end scheme under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on June 15, 2004 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on September 8, 2004 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The registered office of the Management Company is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.

Subsequently, on May 3, 2013, SECP vide its letter No. SCD/AMCW/MBF /512/2013 had approved the conversion of the closed end structure into an open end scheme through the establishment of the Unit Trust Scheme under the name of Meezan Balanced Fund (MBF). On June 27, 2013, SECP vide its letter No SCD/AMCW/MBF/613/2013 registered MBF (the open-end scheme) as a notified entity and had withdrawn the registration of MBF as a closed end scheme with effect from the effective date i.e. July 1, 2013 and therefore from July 1, 2013, the Fund had been converted into an open end scheme and, accordingly, the certificate holders of the closed end scheme at June 30, 2013 were converted to unitholders of the open end scheme.

- 1.2** The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP.
- 1.3** The investment objective of the Fund is to generate long-term capital appreciation as well as current income by creating a balanced portfolio that is invested both in high quality Shariah compliant equity securities and Islamic income instruments such as Islamic Sukuks (certificates of Islamic investment), musharaka certificates, Government Securities, cash in bank accounts, Money Market Placements, Deposits, Certificates of Deposits, Term Deposits Receipts, Commercial Papers, Islamic alternatives of Reverse Repos, Spread Transactions, and other Shariah compliant instruments as indicated by the SECP. Under the Trust Deed all the conducts and acts of the Fund are based on Shariah principles. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.4** The Management Company has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 31, 2020 (2019: AM1 dated December 31, 2019) and by PACRA dated June 26, 2020 (2019: AM1 dated December 28, 2019). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.5** The Fund is an open-end fund listed on the Pakistan Stock Exchange Limited. The Fund is categorised as Shariah Compliant Balanced Fund in accordance with Circular 7 of 2009 issued by the SECP.
- 1.6** Title to the assets of the Fund are held in the name of CDC as the Trustee of the Fund.

**2. BASIS OF PRESENTATION**

The transactions undertaken by the Fund are in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor and are accounted for on substance rather than the form prescribed by the earlier referred guidelines. This practice is being followed to comply with the requirements of the accounting and reporting standards as applicable in Pakistan.

**3. BASIS OF PREPARATION**

**3.1 STATEMENT OF COMPLIANCE**

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the International Accounting Standard (IAS) 34, Interim Financial Reporting, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2020.

These condensed interim financial statements are unaudited. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at March 31, 2021.

#### 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES / ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT

- 4.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2020.
- 4.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2020. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended June 30, 2020.
- 4.3 There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2020. However, these do not have any impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	Note	(Rupees in '000)	
<b>5</b>	<b>BALANCES WITH BANKS</b>		
In saving accounts	5.1	635,673	777,690
In current accounts		10,649	7,916
		<u>646,322</u>	<u>785,606</u>

- 5.1 The balance in saving accounts have an expected profit ranging from 1.99% to 7.00% per annum (June 30, 2020: 1.5% to 7.50% per annum).

		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	Note	(Rupees in '000)	
<b>6</b>	<b>INVESTMENTS</b>		
Investments - 'at fair value through profit or loss'	6.1	<u>3,855,226</u>	<u>3,266,840</u>
		<u>3,855,226</u>	<u>3,266,840</u>



## 6.1 Investments - 'at fair value through profit or loss'

Shares of listed companies - 'ordinary shares'	6.1.1	2,169,111	1,897,643
Sukuk certificates	6.1.2.1 & 6.1.2.2	1,686,115	1,369,197
		<u>3,855,226</u>	<u>3,266,840</u>

### 6.1.1 Shares of listed companies 'ordinary shares'

Name of the investee company	As at July 1, 2020	Purchases during the period	Right / Bonus issue	Sales during the period	As at March 31, 2021	Carrying value as at March 31, 2021	Market value as at March 31, 2021	Unrealised gain / (loss) as at March 31, 2021	Percentage in relation to					
									Net Assets of the Fund	Paid-up-Capital of the investee company (with face value of investments)	Total market value of investments			
						Number of shares			(Rupees in '000)			%		
Sectors / companies														
Commercial Banks														
Bank Islami Pakistan Limited	431,462	1,061,462	-	861,462	631,462	6,058	7,426	1,368	0.17	0.06	0.19			
Meezan Bank Limited (note 6.2.1.2) (an associate company of the Fund)	933,885	60,000	93,388	98,500	988,773	62,872	111,909	49,037	2.51	0.07	2.90			
									2.68	0.13	3.10			
Automobile assemblers														
Ghandhara Industries Limited	2,100	4,200	-	4,200	2,100	254	530	276	0.01	-	0.01			
Honda Atlas Cars (Pakistan) Limited	6,100	6,100	-	12,200	-	-	-	-	-	-	-			
Pak Suzuki Motor Company Limited	-	20,000	-	-	20,000	5,923	6,298	374	0.14	0.02	0.16			
Indus Motor Company Limited	13,700	13,700	-	27,400	-	-	-	-	-	-	-			
Milat Tractors Company Limited	9,006	24,056	3,007	9,006	27,063	21,009	29,763	8,754	0.67	0.05	0.77			
									0.82	0.07	0.95			
Automobile parts and accessories														
Agriauto Industries Limited (note 6.1.1.1)	40,200	-	-	40,200	-	-	-	-	-	-	-			
Panther Tyres Limited	-	22,460	-	-	22,460	1,478	1,448	(30)	-	0.02	-			
									-	0.02	-			
Cable and Electrical Goods														
Pak Elektron Limited	-	300,000	-	15,000	285,000	10,876	9,416	(1,459)	0.21	0.06	0.24			
Chemicals														
Engro Polymer and Chemicals Limited	667,954	1,653,454	-	959,954	1,361,454	49,703	74,866	25,164	1.68	0.15	1.94			
Ghani Global holdings Limited	-	2,430,000	180,000	1,590,000	1,020,000	17,472	24,092	6,621	0.54	0.36	0.62			
Dynea Pakistan Limited (note 6.1.1.1)	-	25,000	-	-	25,000	5,496	4,964	(532)	0.11	0.13	0.13			
ICI Pakistan Limited	101,416	102,416	-	126,566	77,266	53,673	64,261	10,588	1.44	0.08	1.67			
Ittehad Chemicals Limited	129,000	129,000	-	258,000	-	-	-	-	-	-	-			
Nimir Resins Limited	-	200,000	-	200,000	-	-	-	-	-	-	-			
Lotte Chemicals Limited	508,500	508,500	-	1,017,000	-	-	-	-	-	-	-			
Sitara Chemical Limited	2,100	18,100	-	2,100	18,100	6,552	7,150	598	0.16	0.08	0.19			
Sitara Peroxide Limited	400,000	400,000	-	800,000	-	-	-	-	-	-	-			
									3.93	0.80	4.55			
Cement														
Attock Cement Limited	727	29,527	-	727	29,527	4,798	5,010	212	0.11	0.02	0.13			
Cherat Cement Company Limited	110,000	180,000	-	155,000	135,000	16,112	21,681	5,569	0.49	0.07	0.56			
DG Khan Cement Limited	152,000	552,000	-	293,062	410,938	43,865	49,522	5,657	1.11	0.09	1.28			
Pow er Cement Ltd	-	1,000,000	-	1,000,000	-	-	-	-	-	-	-			
Fauji Cement Limited	80,000	330,000	-	410,000	-	-	-	-	-	-	-			
Kohat Cement Limited	455,520	465,520	-	505,520	415,520	57,829	86,104	28,275	1.93	0.21	2.23			
Lucky Cement Limited	293,851	298,851	-	354,811	237,891	111,498	194,497	82,999	4.36	0.07	5.05			
Maple Leaf Cement Limited	806,281	2,101,281	-	1,496,281	1,411,281	52,505	63,225	10,721	1.42	0.13	1.64			
									9.42	0.59	10.90			
Investment Banks														
Dawood Hercules Corporation Limited	8,800	8,800	-	17,600	-	-	-	-	-	-	-			

Name of the investee company	As at July 1, 2020	Purchases during the period	Right / Bonus issue	Sales during the period	As at March 31, 2021	Carrying value as at March 31, 2021	Market value as at March 31, 2021	Unrealised gain / (loss) as at March 31, 2021	Percentage in relation to		
									Net Assets of the Fund	Paid-up-Capital of the investee company (with face value of investments)	Total market value of investments
						----- (Rupees in '000) -----			----- % -----		
<b>Fertilizers</b>											
Engro Corporation Limited (note 6.1.1.2)	639,722	639,722	-	931,430	348,014	101,940	96,511	(5,429)	2.16	0.06	2.50
Engro Fertilizer Limited	1,228,143	1,638,643	-	2,283,537	583,249	36,949	36,395	(554)	0.82	0.04	0.94
Fatima Fertilizer Limited	95,000	95,000	-	190,000	-	-	-	-	-	-	-
									2.98	0.10	3.45
<b>Technology &amp; Communication</b>											
Avanceon Limited	155,980	466,980	-	388,980	233,980	15,063	20,677	5,614	0.46	0.11	0.54
Netsol Technologies Limited	-	68,000	-	68,000	-	-	-	-	-	-	-
Pakistan Telecommunication Company Systems Limited	-	500,000	-	500,000	-	-	-	-	-	-	-
	162,550	196,650	13,965	219,550	153,615	29,186	72,280	43,094	1.62	0.11	1.87
									2.08	0.22	2.41
<b>Paper &amp; Board</b>											
Century Paper & Board Mills Limited	95,000	241,000	40,200	105,900	270,300	20,465	25,581	5,116	0.57	0.15	0.66
Cherat Packaging Limited	31,240	31,240	-	62,440	40	5	8	3	-	-	-
Packages Limited	89,023	94,023	-	89,023	94,023	33,193	47,554	14,361	1.07	0.11	1.23
Roshan Packages Limited	-	138,500	-	52,000	86,500	3,279	2,482	(797)	0.06	0.06	0.06
Security Paper Limited	-	25,000	-	-	25,000	5,579	3,313	(2,266)	0.07	0.04	0.09
									1.77	0.36	2.05
<b>Miscellaneous</b>											
Shifa International Hospitals Limited	84	20,084	-	20,168	-	-	-	-	-	-	-
Synthetic Products Enterprises Limited	-	67,925	-	67,925	-	-	-	-	-	-	-
									-	-	-
<b>Oil &amp; Gas Exploration</b>											
Mari Petroleum Company Limited	149,747	149,747	-	186,027	113,467	140,319	173,752	33,433	3.90	0.09	4.51
Oil and Gas Developed Company Limited	1,415,100	1,610,100	-	1,827,831	1,197,369	130,724	121,665	(9,060)	2.73	0.03	3.16
Pakistan Oilfield Limited	287,710	293,210	-	406,710	174,210	61,322	66,181	4,858	1.48	0.06	1.72
Pakistan Petroleum Limited	1,374,502	1,770,502	-	1,728,076	1,416,928	127,502	123,740	(3,762)	2.78	0.05	3.21
									10.89	0.23	12.59
<b>Oil and Gas Marketing</b>											
Attock Petroleum Limited	12,000	12,000	-	24,000	-	-	-	-	-	-	-
Hasecol Petroleum Limited	1,051,400	1,480,400	-	2,529,899	1,901	31	19	(12)	-	-	-
H-Tech Lubricants Limited	125,000	125,000	-	250,000	-	-	-	-	-	-	-
Pakistan State Oil Company Limited	382,290	605,690	-	503,790	484,190	96,021	111,669	15,647	2.50	0.10	2.90
Shell Pakistan Limited	-	35,000	-	35,000	-	-	-	-	-	-	-
Sui Northern Gas Pipeline Limited	788,000	938,000	-	1,568,000	158,000	7,901	6,197	(1,705)	0.14	0.02	0.16
									2.64	0.12	3.06
<b>Pharmaceuticals</b>											
Abbott Laboratories Pakistan Limited	2,250	2,250	-	2,250	2,250	1,492	1,631	139	0.04	-	0.04
AGP Limited	440,000	440,000	-	585,000	295,000	32,373	33,668	1,295	0.76	0.11	0.87
GlaxoSmithKline Consumer Healthcare Limited	75,600	75,600	-	104,300	46,900	12,742	10,125	(2,617)	0.23	0.04	0.26
Highnoon Laboratories Limited	1,757	1,757	-	3,076	438	220	284	65	0.01	-	0.01
IBL Health Care Limited	-	159,500	-	-	159,500	19,134	14,524	(4,610)	0.33	0.29	0.38
The Searle Company Limited	190,370	236,181	-	250,370	176,181	35,609	43,522	7,913	0.98	0.07	1.13
									2.33	0.51	2.69
<b>Food &amp; Personal Care Products</b>											
Al-Shaheer Corporation Limited	7,709	7,709	837	7,709	8,546	97	130	34	-	-	-
The Organic Meat Company Limited	-	150,000	-	150,000	-	-	-	-	-	-	-
Al Tahur Limited	70,742	70,742	7,074	148,558	-	-	-	-	-	-	-
									-	-	-
<b>Power Generation &amp; Distribution</b>											
K-Electric Limited (note 6.1.1.1)	11,155,000	11,710,500	-	15,583,000	7,282,500	22,395	28,984	6,589	0.65	0.03	0.75
The Hub Power Company Limited	1,966,713	2,806,713	-	3,627,404	1,146,022	93,678	92,988	(690)	2.09	0.09	2.41
									2.74	0.12	3.16
<b>Real Estate Investment Trust</b>											
Dolmen City REIT	1,909,000	1,909,000	-	1,909,000	1,909,000	20,789	19,166	(1,623)	0.43	0.09	0.50
<b>Refinery</b>											
Attock Refinery Limited	-	170,000	-	137,000	33,000	8,397	8,428	31	0.19	0.03	0.22
National Refinery Ltd	-	10,400	-	10,400	-	-	-	-	-	-	-
									0.19	0.03	0.22
<b>Textile composite</b>											
Nishat Mills Limited	270,600	510,600	-	270,600	-	46,248	47,241	992	1.06	0.15	1.23
Feroze1888 Mills Limited	263,300	278,300	-	473,800	-	5,779	6,863	1,084	0.15	0.02	0.18
									1.21	0.17	1.41

Name of the investee company	As at July 1, 2020	Purchases during the period	Right / Bonus issue	Sales during the period	As at March 31, 2021	Carrying value as at March 31, 2021	Market value as at March 31, 2021	Unrealised gain / (loss) as at March 31, 2021	Percentage in relation to		
									Net Assets of the Fund	Paid-up-Capital of the investee company (with face value of investments)	Total market value of investments
----- Number of shares -----					----- (Rupees in '000) -----			----- % -----			
<b>Engineering</b>											
Agha Steels Industries Limited	-	1,287,968	-	775,484	512,484	16,482	15,826	(656)	0.35	0.09	0.41
International Industries Limited	93,720	153,720	-	115,720	131,720	15,520	26,762	11,241	0.60	0.10	0.69
International Steel Limited	280,000	280,000	-	410,000	150,000	7,748	12,837	5,090	0.29	0.03	0.33
K.S.B. Pumps Company Limited	5,000	5,000	-	5,000	5,000	720	1,195	475	0.03	0.04	0.03
Mughal Iron and Steel Industries Limited	75,000	455,000	-	175,000	355,000	28,113	33,043	4,930	0.74	0.14	0.86
									<b>2.01</b>	<b>0.40</b>	<b>2.33</b>
<b>Vanaspati &amp; Allied Industries</b>											
Unity Foods Limited	-	1,738,000	-	930,000	808,000	19,003	24,030	5,027	0.54	0.08	0.62
<b>Glass &amp; Ceramics</b>											
Tariq Glass Industries	25,000	25,000	-	50,000	-	-	-	-	-	-	-
Shabbir Tiles and Ceramics Limited (note 6.1.1.1)	-	675,000	-	-	675,000	16,668	15,944	(724)	0.36	0.21	0.41
Ghani Global Glass Limited	-	381,500	534,100	915,600	-	-	-	-	-	-	-
									<b>0.36</b>	<b>0.21</b>	<b>0.41</b>
<b>Textiles and Apparel</b>											
Interloop Limited	1,109,222	1,109,222	-	1,304,222	914,222	40,153	60,448	20,296	1.36	0.10	1.57
<b>Right Shares</b>											
<b>Food &amp; Personal Care Products</b>											
AI - Shaheer Corporation Limited	-	-	837	837	-	-	-	-	-	-	-
<b>Glass &amp; Ceramics</b>											
Ghani Global Glass Limited	-	-	534,100	534,100	-	-	-	-	-	-	-
<b>Engineering</b>											
Mughal Iron Rights	-	-	56,800	-	56,800	-	1,285	1,285	0.03	0.14	0.03
<b>March 31, 2021</b>					<b>27,705,584</b>	<b>1,780,810</b>	<b>2,169,111</b>	<b>388,302</b>	<b>56.22</b>		
<b>June 30, 2020</b>						<b>1,846,375</b>	<b>1,897,643</b>	<b>51,268</b>			

6.1.1.1 All shares have a nominal value of Rs. 10 each except for the shares of K-Electric Limited which have a nominal value of Rs. 3.50 each and Agriauto Industries limited, Dynea Pakistan Limited and Shabbir Tiles and Ceramics Limited having a nominal value of Rs. 5 each.

6.1.1.2 Investments include 150,000 shares of Engro Corporation Limited, having market value of Rs 41.598 million as at March 31, 2021 (June 30, 2020: Rs. 43.938 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

6.1.1.3 As at March 31, 2021, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 6.198 million (June 30, 2020: 4.701 million).

## 6.1.2 Sukuk certificates

### 6.1.2.1 Corporate sukus

Name of the investee company	Maturity	Profit rate	As at July 1, 2020	Purchases during the period	Sales / Redemptions / matured during the period	As at March 31, 2021	Carrying value as at March 31, 2021*	Market value as at March 31, 2021*	Unrealised gain / (loss) as at March 31, 2021	Percentage in relation	
										Net Assets of the Fund	Total market value of investments
										-----Number of certificates-----	
<b>Secured</b>											
K Electric Limited - (7 years) (AA+, VIS, non-traded)	June 17, 2022	3 months KIBOR plus base rate of 1%	70,003	-	10,000	60,003	75,941	75,716	(225)	1.71	1.96

Name of the investee company	Maturity	Profit rate	As at July 1, 2020	Purchases during the period	Sales / Redemptions / matured during the period	As at March 31, 2021	Carrying value as at March 31, 2021*	Market value as at March 31, 2021*	Unrealised gain / (loss) as at March 31, 2021	Percentage in relation	
			Number of certificates			(Rupees in '000)				Net Assets of the Fund	Total market value of investments
Security Leasing Corporation Limited II * (non-traded)	January 19, 2022	N/A	1,540	-	-	1,540	-	-	-	-	-
Eden Housing Limited * (note 6.1.2.1.1) (non-traded)	September 29, 2014	N/A	5,000	-	-	5,000	-	-	-	-	-
Arzoo Textile Mills Limited * (non-traded)	April 15, 2014	N/A	5,000	-	-	5,000	-	-	-	-	-
Hascor Petroleum Limited - Sukuk (D, VIS, non-traded)	January 7, 2022	3 months KIBOR plus base rate of 1.50%	17,500	-	7,500	10,000	49,382	37,500	(11,882)	0.85	0.97
Dubai Islamic Bank Pakistan Limited - Sukuk (AA-, VIS, non-traded) (note 6.1.2.1.1)	July 14, 2027	6 months KIBOR plus base rate of 0.50%	141	-	-	141	144,699	144,943	244	3.28	3.76
International Brands Limited (AA, VIS, non-traded) (note 6.1.2.1.1)	November 15, 2021	3 months KIBOR plus base rate of 0.50%	650	-	-	650	33,970	34,263	293	0.78	0.89
K-Electric Limited (sukuk 5) (AA+, VIS, non-traded)	December 27, 2026	3 months KIBOR plus base rate of 1.70%	40,000	90,000	80,000	50,000	252,500	252,750	250	5.72	6.56
Meezan Bank Limited (AA, VIS, non-traded) (note 6.1.2.1.1)	September 22, 2026	6 months KIBOR plus base rate of 0.5%	80	-	-	80	82,000	82,612	612	1.87	2.14
Shakarganj Food Products Limited (BBB+, VIS, non-traded) (note 6.1.2.1.1)	July 10, 2024	3 months KIBOR plus base rate of 1.75%	82	-	-	82	69,700	69,928	228	1.58	1.81
Javedan Corporation Limited (AA-, VIS, non-traded) (note 6.1.2.1.1)	October 4, 2026	6 months KIBOR plus base rate of 1.75%	750	-	-	750	74,998	74,250	(748)	1.68	1.93
Agha Steel Industries Limited (A, VIS, non-traded) (note 6.1.2.1.1)	October 9, 2024	3 months KIBOR plus base rate of 0.80%	100	-	-	100	100,000	99,911	(89)	2.26	2.59
Engro Polymer and Chemicals Limited (AA, PACRA, traded) (note 6.1.2.1.1)	July 11, 2026	3 months KIBOR plus base rate of 0.90%	78	-	78	-	-	-	-	-	-
Hub Power Company Limited (AA+, PACRA, non-traded)	March 19, 2024	1 year KIBOR plus base rate of 1.90%	500	-	200	300	30,000	30,660	660	0.69	0.80
Neelum Jhelum Hydropower Company (Private) Limited (AAA, VIS, non-traded)	June 29, 2026	6 months KIBOR plus base rate of 1.13%	230	-	-	230	16,216	16,287	71	0.37	0.42
Hub Power Holdings Limited (AA+, PACRA, traded)	November 12, 2025	6 months KIBOR plus base rate of 2.50%	-	2,000	-	2,000	164,917	164,917	-	3.73	4.28
AGP Limited (A+, PACRA, non-traded) (note 6.1.2.1.1)	June 9, 2022	3 months KIBOR plus base rate of 1.3%	405	-	-	405	10,140	10,223	83	0.23	0.27
<b>Total</b>	<b>March 31, 2021</b>						<b>1,104,463</b>	<b>1,093,960</b>	<b>(10,503)</b>		<b>28.38</b>
<b>Total</b>	<b>June 30, 2020</b>						<b>1,032,833</b>	<b>1,037,402</b>	<b>4,569</b>		

\* In case of debt securities against which provision has been made, these are carried at carrying value less provision.

**6.1.2.1.1** The nominal value of these sukuk certificates is Rs 5,000 each except for the sukuk certificates of Dubai Islamic Bank Pakistan Limited, Eden Housing Limited, International Brands Limited, Meezan Bank Limited, Shakarganj Food Products Limited, AGP Limited, Javedan Corporation Limited, Agha Steel Industries Limited and Engro Polymer and Chemicals Limited having nominal value of Rs 1,000,000, Rs 984,375, Rs 100,000, Rs. 1,000,000, Rs. 1,000,000, Rs. 100,000, Rs. 100,000 Rs. 1,000,000 and Rs. 100,000 respectively.

**6.1.2.1.2 Details of non-compliant investments with the investment criteria of the assigned category**

The Securities and Exchange Commission (SECP), vide its circular no. 16 dated July 7, 2010 prescribed certain disclosures for the schemes holding investments that were non-compliant either with the minimum investment criteria specified for the category assigned to such schemes or with the investment requirement of their constitutive documents. The SECP vide circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. Al Meezan Investment Management Limited (the Management Company) classified Meezan Balanced Fund as a 'Balanced Scheme' in accordance with the said circular. As at March 31, 2021, the Fund is compliant with all the requirements of the said circular except clause 2(iv) which requires the rating of any debt security in the portfolio shall not be lower than A- (A Minus). During the period, Hascol Petroleum Limited Sukuk downgraded by VIS to D rating (non-investment grade) due to failure to make the due installment payment. Consequently, as per the regulatory requirement, the sukuk has been valued at a discount to 25% to its face value by MUFAP on March 31, 2021. Following investments of the Funds are in sukuk which are below 'investment grade' securities. At the time of investment, these were compliant as per SECP criteria and the investment policy of the Fund.

Name of the investee company	Type of investments	Value of investments before provision	Provision held as at March 31, 2021	Value of investments after provision	Percentage of net assets	Percentage of total assets
				(Rupees in '000)	-----%	
Arzoo Textile Mills Limited	Non-traded sukuk certificates	25,000	25,000	-	-	-
Eden Housing Limited	Non-traded sukuk certificates	4,922	4,922	-	-	-
Security Leasing Corporation Limited II	Non-traded sukuk certificates	7,701	7,701	-	-	-
Hascol Petroleum Limited	Non-traded sukuk certificates	37,500	-	37,500	0.84	0.82
Shakarganj Food Products Limited	Non-traded sukuk certificates	69,928	-	69,928	1.57	1.52
		<b>145,051</b>	<b>37,623</b>	<b>107,428</b>		

**6.1.2.2 Government securities - GOP Ijarah Sukuk**

Name of the Security	Maturity date	Profit rate	As at July 1, 2020	Purchases during the period	Sales / matured during the period	As at March 31, 2021	Carrying value as at March 31, 2021	Market value as at March 31, 2021	Unrealised gain / (loss) as at March 31, 2021	Percentage in relation	
			(Number of certificates)			(Rupees in '000)			%		
GoP Ijarah Sukuk Certificates - XX (Note 6.1.2.2.2)	April 30, 2025	Weighted Average 6 months T-Bills	1,870	2,500	1,870	2,500	239,175	240,950	1,775	5.40	6.25
GoP Ijarah Sukuk Certificates - XXI (Note 6.1.2.2.2)	May 29, 2025	Weighted Average 6 months T-Bills	1,500	-	-	1,500	150,405	150,405	-	3.37	3.90
GoP Ijarah Sukuk Certificates - XXIII VRR (Note 6.1.2.2.2)	July 29, 2025	Weighted Average 6 months T-Bills	-	2,000	2,000	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XXIII FRR (Note 6.1.2.2.2)	July 29, 2025	Weighted Average 6 months T-Bills	-	500	500	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XXIV (Note 6.1.2.2.2)	December 09, 2025	Weighted Average 6 months T-Bills	-	3,000	1,000	2,000	200,120	200,800	680	4.50	5.21
Total as at March 31, 2021							589,700	592,155	2,455	15.36	
Total as at June 30, 2020							337,019	331,795	(5,224)		

**6.1.2.2.2** The nominal value of GoP Ijarah Sukuk certificates is Rs 100,000 each.

**7 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at March 31, 2021 and June 30, 2020.

		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
		(Rupees in '000)	
<b>8</b>	<b>PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - THE MANAGEMENT COMPANY</b>		
	Management fee payable	7,759	887
	Sindh Sales Tax payable on remuneration of the Management Company	1,009	116
	Sales load payable	443	206
	SST on sales load payable	58	27
	Selling and marketing expenses payable	6,117	3,910
	Allocated expenses payable	416	327
		<u>15,802</u>	<u>5,473</u>

**8.1** As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 2% (June 2020: 2%) per annum of the average net assets of the Fund during the period. The remuneration is payable to the Management Company monthly in arrears.

**8.2** In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The management company based on its own discretion charged 0.10% of the average annual net assets of the scheme for allocation of such expenses to the Fund from July 01, 2020 till March 09, 2021. From March 10, 2021, the Management Company has decided to charge allocation of such expenses at 0.11% per annum of the average annual net assets of the scheme.

**8.3** In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company based on its own discretion charged selling and marketing expense at 0.4% per annum of the average annual net assets of the Fund from July 01, 2020 till March 09, 2021. From March 10, 2021, the Management Company has decided to charge selling and marketing expense at 1% per annum of the average annual net assets of the Fund.

	Note	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
		(Rupees in '000)	
<b>9</b>	<b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
	Withholding tax payable	244	24,614
	Capital gain tax payable	1,245	-
	Provision for Sindh Workers' Welfare Fund (SWWF)	58,534	46,251
	Provision for Federal Excise Duty and related Sindh Sales Tax on Management Fee	31,961	31,961
	Provision for Federal Excise Duty and related Sindh Sales Tax on Sales load	6,838	6,838
	Brokerage expenses payable	1,831	2,165
	Charity payable	4,013	4,858
	Shariah advisory fee	53	218
	Auditors' remuneration payable	270	371
	Zakat payable	38	156
		<u>105,027</u>	<u>117,432</u>

**9.1** The status of Sindh Workers' Welfare Fund is same as disclosed in financial statement for the year ended June 30, 2020. Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund for the period from May 21, 2015 to March 31, 2021, the net asset value per unit of the Fund as at March 31, 2021 would have been higher by Re 0.21 (June 30, 2020: Re 0.16).

**9.2** The status of provision of Federal Excise Duty is same as disclosed in financial statement for the year ended June 30, 2020. Had the provision not been made, the NAV per unit of the Fund as at September 30, 2020 would have been higher by Re 0.14 (June 30, 2020: Re 0.14) per unit.

## **10 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES**

Connected persons include Al Meezan Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, directors and executives of the Management Company, other funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company and Al Meezan Investment Management Limited - Employees Gratuity Fund and unitholders holding 10 percent or more units of the Fund's net assets.



Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

Remuneration payable to the Management Company and the trustee is determined in accordance with the provisions of the NBFC Rules, the NBFC Regulations and the Trust Deed respectively.

Details of transactions with connected persons and balances with them are as follows:

	March 31, 2021 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited) (Rupees in '000)
<b>Al Meezan Investment Management Limited - the Management Company</b>		
Remuneration payable	7,759	887
Sales load payable	443	206
Allocated expenses payable	416	327
Sindh Sales Tax on management fee payable	1,009	116
Sindh Sales Tax on sales load payable \	58	27
Selling and Marketing expenses payable	6,117	3,910
Investment of 947,787 units (June 30, 2020: 947,787 units)	15,000	12,998
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	473	405
Sindh Sales Tax on trustee fee payable	62	53
Security deposit	300	300
<b>Meezan Bank Limited</b>		
Bank balance	17,832	28,381
Sales load payable	48	67
Sindh Sales Tax on sales load payable	6	9
Shariah advisory fee payable	53	218
Investment in 988,773 shares (June 30, 2020: 933,885 shares)	111,909	64,298
Investment in 80 sukuk certificates (June 30, 2020: 80 sukuk certificates)	82,612	82,000
Investment of 18,886,746 units (June 30, 2020: 18,886,746 units)	298,907	259,005
<b>Al Meezan Investment Management Limited - Employees Gratuity Fund</b>		
Investment of 473,186 units (June 30, 2020: 473,186 units)	7,489	6,489
<b>Directors and Executives of the Management Company</b>		
Investment of 6,565,212 units (June 30, 2020: 6,601,536 units)	103,903	90,531
<b>For the nine months period ended March 31</b>		
	2021	2020
	(Unaudited)	
	(Rupees in '000)	
<b>Transactions during the period</b>		
<b>Al Meezan Investment Management Limited - the Management Company</b>		
Remuneration for the period	65,732	69,949
Sindh Sales Tax on management fee	8,545	9,093
Selling and Marketing expenses	14,781	13,990
Allocated expenses	3,314	3,497
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Remuneration for the period	4,036	4,249
Sindh Sales Tax on trustee fee	525	552
CDS charges	127	92

**Meezan Bank Limited**

Profit on saving account

Shares sold: 98,500 shares (March 31, 2020: 173,000)

Shares purchased: 60,000 shares (March 31, 2020: nil)

Bonus shares: 93,388 shares (March 31, 2020: nil)

Profit on sukuk certificates

Sukuks sold: nil (March 31, 2020: 120 sukuks)

Dividend income

331	3,689
10,597	16,160
4,837	-
-	-
5,486	17,174
-	119,780
6,327	4,506

**Directors and Executives of the Management Company**

Units issued: 39,427 units (March 31, 2020: 8,372 units)

Units redeemed: 75,751 units (March 31, 2020: 169,878 units)

602	121
1,198	2,275

**11 TOTAL EXPENSE RATIO**

The Total Expense Ratio (TER) of the Fund for the period ended March 31, 2021 is 3.46% which include 0.59% representing government levy and SECP fee.

**12 TAXATION**

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute atleast 90 percent of the net accounting income other than capital gains to the unitholders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2021 as reduced by capital gains (whether realised or unrealised) to its unit holders.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

**13 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 Fund 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.

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

**13.1 Fair value hierarchy**

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets 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: Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities.
- Level 2: Fair value measurements using 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 3: Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at March 31, 2021 and June 30, 2020, the Fund held the following financial instruments measured at fair value:

	As at March 31, 2021			
	Level 1	Level 2	Level 3	Total
<b>ASSETS</b>	(Rupees in '000)			

**Financial assets 'at fair value through profit or loss'**

Shares of listed companies - 'ordinary shares'	2,169,111	-	-	2,169,111
Sukuk certificates	-	1,686,115	-	1,686,115

As at June 30, 2020			
Level 1	Level 2	Level 3	Total
(Rupees in '000)			

#### ASSETS

##### Financial assets 'at fair value through profit or loss'

Shares of listed companies - 'ordinary shares'	1,897,643	-	-	1,897,643
Sukuk certificates	-	1,369,197	-	1,369,197

#### 14 GENERAL

- 14.1 The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The Securities and Exchange Commission of Pakistan (SECP) had provided certain relaxations to the asset management companies operating in Pakistan for a specific period. Presently, the time period for classification of a debt security to non-performing category has been extended from 15 days to 180 days as per the requirements of Annexure-II of Circular 33 of 2012 till March 31, 2021.

- 14.2 Figures have been rounded off to the nearest thousand rupees.

#### 15 DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on April 12, 2021 by the Board of Directors of the Management Company.

**For Al Meezan Investment Management Limited  
(Management Company)**

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Chief Financial Officer

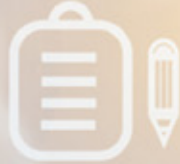
\_\_\_\_\_  
Director





**Meezan**  
Asset Allocation Fund

**CFA**



## Meezan Asset Allocation Fund (MAAF)

Meezan Asset Allocation Fund (MAAF) is a Shariah compliant Asset Allocation Scheme. It is designed to help investors build wealth by long-term capital appreciation, diversification across asset classes and the flexibility to change investment portfolio exposure as per the outlook.

- **FIRST AMC IN PAKISTAN**  
TO VOLUNTARILY **ADOPT AND IMPLEMENT**  
THE ASSET MANAGER **CODE OF PROFESSIONAL CONDUCT**  
SET FORTH BY **CFA INSTITUTE**





# FUND INFORMATION

## MANAGEMENT COMPANY

Al Meezan Investment Management Limited  
Ground Floor, Block "B", Finance & Trade Centre,  
Shahrah-e-Faisal Karachi 74400, Pakistan.  
Phone (+9221) 35630722-6, 111-MEEZAN  
Fax: (+9221) 35676143, 35630808  
Website: [www.almeezangroup.com](http://www.almeezangroup.com)  
E-mail: [info@almeezangroup.com](mailto:info@almeezangroup.com)

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Mr. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Moin M. Fudda	Nominee Director - MBL
Mr. Furquan R Kidwai	Independent Director
Mr. Mubashar Maqbool	Nominee Director – PKIC
Mr. Tariq Mairaj	Nominee Director - MBL
Mr. Naeem Sattar	Nominee Director - PKIC
Mr. Feroz Rizvi	Independent Director
Ms. Danish Zuberi	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer

## CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

## AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Naeem Sattar	Member

## RISK MANAGEMENT COMMITTEE

Mr. Mubashar Maqbool	Chairman
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member

## HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Mubashar Maqbool	Member
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member
Mr. Mohammad Shoaib, CFA	Member

## TRUSTEE

Central Depository Company of Pakistan Limited  
CDC House, 99-B, Block B, S.M.C.H.S., Main Sharah-e-Faisal Karachi.

## AUDITORS

A. F. Ferguson & Co.  
Chartered Accountants  
State Life Building# 1-C,  
I.I. Chundrigar Road , Karachi-74000

## SHARIAH ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

Al Baraka Islamic Bank B.S.C (E.C)  
Bank Al Habib Limited - Islamic Banking  
Bank Islami Pakistan Limited  
Habib Metropolitan Bank Limited - Islamic Banking  
Meezan Bank Limited  
Dubai Islamic Bank Pakistan Limited

## LEGAL ADVISER

Bawaney & Partners  
3rd & 4th Floor, 68-C, Lane-13, Bokhari Commercial Area,  
Phase VI, DHA, Karachi.  
Phone (+9221) 35156191-94 Fax: (+9221) 35156195  
E-mail:

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited



**MEEZAN ASSET ALLOCATION FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT MARCH 31, 2021**

		<b>March 31, 2021 (Unaudited) (Rupees in '000)</b>	<b>June 30, 2020 (Audited)</b>
	<b>Note</b>		
<b>Assets</b>			
Balances with banks	5	250,903	245,253
Investments	6	1,416,711	1,127,264
Receivable against conversion of units		1,521	3,313
Receivable against sale of investments		24,902	3,462
Dividend receivable		3,429	2,711
Advances, deposits and other receivables		5,853	6,170
Preliminary expenses and floatation costs		10	145
<b>Total assets</b>		<b>1,703,329</b>	<b>1,388,318</b>
<b>Liabilities</b>			
Payable to Al Meezan Investment Management Limited - the Management Company	8	4,820	3,404
Payable to Central Depository Company of Pakistan Limited - the Trustee		226	191
Payable to the Securities and Exchange Commission of Pakistan		230	311
Payable to Meezan Bank Limited		7	36
Payable against redemption and conversion of units		9,237	13,080
Payable against purchase of investments		17,637	3,294
Dividend payable		-	4,236
Accrued expenses and other liabilities	7	25,681	24,464
<b>Total liabilities</b>		<b>57,838</b>	<b>49,016</b>
<b>Net assets</b>		<b>1,645,491</b>	<b>1,339,302</b>
<b>Contingencies and commitments</b>	9		
<b>Unit holders' fund (as per statement attached)</b>		<b>1,645,491</b>	<b>1,339,302</b>
		<b>(Number of units)</b>	
<b>Number of units in issue</b>		<b>35,675,866</b>	<b>36,598,971</b>
		<b>(Rupees)</b>	
<b>Net asset value per unit</b>		<b>46.1234</b>	<b>36.5940</b>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For Al Meezan Investment Management Limited**  
**(Management Company)**

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director



**MEEZAN ASSET ALLOCATION FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021**

		Nine months period ended		Quarter ended		
		March 31,		March 31,		
		2021	2020	2021	2020	
Note		(Rupees in '000)		(Rupees in '000)		
<b>Income</b>						
	Net realised gain on sale of investments	191,738	32,056	134,749	14,966	
	Dividend income	41,441	54,780	13,418	7,869	
	Profit on saving accounts with banks	10,341	26,198	2,575	7,911	
		<u>243,520</u>	<u>113,034</u>	<u>150,742</u>	<u>30,746</u>	
	Net unrealised appreciation / (diminution) on re-measurement of investments classified 'as financial assets at fair value through profit or loss'	6.1	143,824	(186,263)	(107,890)	(428,585)
	<b>Total income / (loss)</b>		<u>387,344</u>	<u>(73,229)</u>	<u>42,852</u>	<u>(397,839)</u>
<b>Expenses</b>						
	Remuneration of AI Meezan Investment Management Limited - the Management Company	8.1	17,284	18,100	6,055	5,606
	Sindh Sales Tax on remuneration of the Management Company		2,247	2,353	787	729
	Allocated expenses	8.2	1,162	1,207	413	374
	Selling and marketing expenses	8.3	5,185	4,827	2,191	1,495
	Remuneration of Central Depository Company of Pakistan Limited - the Trustee		1,903	1,958	650	622
	Sindh Sales Tax on remuneration of the Trustee		247	255	84	81
	Annual fee to the Securities and Exchange Commission of Pakistan		230	245	80	75
	Auditors' remuneration		263	261	60	60
	Brokerage expenses		5,869	2,330	3,247	1,023
	Charity expense		947	1,462	109	234
	Bank and settlement charges		514	488	296	139
	Amortisation of preliminary expenses and floatation costs		135	136	44	45
	Fees and subscription		451	398	151	117
	Provision for Sindh Worker's Welfare Fund (SWWF)	7.1	7,018	-	574	(6,024)
	<b>Total expenses</b>		<u>43,455</u>	<u>34,020</u>	<u>14,741</u>	<u>4,576</u>
	<b>Net income / (loss) for the period before taxation</b>		<u>343,889</u>	<u>(107,249)</u>	<u>28,111</u>	<u>(402,415)</u>
	Taxation	11				
	<b>Net income / (loss) for the period after taxation</b>		<u>343,889</u>	<u>(107,249)</u>	<u>28,111</u>	<u>(402,415)</u>
<b>Allocation of net income for the period</b>						
	Net income for the period after taxation		343,889	-		
	Income already paid on units redeemed		(65,045)	-		
			<u>278,844</u>	<u>-</u>		
<b>Accounting income available for distribution</b>						
	- Relating to capital gains		278,844	-		
	- Excluding capital gains		-	-		
			<u>278,844</u>	<u>-</u>		

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For AI Meezan Investment Management Limited**  
**(Management Company)**

Chief Executive

Chief Financial Officer

Director

**MEEZAN ASSET ALLOCATION FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021**



**Meezan**  
 Asset Allocation Fund

	Nine months period March 31,		Quarter ended, March 31,	
	2021	2020	2021	2020
	(Rupees in '000)		(Rupees in '000)	
<b>Net income / (loss) for the period after taxation</b>	343,889	(107,249)	28,111	(402,415)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>343,889</u>	<u>(107,249)</u>	<u>28,111</u>	<u>(402,415)</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For AI Meezan Investment Management Limited**  
**(Management Company)**

\_\_\_\_\_  
 Chief Executive

\_\_\_\_\_  
 Chief Financial Officer

\_\_\_\_\_  
 Director

**MEEZAN ASSET ALLOCATION FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

	Nine months period ended March 31, 2021			Nine months period ended March 31, 2020		
	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total
	----- Rupees in 000-----			----- Rupees in 000-----		
<b>Net assets at the beginning of the period</b>	2,270,614	(931,312)	1,339,302	2,862,681	(1,008,670)	1,854,011
Issuance of 21,917,384 units (2020: 3,315,827 units)						
- Capital value (at net asset value per unit at the beginning of the period)	802,045	-	802,045	117,489	-	117,489
- Element of income	177,860	-	177,860	12,615	-	12,615
Total proceeds on issuance of units	979,905	-	979,905	130,104	-	130,104
Redemption of 22,840,489 units (2020: 19,997,538 units)						
- Capital value (at net asset value per unit at the beginning of the period)	835,825	-	835,825	708,569	-	708,569
- Element of loss	116,735	65,045	181,780	50,005	-	50,005
Total payments on redemption of units	952,560	65,045	1,017,605	758,574	-	758,574
Total comprehensive income for the period	-	343,889	343,889	-	(107,249)	(107,249)
Distribution during the period	-	-	-	-	-	-
Net income / (loss) for the period less distribution	-	343,889	343,889	-	(107,249)	(107,249)
<b>Net assets at the end of the period</b>	<u>2,297,959</u>	<u>(652,468)</u>	<u>1,645,491</u>	<u>2,234,211</u>	<u>(1,115,919)</u>	<u>1,118,292</u>
Accumulated loss brought forward						
- Realised loss		(982,342)			(593,083)	
- Unrealised income / (loss)		51,030			(415,587)	
		<u>(931,312)</u>			<u>(1,008,670)</u>	
Net loss for the period after taxation		-			(107,249)	
Accounting income available for distribution						
- Relating to capital gains		278,844			-	
- Excluding capital gains		-			-	
		<u>278,844</u>			<u>-</u>	
Accumulated loss carried forward		<u>(652,468)</u>			<u>(1,115,919)</u>	
Accumulated loss carried forward						
- Realised loss		(796,292)			(929,656)	
- Unrealised gain / (loss)		143,824			(186,263)	
		<u>(652,468)</u>			<u>(1,115,919)</u>	
		(Rupees)			(Rupees)	
Net assets value per unit at the beginning of the period		<u>36.5940</u>			<u>35.4328</u>	
Net assets value per unit at the end of the period		<u>46.1234</u>			<u>31.3747</u>	

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For Al Meezan Investment Management Limited**  
**(Management Company)**

Chief Executive

Chief Financial Officer

Director

**MEEZAN ASSET ALLOCATION FUND**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**



		Nine months period ended March 31,	
		2021	2020
	Note	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income / (loss) for the period before taxation		343,889	(107,249)
<b>Adjustments for:</b>			
Amortisation of preliminary expenses and floatation costs		135	136
Net unrealised (appreciation) / diminution on re-measurement of investments classified 'as financial assets at fair value through profit or loss'	6.1	(143,824)	186,263
		<u>200,200</u>	<u>79,150</u>
<b>(Increase) / decrease in assets</b>			
Investments		(145,623)	263,429
Receivable against sale of investments		(21,440)	-
Dividend receivable		(718)	(703)
Advances, deposits and other receivables		317	2,376
		<u>(167,463)</u>	<u>265,102</u>
<b>Increase / (Decrease) in liabilities</b>			
Payable to Al Meezan Investment Management Limited - the Management Company		1,416	(1,387)
Payable to Central Depository Company of Pakistan Limited - the Trustee		35	(341)
Payable to the Securities and Exchange Commission of Pakistan		(81)	(2,135)
Payable to Meezan Bank Limited		(29)	(34)
Dividend payable		(4,236)	-
Payable against purchase of investments		14,343	-
Accrued expenses and other liabilities		1,217	2,566
		<u>12,665</u>	<u>(1,331)</u>
<b>Net cash generated from operating activities</b>		<u>45,401</u>	<u>342,921</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts against issuance and conversion of units		981,697	127,682
Payment against redemption and conversion of units		(1,021,448)	(762,955)
<b>Net cash used in financing activities</b>		<u>(39,751)</u>	<u>(635,273)</u>
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>		<u>5,650</u>	<u>(292,352)</u>
Cash and cash equivalents at the beginning of the period		245,253	421,539
<b>Cash and cash equivalents at the end of the period</b>	5	<u>250,903</u>	<u>129,187</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For Al Meezan Investment Management Limited**  
**(Management Company)**

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**MEEZAN ASSET ALLOCATION FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** Meezan Asset Allocation Fund (the Fund) was established under a trust deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The trust deed was executed on November 25, 2015 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) on November 16, 2015. The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The objective of the Fund is to earn potentially high return through asset allocation between Shariah Compliant Equity Instruments, Shariah Compliant Fixed Income Instruments, Shariah Compliant Money Market Instruments and any other Shariah Compliant instruments as permitted by the SECP and the Shariah Advisor. Meezan Bank Limited acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3** The Fund is an open-end Shariah Compliant Asset Allocation Scheme. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.4** The Management Company has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 31, 2020 (2019: AM1 dated December 31, 2019) and by PACRA dated June 26, 2020 (2019: AM1 dated December 28, 2019). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.5** Title to the assets of the Fund are held in the name of CDC as the Trustee of the Fund.

**2. BASIS OF PRESENTATION**

The transactions undertaken by the Fund in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor are accounted for on substance rather than the form prescribed by the aforementioned guidelines. This practice is being followed to comply with the requirements of the accounting and reporting standards as applicable in Pakistan.

**3. BASIS OF PREPARATION**

**3.1 STATEMENT OF COMPLIANCE**

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

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

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2020.

These condensed interim financial statements are unaudited. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at March 31, 2021.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT

- 4.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2020.
- 4.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2020. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2020.
- 4.3 There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2020. However, these do not have any impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

5. BALANCES WITH BANKS	Note	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
		(Rupees in '000)	
In saving accounts	5.1	248,195	241,399
In current accounts		2,708	3,854
		<u>250,903</u>	<u>245,253</u>

- 5.1 The balance in saving accounts have an expected profit ranging from 2.50% to 7.00% per annum (June 30, 2020: 1.50% to 7.50% per annum).

6. INVESTMENTS	Note	March 31, 2021 (Un-audited)	June 30, 2020 (Audited)
		(Rupees in '000)	
<b>Investments at 'fair value through profit or loss'</b>			
Shares of listed companies 'ordinary shares'	6.1	<u>1,416,711</u>	<u>1,127,264</u>



## 6.1 Shares of listed companies 'ordinary shares'

Name of the investee company	As at July 1, 2020	Purchases during the period	Bonus / right issue	Sales during the period	As at March 31, 2021	Carrying value as at March 31, 2021	Market value as at March 31, 2021	Unrealised gain / (loss) as at March 31, 2021	Percentage in relation to		
									Net assets of the Fund	Paid-up capital of investee company (with face value of investment)	Total market value of investments
(Number of shares)						(Rupees in '000)			%		
Sectors/ Companies											
Automobile Assembler											
Honda Atlas Cars (Pakistan) Limited	100	-	-	100	-	-	-	-	-	-	-
Indus Motor Company Limited	7,960	-	-	7,960	-	-	-	-	-	-	-
Millat Tractors Limited (note 6.1.2)	2,000	25,100	2,512	7,000	22,612	19,961	24,868	4,906	1.51	0.04	1.76
Pak Suzuki Motor Company Limited	-	118,000	-	-	118,000	33,864	37,156	3,292	2.26	0.14	2.62
									3.77	0.18	4.38
Automobile Parts & Accessories											
Agriauto Industries Limited (note 6.1.1)	40,000	-	-	40,000	-	-	-	-	-	-	-
Panther Tyres Limited	-	292,345	-	-	292,345	19,416	18,842	(575)	1.15	0.21	1.33
									1.15	0.21	1.33
Cable & Electrical Goods											
Pak Elektron Limited	-	1,090,000	-	1,090,000	-	-	-	-	-	-	-
Waves Singer Pakistan Limited	-	135,000	-	-	135,000	4,028	3,019	(1,010)	0.18	0.07	0.21
									0.18	0.07	0.21
Cement											
Attock Cement Pakistan Limited	-	81,200	-	-	81,200	14,999	13,779	(1,220)	0.84	0.06	0.97
Cherat Cement Company Limited	86,500	290,200	-	42,000	334,700	51,733	53,753	2,020	3.27	0.17	3.79
D.G. Khan Cement Company Limited	152,500	445,500	-	179,000	419,000	45,963	50,494	4,530	3.07	0.10	3.56
Fauji Cement Company Limited	199,500	1,435,000	-	1,634,500	-	-	-	-	-	-	-
Gharibwal Cement	-	131,500	-	-	131,500	5,489	5,423	(66)	0.33	0.03	0.38
Kohat Cement Company Limited	238,000	53,800	-	186,500	105,300	15,942	21,820	5,878	1.33	0.05	1.54
Lucky Cement Limited	184,549	35,500	-	112,500	107,549	60,316	87,931	27,615	5.34	0.03	6.21
Maple Leaf Cement Limited	375,707	1,657,000	-	780,000	1,252,707	51,355	56,121	4,766	3.41	0.11	3.96
Pioneer Cement Limited	500	-	-	-	500	32	61	29	0.00	0.00	0.00
Power Cement Limited	-	750,000	-	750,000	-	-	-	-	-	-	-
									17.59	0.56	20.41
Chemicals											
Dynea Pakistan Limited (note 6.1.1)	-	95,500	-	10,500	85,000	17,420	16,878	(542)	1.03	0.45	1.19
Engro Polymer & Chemicals Limited	546,261	1,065,000	-	515,000	1,096,261	45,000	60,283	15,284	3.66	0.12	4.26
Ghani Global Holdings Limited (note 6.2)	-	4,264,500	241,900	3,245,950	1,260,450	25,609	29,772	4,163	1.81	0.45	2.10
ICI Pakistan Limited	50,400	-	-	17,850	32,550	22,613	27,072	4,459	1.65	0.04	1.91
Ittehad Chemical Limited	100,000	207,500	-	100,000	207,500	8,615	7,150	(1,465)	0.43	0.24	0.50
Lotte Chemical Pakistan Limited	-	400,000	-	400,000	-	-	-	-	-	-	-
Nimir Resins Limited (note 6.1.1)	-	2,114,000	-	993,500	1,120,500	13,310	12,987	(324)	0.79	0.40	0.92
Sitara Chemical Limited	-	19,500	-	-	19,500	7,314	7,703	388	0.47	0.09	0.54
Sitara Peroxide Limited	149,000	-	-	149,000	-	-	-	-	-	-	-
									9.84	1.79	11.42
Commercial Banks											
Meezan Bank Limited (an associate of the Fund)	553,446	117,017	55,344	184,000	541,807	39,359	61,322	21,962	3.73	0.04	4.33
Bank Islami Pakistan Limited	170,000	1,656,000	-	968,500	857,500	10,673	10,084	(589)	0.61	0.08	0.71
									4.34	0.12	5.04
Engineering											
Agha Steel Industries Limited	-	1,302,000	-	811,000	491,000	17,912	15,162	(2,750)	0.92	0.09	1.07
International Industries Limited	68,200	296,000	-	171,000	193,200	35,076	39,252	4,177	2.39	0.15	2.77
International Steels Limited	125,000	338,000	-	203,000	260,000	21,271	22,251	980	1.35	0.06	1.57
Ittefaq Iron Industries Limited	-	250,000	-	250,000	-	-	-	-	-	-	-
Mughal Iron and Steel Industries Limited	-	949,000	-	373,500	575,500	47,619	53,568	5,949	3.26	0.23	3.78
									7.92	0.52	9.19
Fertilizer											
Engro Corporation Limited (note 6.1.2)	400,460	7,871	-	343,844	64,487	18,912	17,884	(1,028)	1.09	0.01	1.26
Engro Fertilizers Limited	782,000	608,348	-	1,232,000	158,348	10,688	9,881	(808)	0.60	0.01	0.70
Fatima Fertilizers Limited	52,500	-	-	52,500	-	-	-	-	-	-	-
									1.69	0.02	1.96

Name of the investee company	As at July 1, 2020	Purchases during the period	Bonus / right issue	Sales during the period	As at March 31, 2021	Carrying value as at March 31, 2021	Market value as at March 31, 2021	Unrealised gain / (loss) as at March 31, 2021	Percentage in relation to		
									Net assets of the Fund	Paid-up capital of investee company (with face value of investment)	Total market value of investments
									(Number of shares)		
<b>Food and Personal Care Products</b>											
Al-Shaheer Corporation Limited (note 6.2)	5,199	-	2,505	-	7,704	85	118	33	0.01	0.00	0.01
At-Tahur Limited	-	370,000	-	370,000	-	-	-	-	-	-	-
The Organic Meat Company Limited	-	430,000	-	430,000	-	-	-	-	-	-	-
									0.01	0.00	0.01
<b>Glass and Ceramics</b>											
Ghani Global Glass Limited	-	750,000	1,050,000	1,800,000	-	-	-	-	-	-	-
Shabbir Tiles and Ceramics Limited (note 6.1.1)	-	2,150,500	-	50,000	2,100,500	47,617	49,614	1,997	3.02	0.64	3.50
									3.02	0.64	3.50
<b>Miscellaneous</b>											
Siddiqsons Tin Plate Limited	-	957,500	-	957,500	-	-	-	-	-	-	-
Synthetic Products Enterprises Limited	-	90,000	4,050	94,050	-	-	-	-	-	-	-
Shifa International Hospital Limited	-	14,000	-	14,000	-	-	-	-	-	-	-
									-	-	-
<b>Oil and Gas Exploration Companies</b>											
Mari Petroleum Company Limited	91,552	-	-	61,860	29,692	36,719	45,467	8,749	2.76	0.02	3.21
Oil and Gas Development Company Limited (note 6.1.2)	945,300	300,500	-	944,150	301,650	32,395	30,651	(1,744)	1.86	0.01	2.16
Pakistan Oilfields Limited	150,550	52,372	-	136,255	66,667	24,823	25,326	504	1.54	0.02	1.79
Pakistan Petroleum Limited	856,428	398,000	-	909,000	345,428	31,086	30,166	(920)	1.83	0.01	2.13
									7.99	0.07	9.29
<b>Oil and Gas Marketing Companies</b>											
Attock Petroleum Limited	25,000	-	-	25,000	-	-	-	-	-	-	-
Hascol Petroleum Limited	1,555,610	200,000	-	1,755,610	-	-	-	-	-	-	-
Hi-Tech Lubricants Limited	50,000	435,000	-	485,000	-	-	-	-	-	-	-
Pakistan State Oil Company Limited	275,477	203,000	-	174,616	303,861	63,037	70,079	7,042	4.26	0.06	4.95
Shell Pakistan Limited	-	25,000	-	25,000	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	423,400	525,500	-	547,500	401,400	18,266	15,743	(2,523)	0.96	0.06	1.11
									5.22	0.13	6.06
<b>Paper and Board</b>											
Century Paper & Board Mills Limited (Note 6.2)	68,000	305,500	20,600	65,000	329,100	31,584	31,146	(438)	1.89	0.19	2.20
Packages Limited	52,150	4,000	-	3,050	53,100	18,642	26,856	8,215	1.63	0.06	1.90
Roshan Packages Limited	100,000	301,500	-	201,500	200,000	6,703	5,738	(965)	0.35	0.14	0.41
Security Paper Limited	-	90,500	-	-	90,500	16,533	11,991	(4,542)	0.73	0.15	0.85
									4.60	0.54	5.36
<b>Pharmaceuticals</b>											
Abbott Laboratories (Pakistan) Limited	50	-	-	-	50	33	36	3	0.00	0.00	0.00
AGP Limited	302,500	26,500	-	162,900	166,100	18,246	18,957	711	1.15	0.06	1.34
Ferozsons Laboratories Limited	-	50,800	-	-	50,800	16,164	15,466	(698)	0.94	0.14	1.09
GlaxoSmithKline Consumer Healthcare Limited	31,900	-	-	9,800	22,100	6,004	4,771	(1,233)	0.29	0.02	0.34
IBL Healthcare Limited	-	408,000	-	-	408,000	44,226	37,152	(7,074)	2.26	0.75	2.62
The Searle Company Limited (Note 6.2)	95,849	136,632	18,180	76,000	174,661	41,355	43,147	1,791	2.62	0.07	3.05
									7.26	1.05	8.44
<b>Power Generation and Distribution</b>											
K-Electric Limited (note 6.1.1)	4,179,500	500,000	-	2,600,000	2,079,500	6,565	8,276	1,712	0.50	0.01	0.58
The Hub Power Company Limited	1,178,797	855,000	-	1,663,000	370,797	31,484	30,086	(1,398)	1.83	0.03	2.12
									2.33	0.04	2.70
<b>Refinery</b>											
Attock Refinery Limited	-	472,000	-	402,000	70,000	16,973	17,877	904	1.09	0.07	1.26
National Refinery Limited	-	20,000	-	20,000	-	-	-	-	-	-	-
									1.09	0.07	1.26
<b>Technology and Communication</b>											
Avanceon Limited	110,000	537,500	-	428,000	219,500	15,738	19,397	3,660	1.18	0.10	1.37
Netsol Technologies Limited	-	65,000	-	65,000	-	-	-	-	-	-	-
Pakistan Telecommunication Company Limited	-	750,000	-	750,000	-	-	-	-	-	-	-
Systems Limited (note 6.2)	79,200	12,400	6,330	28,300	69,630	13,022	32,763	19,741	1.99	0.05	2.31
									3.17	0.15	3.68
<b>Textile Composite</b>											
Nishat Mills Limited	141,000	347,000	-	137,000	351,000	35,147	32,475	(2,673)	1.97	0.10	2.29
<b>Textile Weaving</b>											
Feroze1888 Mills Limited	134,500	-	-	-	28,500	2,331	2,885	554	0.18	0.01	0.20

Name of the investee company	As at July 1, 2020	Purchases during the period	Bonus / right issue	Sales during the period	As at March 31, 2021	Carrying value as at March 31, 2021	Market value as at March 31, 2021	Unrealised gain / (loss) as at March 31, 2021	Percentage in relation to		
									Net assets of the Fund	Paid-up capital of investee company (with face value of investment)	Total market value of investments
(Number of shares)						(Rupees in '000)			%		
Textiles And Apparel											
Interloop Limited	492,712	542,712	-	637,712	397,712	18,239	26,297	8,058	1.60	0.05	1.86
Vanaspati & Allied Industries											
Unity Foods Limited	-	2,111,000	-	1,545,000	566,000	15,384	16,833	1,449	1.02	0.06	1.19
Right Certificates Engineering											
Mughal Iron and Steel Industries Limited	-	-	127,520	-	127,520	-	2,885	2,885	0.18	0.32	0.20
Total as at March 31, 2021						1,272,887	1,416,711	143,824			
Total as at June 30, 2020						1,076,234	1,127,264	51,030			

\*The right certificates were exercised during the period and the shares are included in the investment in Synthetic Products Enterprises Limited, The Searle Company Limited, Al-Shaheer Corporation Limited and Ghani Global Glass Limited.

- 6.1.1** All shares have a nominal value of Rs 10 each except for the shares of K-Electric Limited which have a nominal value of Rs 3.5 each and Agriauto Industries Limited, Nimir Resins Limited, Shabbir Tiles & Ceramics Limited and Dynea Pakistan Limited which have a nominal value of Rs 5 each.
- 6.1.2** Investments include 60,000 shares (June 30, 2020: 105,000 shares) of Engro Corporation Limited, having market value of Rs 16.639 million as at March 31, 2021 (June 30, 2020: Rs 30.76 million), 100,000 shares (June 30, 2020: nil) of Oil and Gas Development Company Limited having market value of Rs 10.161 million as at March 31, 2021 (June 30, 2020: nil) and 10,000 shares (June 30, 2020: nil) of Millat Tractors Limited having market value of Rs 10.998 million as at March 31, 2021 (June 30, 2020: nil), which have been pledged with National Clearing Company of Pakistan for guaranteeing settlement of Fund's trades in accordance with Circular 11 dated October 23, 2007 by SECP.
- 6.2** The status of bonus shares already withheld prior to the introduction of Finance Act, 2018 is the same as that disclosed in the audited financial statements of the Fund for the year ended June 30, 2020. As at March 31, 2021, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 1.995 million (June 30, 2020: Rs. 1.453 million).

7. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
		(Rupees in '000)	
Auditors' remuneration payable		146	195
Brokerage payable		2,479	2,416
Shariah advisor fee payable		151	266
Charity payable		1,700	2,753
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	7.2	482	482
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	7.2	145	145
Withholding tax payable		177	5,373
Capital gain tax payable		741	255
Provision for Sindh Workers' Welfare Fund	7.1	19,598	12,579
Zakat payable		62	-
		<b>25,681</b>	<b>24,464</b>

- 7.1** The status of Sindh Workers' Welfare Fund is same as disclosed in financial statement for the year ended June 30, 2020. Had the provision for SWWF not been recorded in the condensed interim financial statements, the NAV per unit of the Fund would have been higher by Re 0.55 per unit as at March 31, 2021 (June 30, 2020 : Re. 0.34 per unit).

- 7.2** The status of provision of Federal Excise Duty is same as disclosed in financial statement for the year ended June 30, 2020. Had the provision for Federal Excise Duty not being made, the Net Asset Value per unit of the Fund as at March 31, 2021 would have been higher by Re 0.02 (June 30, 2020: Re 0.02) per unit.

	Note	March 31, 2021 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
<b>8. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - THE MANAGEMENT COMPANY</b>			
Management fee payable	8.1	2,051	1,667
Sindh Sales Tax on Management fee payable		267	217
Management Company		146	111
Allocated expenses payable	8.2	146	86
Sales load payable		19	12
Sindh Sales Tax Payable on sales load		2,191	1,311
Selling and marketing expenses payable	8.3	<u>4,820</u>	<u>3,404</u>

- 8.1** As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1.5% per annum of the average net assets of the Fund during the period. The remuneration is payable to the Management Company monthly in arrears.

- 8.2** In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The management company based on its own discretion charged 0.10% of the average annual net assets of the scheme for allocation of such expenses to the Fund from July 01, 2020 till March 09, 2021. From March 10, 2021, the Management Company has decided to charge allocation of such expenses at 0.11% per annum of the average annual net assets of the scheme.

- 8.3** In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company based on its own discretion charged selling and marketing expense at 0.4% per annum of the average annual net assets of the Fund from July 01, 2020 till March 09, 2021. From March 10, 2021, the Management Company has decided to charge selling and marketing expense at 1.0% per annum of the average annual net assets of the Fund.

## **9. CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at March 31, 2021 and June 30, 2020.

## **10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES**

Connected persons include Al Meezan Investment Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and Executives of the Management Company, others Funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited - Employees Gratuity Fund and Unit holders holding 10 percent or more of the Fund's net assets.

Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Rules, the NBFC Regulations and the Trust Deed respectively.

Details of transactions with connected persons and balances with them are as follows:

	March 31, 2021 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
<b>Balances</b>		
<b>Al Meezan Investment Management Limited - the Management Company</b>		
Remuneration payable	2,051	1,667
Sindh Sales Tax on management fee payable	267	217
Sales load payable	146	86
Sindh sales tax on sales load payable	19	12
Allocated expense payable	146	111
Selling & marketing expense payable	2,191	1,311
<b>Meezan Bank Limited</b>		
Sales load payable	6	32
Sindh Sales Tax on sales load payable	1	4
Bank balance	136,908	20,861
Profit receivable on saving account	147	52
Investment in 541,807 shares (June 30, 2020: 553,446 shares)	61,322	38,105
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Trustee fee payable	200	169
Sindh Sales Tax on trustee fee payable	26	22
Security deposit	100	100
<b>Directors and Executives of the Management Company</b>		
Investments as at March 31, 2021: 3,196,213 units (June 30, 2020: 329,538 units)	147,420	12,059
	<b>For the nine months period ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
	<b>(Rupees in '000)</b>	
	<b>(Unaudited)</b>	
<b>Transactions during the period</b>		
<b>Al Meezan Investment Management Limited - the Management Company</b>		
Remuneration for the period	17,284	18,100
Sindh Sales Tax on management fee for the period	2,247	2,353
Allocated expenses	1,162	1,207
Selling and marketing expense	5,185	4,827
<b>Meezan Bank Limited</b>		
Shares purchased during the period: 117,017 shares (March 31, 2020: 50,000 shares)	12,835	3,925
Shares disposed off during the period: 184,000 shares (March 31, 2020: 50,000 shares)	19,900	4,313
Bonus shares issued: 55,344 shares (March 31, 2020: nil shares)	-	-
Profit on saving account	656	6,411
Dividend income	3,547	2,139
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Remuneration for the period	1,903	1,958
Sindh Sales Tax on trustee fee for the period	247	255
CDS charges	129	64
<b>Directors and Executives of the Management Company</b>		
Units issued: 3,674,206 units (March 31, 2020: 146,907 units)	167,651	5,365
Units redeemed: 805,863 units (March 31, 2020: 96,751 units)	34,574	3,240

## 11. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2021 as reduced by capital gains (whether realised or unrealised) to its unit holders.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

## 12. TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 3.62% which includes 0.75% representing Government Levy, Sindh Worker's Welfare Fund and the SECP Fee. The prescribed limit for the ratio is 4.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a "asset allocation fund".

## 13. 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 Fund 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.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

### Fair value hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at March 31, 2021 and June 30, 2020, the Fund held the following financial instruments measured at fair value:

As at March 31, 2020				
	Level 1	Level 2	Level 3	Total
ASSETS				
(Rupees in '000)				
<b>Financial assets 'at fair value through profit or loss'</b>				
Shares of listed companies 'ordinary shares'	1,416,711	-	-	1,416,711
ASSETS				
(Rupees in '000)				
<b>Financial assets 'at fair value through profit or loss'</b>				
Shares of listed companies 'ordinary shares'	1,127,264	-	-	1,127,264



#### **14. DATE OF AUTHORISATION**

These condensed interim financial statements were authorised for issue on April 12, 2021 by the Board of Directors of the Management Company.

#### **15. GENERAL**

##### **15.1 COVID - 19**

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

- The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

##### **15.2** Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.

**For AI Meezan Investment Management Limited  
(Management Company)**

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**Chief Executive**

---

**Chief Financial Officer**

---

**Director**



**Meezan**  
Dedicated Equity Fund

## Meezan Dedicated Equity Fund (MDEF)

Meezan Dedicated Equity Fund aims to provide Fund of Funds scheme a dedicated platform to seek long term capital appreciation.

**LARGEST INDUSTRY  
CUSTOMER BASE OF OVER  
120,000**



# FUND INFORMATION

## MANAGEMENT COMPANY

Al Meezan Investment Management Limited  
Ground Floor, Block "B", Finance & Trade Centre,  
Shahrah-e-Faisal Karachi 74400, Pakistan.  
Phone (+9221) 35630722-6, 111-MEEZAN  
Fax: (+9221) 35676143, 35630808  
Website: [www.almeezangroup.com](http://www.almeezangroup.com)  
E-mail: [info@almeezangroup.com](mailto:info@almeezangroup.com)

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Mr. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Moin M. Fudda	Nominee Director - MBL
Mr. Furquan R Kidwai	Independent Director
Mr. Mubashar Maqbool	Nominee Director – PKIC
Mr. Tariq Mairaj	Nominee Director - MBL
Mr. Naeem Sattar	Nominee Director - PKIC
Mr. Feroz Rizvi	Independent Director
Ms. Danish Zuberi	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer

## CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

## AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Naeem Sattar	Member

## RISK MANAGEMENT COMMITTEE

Mr. Mubashar Maqbool	Chairman
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member

## HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Mubashar Maqbool	Member
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member
Mr. Mohammad Shoaib, CFA	Member

## TRUSTEE

Central Depository Company of Pakistan Limited  
CDC House, 99-B, Block B, S.M.C.H.S., Main Sharah-e-Faisal Karachi.

## AUDITORS

A. F. Ferguson & Co.  
Chartered Accountants  
State Life Building# 1-C,  
I.I. Chundrigar Road , Karachi-74000

## SHARIAH ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

Al Baraka Islamic Bank B.S.C (E.C)  
Dubai Islamic Bank Pakistan Limited  
Habib Metropolitan Bank Limited - Islamic Banking  
Meezan Bank Limited

## LEGAL ADVISER

Bawaney & Partners  
3rd & 4th Floor, 68-C, Lane-13, Bokhari Commercial Area,  
Phase VI, DHA, Karachi.  
Phone (9221) 35156191-94 Fax: (9221) 35156195  
E-mail:

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited



**MEEZAN DEDICATED EQUITY FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021**

		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	Note	(Rupees in '000)	
<b>Assets</b>			
Balances with banks	5	34,263	22,127
Investments	6	904,473	595,501
Receivable against sale of investments		8,522	5,113
Dividend receivable		3,330	178
Advances, prepayments and other receivables		3,960	3,929
<b>Total assets</b>		<b>954,548</b>	<b>626,848</b>
<b>Liabilities</b>			
Payable to Al Meezan Investment Management Limited - the Management Compar	7	2,936	1,818
Payable to Central Depository Company of Pakistan Limited - the Trustee		366	117
Payable to the Securities and Exchange Commission of Pakistan		128	209
Payable against purchase of investments		206	2,616
Payable against redemption and conversion of units		-	36
Accrued expenses and other liabilities	9	7,551	3,037
<b>Total liabilities</b>		<b>11,187</b>	<b>7,833</b>
<b>Net assets</b>		<b>943,361</b>	<b>619,015</b>
<b>Contingencies and commitments</b>			
	8		
<b>Unit holders' fund (as per statement attached)</b>		<b>943,361</b>	<b>619,015</b>
<b>(Number of units)</b>			
<b>Number of units in issue</b>		<b>21,033,629</b>	<b>17,888,339</b>
<b>(Rupees)</b>			
<b>Net asset value per unit</b>		<b>44.8501</b>	<b>34.6044</b>
<b>Net income / (loss) for the period before taxation</b>			

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For Al Meezan Investment Management Limited**  
**(Management Company)**

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**MEEZAN DEDICATED EQUITY FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021**

		Nine months period ended		Quarter ended	
		March 31,		March 31,	
	Note	2021	2020	2021	2020
		(Rupees in '000)		(Rupees in '000)	
<b>Income</b>					
Net realised gain / (loss) on sale of investments		74,140	(159,599)	49,248	(107,609)
Dividend income		26,855	44,459	8,350	5,710
Profit on saving accounts with banks		450	7,201	153	1,871
Other income		-	500	-	-
		101,445	(107,439)	57,751	(100,028)
Net unrealised appreciation / (diminution) on re-measurement of investments 'at fair value through profit or loss'	6.1	126,825	(88,009)	(24,329)	(257,580)
<b>Total income</b>		228,270	(195,448)	33,422	(357,608)
<b>Expenses</b>					
Remuneration of Al Meezan Investment Management Limited - the Management Company	7.1	12,841	17,555	4,834	5,498
Sindh Sales Tax on remuneration of the Management Company		1,669	2,282	628	715
Remuneration of Central Depository Company of Pakistan Limited - the Trustee		1,290	1,609	488	500
Sindh Sales Tax on remuneration of the Trustee		168	212	64	68
Annual fee to the Securities and Exchange Commission of Pakistan		128	179	48	55
Auditors' remuneration		169	341	44	37
Fees and subscription		421	422	140	139
Brokerage expenses		2,683	3,875	1,234	2,078
Bank and settlement charges		321	299	226	179
Allocated expenses	7.2	648	878	248	275
Selling and marketing expenses	7.3	2,568	3,511	967	1,100
Charity expense		649	1,225	74	191
Provision for Sindh Workers' Welfare Fund (SWWF)	9.1	4,094	-	488	(2,812)
Printing expenses		-	10	-	-
<b>Total expenses</b>		27,649	32,398	9,483	8,023
<b>Net income / (loss) for the period before taxation</b>		200,621	(227,846)	23,939	(365,631)
Taxation	12	-	-	-	-
<b>Net income / (loss) for the period after taxation</b>		200,621	(227,846)	23,939	(365,631)
<b>Allocation of net income for the period</b>					
Net income for the period after taxation		200,621	-		
Income already paid on units redeemed		(52,495)	-		
		148,126	-		
<b>Accounting income available for distribution</b>					
- Relating to capital gains		148,126	-		
- Excluding capital gains		-	-		
		148,126	-		

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For AI Meezan Investment Management Limited**  
**(Management Company)**

Chief Executive

Chief Financial Officer

Director

**MEEZAN DEDICATED EQUITY FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021**



**Meezan**  
Dedicated Equity Fund

	Nine months period ended March 31,		Quarter ended March 31,	
	2021	2020	2021	2020
	(Rupees in '000)		(Rupees in '000)	
<b>Net income / (loss) for the period after taxation</b>	200,621	(227,846)	23,939	(365,631)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income (loss) for the period</b>	<u>200,621</u>	<u>(227,846)</u>	<u>23,939</u>	<u>(365,631)</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For AI Meezan Investment Management Limited**  
**(Management Company)**

\_\_\_\_\_  
**Chief Executive**

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Director**



**MEEZAN DEDICATED EQUITY FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021**

	Nine months period ended March 31, 2021			Nine months period ended March 31, 2020		
	Capital Value	Accumulated (loss) / Undistributed Income	Total	Capital Value	Accumulated loss	Total
	(Rupees in '000)			(Rupees in '000)		
<b>Net realised gain / (loss) on sale of investments</b>	1,410,246	(791,231)	619,015	2,436,503	(675,429)	1,761,074
Issue of 13,259,882 units (2020: 42,720,772 units)						
- Capital value (at net asset value per unit at the beginning of the period)	458,850	-	458,850	1,516,934	-	1,516,934
Net unrealised appreciation/diminution on re-measurement	87,076	-	87,076	36,281	-	36,281
Total proceeds on issuance of units	545,926	-	545,926	1,553,215	-	1,553,215
Redemption of 10,114,594 units (2020: 75,938,842 units)						
- Capital value (at net asset value per unit at the beginning of the period)	350,009	-	350,009	2,696,444	-	2,696,444
- Element of loss / (income)	19,697	52,495	72,192	(72,286)	-	(72,286)
Total payments on redemption of units	369,706	52,495	422,201	2,624,158	-	2,624,158
Total comprehensive income / (loss) for the period	-	200,621	200,621	-	(227,846)	(227,846)
Distribution during the period	-	-	-	-	-	-
<b>Net income / (loss) for the period less distribution</b>	-	200,621	200,621	-	(227,846)	(227,846)
<b>Net assets at the end of the period</b>	<b>1,586,466</b>	<b>(643,105)</b>	<b>943,361</b>	<b>1,365,560</b>	<b>(903,275)</b>	<b>462,285</b>
<b>Accumulated loss brought forward</b>						
- Realised loss		(821,914)			(336,679)	
- Unrealised income / (loss)		30,683			(338,750)	
		(791,231)			(675,429)	
Accounting income available for distribution						
- Relating to capital gains	148,126			-		
- Excluding capital gains	-			-		
	148,126			-		
Net income / (loss) for the period before taxation						
Net loss for the period after taxation		-			(227,846)	
Accumulated loss carried forward		(643,105)			(903,275)	
Net income / (loss) for the period after taxation						
<b>Accumulated loss carried forward</b>						
- Realised loss		(769,930)			(815,266)	
- Unrealised gain / (loss)		126,825			(88,009)	
		(643,105)			(903,275)	
		(Rupees)			(Rupees)	
Net assets value per unit at the beginning of the period		34.6044			35.5081	
Net assets value per unit at the end of the period		44.8501			28.2253	

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For Al Meezan Investment Management Limited**  
**(Management Company)**

Chief Executive

Chief Financial Officer

Director



**MEEZAN DEDICATED EQUITY FUND**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021**

Note	Nine months period ended	
	March 31,	
	2021	2020
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income / (loss) for the period before taxation	200,621	(227,846)
<b>Adjustments for</b>		
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(126,825)	88,009
	73,796	(139,837)
<b>(Increase) / decrease in assets</b>		
Investments - net	(182,147)	1,151,098
Dividend receivable	(3,152)	(2,734)
Receivable against sale of investments	(3,409)	-
Advances, prepayments and other receivables	(31)	(2,510)
	(188,739)	1,145,854
<b>Increase / (decrease) in liabilities</b>		
Payable to AI Meezan Investment Management Limited - Management Company	1,118	(2,604)
Payable to Central Depository Company of Pakistan Limited - Trustee	249	(113)
Payable to Securities and Exchange Commission of Pakistan	(81)	(1,685)
Payable against purchase of investments	(2,410)	-
Accrued expenses and other liabilities	4,514	2,302
	3,390	(2,100)
<b>Net cash (used in) / generated from operating activities</b>	(111,553)	1,003,917
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	545,926	1,553,215
Payments against redemption and conversion of units	(422,237)	(2,625,658)
<b>Net cash generated from / (used in) financing activities</b>	123,689	(1,072,443)
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>	12,136	(68,526)
Cash and cash equivalents at the beginning of the period	22,127	110,688
<b>Cash and cash equivalents at the end of the period</b>	5 34,263	42,162

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For AI Meezan Investment Management Limited**  
**(Management Company)**

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**MEEZAN DEDICATED EQUITY FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** Meezan Dedicated Equity Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on October 9, 2017 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Management Company has been granted license by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund has been formed to enable the unit holders to participate in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah principles. The Management Company has appointed Meezan Bank Limited as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.3** The Fund is an open-end Shariah Compliant Equity Scheme. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange.
- 1.4** The Management Company has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 31, 2020 (2019: AM1 dated December 31, 2019) and by PACRA dated June 26, 2020 (2019: AM1 dated December 28, 2019). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes. AM1 dated December 28, 2019). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.5** Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.

**2. BASIS OF PRESENTATION**

The transactions undertaken by the Fund in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor are accounted for on substance rather than the form prescribed by the aforementioned guidelines. This practice is being followed to comply with the requirements of the accounting and reporting standards as applicable in Pakistan.

**3. BASIS OF PREPARATION**

**3.1 STATEMENT OF COMPLIANCE**

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the International Accounting Standard (IAS) 34, Interim Financial Reporting, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2020.

These condensed interim financial statements are unaudited. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at March 31, 2021.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES / ACCOUNTING ESTIMATES, JUDGEMENTS AND RISK MANAGEMENT

- 4.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2020.
- 4.2 The preparation of these condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2020. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Fund for the year ended June 30, 2020.
- 4.3 There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2020. However, these do not have any impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	Note	(Rupees in '000)	
5. BALANCES WITH BANKS			
In saving accounts	5.1	30,552	18,385
In current accounts		3,711	3,742
		<u>34,263</u>	<u>22,127</u>

- 5.1 The balances in saving accounts have an expected profit ranging from 2.50% to 7.00% per annum. (June 30, 2020: 1.50 % to 7.50% per annum).

		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	Note	(Rupees in '000)	
6. INVESTMENTS			
Investments - 'at fair value through profit or loss'	6.1	904,473	595,501
		<u>904,473</u>	<u>595,501</u>

## 6.1 Investments - 'at fair value through profit or loss'

Name of the investee company	As at July 1, 2020	Purchases during the period	Bonus issue / right shares	Sales during the period	As at March 31, 2021	Carrying value as at March 31, 2021	Market value as at March 31, 2021	Unrealised gain / (loss) as at March 31, 2021	Percentage in relation to		
									Net assets of the fund	Paid up capital of investee company (with face value of investment)	Percentage of total market value of investment
Number of shares						Rupees in '000			%		
Sectors / companies											
Automobile Assembler											
Honda Atlas Cars (Pakistan) Limited	10,100	-	-	10,100	-	-	-	-	-	-	-
Indus Motor Company Limited	4,740	-	-	4,740	-	-	-	-	-	-	-
Millat Tractors Limited	2,000	10,650	1,581	-	14,231	11,259	15,651	4,392	1.66	0.03	1.73
Pak Suzuki Motor Company Limited	-	28,000	-	-	28,000	8,197	8,817	620	0.93	0.03	0.97
									2.59	0.06	2.70
Automobile Parts & Accessories											
Agriauto Industries Limited (Note 6.1.1)	20,000	-	-	20,000	-	-	-	-	-	-	-
Panther Tyres Ltd.	-	11,328	-	-	11,328	745	730	(15)	0.08	0.01	0.08
									0.08	0.01	0.08
Cable & Electrical Goods											
Pak Elektron Limited	-	345,000	-	265,000	80,000	3,215	2,643	(572)	0.28	0.02	0.29
									0.28	0.02	0.29
Commercial Banks											
Bank Islami Pakistan Limited	79,990	525,010	-	298,000	307,000	3,209	3,610	402	0.38	0.03	0.40
Meezan Bank Limited (an associate of the Fund)	261,005	205,900	33,600	45,000	455,505	33,807	51,554	17,747	5.46	0.03	5.70
									5.84	0.06	6.10
Cement											
Attock Cement Pakistan Limited	15,200	51,800	-	39,000	28,000	5,046	4,751	(294)	0.50	0.02	0.53
Cherat Cement Company Limited	45,000	73,600	-	25,000	93,600	13,719	15,032	1,313	1.59	0.05	1.66
D.G. Khan Cement Company Limited	81,000	297,000	-	156,748	221,252	24,668	26,663	1,995	2.83	0.05	2.95
Fauji Cement Company Limited	191,500	250,000	-	441,500	-	-	-	-	-	-	-
Kohat Cement Company Limited	132,370	38,400	-	33,900	136,870	20,948	28,362	7,414	3.01	0.07	3.14
Lucky Cement Limited (note 6.1.2)	88,650	40,250	-	27,000	101,900	54,017	83,312	29,295	8.83	0.03	9.21
Maple Leaf Cement Factory Limited	130,000	938,000	-	340,000	728,000	28,430	32,614	4,185	3.46	0.07	3.61
	-	500,000	-	500,000	-	-	-	-	-	-	-
									20.22	0.29	21.10
Chemical											
Dynea Pakistan Limited (Note 6.1.1)	-	20,000	-	-	20,000	4,188	3,971	(216)	0.42	0.11	0.44
Engro Polymer & Chemicals Limited	262,644	699,500	-	285,000	677,144	27,767	37,236	9,469	3.95	0.07	4.12
Ghani Global Holdings Limited	-	1,780,000	48,500	1,352,000	476,500	9,298	11,255	1,957	1.19	0.17	1.24
ICI Pakistan Limited	25,300	5,000	-	5,950	24,350	17,099	20,252	3,152	2.15	0.03	2.24
Itehad Chemicals Limited	50,000	-	-	50,000	-	-	-	-	-	-	-
Lotte Chemical Pakistan Limited	111,500	100,000	-	211,500	-	-	-	-	-	-	-
Nimir Industrial Chemicals Limited	-	400,000	-	400,000	-	-	-	-	-	-	-
Sitara Chemical Industries Limited	-	14,500	-	-	14,500	5,446	5,728	281	0.61	0.07	0.63
Shabbir Tiles & Ceramics Limited (Note 6.1.1)	-	552,000	-	-	552,000	12,357	13,038	682	1.38	0.17	1.44
Sitara Peroxide Limited	65,000	-	-	65,000	-	-	-	-	-	-	-
									9.70	0.62	10.11
Engineering											
Agha Steel Industries Limited	-	510,000	-	405,500	104,500	3,466	3,227	(239)	0.34	0.02	0.36
International Industries Limited	50,700	82,000	-	98,000	34,700	5,844	7,050	1,206	0.75	0.03	0.78
International Steels Limited	120,000	90,000	-	113,000	97,000	6,934	8,301	1,367	0.88	0.02	0.92
Ittefaq Iron Industries Limited	-	200,000	-	200,000	-	-	-	-	-	-	-
Mughal Iron & Steel Industries Limited	29,500	286,000	-	148,000	167,500	13,157	15,591	2,434	1.65	0.07	1.72
									3.62	0.14	3.78
Fertilizer											
Dawood Hercules Corporation Limited	8,500	-	-	8,500	-	-	-	-	-	-	-
Engro Corporation Limited (note 6.1.2)	199,316	63,668	-	143,599	119,385	35,491	33,108	(2,383)	3.51	0.02	3.66
Engro Fertilizers Limited	422,393	442,015	-	635,021	229,387	15,071	14,314	(758)	1.52	0.02	1.58
Fatima Fertilizer Company Limited	57,000	-	-	57,000	-	-	-	-	-	-	-
									5.03	0.04	5.24
Food And Personal Care											
At Tahir Limited	91	-	9	100	-	-	-	-	-	-	-
									-	-	-
Glass And Ceramics											
Ghani Global Glass Limited	-	1,094,400	-	1,094,400	-	-	-	-	-	-	-
Ghani Glass Limited	100,000	34,650	-	37,000	-	2,939	4,588	1,649	0.49	0.01	0.51
									0.49	0.01	0.51

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- 6.1.1** All shares have a nominal value of Rs. 10 each except for the shares of K-Electric Limited which have a nominal value of Rs. 3.50 each and Agriauto Industries limited, Dynea Pakistan and Shabbir Tiles & Ceramics Limited having a nominal value of Rs. 5 each.
- 6.1.2** Investments include nil shares (June 30, 2020: 10,000 shares) of Attock Petroleum Limited, 100,000 shares (June 30, 2020: 100,000 shares) of Engro Corporation Limited, nil shares (June 30, 2020: 22,000 shares) of Lucky Cement Limited and 120,000 shares (June 30, 2020: 120,000 shares) of Oil and Gas Development Company Limited having market value of Rs nil, Rs. 27.732 million, Rs. nil and Rs. 12.193 million respectively as at March 31, 2021 (June 30, 2020: Rs 3.052 million, Rs. 29.292 million, Rs. 10.155 million and Rs. 13.08 million respectively), which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

As at March 31, 2021, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 0.375 million (June 30, 2020: Rs. 0.257 million).

7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - THE MANAGEMENT COMPANY	Note	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
		(Rupees in '000)	
Management fee payable	7.1	1,619	1,024
Sindh Sales Tax on Management fee payable		211	133
Allocated expenses payable	7.2	139	58
Selling and marketing expenses payable	7.3	967	603
		<u>2,936</u>	<u>1,818</u>

- 7.1** As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 2% (June 2020: 2%) per annum of the average net assets of the Fund during the period. The remuneration is payable to the Management Company monthly in arrears.

- 7.2** In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The management company based on its own discretion charged 0.10% of the average annual net assets of the scheme for allocation of such expenses to the Fund from July 01, 2020 till March 09, 2021. From March 10, 2021, the Management Company has decided to charge allocation of such expenses at 0.11% per annum of the average annual net assets of the scheme.

- 7.3** In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company based on its own discretion has charged selling and marketing expense at 0.4% per annum of average annual net assets of the Fund during the period.

## 8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2021 and June 30, 2020.

9. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
		(Rupees in '000)	
Withholding tax payable		-	-
Printing expenses payable		69	69
Auditors' remuneration payable		132	250
Brokerage payable		2,310	982
Charity payable		816	1,467
Provision for Sindh Worker's Welfare Fund	9.1	4,094	-
Shariah advisor fee payable		130	269
		<u>7,551</u>	<u>3,037</u>

- 9.1** The status of Sindh Workers' Welfare Fund is same as disclosed in financial statement for the year ended June 30, 2020. Had the provision of Sindh Workers' Welfare Fund not been made, the net asset value per unit as at March 31, 2021 would have been higher by Re. 0.19 (June 30, 2020: Re: nil).

## 10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include Al Meezan Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and executives of the Management Company, other Funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited - Employees Gratuity Fund and unitholders holding 10 percent or more of the Fund's net assets.

Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

Remuneration payable to the management company and the trustee is determined in accordance with the provisions of the NBFC Rules, the NBFC Regulations and the Trust Deed respectively.

Details of transactions with connected persons and balances with them are as follows:

	March 31, 2021 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
<b>Balances</b>		
<b>Al Meezan Investment Management Limited - the Management Company</b>		
Remuneration payable	1,619	1,024
Sindh Sales Tax payable on management fee	211	133
Selling and marketing expenses payable	967	603
Allocated expense payable	139	58
<b>Meezan Bank Limited</b>		
Balances with bank	3,228	10,123
Profit receivable on saving accounts	6	12
Investment in shares: 455,505 shares (June 30, 2020: 261,005 shares)	51,554	17,970
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Trustee fee payable	324	104
Sindh Sales Tax on trustee fee payable	42	13
Security deposit	103	103
<b>Meezan Financial Planning Fund of Funds MAAP I</b>		
Investment of 1,253,414 units (June 30, 2020: 2,948,758 units)	56,216	102,040
<b>Meezan Strategic Allocation Fund MSAP - I</b>		
Investment of 3,396,951 units (June 30, 2020: 6,022,570 units)	152,354	208,407
<b>Meezan Strategic Allocation Fund MSAP - II</b>		
Investment of 396,165 units (June 30, 2020: 320,475 units)	17,768	11,090
<b>Meezan Strategic Allocation Fund MSAP - III</b>		
Investment of 3,295,552 units (June 30, 2020: 2,872,358 units)	147,806	99,396
<b>Meezan Strategic Allocation Fund MSAP - IV</b>		
Investment of 2,371,642 units (June 30, 2020: 2,690,115 units)	106,368	93,090
<b>Meezan Strategic Allocation Fund MSAP - V</b>		
Investment of 898,076 units (June 30, 2020: 1,001,742 units)	40,279	34,665
<b>Meezan Strategic Allocation Fund - II MCP - IV</b>		
Investment of 7,073,732 units (June 30, 2020: 1,007,398 units)	317,258	34,860
<b>Meezan Strategic Allocation Fund - II MCP - V</b>		
Investment of 336,996 units (June 30, 2020: nil units)	15,114	-
<b>Meezan Strategic Allocation Fund - III MCP - IX</b>		
Investment of 1,070,955 units (June 30, 2020: 1,024,923 units)	48,032	35,467

**Meezan Strategic Allocation Fund - MCPP - III**  
Investment of 940,145 units (June 30, 2020: nil units)

42,166	-
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**Nine months period ended  
March 31,**

**2021 2020**

**(Unaudited)**

**(Rupees in '000)**

**Transactions during the period**

**AI Meezan Investment Management Limited - the Management Company**

Remuneration for the period

12,841	17,555
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Sindh Sales Tax on management fee for the period

1,669	2,282
-------	-------

Allocated expenses

648	878
-----	-----

Selling and marketing expense

2,568	3,511
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**Meezan Bank Limited**

Profit on saving account

91	5,300
----	-------

Shares purchased during the period: 205,900 shares  
(March 31, 2020: 15,000 shares)

10,578	1,508
--------	-------

Bonus shares received: 33,600 shares (March 31, 2020: nil shares)

-	-
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Shares sold during the period: 45,000 shares (March 31, 2020: 244,500 shares)

19,363	19,363
--------	--------

Dividend income

2,573	1,963
-------	-------

**Central Depository Company of Pakistan Limited - the Trustee**

Remuneration for the period

1,290	1,609
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Sindh Sales Tax on trustee fee

168	212
-----	-----

CDS charges

32	95
----	----

**Meezan Financial Planning Fund of Funds - MAAP - I**

Units issued: nil units (March 31, 2020: 1,724,404 units)

-	50,000
---	--------

Units redeemed: 1,695,344 units (March 31, 2020: 10,428,442 units)

73,560	353,940
--------	---------

**Meezan Strategic Allocation Fund MSAP - I**

Units issued: nil units (March 31, 2020: 4,414,737 units)

-	128,000
---	---------

Units redeemed: 2,625,619 units (March 31, 2020: 7,953,695 units)

107,310	275,200
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**Meezan Strategic Allocation Fund MSAP - II**

Units issued: 96,045 units (March 31, 2020: nil units)

-	-
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Units redeemed: 20,355 units (March 31, 2020: 918,352 units)

930	38,300
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**Meezan Strategic Allocation Fund MSAP - III**

Units issued: 423,194 units (March 31, 2020: 1,548,585 units)

19,000	57,000
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Units redeemed: nil units (March 31, 2020: 2,609,468 units)

-	93,500
---	--------

**Meezan Strategic Allocation Fund MSAP - IV**

Units issued: nil units (March 31, 2020: 2,449,025 units)

-	80,716
---	--------

Units redeemed: 318,474 units (March 31, 2020: 3,625,362 units)

14,750	144,364
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**Meezan Strategic Allocation Fund MSAP - V**

Units redeemed: 103,665 units (March 31, 2020: 769,702 units)

4,830	29,650
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**Meezan Strategic Allocation Fund MCPP-III**

Units issued: 1,240,203 units (March 31, 2020: 12,368,863 units)

56,100	461,000
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Units redeemed: 300,058 units (March 31, 2020: 16,866,250 units)

13,750	569,877
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**Meezan Strategic Allocation Fund -II MCPP-IV**

Units issued: 9,787,172 units (March 31, 2020: 9,955,836 units)

395,950	394,000
---------	---------

Units redeemed: 3,720,838 units (March 31, 2020: 17,010,620 units)

152,226	580,010
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**Meezan Strategic Allocation Fund -II MCPP-V**

Units issued: 647,883 units (March 31, 2020: 1,716,536 units)  
Units redeemed: 310,886 units (March 31, 2020: 4,093,246 units)

27,850	68,000
13,535	142,040

**Meezan Strategic Allocation Fund-II MCPP-VI**

Units issued: nil units (March 31, 2020: 1,387,674 units)  
Units redeemed: nil units (March 31, 2020: 3,641,754 units)

-	56,000
-	123,020

**Meezan Strategic Allocation Fund-II MCPP-VII**

Units issued: nil units (March 31, 2020: 1,084,461 units)  
Units redeemed: nil units (March 31, 2020: 2,021,314 units)

-	43,500
-	69,180

**Meezan Strategic Allocation Fund-II MCPP-VIII**

Units issued: nil units (March 31, 2020: 2,844,086 units)  
Units redeemed: nil units (March 31, 2020: 3,086,273 units)

-	101,000
-	105,829

**Meezan Strategic Allocation Fund-III MCPP-IX**

Units issued: 1,047,695 units (March 31, 2020: 3,213,589 units)  
Units redeemed: 1,001,663 units (March 31, 2020: 2,901,388 units)

42,200	113,500
40,497	98,750

**11. TOTAL EXPENSE RATIO**

The total expense ratio (TER) of the Fund based on the current period results is 4.15% which includes 0.83% representing Government Levy, Sindh Worker's Welfare Fund and the SECP Fee.

**12. TAXATION**

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute at least 90 percent of the net accounting income other than capital gains to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2021 as reduced by capital gains (whether realised or unrealised) to its unit holders.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

**13. FINANCIAL INSTRUMENTS - FAIR VALUES**

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 Fund 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.

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

**13.1. Fair value hierarchy**

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets 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: Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities.
- Level 2: Fair value measurements using 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 3: Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at March 31, 2021 and June 30, 2020, the Fund held the following financial instruments measured at fair value:

As at March 31, 2021			
Level 1	Level 2	Level 3	Total
(Rupees in '000)			
<b>ASSETS</b>			
Financial assets 'at fair value through profit or loss'	904,473	-	904,473

As at June 30, 2020			
Level 1	Level 2	Level 3	Total
(Rupees in '000)			
<b>ASSETS</b>			
Financial assets 'at fair value through profit or loss'	595,501	-	595,501

#### 14. GENERAL

##### 14.1 COVID-19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

- The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

14.2 Figures have been rounded off to the nearest thousand Rupees.

#### 15. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on **April 12, 2021** by the Board of Directors of the Management Company.

**For Al Meezan Investment Management Limited  
(Management Company)**

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director





Meezan  
Gold Fund

## Meezan Gold Fund (MGF)

Meezan Gold Fund is Pakistan's first Shariah compliant Gold Fund. It invests in gold instruments in the most efficient manner, to provide maximum exposure to prices of Gold in a Shariah compliant (Islamic) manner. This is done by investing a significant portion of the Fund's net assets in deliverable gold based contracts available on the Pakistan Mercantile Index (PMEX).

**ONLY SHARIAH  
COMPLIANT  
GOLD FUND MANAGER**





# FUND INFORMATION

## MANAGEMENT COMPANY

Al Meezan Investment Management Limited  
Ground Floor, Block "B", Finance & Trade Centre,  
Shahrah-e-Faisal Karachi 74400, Pakistan.  
Phone (+9221) 35630722-6, 111-MEEZAN  
Fax: (+9221) 35676143, 35630808  
Website: [www.almeezangroup.com](http://www.almeezangroup.com)  
E-mail: [info@almeezangroup.com](mailto:info@almeezangroup.com)

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Mr. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Moin M. Fudda	Nominee Director - MBL
Mr. Furquan R Kidwai	Independent Director
Mr. Mubashar Maqbool	Nominee Director – PKIC
Mr. Tariq Mairaj	Nominee Director - MBL
Mr. Naeem Sattar	Nominee Director - PKIC
Mr. Feroz Rizvi	Independent Director
Ms. Danish Zuberi	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer

## CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

## AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Naeem Sattar	Member

## RISK MANAGEMENT COMMITTEE

Mr. Mubashar Maqbool	Chairman
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member

## HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Mubashar Maqbool	Member
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member
Mr. Mohammad Shoaib, CFA	Member

## TRUSTEE

Central Depository Company of Pakistan Limited  
CDC House, 99-B, Block B, S.M.C.H.S., Main Sharah-e-Faisal Karachi.

## AUDITORS

A. F. Ferguson & Co.  
Chartered Accountants  
State Life Building# 1-C,  
I.I. Chundrigar Road , Karachi-74000

## SHARIAH ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

Bank Al Habib Limited- Islamic Banking  
Faysal Bank Limited  
Sindh Bank Limited  
UBL Ameen - Islamic Banking  
Dubai Islamic Bank Limited  
Meezan Bank Limited

## LEGAL ADVISER

Bawaney & Partners  
3rd & 4th Floor, 68-C, Lane-13, Bokhari Commercial Area,  
Phase VI, DHA, Karachi.  
Phone (+9221) 35156191-94 Fax: (+9221) 35156195  
E-mail:

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited



**MEEZAN GOLD FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT MARCH 31, 2021**

		<b>March 31, 2021 (Unaudited) (Rupees in '000)</b>	<b>June 30, 2020 (Audited) (Rupees in '000)</b>
<b>Assets</b>			
Balances with banks	5	87,749	157,431
Investment in gold	6	382,424	390,225
Receivable against conversion of units		528	397
Advance and other receivables		2,291	9,680
<b>Total assets</b>		<b>472,992</b>	<b>557,733</b>
<b>Liabilities</b>			
Payable to AI Meezan Investment Management Limited - the Management Company	7	1,085	1,431
Payable to Central Depository Company of Pakistan Limited - the Trustee		76	101
Payable to the Securities and Exchange Commission of Pakistan		76	99
Payable to Meezan Bank Limited		60	-
Payable against conversion and redemption of units		501	311
Accrued expenses and other liabilities	9	8,770	7,845
<b>Total liabilities</b>		<b>10,568</b>	<b>9,787</b>
<b>Net assets</b>		<b>462,424</b>	<b>547,946</b>
<b>Contingencies and commitments</b>	8		
<b>Unit holders' fund (as per statement attached)</b>		<b>462,424</b>	<b>547,946</b>
		<b>(Number of units)</b>	
<b>Number of units in issue</b>		<b>5,677,419</b>	<b>6,508,989</b>
		<b>(Rupees)</b>	
<b>Net asset value per unit</b>		<b>81.4498</b>	<b>84.1829</b>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

**For AI Meezan Investment Management Limited**  
**(Management Company)**

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**MEEZAN GOLD FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021**

		Nine months period ended, March 31,		Quarter ended, March 31,	
		2021	2020	2021	2020
	Note	(Rupees in '000)		(Rupees in '000)	
<b>Income</b>					
Realised gain on sale of investments		-	7,699	-	1,577
Profit on saving accounts with banks		3,723	4,889	578	1,358
Price adjustment charges	11	4,127	8,972	3,031	3,789
		7,850	21,560	3,609	6,724
Unrealised (diminution) / appreciation on re-measurement of investment in gold	6	(7,801)	29,034	(41,539)	9,703
<b>Total income / (loss)</b>		49	50,594	(37,930)	16,427
<b>Expenses</b>					
Remuneration of Al Meezan Investment Management Limited - the Management Company	7.1	3,818	3,438	1,184	952
Sindh Sales Tax on remuneration of the Management Company		496	447	154	124
Allocated expenses	7.2	385	344	122	95
Selling and marketing expenses	7.3	1,527	1,375	474	381
Remuneration of Central Depository Company of Pakistan Limited - the Trustee		649	585	201	162
Sindh Sales Tax on remuneration of the Trustee		84	76	26	21
Annual fee to the Securities and Exchange Commission of Pakistan		76	69	23	19
Auditors' remuneration		241	243	53	54
Brokerage expense		-	50	-	7
Fees and subscription		302	300	94	126
Legal and professional charges		55	-	55	-
Bank and settlement charges		6	636	6	88
Custodian expense		3,135	3,027	991	833
Provision for Sindh Workers' Welfare Fund (SWWF)	9	-	800	(612)	271
<b>Total expenses</b>		10,774	11,390	2,771	3,133
<b>Net (loss) / income for the period before taxation</b>		(10,725)	39,204	(40,701)	13,294
Taxation	13	-	-	-	-
<b>Net (loss) / income for the period after taxation</b>		(10,725)	39,204	(40,701)	13,294
<b>Allocation of net income for the period</b>					
Net income for the period after taxation		-	39,204		
Income already paid on units redeemed		-	(15,085)		
		-	24,119		
<b>Accounting income available for distribution</b>					
- Relating to capital gains		-	36,733		
- Excluding capital gains		-	(12,614)		
		-	24,119		

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

**For Al Meezan Investment Management Limited**  
**(Management Company)**

Chief Executive

Chief Financial Officer

Director

**MEEZAN GOLD FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021**

	Nine months period March 31,		Quarter ended, March 31,	
	2021 (Rupees in '000)	2020 (Rupees in '000)	2021 (Rupees in '000)	2020 (Rupees in '000)
<b>Net (loss) / income for the period after taxation</b>	(10,725)	39,204	(40,701)	13,294
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>(10,725)</u>	<u>39,204</u>	<u>(40,701)</u>	<u>13,294</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

**For Al Meezan Investment Management Limited**  
**(Management Company)**

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

**MEEZAN GOLD FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

	Nine months period ended March 31, 2021			Nine months period ended March 31, 2020		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	------(Rupees in '000)-----			------(Rupees in '000)-----		
Net assets at the beginning of the period	429,142	118,804	547,946	434,630	42,931	477,561
Issue of 2,050,755 units (March 31, 2020: 5,496,122 units)						
- Capital value (at net asset value per unit at the beginning of the period)	172,638	-	172,638	374,511	-	374,511
- Element of income	3,407	-	3,407	32,788	-	32,788
Total proceeds on issuance of units	176,045	-	176,045	407,299	-	407,299
Redemption of 2,882,325 units (March 31, 2020: 6,946,561 units)						
- Capital value (at net asset value per unit at the beginning of the period)	242,642	-	242,642	473,346	-	473,346
- Element of loss	1,199	7,001	8,200	16,864	15,085	31,949
Total payments on redemption of units	243,841	7,001	250,842	490,210	15,085	505,295
Total comprehensive income for the period	-	(10,725)	(10,725)	-	39,204	39,204
Distribution during the period	-	-	-	-	-	-
Net (loss) / income for the period less distribution	-	(10,725)	(10,725)	-	39,204	39,204
<b>Net assets at the end of the period</b>	<b>361,346</b>	<b>101,078</b>	<b>462,424</b>	<b>351,720</b>	<b>67,050</b>	<b>418,770</b>
<b>Undistributed income brought forward</b>						
- Realised income / (loss)		40,133			(23,741)	
- Unrealised income		78,671			66,672	
		<u>118,804</u>			<u>42,931</u>	
Accounting income available for distribution						
- Relating to capital gains		-			36,733	
- Excluding capital gains		-			(12,614)	
		<u>-</u>			<u>24,119</u>	
Net loss for the period after taxation		(10,725)			-	
Undistributed income carried forward		<u>108,079</u>			<u>67,050</u>	
<b>Undistributed income carried forward</b>						
- Realised income		115,880			38,016	
- Unrealised income		(7,801)			29,034	
		<u>108,079</u>			<u>67,050</u>	
		<b>(Rupees)</b>			<b>(Rupees)</b>	
Net assets value per unit at the beginning of the period		<u>84.1829</u>			<u>68.1410</u>	
Net assets value per unit at the end of the period		<u>81.4498</u>			<u>75.3457</u>	

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

**For AI Meezan Investment Management Limited**  
**(Management Company)**

\_\_\_\_\_  
**Chief Executive**

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Director**

**MEEZAN GOLD FUND**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

	Nine months period ended, March 31,	
	2021	2020
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) / income for the period before taxation	(10,725)	39,204
<b>Adjustments for:</b>		
Unrealised diminution / (appreciation) on re-measurement of investment in gold	7,801	(29,034)
	(2,924)	10,170
<b>Decrease in assets</b>		
Investments - net	-	52,791
Receivable against sale of investments - net	-	2,184
Advance and other receivables	7,389	4,002
	7,389	58,977
<b>(Decrease) / Increase in liabilities</b>		
Payable to Al Meezan Investment Management Limited - the Management Company	(346)	131
Payable to Central Depository Company of Pakistan Limited - the Trustee	(25)	(67)
Payable to the Securities and Exchange Commission of Pakistan	(23)	(155)
Payable against purchase of investments - net	-	972
Payable to Meezan Bank Limited	60	66
Accrued expenses and other liabilities	925	785
	591	1,732
<b>Net cash generated from operating activities</b>	5,056	70,879
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	175,914	425,312
Payment against conversion and redemption of units	(250,652)	(505,006)
<b>Net cash used in financing activities</b>	(74,738)	(79,693)
<b>Net decrease in cash and cash equivalents during the period</b>	(69,682)	(8,814)
Cash and cash equivalents at the beginning of the period	157,431	86,014
<b>Cash and cash equivalents at the end of the period</b>	<b>5</b>	<b>5</b>
	87,749	77,200

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

**For Al Meezan Investment Management Limited**  
**(Management Company)**

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director



**MEEZAN GOLD FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** Meezan Gold Fund is an open ended mutual fund constituted under a Trust Deed entered into on October 15, 2014 between Al Meezan Investment Management Company as the Management Company and Central Depository Company of Pakistan Limited as the Trustee. The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The Fund is registered as a Notified entity under Non-Banking Finance Companies and Notified Entities Regulations, (NBFC Regulations) issued through S.R.O.1203(I)/2008 on November 21, 2008. The Fund commenced its operations from August 18, 2015. The registered office of the Management Company is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shariah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund is an open-ended Shariah Compliant (Islamic) Commodity Fund that aims to provide maximum exposure to prices of Gold in a Shariah Compliant (Islamic) manner by investing a significant portion of the Fund's net assets in deliverable gold based contracts available on Pakistan Mercantile Exchange Limited (PMEX). Furthermore, all investments of the Fund's property shall be in accordance with the Shariah as advised by the Shariah Advisor. The Fund shall also be subject to the rules and regulations framed by the State Bank of Pakistan with regard to the foreign investments made by the Fund and investments made in the Fund from outside Pakistan in foreign currency. The investments in Gold contracts listed at the Commodity Exchange shall be subject to the PMEX Regulations and / or rules and regulations of the pertinent Commodity Exchange, if the Commodity Exchange is other than PMEX. All pertinent contracts, agreements and documents of PMEX shall be approved by Shariah advisor. Under the Trust Deed, all the conducts and acts of the fund are based on Shariah. The management company has appointed Meezan Bank Limited as its Shariah advisor to ensure that the activities of the fund are in compliance with the principles of Shariah. The investment objectives and policies are explained in the Fund's Offering document.
- 1.3** The Fund has been categorised as a Shariah compliant Commodity Scheme by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009. The units of the Fund were initially offered for public subscription at a par value of Rs 50 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from August 13, 2015 and are transferable and redeemable by surrendering them to the Fund. Due to the on-going pandemic situation created by COVID-19 outbreak, the supply of physical gold through PMEX has been disrupted. Resultantly, the Fund had not been able to invest in physical gold. Therefore, In order to protect the interests of existing unit holders, the Management Company in accordance with clause 4.13.2 of the Offering Document and clause 13.5.1 of the Trust Deed of the Fund, suspended "fresh issuance" of units of the Fund effective from May 19, 2020. However, the Fund continued to honour the redemptions and conversions from the Fund. Effective from January 11, 2021, the Fund has re-commenced fresh issuance of units.
- 1.4** The Management Company has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 31, 2020 (2019: AM1 dated December 31, 2019) and by PACRA dated June 26, 2020 (2019: AM1 dated December 28, 2019). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.5** Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as trustee of the Fund. The fund is listed on Pakistan Stock Exchange Limited.

**2. BASIS OF PRESENTATION**

The transactions undertaken by the Fund are in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor and are accounted for on substance rather than the form prescribed by the earlier referred guidelines. This practice is being followed to comply with the requirements of the accounting and reporting standards as applicable in Pakistan.

**3. BASIS OF PREPARATION**

**3.1 STATEMENT OF COMPLIANCE**

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

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

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2020.

These condensed interim financial statements are unaudited. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at March 31, 2021

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT**

**4.1** The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2020.

**4.2** The preparation of these condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2020. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2020.

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2020. However, these do not have any impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

		<b>March 31, 2021 (Unaudited)</b>	<b>June 30, 2020 (Audited)</b>
	<b>Note</b>	<b>(Rupees in '000)</b>	
<b>5. BALANCES WITH BANKS</b>			
In saving accounts	5.1	87,655	157,337
In current accounts		94	94
		<u>87,749</u>	<u>157,431</u>

**5.1** The balance in saving accounts have an expected profit ranging from 2.50% to 7.00% per annum (June 30, 2020: 1.50% to 7.5% per annum).

		<b>March 31, 2021 (Unaudited)</b>	<b>June 30, 2020 (Audited)</b>
	<b>Note</b>	<b>(Rupees in '000)</b>	
<b>6. INVESTMENTS</b>			
Investment in gold	6.1	<u>382,424</u>	<u>390,225</u>

## 6.1 Investment in gold

Commodity	As at July 1, 2020	Purchases during the period	Sales during the period	As at March 31, 2021	Carrying value as at March 31, 2021	Market value as at March 31, 2021	Unrealised (loss) / gain	Percentage in relation to Net assets of the Fund
	----- (Tola) -----				----- (Rupees in '000) -----			--- (%) ---
TOLAGOLD	3,675	-	-	3,675	388,639	380,870	(7,769)	82.36%
MITOLA	15,000	-	-	15,000	1,586	1,555	(32)	0.34%
<b>Total as at March 31, 2021</b>					<b>390,225</b>	<b>382,424</b>	<b>(7,801)</b>	
<b>Total as at June 30, 2020</b>					<b>311,554</b>	<b>390,225</b>	<b>78,671</b>	

- 6.1.1** The Pakistan Mercantile Exchange (PMEX) delivers refined Gold in 10 TOLA Bars. These are physically held by PMEX under their custody in the vaults of a commercial bank.
- 6.1.2** The investment in gold of Rs 382.42 million (June 30, 2020: Rs 390.225 million) has been measured at fair value based on the quoted market price in active markets.

		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
<b>7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - THE MANAGEMENT COMPANY</b>		(Rupees in '000)	
Management fee payable	7.1	399	528
Sindh Sales Tax on remuneration of the Management Company		52	69
Allocated expenses payable	7.2	43	53
Selling and marketing expenses payable	7.3	474	598
Sales load payable		104	162
Sindh Sales Tax on sales load payable		14	21
		<u>1,085</u>	<u>1,431</u>

- 7.1** As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1% per annum of the average net assets of the Fund during the year period ended March 31, 2021. The remuneration is payable to the Management Company monthly in arrears.
- 7.2** In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).
- The management company based on its own discretion charged 0.10% of the average annual net assets of the scheme for allocation of such expenses to the Fund from July 01, 2020 till March 09, 2021. From March 10, 2021, the Management Company has decided to charge allocation of such expenses at 0.11% per annum of the average annual net assets of the scheme.
- 7.3** In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company based on its own discretion has charged selling and marketing expense at 0.4% per annum of average annual net assets of the Fund during the period.

## 8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2021 and June 30, 2020.

9. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
		(Rupees in '000)	
Auditor's remuneration		131	175
Custodian fee payable		1,780	883
Provision for Sindh Worker's Welfare Fund (SWWF)	9.1	5,042	5,041
Withholding tax payable		50	7
Capital gain tax payable		144	184
Shariah advisory fee payable		110	159
Payable against purchase of investments - net		802	685
Provision for Federal Excise Duty and related			
Sindh Sales Tax on management fee	9.2	414	414
Provision for Federal Excise Duty and related			
Sindh Sales Tax on sales load	9.2	297	297
		<u>8,770</u>	<u>7,845</u>

**9.1** The status of Sindh Workers' Welfare Fund is same as disclosed in financial statement for the year ended June 30, 2020. Had the provision of Sindh Workers' Welfare Fund not been made, the net asset value per unit as at March 31, 2021 would have been higher by Rs 0.89 per unit (June 30, 2020: Rs 0.77 per unit)

**9.2** The status of provision of Federal Excise Duty is same as disclosed in financial statement for the year ended June 30, 2020. Had the provision for Federal Excise Duty not being made, the Net Asset Value of the Fund as at March 31, 2021 would have been higher by Re 0.13 (June 30, 2020: Re 0.11) per unit.

#### 10. TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 2.82% which includes 0.17% representing Government Levy, Sindh Worker's Welfare Fund and the SECP Fee. The prescribed limit for the ratio is 3% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a "commodity fund".

#### 11. PRICE ADJUSTMENT CHARGES

Securities and Exchange Commission of Pakistan (SECP) vide Circular no.40 SCD/AMCW/ MGF/63/2017 dated June 14, 2017, allowed the fund to charge price adjustment charges. Price adjustment charge is a difference between the offer price and the bid price from the closing price of the Gold transactions (contract) available at PMEX, which is added to and deducted from the NAV to determine Offer and Redemption prices respectively. Such charges form part of Fund Property.

Currently, price adjustment charges added / deducted to form NAV of the fund to determine offer / redemption price is 1% of NAV.

#### 12. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include Al Meezan Investment Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and Executives of the Management Company, other Funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited - Employees Gratuity Fund and unit holders holding 10 percent or more of the Fund's net assets.

Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Details of transactions with connected persons and balances with them are as follows:

	March 31, 2021 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
<b>AI Meezan Investment Management Limited - the Management Company</b>		
Remuneration payable	399	528
Sindh Sales Tax on management fee payable	52	69
Sales load payable	104	162
Sindh Sales Tax on sales load payable	14	21
Selling and marketing expenses payable	474	598
Allocated expenses payable	43	53
<b>Meezan Bank Limited</b>		
Sales load payable	53	-
Sindh Sales Tax on sales load payable	7	-
Bank balance	82,829	31,954
Profit receivable on saving account	164	106
Investment of 1,084,712 units (June 30, 2020: 1,084,712 units)	88,350	91,314
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Trustee fee payable	68	89
Sindh Sales Tax on trustee fee payable	8	12
<b>Directors and Executives of the Management Company</b>		
Investment of 595,793 units (June 30, 2020: 331,325 units)	48,527	27,892
<b>Unitholders holding 10% or more units of the Fund</b>		
Investment of nil units (June 30, 2020: 1,272,869 units)	-	107,154

	Nine months period ended, March 31,	
	2021 (Unaudited)	2020 (Audited)
	(Rupees in '000)	
<b>Transactions during the period</b>		
<b>AI Meezan Investment Management Limited - the Management Company</b>		
Remuneration for the period	3,818	3,438
Sindh Sales Tax on management fee for the period	496	447
Allocated expenses	385	344
Selling and marketing expense	1,527	1,375
<b>Meezan Bank Limited</b>		
Profit on saving account	519	1,431
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Remuneration for the period	649	585
Sindh Sales Tax on trustee fee for the period	84	76
<b>Directors and Executives of the Management Company</b>		
Units issued: 302,730 units (March 31, 2020: 226,159 units)	26,372	16,790
Units redeemed: 38,263 units (March 31, 2020: 148,915 units)	3,152	10,695

### **13. TAXATION**

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. No provision for taxation has been made in these condensed interim financial statements during the period since the net income of the fund only pertains to capital gains (realised and unrealised).

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in Finance Act, 2015 is also not applicable on funds as Section 4B of Income Tax Ordinance, 2001.

### **14. 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 Fund 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.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

#### **Fair value hierarchy**

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

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

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

Investments in gold are non-financial assets and the fair value is disclosed in note 6.1 to these financial statements.

As at March 31, 2021, the Fund does not hold any asset which required fair valuation.

### **15. DATE OF AUTHORISATION**

These condensed interim financial statements were authorised for issue on April 12, 2021 by the Board of Directors of the Management Company.



## **16. GENERAL**

### **16.1 COVID - 19**

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

- The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

**16.2** Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.

**For AI Meezan Investment Management Limited  
(Management Company)**

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**Chief Executive**

---

**Chief Financial Officer**

---

**Director**



**Meezan**  
Islamic Income Fund

## Meezan Islamic Income Fund (MIIF)

Meezan Islamic Income Fund is Pakistan's first Shariah compliant income fund scheme. The purpose of Meezan Islamic Income Fund is to provide investors with a high and stable rate of current income consistent with long term preservation of capital in a Shariah compliant way.



**HIGHEST MANAGEMENT**  
**QUALITY RATING OF AM1**  
— BY PACRA & VIS

**AM1**  
Rating by VIS and PACRA

# FUND INFORMATION

## MANAGEMENT COMPANY

Al Meezan Investment Management Limited  
Ground Floor, Block "B", Finance & Trade Centre,  
Shahrah-e-Faisal Karachi 74400, Pakistan.  
Phone (+9221) 35630722-6, 111-MEEZAN  
Fax: (+9221) 35676143, 35630808  
Website: [www.almeezangroup.com](http://www.almeezangroup.com)  
E-mail: [info@almeezangroup.com](mailto:info@almeezangroup.com)

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Ariful Islam	Chairman
Mr. Muhammad Abdullah Ahmed	Nominee Director - MBL
Mr. Moin M. Fudda	Nominee Director - MBL
Mr. Furquan R Kidwai	Independent Director
Mr. Mubashar Maqbool	Nominee Director – PKIC
Mr. Tariq Mairaj	Nominee Director - MBL
Mr. Naeem Sattar	Nominee Director - PKIC
Mr. Feroz Rizvi	Independent Director
Ms. Danish Zuberi	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer

## CFO & COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Syed Owais Wasti

## AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Naeem Sattar	Member

## RISK MANAGEMENT COMMITTEE

Mr. Mubashar Maqbool	Chairman
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member

## HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Mubashar Maqbool	Member
Mr. Moin M. Fudda	Member
Mr. Furquan R. Kidwai	Member
Mr. Mohammad Shoaib, CFA	Member

## TRUSTEE

Central Depository Company of Pakistan Limited  
CDC House, 99-B, Block B, S.M.C.H.S., Main Sharah-e-Faisal Karachi.

## AUDITORS

A. F. Ferguson & Co.  
Chartered Accountants  
State Life Building# 1-C,  
I.I. Chundrigar Road , Karachi-74000

## SHARIAH ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

Allied Bank Limited	MCB Bank Limited
Al Baraka Islamic Bank B.S.C (E.C)	MCB Islamic Bank Limited
Askari Bank Limited - Islamic Banking	Meezan Bank Limited
Bank Al Habib Limited - Islamic Banking	National Bank of Pakistan - Islamic Banking
Bank Alfalah Limited	Samba Bank Limited
Bank Islami Pakistan Limited	Sindh Bank Limited
Dubai Islamic Bank Pakistan Limited	Soneri Bank Limited - Islamic Banking
Faysal Bank Limited - Islamic Banking	The Bank Of Punjab - Islamic Banking
Habib Bank Limited -Islamic Banking	The Bank Of Khyber - Islamic Banking
Habib Metropolitan Bank Limited - Islamic Banking	UBL Ameen - Islamic Banking

## LEGAL ADVISER

Bawaney & Partners  
3rd & 4th Floor, 68-C, Lane-13, Bokhari Commercial Area,  
Phase VI, DHA, Karachi.  
Phone (+9221) 35156191-94 Fax: (+9221) 35156195  
E-mail:

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited

**MEEZAN ISLAMIC INCOME FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT MARCH 31, 2021**



**Meezan**  
Islamic Income Fund

		March 31, 2021 (Unaudited) (Rupees in '000)	June 30, 2020 (Audited)
	Note		
<b>Assets</b>			
Balances with banks	5	19,511,364	6,857,317
Investments	6	17,671,732	20,666,580
Receivable against conversion of units		161,833	425,168
Deposits, prepayments, profit accrued and other receivables		441,540	299,311
<b>Total assets</b>		<b>37,786,469</b>	<b>28,248,376</b>
<b>Liabilities</b>			
Payable to Al Meezan Investment Management Limited - the Management Company	7	61,466	34,512
Payable to Central Depository Company of Pakistan Limited - the Trustee		2,697	1,993
Payable to the Securities and Exchange Commission of Pakistan		5,152	4,264
Payable to Meezan Bank Limited		5,182	2,886
Payable against redemption and conversion of units		267,531	83,924
Accrued expenses and other liabilities	8	186,494	344,432
<b>Total liabilities</b>		<b>528,522</b>	<b>472,011</b>
<b>Net assets</b>		<b>37,257,947</b>	<b>27,776,365</b>
<b>Contingencies and commitments</b>	9		
<b>Unit holders' fund (as per statement attached)</b>		<b>37,257,947</b>	<b>27,776,365</b>
		<b>(Number of units)</b>	
<b>Number of units in issue</b>		<b>688,953,183</b>	<b>539,707,519</b>
		<b>(Rupees)</b>	
<b>Net asset value per unit</b>		<b>54.0791</b>	<b>51.4656</b>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For Al Meezan Investment Management Limited**  
**(Management Company)**

\_\_\_\_\_  
**Chief Executive**

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Director**



**MEEZAN ISLAMIC INCOME FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021**

		Nine months period ended March 31,		Quarter ended March 31,	
		2021	2020	2021	2020
Note		(Rupees in '000)		(Rupees in '000)	
<b>Income</b>					
Profit on saving accounts with banks		650,858	1,087,531	252,455	422,077
Profit on term deposit receipts		101,100	-	54,577	-
Profit on certificates of musharakah		75,596	92,471	15,897	46,989
Profit on sukuk certificates		962,360	662,369	311,572	241,377
Profit on Bai Muajjal		166,811	75,566	10,115	75,566
Net realised gain on sale of sukuk certificates		23,522	20,905	16,431	64
Other income		303	1,674	102	545
		<u>1,980,550</u>	<u>1,940,516</u>	<u>661,149</u>	<u>786,618</u>
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.1.1 & 6.1.2	64,040	12,032	(1,574)	16,199
<b>Total income</b>		<u>2,044,590</u>	<u>1,952,548</u>	<u>659,575</u>	<u>802,817</u>
<b>Expenses</b>					
Remuneration of Al Meezan Investment Management Limited - the Management Company	7.1	128,789	126,916	45,006	52,183
Sindh Sales Tax on remuneration of the Management Company		16,743	16,499	5,851	6,784
Allocated expenses	7.2	38,636	21,165	13,501	8,896
Selling and marketing expense	7.3	100,795	57,288	33,769	23,723
Remuneration of Central Depository Company of Pakistan Limited - the Trustee		19,318	10,741	6,751	4,448
Sindh Sales Tax on remuneration of the trustee		2,511	1,396	877	578
Annual fee to the Securities and Exchange Commission of Pakistan		5,152	2,864	1,801	1,186
Auditors' remuneration		535	524	137	125
Fees and subscription		925	1,056	219	350
Legal and professional charges		169	-	169	-
Brokerage expense		1,875	598	1,055	458
Bank and settlement charges		1,731	998	102	574
Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	34,548	34,250	11,007	14,070
<b>Total expenses</b>		<u>351,727</u>	<u>274,295</u>	<u>120,245</u>	<u>113,375</u>
<b>Net income for the period before taxation</b>		<u>1,692,863</u>	<u>1,678,253</u>	<u>539,330</u>	<u>689,442</u>
Taxation	12	-	-	-	-
<b>Net income for the period after taxation</b>		<u>1,692,863</u>	<u>1,678,253</u>	<u>539,330</u>	<u>689,442</u>
<b>Allocation of net income for the period</b>					
Net income for the period after taxation		1,692,863	1,678,253		
Income already paid on units redeemed		(717,879)	(443,116)		
		<u>974,984</u>	<u>1,235,137</u>		
<b>Accounting income available for distribution</b>					
- Relating to capital gains		87,562	32,937		
- Excluding capital gains		887,422	1,202,200		
		<u>974,984</u>	<u>1,235,137</u>		

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For Al Meezan Investment Management Limited**  
**(Management Company)**

Chief Executive

Chief Financial Officer

Director

**MEEZAN ISLAMIC INCOME FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021**



	Nine months period March 31,		Quarter ended, March 31,	
	2021	2020	2021	2020
	(Rupees in '000)		(Rupees in '000)	
<b>Net income for the period after taxation</b>	1,692,863	1,678,253	539,330	689,442
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>1,692,863</u>	<u>1,678,253</u>	<u>539,330</u>	<u>689,442</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For AI Meezan Investment Management Limited**  
**(Management Company)**

\_\_\_\_\_  
**Chief Executive**

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Director**



**MEEZAN ISLAMIC INCOME FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

	Nine months period ended March 31, 2021			Nine months period ended March 31, 2020		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the period	27,541,424	234,941	27,776,365	9,297,919	173,403	9,471,322
Issuance of 989,343,820 units (2020: 722,967,187 units)						
- Capital value (at net asset value per unit at the beginning of the period)	50,917,173	-	50,917,173	37,187,045	-	37,187,045
- Element of income	1,455,307	-	1,455,307	1,589,603	-	1,589,603
Total proceeds on issuance of units	52,372,480	-	52,372,480	38,776,648	-	38,776,648
Redemption of 840,098,156 units (2020: 447,086,781 units)						
- Capital value (at net asset value per unit at the beginning of the period)	43,236,156		43,236,156	22,996,669		22,996,669
- Element of loss	629,726	717,879	1,347,605	656,743	443,116	1,099,859
Total payments on redemption of units	43,865,882	717,879	44,583,761	23,653,411	443,116	24,096,528
Total comprehensive income for the period	-	1,692,863	1,692,863	-	1,678,253	1,678,253
Distribution during the period	-	-	-	-	-	-
		1,692,863	1,692,863		1,678,253	1,678,253
<b>Net assets at the end of the period</b>	<b>36,048,022</b>	<b>1,209,925</b>	<b>37,257,947</b>	<b>24,421,156</b>	<b>1,408,540</b>	<b>25,829,696</b>
Undistributed income brought forward						
- Realised income		217,183			192,274	
- Unrealised income / (loss)		17,758			(18,871)	
		234,941			173,403	
Accounting income available for distribution (after adjusting income already paid on units redeemed)						
- Relating to capital gains		87,562			32,937	
- Excluding capital gains		887,422			1,202,200	
		974,984			1,235,137	
Undistributed income carried forward		1,209,925			1,408,540	
<b>Undistributed income carried forward</b>						
- Realised income		1,145,885			1,396,508	
- Unrealised income		64,040			12,032	
		1,209,925			1,408,540	
		(Rupees)			(Rupees)	
Net assets value per unit at the beginning of the period		51.4656			51.4367	
Net assets value per unit at the end of the period		54.0791			56.1496	

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For Al Meezan Investment Management Limited**  
**(Management Company)**

Chief Executive

Chief Financial Officer

Director

**MEEZAN ISLAMIC INCOME FUND**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

	Nine months period ended March 31,	
	2021	2020
Note	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	1,692,863	1,678,253
<b>Adjustments for</b>		
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(64,040)	(12,032)
	1,628,823	1,666,221
<b>Decrease / (increase) in assets</b>		
Investments - net	5,558,888	(5,360,931)
Deposits, prepayments, profit accrued and other receivables	(142,229)	(57,166)
	5,416,659	(5,418,097)
<b>(Decrease) / increase in liabilities</b>		
Payable to Al Meezan Investment Management Limited - the Management Company	26,954	32,109
Payable to Central Depository Company of Pakistan Limited - the Trustee	704	1,029
Payable to the Securities and Exchange Commission of Pakistan	888	(4,958)
Payable to Meezan Bank Limited	2,296	2,906
Accrued expenses and other liabilities	(157,938)	(5,754)
	(127,096)	25,332
<b>Net cash generated from / (used in) operating activities</b>	6,918,386	(3,726,544)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	52,635,815	38,774,178
Payments against redemption and conversion of units	(44,400,154)	(24,117,215)
<b>Net cash generated from financing activities</b>	8,235,661	14,656,963
<b>Net increase in cash and cash equivalents during the period</b>	15,154,047	10,930,419
Cash and cash equivalents at the beginning of the period	6,857,317	2,971,017
<b>Cash and cash equivalents at the end of the period</b>	5.2 22,011,364	13,901,436

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**For Al Meezan Investment Management Limited**  
**(Management Company)**

Chief Executive

Chief Financial Officer

Director

**MEEZAN ISLAMIC INCOME FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** Meezan Islamic Income Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on September 13, 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) notified through S.R.O. 1203 (I) / 2008 on November 21, 2008. The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund has been formed to provide the unit holders safe and stable stream of halal income on their investments and to generate superior long-term risk adjusted returns. The Fund shall also keep an exposure in short-term instruments for the purpose of maintaining liquidity and to capitalise on exceptional returns if available at any given point of time. Under the Trust Deed all conducts and acts of the Fund are based on Shariah principles. Meezan Bank Limited acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah. The investment objectives and policies are explained in the Fund's offering document.
- 1.3** The Fund is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorised as an Open End Shariah Compliant (Islamic) Income Scheme in accordance with Circular 7 of 2009 issued by the SECP.
- 1.4** The Management Company has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited dated December 31, 2020 (2019: AM1 dated December 31, 2019) and by PACRA dated June 26, 2020 (2019: AM1 dated December 28, 2019). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes. The Fund has been given a stability rating of A+(f) by VIS Credit Rating Company Limited dated January 12, 2021.
- 1.5** Title to the assets of the Fund are in the name of CDC as the Trustee of the Fund.

**2. BASIS OF PRESENTATION**

The transactions undertaken by the Fund are in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor and are accounted for on substance rather than the form prescribed by the earlier referred guidelines. This practice is being followed to comply with the requirements of the accounting and reporting standards as applicable in Pakistan.

**3. BASIS OF PREPARATION**

**3.1 STATEMENT OF COMPLIANCE**

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

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

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2020.

These condensed interim financial statements are unaudited. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at March 31, 2021.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT

4.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2020.

4.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2020. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2020.

4.3 There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2020. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	Note	(Rupees in '000)	
5. BALANCES WITH BANKS			
In saving accounts	5.1	19,511,320	6,857,273
In current accounts		44	44
		<u>19,511,364</u>	<u>6,857,317</u>

5.1 The balance in saving accounts have an expected profit ranging from 1.99% to 7.00% per annum (June 30, 2020: 1.50% to 7.50% per annum).

		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	Note	(Rupees in '000)	
5.2 Cash and cash equivalents			
Balances with banks		19,511,364	6,857,317
Term deposit receipts - having original maturity of 3 months or less		2,500,000	-
		<u>22,011,364</u>	<u>6,857,317</u>

#### 6. INVESTMENTS

##### Investments - 'at fair value through profit or loss'

Sukuk certificates	6.1	14,355,154	13,586,435
Certificates of musharakah	6.2	600,000	1,600,000
Commercial papers	6.3	216,578	1,522,415
Term deposit receipts - having original maturity of 3 months or less	6.4	2,500,000	-
Bai Muajjal receivable		-	3,957,730
		<u>17,671,732</u>	<u>20,666,580</u>

## 6.1 Sukuk certificates

Government securities	6.1.1	9,729,409	9,081,390
Corporate sukuks	6.1.2	4,625,745	4,505,045
		<u>14,355,154</u>	<u>13,586,435</u>

### 6.1.1 Government securities

Name of the security	Maturity date	Profit rate	As at July 1, 2020	Purchases during the period	Sales / maturity during the period	As at March 31, 2021	Carrying value as at March 31, 2021	Market value as at March 31, 2021	Unrealised appreciation/ (diminution)	Percentage in relation to	
										Net assets of the Fund	Total market value of investment
GoP Ijarah Sukuk Certificates - XX (note 6.1.1.1)	April 30, 2025	Weighted average 6 months T-Bills	1,870	-	1,870	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XXII (note 6.1.1.1)	June 24, 2025	Weighted average 6 months T-Bills	-	4,500	2,160	2,340	236,621	234,725	(1,895)	0.63	1.33
GoP Ijarah Sukuk Certificates - XXIII - VRR (note 6.1.1.1)	July 29, 2025	Weighted average 6 months T-Bills	-	1,000	1,000	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XXIII - FRR (note 6.1.1.1)	July 29, 2025	Weighted average 6 months T-Bills	-	1,000	1,000	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XXIV - FRR (note 6.1.1.1)	December 9, 2025	Weighted average 6 months T-Bills	-	43,000	26,190	16,810	1,681,966	1,687,724	5,758	4.53	9.55
Pakistan Energy Sukuk II (note 6.1.1.1)	May 20, 2030	6 months KIBOR plus base rate of (0.10%)	1,780,000	1,539,000	1,770,000	1,549,000	7,745,516	7,806,960	61,444	20.95	44.18
<b>Total as at March 31, 2021</b>							<b>7,745,516</b>	<b>9,729,409</b>	<b>65,307</b>	<b>26.11</b>	<b>55.06</b>
<b>Total as at June 30, 2020</b>							<b>9,087,000</b>	<b>9,081,390</b>	<b>(5,610)</b>		

6.1.1.1 The nominal value of these sukuk certificates is Rs 100,000 each except for Pakistan Energy Sukuk Certificates having nominal value of Rs. 5,000 each.

### 6.1.2 Corporate sukuks

Name of the security	Maturity date	Profit rate	As at July 1, 2020	Purchases during the period	Sales / redemptions during the period	As at March 31, 2021	* Carrying value as at March 31, 2021	* Market value as at March 31, 2021	Unrealised appreciation / (diminution)	Percentage in relation to		
										Net assets of the Fund	Total issue (with face value of investment)	Total market value of investment
Arzoo Textile Mills Limited (note 6.1.2.1 & 6.1.2.2) *	April 15, 2014	6 months KIBOR plus base rate of 2%	14,000	-	-	14,000	-	-	-	-	9.46	-
Eden Housing Limited (note 6.1.2.1 & 6.1.2.2) *	September 29, 2014	6 months KIBOR plus base rate of 2.5%	59,400	-	-	59,400	-	-	-	-	12.32	-
Security Leasing Corporation Limited II (note 6.1.2.1 & 6.1.2.2) *	January 19, 2022	Nil	3,081	-	-	3,081	-	-	-	-	6.67	-
<b>BANKS</b>												
Dubai Islamic Bank Pakistan Limited (AA-, VIS, non-traded) (note 6.1.2.1)	July 14, 2027	6 months KIBOR plus base rate of 0.5%	538	-	-	538	552,114	553,046	932	1.48	13.45	3.13
Meezan Bank Limited Tier - II (AA, VIS, non-traded) (note 6.1.2.1)	September 22, 2026	6 months KIBOR plus base rate of 0.50%	298	-	-	298	305,450	307,728	2,278	0.83	4.26	1.74

Name of the security	Maturity date	Profit rate	As at July 1, 2020	Purchases during the period	Sales / redemptions during the period	As at March 31, 2021	* Carrying value as at March 31, 2021	* Market value as at March 31, 2021	Unrealised appreciation / (diminution)	Percentage in relation to			
										Net assets of the Fund	Total issue (with face value of investment)	Total market value of investment	
----- % -----													
FERTILIZER													
Fatima Fertilizer Company Limited (AA-, PACRA, non-traded) (note 6.1.2.1)	November 28, 2021	6 months KIBOR plus base rate of 1.10%	60,200	-	20,067	40,133	201,836	201,741	(95)	0.54	9.56	1.14	
OIL & GAS MARKETING COMPANIES													
Hascol Petroleum Limited (D, VIS, non-traded) (note 6.1.2.1)	January 06, 2022	3 months KIBOR plus base rate of 1.50%	28,000	-	12,000	16,000	79,011	60,000	(19,011)	0.16	4.00	0.34	
POWER GENERATION & DISTRIBUTION													
K-Electric Limited (sukuk 5) (AA+, VIS, traded) (note 6.1.2.1)	August 03, 2027	3 months KIBOR plus base rate of 1.70%	80,000	240,000	134,800	185,200	934,408	936,184	1,776	2.51	3.70	5.30	
Hub Power Company Limited (AA+, PACRA), non-traded (note 6.1.2.1)	August 22, 2023	3 months KIBOR plus base rate of 1.90%	5,560	20	3,125	2,455	250,765	250,991	226	0.67	3.51	1.42	
Hub Power Company Limited (AA+, PACRA, traded) (note 6.1.2.1)	March 19, 2024	1 year KIBOR plus base rate of 1.900%	6,850	200	500	6,550	655,440	669,410	13,970	1.80	13.10	3.79	
Engro Powergen Thar (Private) Limited (A, PACRA, non-traded) (note 6.1.2.1)	August 2, 2024	3 months KIBOR plus base rate of 1.10%	50,000	-	-	50,000	250,750	249,266	(1,485)	0.67	8.33	1.41	
Hub Power Holdings Limited (AA+, PACRA) (note 6.1.2.1)	November 12, 2025	6 months KIBOR plus base rate of 2.5%	-	6,000	-	6,000	515,216	515,216	-	1.38	10.00	2.92	
PHARMACEUTICALS													
AGP Limited (A+, PACRA, non-traded) (note 6.1.2.1)	June 9, 2022	3 months KIBOR plus base rate of 1.30%	1,311	-	905	406	40,659	40,994	334	0.11	9.05	0.23	
CEMENT & CONSTRUCTION													
Javedan Corporation Limited (AA-, VIS non-traded) (note 6.1.2.1)	October 4, 2026	6 months KIBOR plus base rate of 1.75%	1,000	-	-	1,000	99,998	99,000	(998)	0.27	3.34	0.56	
STEEL & ALLIED PRODUCTS													
Agha Steel Industries (A+, VIS, non-traded) (note 6.1.2.1)	October 9, 2024	3 months KIBOR plus base rate of 0.80%	250	-	-	250	250,000	249,778	(223)	0.67	5.00	1.41	
CHEMICALS													
Engro Polymer and Chemicals Limited (AA, PACRA, non-traded) (note 6.1.2.1)	July 11, 2026	3 months KIBOR plus base rate of 0.90%	3,000	-	2,522	478	48,540	48,594	54	0.13	0.55	0.27	
TEXTILE COMPOSITE													
Masood Textile Mills Limited (A, VIS, non-traded) (note 6.1.2.1)	December 17, 2024	3 months KIBOR plus base rate of 2.00%	150	-	-	150	148,776	147,671	(1,105)	0.40	6.00	0.84	
MISCELLANEOUS													
International Brands Limited (AA, VIS, non-traded) (note 6.1.2.1)	November 15, 2021	12 months KIBOR plus base rate of 0.50%	2,859	-	747	2,112	209,048	210,849	1,801	0.57	14.13	1.19	
Shakarganj Food Products Limited (BBB+, VIS, non-traded) (note 6.1.2.1)	July 10, 2025	3 months KIBOR plus base rate of 1.75%	85	-	-	85	85,000	85,278	278	0.23	13.79	0.48	
Total as at March 31, 2021							4,627,011	4,625,745	(1,267)				
Total as at June 30, 2020							4,481,677	4,505,045	23,368				

\* In case of debt securities against which provision has been made, these are carried at carrying value less provision.



**6.1.2.1** The nominal value of these sukuk certificates is Rs 5,000 each except for the sukuk certificates of Eden Housing Limited having nominal value of Rs 984,375, International Brands Limited, AGP Limited, Javedan Corporation Limited, Engro Fertilizer Limited, Engro Polymer and Chemicals Limited, Hub Power Holdings Limited and Hub Power Company Limited having nominal value of Rs. 100,000 each and Dubai Islamic Bank Pakistan Limited, Meezan Bank Limited, Shakarganj Food Products Limited, Agha Steel Industries Limited and Masood Textile Mills Limited having nominal value of Rs 1,000,000 each respectively.

**6.1.2.2** The Securities and Exchange Commission of Pakistan vide circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. Al Meezan Investment Management Limited (the Management Company) classified Meezan Islamic Income Fund (the Fund) as an 'Income Scheme' in accordance with the said circular. As at March 31, 2021, the Fund is compliant with all the requirements of the said circular except for clause 9 (v) which requires the rating of any security in the portfolio shall not be lower than the investment grade. During the period, Hascol Petroleum Limited Sukuk downgraded by VIS to D rating (non-investment grade) due to failure to make the due installment payment. Consequently, as per the regulatory requirement, the sukuk has been valued at a discount to 25% to its face value by MUFAP on March 31, 2021. Following investments of the Funds are in sukuks which are below 'investment grade' securities. At the time of investment, these were compliant as per SECP criteria and the investment policy of the Fund.

Name of non-compliant investment	Type of investments	Value of investment before provision	Provision held (if any)	Value of investment after provision	Percentage of net assets	Percentage of total assets
		(Rupees in '000)			----- % -----	
Arzoo Textile Mills Limited	Non-traded sukuk certificates	70,000	70,000	-	-	-
Eden Housing Limited	Non-traded sukuk certificates	58,472	58,472	-	-	-
Security Leasing Corporation Limited II	Non-traded sukuk certificates	15,403	15,403	-	-	-
Hascol Petroleum Limited	Non-traded sukuk certificates	60,000	-	60,000	0.16	0.16
Shakarganj Food Products Limited	Non-traded sukuk certificates	85,062	-	85,062	0.23	0.23
<b>Total - March 31, 2021</b>		<b>288,937</b>	<b>143,875</b>	<b>145,062</b>	<b>0.4</b>	<b>0.4</b>
Total - June 30, 2020		282,145	143,875	138,270	0.5	0.5

**6.1.2.3** Circular No. 33 of 2012 allows the asset manager to apply a mark up/mark down within available limit for valuation of any specific debt security. Exercising the discretionary power, the above mentioned Sukuks of Agha Steel Industries Limited has been valued at a discretionary rate of Rs 99.9110 whereas the reported market rate on MUFAP valuation sheet as at March 31, 2021 was Rs 98.3170.

## 6.2 Certificates of Musharakah

Name of the investee company	Maturity date	Profit rate	As at July 1, 2020	Placed during the period	Matured during the period	Carrying value as at March 31, 2021	Market value as at March 31, 2021	Unrealised appreciation/ (diminution)	Percentage in relation to	
		--- % ---	(Rupees in '000)						Net assets of the Fund	Total market value of investment
									----- % -----	
Orix Modaraba	April 29, 2021	7.34	200,000	-	-	200,000	200,000	-	0.54	1.13
Orix Modaraba	April 29, 2021	7.34	200,000	-	-	200,000	200,000	-	0.54	1.13
Orix Modaraba	April 29, 2021	7.55	200,000	-	-	200,000	200,000	-	0.54	1.13
First Habib Modi	January 25, 2021	7.05	300,000	316,180	616,180	-	-	-	-	-
First Habib Modi	January 26, 2021	7.05	200,000	210,682	410,682	-	-	-	-	-
First Habib Modi	January 26, 2021	7.05	250,000	263,093	513,093	-	-	-	-	-
First Habib Modi	January 28, 2021	7.05	250,000	262,875	512,875	-	-	-	-	-
<b>Total as at March 31, 2021</b>			<b>1,600,000</b>	<b>1,052,830</b>	<b>2,052,830</b>	<b>600,000</b>	<b>600,000</b>	<b>-</b>	<b>1.61</b>	<b>3.40</b>
Total as at June 30, 2020								-	5.76	7.74

### 6.3 Commercial Papers

Name of the security	Maturity date	Profit rate	As at July 1, 2020	Purchases during the period	Sales / redemptions / maturity during the period	As at March 31, 2021	Carrying value as at March 31, 2021	Market value as at March 31, 2021	Percentage in relation to	
			(Number of certificates)			(Rupees in '000)			Net assets of the Fund	Total market value of investment
K-Electric Limited CP-6 (note 6.3.1)	August 26, 2020	6 months KIBOR plus base rate of 1.15%	600	-	600	-	-	-	-	-
K-Electric Limited CP-7 (note 6.3.1)	September 10, 2020	6 months KIBOR plus base rate of 1.15%	750	-	750	-	-	-	-	-
K-Electric Limited CP-8 (note 6.3.1)	October 6, 2020	6 months KIBOR plus base rate of 1.15%	210	-	210	-	-	-	-	-
K-Electric Limited CP-9 (note 6.3.1)	February 12, 2021	6 months KIBOR plus base rate of 1.00%	-	603	603	-	-	-	-	-
K-Electric Limited CP-10 (note 6.3.1)	February 26, 2021	6 months KIBOR plus base rate of 0.95%	-	450	450	-	-	-	-	-
K-Electric Limited CP-11 (note 6.3.1)	March 9, 2021	6 months KIBOR plus base rate of 0.85%	-	445	445	-	-	-	-	-
K-Electric Limited CP-16 (note 6.3.1)	September 16, 2021	6 months KIBOR plus base rate of 0.60%	-	225	-	225	216,578	216,578	0.58	1.23
<b>Total as at March 31, 2021</b>							<b>216,578</b>	<b>216,578</b>	<b>0.58</b>	<b>1.23</b>
Total as at June 30, 2020							1,522,415	1,522,415	5.47	7.37

6.3.1 The nominal value of these commercial papers is Rs 1,000,000 each.

### 6.4 Term deposit receipts

Name of the bank	Maturity date	Profit rate	As at July 1, 2020	Term deposit receipts placed during the period	Matured during the period paid	As at March 31, 2021	Percentage of total market value of investments	
		%	(Rupees in '000)				%	
Having original maturity of 3 months or less								
Bank Islami Pakistan Limited	May 26, 2021	7.25	-	15,000,000	12,500,000	2,500,000	14.15	
MCB Islamic Bank Limited	March 29, 2021	7.00	-	1,000,001	1,000,001	-	-	
Total - March 31, 2021				-	16,000,001	13,500,001	2,500,000	14.15
Total - June 30, 2020				-	-	-	-	-

7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - THE MANAGEMENT COMPANY	Note	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
		(Rupees in '000)	(Rupees in '000)
Management fee payable	7.1	15,819	1,038
Sindh Sales Tax on Management fee payable		2,056	135
Allocated expenses payable	7.2	4,746	3,548
Selling and marketing expenses payable	7.3	33,774	28,001
Sales load payable		4,487	1,583
Sindh Sales Tax on sales load payable		583	206
Certificate charges payable		1	1
		<u>61,466</u>	<u>34,512</u>

7.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 0.5% per annum of the average net assets of the Fund during the period. The remuneration is payable to the Management Company monthly in arrears.

- 7.2** In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The management company based on its own discretion has currently charged 0.15% of the average annual net assets of the scheme for allocation of such expenses to the Fund for the period.

- 7.3** In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company based on its own discretion charged selling and marketing expense at 0.4% per annum of the average annual net assets of the Fund from July 01, 2020 till March 09, 2021. From March 10, 2021, the Management Company has decided to charge selling and marketing expense at 0.3% per annum of the average annual net assets of the Fund.

<b>8.</b>	<b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>	<b>Note</b>	<b>March 31,</b>	<b>June 30,</b>
			<b>2021</b>	<b>2020</b>
			<b>(Unaudited)</b>	<b>(Audited)</b>
			<b>(Rupees in '000)</b>	
	Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	119,676	85,128
	Withholding tax payable		-	163,288
	Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	8.2	50,417	50,417
	Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	8.2	2,642	2,642
	Capital gain tax payable		10,904	39,898
	Auditors' remuneration payable		336	431
	Printing expenses payable		566	566
	Brokerage payable		846	1,005
	Zakat payable		506	172
	Shariah advisor fee payable		132	538
	Other payable		469	347
			<u>186,494</u>	<u>344,432</u>

- 8.1** The status of Sindh Workers' Welfare Fund is same as disclosed in financial statement for the year ended June 30, 2020. Had the provision of Sindh Workers' Welfare Fund not been made, the net asset value per unit as at March 31, 2021 would have been higher by Re.0.17 per unit (June 30, 2020: Re 0.16 per unit).
- 8.2** The status of provision of Federal Excise Duty is same as disclosed in financial statement for the year ended June 30, 2020. Had the provision of Federal Excise Duty not being made, the net asset value per unit as at March 31, 2021 would have been higher by Re. 0.08 (June 30, 2020: Re. 0.10) per unit.

## **9. CONTINGENCIES AND COMMITMENTS**

There were no other contingencies and commitments outstanding other than those disclosed in the condensed interim financial statements for the period ended December 31, 2020.

## **10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES**

Connected persons include Al Meezan Investment Management Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and Executives of the Management Company, other Funds under the common management of the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, Al Meezan Investment Management Limited - Employees Gratuity Fund and unitholders holding 10 percent or more of the Fund's net assets.

Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provision of the NBFC Rules, the NBFC Regulations and the Trust Deed respectively.

Details of transactions with connected persons and balances with them are as follows:

**Balances**
**Al Meezan Investment Management Limited - the Management Company**

	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	(Rupees in '000)	
Remuneration payable	15,819	1,038
Sindh Sales Tax payable on remuneration of the Management Company	2,056	135
Sales load payable	4,487	1,583
Sindh Sales Tax on sales load	583	206
Allocated expenses payable	4,746	3,548
Selling and marketing expense payable	33,774	28,001
Certificate charges payable	1	1
Investment of 968,849 units (June 30, 2020: nil units)	52,394	-

**Meezan Bank Limited**

Balances with bank	298,946	267,669
Sales load payable	4,586	2,554
Sindh Sales Tax on sales load	596	332
Profit receivable on saving account	76	300
Profit receivable on sukuk certificates	1,685	11,986
Investment of 298 sukuk certificates (June 30, 2020: 298 sukuk certificates)	307,728	305,450

**Central Depository Company of Pakistan Limited - the Trustee**

Trustee fee payable	2,387	1,764
Sindh Sales Tax on Trustee Fee payable	310	229
Security deposit	100	100

**Meezan Strategic Allocation Fund - MSAP - I**

Investments of 3,797,891 units (June 30, 2020: 4,198,624 units)	205,387	216,085
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**Meezan Strategic Allocation Fund - MSAP - II**

Investments of 2,036,379 units (June 30, 2020: 2,417,775 units)	110,126	124,432
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**Meezan Strategic Allocation Fund - MSAP - III**

Investments of 2,454,131 units (June 30, 2020: 3,979,255 units)	132,717	204,795
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**Meezan Strategic Allocation Fund - MSAP - IV**

Investments of 1,171,923 units (June 30, 2020: 4,020,730 units)	63,377	206,929
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**Meezan Strategic Allocation Fund - MSAP - V**

Investments of 296,910 units (June 30, 2020: 1,037,053 units)	16,057	53,373
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**Meezan Financial Planning Fund of Funds**
**- Aggressive Allocation Plan**

Investment of 1,507,925 units (June 30, 2020: 1,226,417 units)	81,547	63,118
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**Meezan Financial Planning Fund of Funds**
**- Moderate Allocation Plan**

Investment of 1,292,928 units (June 30, 2020: 1,059,604 units)	69,920	54,533
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**Meezan Financial Planning Fund of Funds**
**- Conservative Allocation Plan**

Investment of 2,491,031 units (June 30, 2020: 1,988,870 units)	134,713	102,358
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**Meezan Financial Planning Fund of Funds - MAAP - I**

Investment of 815,825 units (June 30, 2020: 1,740,132 units)	44,119	89,557
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**Al Meezan Investment Management Limited - Employees' Gratuity Fund**

Investment of 187,694 units (June 30, 2020: nil units)	10,150	-
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**Directors and Executives of the Management Company**

Investments of 1,104,501 units (June 30, 2020: 704,165 units)	59,730	36,240
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	Nine months period ended March 31,	
	2021	2020
	(Unaudited)	
	(Rupees in '000)	
Transactions during the period		
Al Meezan Investment Management Limited - the Management Company		
Remuneration for the period	128,789	126,916
Sindh Sales Tax on remuneration of the Management Company	16,743	16,499
Allocated expenses	38,636	21,165
Selling and marketing expense	100,795	57,288
Units issued: 1,157,861 units (March 31, 2020: 62,523 units)	60,000	3,274
Units redeemed: 189,012 units (March 31, 2020: 1,349,505 units)	10,000	69,559
Meezan Bank Limited		
Profit on saving account	1,839	10,843
Profit on sukuk certificate	20,437	36,638
Pakistan Energy Sukuk II certificates sold during the period: 1,540,000 sukuk certificates (March 31, 2020: nil)	7,702,310	-
Meezan Bank Limited Tier - II Sukuk certificates sold during the period: nil (March 31, 2020: 70 sukuk certificates)	-	70,185
Central Depository Company of Pakistan Limited - the Trustee		
Remuneration for the period	19,318	10,741
Sindh Sales Tax on trustee fee	2,511	1,396
CDS Charges	1,420	460
Meezan Strategic Allocation Fund - MSAP - I		
Units issued: 1,913,152 units (March 31, 2020: 1,653,461 units)	101,000	85,606
Units redeemed: 2,313,885 units (March 31, 2020: 6,637,424 units)	122,470	346,444
Meezan Strategic Allocation Fund - MSAP - II		
Units issued: 1,067,723 units (March 31, 2020: 1,128,244 units)	56,400	58,413
Units redeemed: 1,449,119 units (March 31, 2020: 4,536,335 units)	76,427	236,405
Meezan Strategic Allocation Fund - MSAP - III		
Units issued: 1,386,262 units (March 31, 2020: 1,361,671 units)	72,900	70,498
Units redeemed: 2,911,386 (March 31, 2020: 5,418,582 units)	152,590	282,706
Meezan Strategic Allocation Fund - MSAP - IV		
Units issued: 1,202,649 units (March 31, 2020: 1,536,740 units)	63,000	79,563
Units redeemed: 4,051,456 (March 31, 2020: 6,120,187 units)	211,916	319,197
Meezan Strategic Allocation Fund - MSAP - V		
Units issued: 350,016 units (March 31, 2020: 272,284 units)	18,370	14,090
Units redeemed: 1,090,159 units (March 31, 2020: 1,059,349 units)	57,190	55,177
Meezan Financial Planning Fund of Funds		
- Aggressive Allocation Plan		
Units issued: 473,934 units (March 31, 2020: 1,243,768 units)	24,746	65,702
Units redeemed: 192,426 units (March 31, 2020: 537,885 units)	10,125	34,394
Meezan Financial Planning Fund of Funds		
- Moderate Allocation Plan		
Units issued: 732,359 units (March 31, 2020: 904,065 units)	38,721	47,444
Units redeemed: 499,035 units (March 31, 2020: 648,912 units)	26,600	34,407
Meezan Financial Planning Fund of Funds		
- Conservative Allocation Plan		
Units issued: 954,135 units (March 31, 2020: 1,567,786 units)	50,769	82,028
Units redeemed: 451,974 units (March 31, 2020: 1,158,916 units)	24,000	62,143
Meezan Financial Planning Fund of Funds - MAAP - I		
Units issued: 2,420,946 units (March 31, 2020: 3,782,012 units)	127,419	194,649
Units redeemed: 3,345,253 units (March 31, 2020: 3,782,012 units)	176,095	197,912

	Nine months period ended	
	March 31,	
	2021	2020
	(Unaudited)	
	(Rupees in '000)	
<b>Al Meezan Investment Management Limited - Employees' Gratuity Fund</b>		
Units issued: 187,694 units (March 31, 2020: nil)	10,000	-
<b>Directors and Executives of the Management Company</b>		
Units issued: 3,326,321 units (March 31, 2020: 17,313,095 units)	176,759	905,414
Units redeemed: 2,753,618 units (March 31, 2020: 16,738,654 units)	146,883	898,773

# 11. TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 1.33% which includes 0.20% representing Government Levy, Sindh Worker's Welfare Fund and the SECP Fee. The prescribed limit for the ratio is 2.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a "income fund".

# 12. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unitholders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2021 as reduced by capital gains (whether realised or unrealised) to its unitholders.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

# 13. FAIR VALUES 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 Fund 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.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

## Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets 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: Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities.
- Level 2: Fair value measurements using 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 3: Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at March 31, 2021 and June 30, 2020, the Fund held the following financial instruments measured at fair value:

ASSETS	As at March 31, 2021			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
<b>Financial assets 'at fair value through profit or loss'</b>				
Sukuk Certificates	-	14,355,154	-	14,355,154
Certificates of Musharakah*	-	600,000	-	600,000
Commercial Papers**	-	216,578	-	216,578
Term deposit receipts - having original maturity of 3 months or less *	-	2,500,000	-	2,500,000
	-	17,671,732	-	17,671,732



ASSETS	As at June 30, 2020			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
<b>Financial assets 'at fair value through profit or loss'</b>				
Sukuk certificates	-	13,586,435	-	13,586,435
Certificates of musharakah*	-	1,600,000	-	1,600,000
Commercial papers**	-	1,522,415	-	1,522,415
Bai Muajjal receivable**	-	3,957,730	-	3,957,730
	-	20,666,580	-	20,666,580

\* The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counter parties which have high credit ratings.

\*\* The valuation of commercial papers has been done based on amortisation of commercial paper to its face value as per the guidelines given in Circular 33 of 2012 since the residual maturity of this investment is less than six months and they are placed with counterparties which have high credit rating.

#### 14. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on April 12, 2021 by the Board of Directors of the Management Company.

#### 15. GENERAL

##### 15.1 COVID - 19

The COVID – 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

- The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times as part of its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of Covid-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

##### 15.2 Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.

**For Al Meezan Investment Management Limited  
(Management Company)**

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director