



**Al Meezan**  
Investment Management Ltd.

# MEEZAN ISLAMIC FUND (MIF)

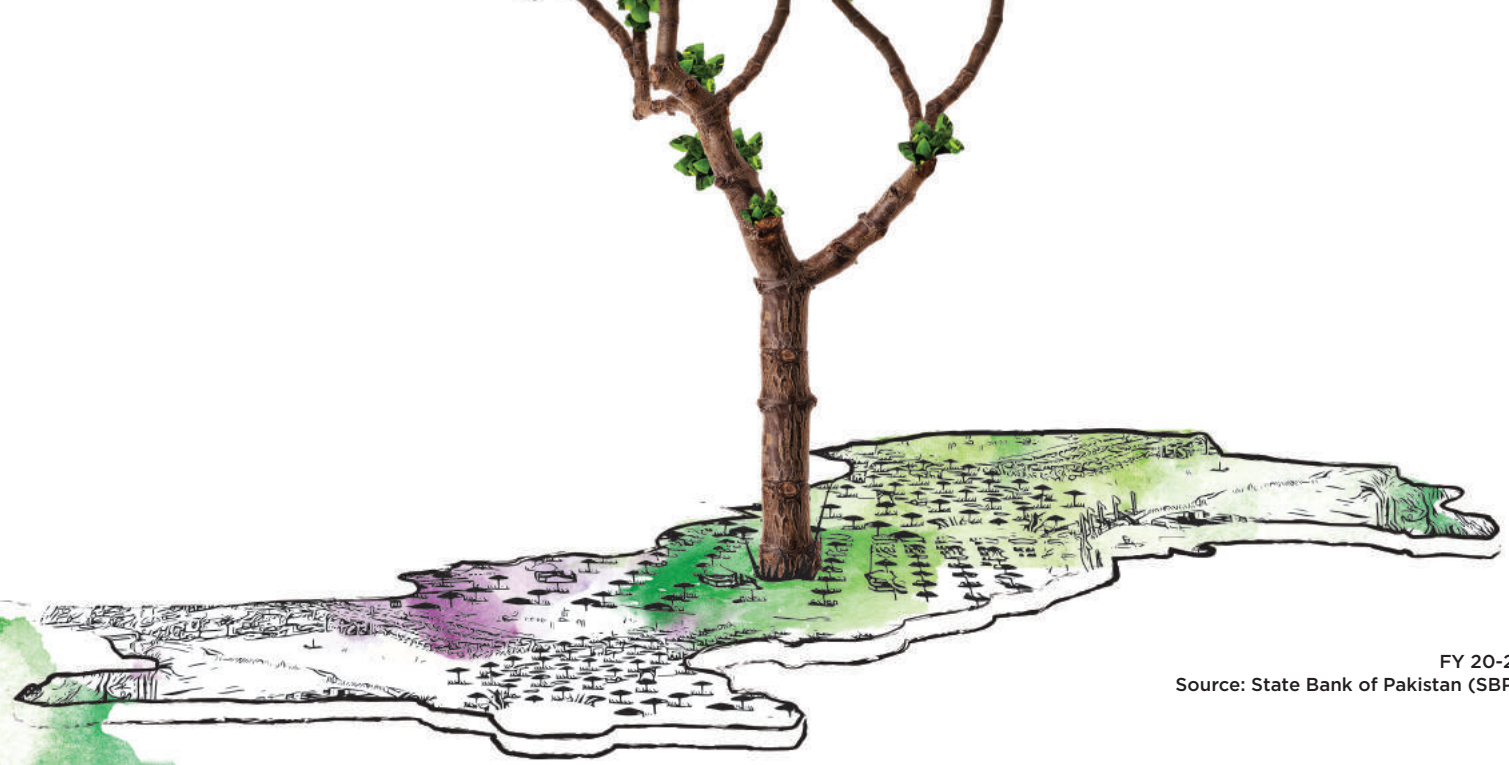
Meezan Islamic Fund seeks to optimize total investor returns by investing in Shariah Compliant equities focusing on both capital gains and dividend income.



PHENOMENAL **GROWTH** IN  
**FOREIGN**  
**REMITTANCES**

**BY**

**27.0%**





# 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

## COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Mr. Salman Muslim

## CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY

Mr. Muhammad Shahid Ojha

## 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: [bawaney@cyber.net.pk](mailto:bawaney@cyber.net.pk)

## TRANSFER AGENT

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)

## 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 SEPTEMBER 30, 2021**

		September 30, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
<b>Assets</b>			
Balances with banks	5	1,575,595	2,061,391
Investments	6	30,638,282	32,886,340
Receivable against sale of investments		-	34,569
Receivable against conversion of units		79,214	145,285
Receivable against Issuance of units		447,200	-
Dividend receivable		240,607	84,683
Advances, deposits and other receivables		11,798	189,717
<b>Total assets</b>		<u>32,992,696</u>	<u>35,401,985</u>
<b>Liabilities</b>			
Payable to AI Meezan Investment Management Limited - Management Company	7	153,813	92,487
Payable to Central Depository Company of Pakistan Limited - Trustee		3,215	3,314
Payable to Meezan Bank Limited		425	1,035
Payable to the Securities and Exchange Commission of Pakistan		1,734	6,201
Payable against redemption and conversion of units		110,835	85,604
Payable against purchase of investments		139,825	70,503
Accrued expenses and other liabilities	8	319,280	868,818
<b>Total liabilities</b>		<u>729,127</u>	<u>1,127,962</u>
<b>Net assets</b>		<u>32,263,569</u>	<u>34,274,023</u>
<b>Unit holders' funds (as per statement attached)</b>		<u>32,263,569</u>	<u>34,274,023</u>
<b>Contingencies and commitments</b>	9		
		<b>(Number of units)</b>	
<b>Number of units in issue</b>		<u>523,220,565</u>	<u>540,803,980</u>
		<b>(Rupees)</b>	
<b>Net asset value per unit</b>		<u>61.6634</u>	<u>63.3761</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 INCOME STATEMENT (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

	Note	September 30,	
		2021	2020
		(Rupees in '000)	
<b>Income</b>			
Dividend income		451,573	156,164
Profit on saving accounts with banks		32,477	30,245
Net realised gain on sale of investments		71,188	249,792
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)	8.1	525,426	-
		<u>1,080,664</u>	<u>436,201</u>
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.1	(1,619,165)	4,079,365
<b>Total (loss) / income</b>		<u>(538,501)</u>	<u>4,515,566</u>
<b>Expenses</b>			
Remuneration of Al Meezan Investment Management Limited - Management Company	7	173,411	144,172
Sindh Sales Tax on remuneration of the Management Company		22,543	18,742
Allocated expenses		9,538	7,209
Selling and marketing expenses		86,705	28,834
Remuneration of Central Depository Company of Pakistan Limited - Trustee		8,923	7,461
Sindh Sales Tax on remuneration of the Trustee		1,160	970
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)		1,734	1,442
Auditors' remuneration		266	222
Fees and subscription		936	668
Legal and professional charges		184	-
Brokerage expense		12,608	9,891
Bank and settlement charges		1,077	924
Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	-	85,809
Charity expense		13,355	4,585
<b>Total expenses</b>		<u>332,440</u>	<u>310,929</u>
<b>Net (loss) / income for the quarter before taxation</b>		<u>(870,941)</u>	<u>4,204,637</u>
Taxation	13	-	-
<b>Net (loss) / income for the quarter after taxation</b>		<u>(870,941)</u>	<u>4,204,637</u>
<b>Allocation of net income for the quarter</b>			
Net income for the quarter after taxation		-	4,204,637
Income already paid on units redeemed		-	(492,101)
		<u>-</u>	<u>3,712,536</u>
<b>Accounting income available for distribution</b>			
- Relating to capital gains		-	3,712,536
- Excluding capital gains		-	-
		<u>-</u>	<u>3,712,536</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 STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

	<b>September 30,</b>	
	<b>2021</b>	<b>2020</b>
	<b>(Rupees in '000)</b>	
<b>Net (loss) / income for the quarter after taxation</b>	(870,941)	4,204,637
Other comprehensive income for the quarter	-	-
<b>Total comprehensive (loss) / income for the quarter</b>	<b><u>(870,941)</u></b>	<b><u>4,204,637</u></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**  
**STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

	2021			September 30, 2020			
	Capital Value	Accumulated loss / Undistributed income	Total	Capital Value	Accumulated loss / Undistributed income	Over distribution	Total
	Rupees in '000			Rupees in '000			
<b>Net assets at the beginning of the quarter as previously reported (Audited)</b>	30,603,590	3,670,433	34,274,023	26,641,970	(1,860,387)	(709,398)	24,072,185
Issue of 140,484,396 units (September 30, 2020: 205,193,038 units)							
- Capital value (at net asset value per unit at the beginning of the quarter)	8,903,353	-	8,903,353	9,597,084	-	-	9,597,084
- Element of income	108,568	-	108,568	1,425,074	-	-	1,425,074
Total proceeds on issuance of units	9,011,921	-	9,011,921	11,022,158	-	-	11,022,158
Redemption of 158,067,811 units (September 30, 2020: 176,505,469 units)							
- Capital value (at net asset value per unit at the beginning of the quarter)	10,017,721	-	10,017,721	8,255,337	-	-	8,255,337
- Element of loss	133,713	-	133,713	722,086	492,101	-	1,214,187
Total payments on redemption of units	10,151,434	-	10,151,434	8,977,423	-	-	9,469,524
Total comprehensive (loss) / income for the quarter		(870,941)	(870,941)		4,204,637		4,204,637
Adjustment of over distribution					(709,398)	709,398	
Net (loss) / income for the quarter less distribution		(870,941)	(870,941)		3,495,239	709,398	4,204,637
<b>Net assets at the end of the quarter</b>	<b>29,464,077</b>	<b>2,799,492</b>	<b>32,263,569</b>	<b>28,686,705</b>	<b>1,634,852</b>	<b>-</b>	<b>29,829,456</b>
<b>(Accumulated loss) / Undistributed income brought forward as previously reported (Audited)</b>							
- Realised loss		(2,652,037)				(1,065,399)	
- Unrealised income / (loss)		6,322,470				(794,988)	
		3,670,433				(1,860,387)	
Adjustment of over distribution						(709,398)	
<b>Accounting income available for distribution (after adjusting income already paid on units redeemed)</b>							
- Relating to capital gains						3,712,536	
- Excluding capital gains						-	
						3,712,536	
Net loss for the quarter after taxation		(870,941)				-	
Undistributed income / (Accumulated loss) carried forward		2,799,492				1,142,751	
<b>Undistributed income carried forward</b>							
- Realised income / (loss)		4,418,657				(2,936,614)	
- Unrealised (loss) / income		(1,619,165)				4,079,365	
		2,799,492				1,142,751	
Net assets value per unit at the beginning of the quarter			(Rupees) 63.3761				(Rupees) 46.7710
Net assets value per unit at the end of the quarter			61.6634				54.8972

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 QUARTER ENDED SEPTEMBER 30, 2021**

	<b>September 30,</b>	
	<b>2021</b>	<b>2020</b>
	<b>(Rupees in '000)</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) / income for the quarter before taxation	(870,941)	4,204,637
<b>Adjustments for:</b>		
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	1,619,165	(4,079,365)
	<u>748,224</u>	<u>125,272</u>
<b>Decrease / (increase) in assets</b>		
Investments - net	628,893	(933,510)
Receivable against sale of investments	34,569	(214,575)
Dividend receivable	(155,924)	(94,891)
Advances, deposits and other receivables	177,919	(4,809)
	<u>685,457</u>	<u>(1,247,785)</u>
<b>Decrease in liabilities</b>		
Payable to Al Meezan Investment Management Limited - Management Company	61,326	58,729
Payable to Central Depository Company of Pakistan Limited - Trustee	(99)	615
Payable to Meezan Bank Limited	(610)	(297)
Payable to the Securities and Exchange Commission of Pakistan	(4,467)	(3,582)
Payable against purchase of investments	69,322	(123,732)
Accrued expenses and other liabilities	(549,538)	(36,692)
	<u>(424,066)</u>	<u>(104,959)</u>
<b>Net cash generated from / (used in) operating activities</b>	<u>1,009,615</u>	<u>(1,227,472)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	8,630,792	10,927,012
Dividend Paid	-	(152,480)
Payment against redemption and conversion of units	(10,126,203)	(9,401,150)
<b>Net cash (used in) / generated from financing activities</b>	<u>(1,495,411)</u>	<u>1,373,382</u>
<b>Net (decrease) / increase in cash and cash equivalents during the quarter</b>	<u>(485,796)</u>	<u>145,910</u>
Cash and cash equivalents at the beginning of the quarter	2,061,391	1,755,340
<b>Cash and cash equivalents at the end of the quarter</b>	<u><u>1,575,595</u></u>	<u><u>1,901,250</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



**MEEZAN ISLAMIC FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

**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 (Al Meezan) as Management Company and Central Depository Company of Pakistan Limited (CDC) as 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, (NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008, (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 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. 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 a 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 dated December 31, 2020 (2020: AM1 dated December 31, 2019) and by PACRA dated June 23, 2021 (2020: AM1 dated June 26, 2020). 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.
- 1.6** The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company has fulfilled requirements for registration and accordingly, the fund has been registered under Sindh Trusts Act, 2020.

**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 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

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, 2021.

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 September 30, 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, 2021.

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, 2021. 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, 2021.

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, 2021. However, these do not have any impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

	Note	September 30, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
<b>5. BALANCES WITH BANKS</b>			
In current accounts		10,323	10,793
In saving accounts	5.1	1,565,272	2,050,598
		<u>1,575,595</u>	<u>2,061,391</u>

5.1 The balance in saving accounts have an expected profit ranging from 1.50% to 8.00% per annum (June 30, 2021: 1.50% to 7.32% per annum).

	Note	September 30, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
<b>6. INVESTMENTS</b>			
Shares of listed companies - 'ordinary shares'	6.1	<u>30,638,282</u>	<u>32,886,340</u>

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

Name of the investee company	As at July 1, 2021	Purchases during the quarter	Bonus / Right issue	Sales during the quarter	As at Sep 30, 2021	Carrying value as at Sep 30, 2021	Market value as at Sep 30, 2021	Unrealised appreciation/ (diminution) as at Sep 30, 2021	Percentage in relation to		
									Net assets of the Fund	Total market value of invest- ments	Paid-up capital of investee company (with face value of investment)
						Number of shares		Rupees in '000		%	
<b>Sectors / companies</b>											
<b>Automobile assembler</b>											
Gandhara Industries Limited	-	130,000	-	-	130,000	39,022	25,346	(13,676)	0.08	0.08	0.31
Gandhara Nissan Limited	-	303,800	-	70,000	233,800	28,125	20,371	(7,754)	0.06	0.07	0.41
Millat Tractors Limited	590,110	20,000	-	-	610,110	658,689	654,770	(3,919)	2.03	2.14	1.09
Pak Suzuki Motor Company Limited	50,000	-	-	50,000	-	-	-	-	-	-	-
									<b>2.17</b>	<b>2.29</b>	<b>1.80</b>
<b>Automobile parts and accessories</b>											
Agriauto Industries Limited (note 6.1.1)	140,700	-	-	-	140,700	38,607	31,642	(6,965)	0.10	0.10	0.49
Panther Tyres Limited (note 6.1.3)	202,090	1,250,000	290,418	-	1,742,508	108,026	86,184	(21,842)	0.27	0.28	1.04
									<b>0.37</b>	<b>0.38</b>	<b>1.53</b>
<b>Chemicals</b>											
Engro Polymer & Chemicals Limited	16,475,221	1,935,000	-	-	18,410,221	883,486	1,013,851	130,365	3.14	3.31	2.03
Dynea Pakistan Limited (Note 6.1.1)	293,000	5,000	-	-	298,000	66,153	67,726	1,573	0.21	0.22	1.58
ICI Pakistan Limited	919,535	-	-	50,850	868,685	754,714	689,362	(65,352)	2.14	2.25	0.94
Ghani Global Holdings Limited	3,550	-	-	3,550	-	-	-	-	-	-	-
Nimir Resins Limited (Note 6.1.1)	375,000	-	-	375,000	-	-	-	-	-	-	-
Sitara Chemicals Industries Limited	30,500	-	-	-	30,500	10,736	8,630	(2,106)	0.03	0.03	0.14
									<b>5.52</b>	<b>5.81</b>	<b>4.69</b>

Name of the investee company	As at July 1, 2021	Purchases during the quarter	Bonus / Right issue	Sales during the quarter	As at Sep 30, 2021	Carrying value as at Sep 30, 2021	Market value as at Sep 30, 2021	Unrealised appreciation/ (diminution) as at Sep 30, 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>Cement</b>													
Attock Cement Pakistan Limited	425,400	-	-	15,600	409,800	73,690	57,724	(15,966)	0.18	0.19	0.30		
Cherat Cement Company Limited	3,335,000	120,000	-	-	3,455,000	612,336	494,825	(117,511)	1.53	1.62	1.78		
D.G. Khan Cement Company Limited	2,953,649	550,000	-	3,204,850	298,799	31,968	26,420	(5,548)	0.08	0.09	0.07		
Fauji Cement Company Limited	5,129,500	-	-	-	5,129,500	117,979	92,075	(25,904)	0.29	0.30	0.37		
Kohat Cement Company Limited	5,354,750	-	-	65,000	5,289,750	1,092,280	909,520	(182,760)	2.82	2.97	2.63		
Lucky Cement Limited	4,365,992	163,000	-	788,982	3,740,010	3,234,191	2,703,653	(530,538)	8.38	8.82	1.16		
Power Cement Limited	639,500	-	-	-	639,500	6,146	4,489	(1,657)	0.01	0.01	0.06		
Maple Leaf Cement Factory Limited	18,186,814	1,849,000	-	4,455,000	15,580,814	718,856	548,445	(170,411)	1.70	1.79	1.42		
									<b>14.99</b>	<b>15.79</b>	<b>7.79</b>		
<b>Paper and Board</b>													
Cherat Packaging Limited	161,847	-	-	-	161,847	32,193	29,003	(3,190)	0.09	0.09	0.38		
Century Paper & Board Mills Limited (note 6.1.3)	3,972,600	56,200	599,640	-	4,628,440	490,331	346,809	(143,522)	1.07	1.13	2.28		
Roshan Packages Limited	3,332,500	-	-	-	3,332,500	109,773	82,979	(26,794)	0.26	0.27	2.35		
Security Papers Limited	41,000	-	-	41,000	-	-	-	-	-	-	-		
Packages Limited	1,649,425	300	-	175,250	1,474,475	803,876	692,060	(111,816)	2.15	2.26	1.65		
									<b>3.57</b>	<b>3.75</b>	<b>6.66</b>		
<b>Technology and communication</b>													
Avanceon Limited	4,519,155	612,000	-	2,396,500	2,734,655	261,242	337,347	76,105	1.05	1.10	1.07		
Airlink communication Limited	-	2,869,500	-	-	2,869,500	205,169	206,805	1,636	0.64	0.67	0.78		
Octopus Digital Limited	-	74,336	-	-	74,336	3,018	3,018	-	0.01	0.01	0.05		
Netsol Technologies Limited	-	50,000	-	-	50,000	5,862	6,244	382	0.02	0.02	0.06		
Pakistan Telecommunication Company Limited "A"	3,873,000	-	-	-	3,873,000	45,856	36,251	(9,605)	0.11	0.12	0.10		
TPL Trakker Limited	605,000	-	-	-	605,000	10,594	10,321	(273)	0.03	0.03	0.32		
World call Telecom Limited	1,600,000	1,000,000	-	-	2,600,000	9,966	7,072	(2,894)	0.02	0.02	0.14		
Systems Limited	2,440,560	-	-	-	2,440,560	1,367,251	1,775,532	408,281	5.50	5.80	1.78		
									<b>7.38</b>	<b>7.77</b>	<b>4.31</b>		
<b>Refinery</b>													
Attock Refinery Limited	100,000	-	-	100,000	-	-	-	-	-	-	-		
Byco Petroleum Pakistan Limited	21,600,000	38,830,000	-	6,247,500	54,182,500	550,421	443,213	(107,208)	1.37	1.45	1.02		
									<b>1.37</b>	<b>1.45</b>	<b>1.02</b>		
<b>Commercial Banks</b>													
Meezan Bank Limited (a related party of the Fund) (note 6.1.3)	14,130,816	750,000	2,113,106	895,939	16,097,983	1,633,650	2,252,591	618,941	6.98	7.35	0.99		
BankIslami Pakistan Limited	14,692,500	1,000,000	-	-	15,692,500	178,272	197,726	19,454	0.61	0.65	1.42		
									<b>7.59</b>	<b>8.00</b>	<b>2.40</b>		
<b>Oil and Gas Marketing Companies</b>													
Attock Petroleum Limited	798,334	-	-	-	798,334	256,289	231,517	(24,772)	0.72	0.76	0.80		
Hascol Petroleum Limited	40,861	-	-	-	40,861	365	265	(100)	-	-	0.00		
Hi-Tech Lubricants Limited	50,000	-	-	-	50,000	3,546	3,101	(445)	0.01	0.01	0.04		
Shell Pakistan Limited	265,400	-	-	265,400	-	-	-	-	-	-	-		
Pakistan State Oil Company Limited	5,622,901	360,000	-	1,334,111	4,648,790	1,043,545	934,360	(109,185)	2.90	3.05	0.99		
Sui Southern Gas Pipelines Limited	-	-	-	-	-	-	-	-	-	-	-		
Sui Northern Gas Pipelines Limited	4,175,800	1,933,712	-	-	6,109,512	298,760	277,861	(20,899)	0.86	0.91	0.96		
									<b>4.49</b>	<b>4.73</b>	<b>2.80</b>		
<b>Oil and Gas Exploration Companies</b>													
Oil and Gas Development Company Limited	17,615,813	3,654,499	-	2,168,914	19,101,398	1,809,838	1,600,697	(209,141)	4.96	5.22	0.44		
Pakistan Oilfields Limited	2,110,607	-	-	537,146	1,573,461	619,723	590,599	(29,124)	1.83	1.93	0.55		
Pakistan Petroleum Limited	16,464,880	1,643,310	-	430,700	17,677,490	1,533,661	1,324,221	(209,440)	4.10	4.32	0.65		
Mari Petroleum Company Limited	1,794,247	-	-	7,500	1,786,747	2,723,699	2,775,479	51,780	8.60	9.06	1.34		
									<b>19.49</b>	<b>20.53</b>	<b>2.99</b>		
<b>Pharmaceuticals</b>													
Abbott Laboratories (Pakistan) Limited	69,050	-	-	9,000	60,050	47,581	46,410	(1,171)	0.14	0.15	0.06		
AGP Limited	3,242,300	74,100	-	2,997,600	318,800	37,429	36,595	(834)	0.11	0.12	0.11		
GlaxoSmithKline Consumer Healthcare Products Limited	364,656	-	-	25,000	339,656	84,945	86,639	1,694	0.27	0.28	0.29		
Ferozsons Laboratories Limited	24,000	-	-	-	24,000	8,468	8,753	285	0.03	0.03	0.07		
IBL Healthcare Limited	-	255,700	-	-	255,700	25,032	23,087	(1,945)	0.07	0.08	0.47		
Hignnoon Laboratories Limited	131,760	-	-	-	131,760	79,055	81,647	2,592	0.25	0.27	0.35		
The Searle Company Limited	3,527,044	-	-	554,800	2,972,244	721,126	598,937	(122,189)	1.86	1.95	1.24		
									<b>2.73</b>	<b>2.88</b>	<b>2.59</b>		
<b>Power Generation and Distribution</b>													
The Hub Power Company Limited	13,178,273	6,276,809	-	-	19,455,082	1,540,802	1,430,532	(110,270)	4.43	4.67	1.50		
K - Electric Limited (6.1.1)	110,064,000	900,000	-	-	110,964,000	463,416	443,856	(19,560)	1.38	1.45	0.40		
									<b>5.81</b>	<b>6.12</b>	<b>1.90</b>		

Name of the investee company	As at July 1, 2021	Purchases during the quarter	Bonus / Right issue	Sales during the quarter	As at Sep 30, 2021	Carrying value as at Sep 30, 2021	Market value as at Sep 30, 2021	Unrealised appreciation/ (diminution) as at Sep 30, 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)
						(Rupees in '000)		%			
<b>Fertilizer</b>											
Engro Corporation Limited (note 6.1.2)	6,519,719	-	-	969,260	5,550,459	1,635,221	1,552,741	(82,480)	4.81	5.07	0.96
Engro Fertilizers Limited	13,834,619	1,200,000	-	1,108,111	13,926,508	981,923	978,755	(3,168)	3.03	3.19	1.04
									<b>7.84</b>	<b>8.26</b>	<b>2.01</b>
<b>Engineering</b>											
Agha Steels Industries Limited	3,138,910	-	-	398,500	2,740,410	92,434	75,334	(17,100)	0.23	0.25	0.48
Aisha Steel Mills Limited	4,100,000	5,372,500	-	-	9,472,500	231,657	197,123	(34,534)	0.61	0.64	1.24
International Industries Limited	2,221,440	25,000	-	315,500	1,930,940	406,291	322,023	(84,268)	1.00	1.05	1.46
Ittefaq Iron Industries Limited	5,181,500	111,000	-	-	5,292,500	99,765	77,641	(22,124)	0.24	0.25	3.67
International Steel Limited	3,308,107	-	-	748,491	2,559,616	239,094	195,068	(44,026)	0.60	0.64	0.59
Mughal Iron & Steel Industries Limited	4,237,520	1,259,800	-	-	5,497,320	583,782	536,648	(47,134)	1.66	1.75	1.88
KSB Pumps Company Limited	38,700	-	-	800	37,900	8,409	8,766	357	0.03	0.03	0.29
									<b>4.37</b>	<b>4.61</b>	<b>9.60</b>
<b>Food and Personal Care Products</b>											
Al-Shaheer Corporation Limited	62,711	-	-	-	62,711	1,250	890	(360)	-	-	0.02
At-Tahir Limited	632,049	1,633,000	-	-	2,265,049	63,935	61,972	(1,963)	0.19	0.20	1.28
National Foods Limited (note 6.1.1)	254,150	-	-	-	254,150	58,205	53,905	(4,300)	0.17	0.18	0.14
Unity Foods Limited	7,888,000	1,366,433	-	1,202,000	8,052,433	347,349	251,397	(95,952)	0.78	0.82	0.81
									<b>1.14</b>	<b>1.20</b>	<b>2.24</b>
<b>Glass and Ceramics</b>											
Ghani Global Glass Limited	460,000	-	-	460,000	-	-	-	-	-	-	-
Shabbir Tiles and Ceramics Limited (Note 6.1.1)	2,395,000	900,000	-	-	3,295,000	109,101	100,432	(8,669)	0.31	0.33	1.01
Ghani Glass Limited	1,253,200	-	-	-	1,253,200	60,404	62,447	2,043	0.19	0.20	0.15
									<b>0.50</b>	<b>0.53</b>	<b>1.16</b>
<b>Textile Composite</b>											
Feroze1888 Mills Limited	1,382,600	500	-	-	1,383,100	139,014	123,926	(15,088)	0.38	0.40	0.37
Interloop Limited	13,250,500	600,000	-	-	13,850,500	971,609	985,740	14,131	3.06	3.22	1.59
Kohinoor Textile Mills Limited	1,332,014	550,000	-	-	1,882,014	146,544	130,706	(15,838)	0.41	0.43	0.63
Nishat Mills Limited	5,383,500	360,000	-	747,200	4,996,300	467,317	453,964	(13,353)	1.41	1.48	1.42
									<b>5.26</b>	<b>5.53</b>	<b>4.00</b>
<b>Leather &amp; Tanneries</b>											
Service Global Footwear Limited	1,021,325	-	-	200,000	821,325	47,497	36,869	(10,628)	0.11	0.12	0.40
<b>Miscellaneous</b>											
Pakistan Aluminum Beverage Cans Limited	-	1,775,942	-	916,000	859,942	42,137	33,744	(8,393)	0.10	0.11	0.24
Synthetic Products Enterprises Limited	1,040,525	-	-	-	1,040,525	44,751	41,631	(3,120)	0.13	0.14	1.13
									<b>0.23</b>	<b>0.25</b>	<b>1.36</b>
<b>Total as at September 30, 2021</b>					<b>441,157,280</b>	<b>32,257,447</b>	<b>30,638,282</b>	<b>(1,619,165)</b>			
<b>Total as at June 30, 2021</b>					<b>390,664,729</b>	<b>26,563,870</b>	<b>32,886,340</b>	<b>6,322,470</b>			

- 6.1.1** All shares have a nominal value of Rs 10 each except for the shares of Thal Limited, Agriauto Industries Limited Dynea Pakistan Limited, Shabbir Tiles and Ceramics Limited, Nimir Resins Limited and National Foods 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 of Engro Corporation Limited, having market value of Rs 296.54 million as at Sep 30, 2021 (June 30, 2021: Rs. 312.29 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.
- 6.2** 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, 2021. As at September 30, 2021, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 56.178 million (June 30, 2021: Rs. 62.612 million).

7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	September 30, 2021	June 30, 2021
		(Unaudited)	(Audited)
		(Rupees in '000)	
Management fee payable	7.1	55,021	3,738
Sindh Sales Tax payable on remuneration of the Management Company		7,153	486
Allocated expenses payable	7.2	3,026	3,124
Selling and marketing expenses payable	7.3	86,706	82,065
Sales load payable		1,688	2,720
Sindh Sales Tax on sales load payable		219	354
		<b>153,813</b>	<b>92,487</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% per annum of the average net assets of the Fund during the quarter. 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 fixed a maximum capping of 0.11% 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 has charged during the period selling and marketing expense at 1% per annum of average annual net assets of the Fund.

<b>8. ACCRUED EXPENSES AND OTHER LIABILITIES</b>	<b>Note</b>	<b>September 30, 2021 (Unaudited) (Rupees in '000)</b>	<b>June 30, 2021 (Audited)</b>
Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	-	525,426
Charity payable		31,379	50,956
Capital gain tax payable		10,257	14,423
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee		231,867	231,867
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load		32,608	32,607
Auditors' remuneration		196	480
Zakat payable		175	139
Printing expenses payable		483	483
Shariah advisory fee payable		2,579	1,650
Brokerage payable		9,736	10,787
		<u>319,280</u>	<u>868,818</u>

**8.1** SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and was also been taken up with the SECP. All the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF vide its circular dated August 30, 2021. Provisioning against SWWF amounting to Rs. 532 million has been reversed and it has contributed towards an increase in NAV of the fund by Rs. 1.00 (1.56%) per unit. This was one-off event and is not likely to be repeated in the future.

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

## **9. CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at September 30, 2021 and June 30, 2021.

## **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:





	September 30, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
<b>Al Meezan Investment Management Limited - the Management Company</b>		
Remuneration payable	55,021	3,738
Sindh Sales Tax on management fee payable	7,153	486
Sales load payable	1,688	2,720
Sindh Sales Tax and on sales load payable	219	354
Allocated expenses	3,026	3,124
Selling and marketing expense payable	86,706	82,065
Investment of 323,009 units (June 30, 2021: 2,005,066 units)	19,918	127,073
<b>Meezan Bank Limited</b>		
Balance with bank	120,105	162,187
Profit receivable on saving accounts	84	125
Sales load payable	376	916
Sindh Sales Tax on sales load payable	49	119
Shariah advisor fee payable	2,579	1,650
Dividend receivable	21,131	-
Investment in 16,097,984 shares (June 30, 2021: 14,130,816 shares)	2,252,591	1,630,837
Investment of 12,475,049 units (June 30, 2021: 12,475,049 units)	769,254	790,620
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Trustee fee payable	2,845	100
Sindh Sales Tax on trustee fee payable	370	2,933
Security deposit	100	381
<b>Al Meezan Investment Management Limited - Employees' Gratuity Fund</b>		
Investment of 189,837 units (June 30, 2021: 189,837 units)	11,706	12,031
<b>Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan</b>		
Investment of 4,174,865 units (June 30, 2021: 4,122,205 units)	257,436	261,249
<b>Meezan Financial Planning Fund of Funds - Moderate Allocation Plan</b>		
Investment of 1,364,429 units (June 30, 2021: 1,187,441 units)	84,135	75,255
<b>Meezan Financial Planning Fund of Funds - Conservative Allocation Plan</b>		
Investment of 943,602 units (June 30, 2021: 898,279 units)	58,186	56,929
<b>Meezan Strategic Allocation Fund - MSAP - I</b>		
Investment of 2,285,887 units (June 30, 2021: 2,730,594 units)	140,956	173,054
<b>Meezan Strategic Allocation Fund - MSAP - II</b>		
Investment of 1,279,542 units (June 30, 2021: 1,579,575 units)	78,901	100,107
<b>Meezan Strategic Allocation Fund - MSAP - III</b>		
Investment of 1,576,461 units (June 30, 2021: 2,541,472 units)	97,210	161,069
<b>Meezan Strategic Allocation Fund - MSAP - IV</b>		
Investment of 16,743 units (June 30, 2021: 22,509 units)	1,032	1,427
<b>Meezan Strategic Allocation Fund - MSAP - V</b>		
Investment of 26,286 units (June 30, 2021: 26,286 units)	1,621	1,666
<b>Directors and executives of the Management Company</b>		
Investment of 13,092,282 units (June 30, 2021: 12,989,655 units)	807,315	823,234

Transactions during the period	September 30,	
	2021	2020
	(Unaudited) (Rupees in '000)	
<b>AI Meezan Investment Management Limited - the Management Company</b>		
Remuneration for the period	173,411	144,172
Sindh Sales Tax on management fee	22,543	18,742
Allocated expenses	9,538	7,209
Selling and marketing expense	86,705	28,834
Units issued: 779,935 units (September 30, 2020: 1,589,044 units)	50,000	85,000
Units redeemed: 2,461,992 units (September 30, 2020: 5,439,583 units)	160,000	284,482
<b>Meezan Bank Limited</b>		
Profit on saving accounts	270	334
Shares purchased: 750,000 shares (September 30, 2020: 937,000 shares)	103,447	271,457
Shares sold: 895,939 shares (September 30, 2020: 430,000 shares)	127,908	68,331
Bonus issue: 2,113,106 shares (September 30, 2020: 1,258,209 shares)	-	-
Dividend Income	21,131	-
Shariah advisory fee expense	929	661
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Trustee fee	8,923	7,461
Sindh Sales Tax on trustee fee	1,160	970
CDS charges	346	226
<b>Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan</b>		
Units issued: 175,971 units (September 30, 2020: 60,948 units)	10,878	3,375
Units redeemed: 123,311 units (September 30, 2020: 618,403 units)	7,875	32,625
<b>Meezan Financial Planning Fund of Funds - Moderate Allocation Plan</b>		
Units issued: 211,865 units (September 30, 2020: 145,099 units)	13,490	8,000
Units redeemed: 34,877 units (September 30, 2020: 224,458 units)	2,250	11,680
<b>Meezan Financial Planning Fund of Funds - Conservative Allocation Plan</b>		
Units issued: 76,843 units (September 30, 2020: nil)	4,771	-
Units redeemed: 31,520 units (September 30, 2020: 200,801 units)	2,000	10,475
<b>Meezan Financial Planning Fund of Funds - MAAP - I</b>		
Units issued: nil (September 30, 2020: 111,351 units)	-	6,000
Units redeemed: nil (September 30, 2020: 426,509 units)	-	22,500
<b>Meezan Strategic Allocation Fund - MSAP - I</b>		
Units issued: nil (September 30, 2020: 212,097 units)	-	12,000
Units redeemed: 444,707 units (September 30, 2020: 1,355,893 units)	28,550	74,000
<b>Meezan Strategic Allocation Fund - MSAP - II</b>		
Units issued: nil (September 30, 2020: 97,211 units)	-	5,000
Units redeemed: 300,033 units (September 30, 2020: 1,031,572 units)	19,480	54,500
<b>Meezan Strategic Allocation Fund - MSAP - III</b>		
Units issued: nil (September 30, 2020: 174,979 units)	-	9,000
Units redeemed: 965,010 units (September 30, 2020: 4,840,878 units)	61,850	258,500
<b>Meezan Strategic Allocation Fund - MSAP - IV</b>		
Units issued: nil (September 30, 2020: 208,562 units)	-	11,000
Units redeemed: 5,766 units (September 30, 2020: 6,898,544 units)	370	369,700
<b>Meezan Strategic Allocation Fund - MSAP - V</b>		
Units issued: nil (September 30, 2020: 28,280 units)	-	1,500
Units redeemed: nil (September 30, 2020: 1,457,276 units)	-	78,800
<b>Directors and executives of the Management Company</b>		
Units issued: 976,276 units (September 30, 2020: 82,831 units)	60,819	4,437
Units redeemed: 873,642 units (September 30, 2020: 1,637,858 units)	54,629	84,311

## 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 September 30, 2021 and June 30, 2021, the Fund held the following financial instruments measured at fair value:

	As at September 30, 2021			
	Level 1	Level 2	Level 3	Total
<b>ASSETS</b>	----- (Rupees in '000) -----			
<b>Financial assets 'at fair value through profit or loss'</b>				
Shares of listed companies - 'ordinary shares'	30,638,282	-	-	30,638,282
	----- (Rupees in '000) -----			
	As at June 30, 2021			
	Level 1	Level 2	Level 3	Total
<b>ASSETS</b>	----- (Rupees in '000) -----			
<b>Financial assets 'at fair value through profit or loss'</b>				
Shares of listed companies - 'ordinary shares'	32,886,340	-	-	32,886,340

## 12. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2021 is 3.83% (June 30, 2021: 3.99%) which includes 0.31% (June 30, 2021: 0.87%) representing government levies on the Fund such as Sales Taxes, Federal Excise Duties, annual fee to the SECP etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an Equity Scheme.

## 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 as the Fund has incurred a net loss during the quarter.

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. GENERAL**

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

**15. DATE OF AUTHORISATION**

This condensed interim financial information was authorised for issue on October 11, 2021 by the Board of Directors of the Management Company.

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

---

**Chief Executive**

---

**Chief Financial Officer**

---

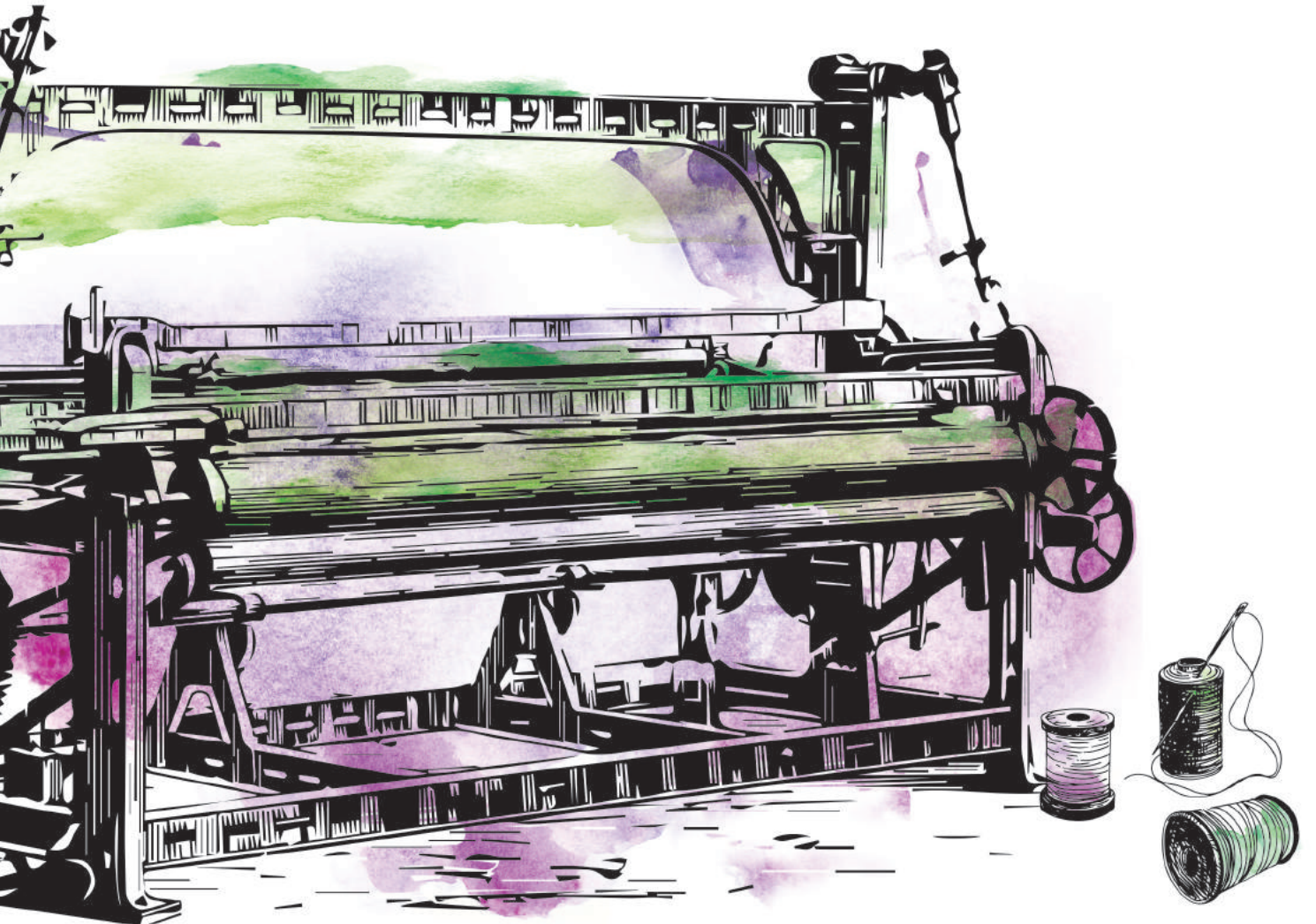
**Director**



**Al Meezan**  
Investment Management Ltd.

# 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.





**RISING ECONOMY**  
WITH A  
**GROWTH**  
**RATE OF**



# 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

## COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Mr. Salman Muslim

## CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY

Mr. Muhammad Shahid Ojha

## 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: [bawaney@cyber.net.pk](mailto:bawaney@cyber.net.pk)

## TRANSFER AGENT

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)

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited



**AL MEEZAN MUTUAL FUND  
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT SEPTEMBER 30, 2021**

		September 30, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
<b>Assets</b>			
Balances with banks	5	263,009	296,501
Investments	6	4,254,829	4,650,421
Receivable against sale of investments		27,553	12,682
Receivable against conversion of units		9,412	36,375
Dividend receivable		31,657	21,910
Advances, deposits, prepayments and other receivable		4,191	71,219
<b>Total assets</b>		<b>4,590,650</b>	<b>5,089,108</b>
<b>Liabilities</b>			
Payable to Al Meezan Investment Management Limited - Management Company		21,493	13,185
Payable to Central Depository Company of Pakistan Limited - Trustee		529	557
Payable to Securities and Exchange Commission of Pakistan		242	937
Payable to Meezan Bank Limited		73	101
Payable against purchase of investments		15,365	-
Payable against conversion and redemption of units		21,955	16,040
Dividend payable		4,917	4,917
Accrued expenses and other liabilities	9	55,356	135,530
<b>Total liabilities</b>		<b>119,930</b>	<b>171,267</b>
<b>Net assets</b>		<b>4,470,721</b>	<b>4,917,841</b>
<b>Unitholders' fund (as per statement attached)</b>		<b>4,470,721</b>	<b>4,917,841</b>
<b>Contingencies And Commitments</b>	8		
<b>Number of units in issue</b>		<b>260,490,360</b>	<b>278,685,368</b>
		(Rupees)	
<b>Net assets value per unit</b>		<b>17.1627</b>	<b>17.6466</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 QUARTER ENDED SEPTEMBER 30, 2021**

	<b>September 30,</b>	
	<b>2021</b>	<b>2020</b>
<b>Note</b>	<b>(Rupees in '000)</b>	
<b>Income</b>		
Net realised (loss) / gain on sale of investments	<b>(2,216)</b>	73,611
Dividend income	<b>58,810</b>	25,744
Profit on saving accounts with banks	<b>4,114</b>	4,235
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)	<b>77,692</b>	-
	<b>138,400</b>	103,589
Net unrealised (diminution) / appreciation on re-measurement of investments classified as "financial assets at fair value through profit or loss"	<b>(211,395)</b>	584,183
<b>Total (loss) / income</b>	<b>(72,995)</b>	<b>687,772</b>
<b>Expenses</b>		
Remuneration to Al Meezan Investment Management Limited - Management Company	<b>24,198</b>	22,752
Sindh Sales Tax on management fee	<b>3,146</b>	2,958
Allocated expenses	<b>1,331</b>	1,138
Remuneration to Central Depository Company of Pakistan Limited - Trustee	<b>1,462</b>	1,390
Sindh Sales Tax on trustee fee	<b>190</b>	181
Annual fee to Securities and Exchange Commission of Pakistan	<b>242</b>	228
Auditors' remuneration	<b>246</b>	253
Legal and professional charges	<b>184</b>	-
Charity expense	<b>1,848</b>	742
Fees and subscription	<b>108</b>	61
Brokerage expense	<b>2,638</b>	1,986
Selling and marketing expenses	<b>12,099</b>	4,550
Bank and settlement charges	<b>280</b>	149
Provision for Sindh Workers' Welfare Fund (SWWF)	<b>-</b>	13,028
<b>Total expenses</b>	<b>47,972</b>	49,416
<b>Net (loss) / income for the quarter before taxation</b>	<b>(120,967)</b>	638,356
Taxation	<b>-</b>	-
<b>Net (loss) / income for the quarter after taxation</b>	<b>(120,967)</b>	<b>638,356</b>
<b>Allocation of net income for the quarter</b>		
Net income for the quarter after taxation	<b>-</b>	638,356
Income already paid on units redeemed	<b>-</b>	(53,203)
	<b>-</b>	<b>585,152</b>
<b>Accounting income available for distribution</b>		
- Relating to capital gains	<b>-</b>	585,152
- Excluding capital gains	<b>-</b>	-
	<b>-</b>	<b>585,152</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 STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

	<b>September 30,</b>	
	<b>2021</b>	<b>2020</b>
	<b>(Rupees in '000)</b>	
<b>Net (loss) / income for the quarter after taxation</b>	(120,967)	638,356
Other comprehensive income for the quarter	-	-
<b>Total comprehensive (loss) / income for the quarter</b>	<u>(120,967)</u>	<u>638,356</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 QUARTER ENDED SEPTEMBER 30, 2021**

	2021			2020			
	Capital Value	(Undistributed income)	Total	Capital Value	(Accumulated losses / Undistributed income)	Over Distribution	Total
	(Rupees in '000)			(Rupees in '000)			
Net assets at the beginning of the quarter	4,144,037	773,804	4,917,841	4,045,463	(109,627)	(22,499)	3,913,337
Issuance of 35,597,638 units (2020: 61,338,188 units)							
- Capital value (at net asset value per unit at the beginning of the quarter)	628,177	-	628,177	816,878	-	-	816,878
- Element of Income	9,579	-	9,579	111,765	-	-	111,765
Total proceeds on issuance of units	637,756	-	637,756	928,643	-	-	928,643
Redemption of 53,792,647 units (2020: 65,735,556 units)							
- Capital value (at net asset value per unit at the beginning of the quarter)	949,257	-	949,257	875,440	-	-	875,440
- Element of loss	14,652	-	14,652	73,888	53,203	-	127,091
Total payments on redemption of units	963,909	-	963,909	949,327	53,203	-	1,002,531
Total comprehensive (loss) / income for the quarter	-	(120,967)	(120,967)	-	638,356	-	638,356
Adjustment of over distribution	-	-	-	-	(22,499)	22,499	-
(Loss) / Income for the quarter after adjustment		(120,967)	-		615,857	-	-
<b>Net assets at end of the quarter</b>	<b>3,817,884</b>	<b>652,837</b>	<b>4,470,721</b>	<b>4,024,779</b>	<b>453,026</b>	<b>-</b>	<b>4,477,805</b>
<b>Undistributed income / (Accumulated loss) brought forward</b>							
- Realised (loss)		(27,472)			(77,132)		
- Unrealised gain / (loss)		801,276			(32,495)		
		773,804			(109,627)		
Adjustment of over-distribution		-			(22,499)		
Accounting income available for distribution(after adjusting income already paid on units redeemed)							
- Relating to capital gains		-			585,152		
- Excluding capital gains		-			-		
Net loss for the quarter after taxation		(120,967)			585,152		
Undistributed income carried forward		652,837			453,026		
Undistributed income carried forward							
-Realised gain / (loss)		864,233			(131,156)		
-Unrealised (loss) / gain		(211,395)			584,183		
		652,837			453,026		
		(Rupees)			(Rupees)		
Net assets value per unit at beginning of the quarter	17.6466			13.3176			
Net assets value per unit at end of the quarter	17.1627			15.4701			

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 QUARTER ENDED SEPTEMBER 30, 2021**

	<b>September 30,</b>	
	<b>2021</b>	<b>2020</b>
	<b>(Rupees in '000)</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) / income for the quarter before taxation	(120,967)	638,356
<b>Adjustments for:</b>		
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	211,395	(584,183)
	<u>90,429</u>	<u>54,173</u>
<b>Decrease / (increase) in assets</b>		
Investments - net	184,197	85,642
Receivable against sale of investments	(14,871)	(35,962)
Dividend receivable	(9,747)	(14,211)
Deposits, prepayments, profit accrued and other receivables	67,028	122
	<u>226,607</u>	<u>35,590</u>
<b>(Decrease) / increase in liabilities</b>		
Payable to Al Meezan Investment Management Limited - Management Company	8,308	8,572
Payable to Central Depository Company of Pakistan Limited - Trustee	(28)	79
Payable to Meezan Bank Limited	(28)	(4)
Payable to Securities and Exchange Commission of Pakistan	(695)	(625)
Payable against purchase of investments - net	15,365	(5,800)
Accrued expenses and other liabilities	(80,174)	4,542
	<u>(57,252)</u>	<u>6,764</u>
<b>Net cash generated from operating activities</b>	<u>259,784</u>	<u>96,526</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	664,719	932,055
Payment against redemption and conversion of units	(957,994)	(998,279)
Dividend Paid	-	(14,655)
<b>Net cash used in financing activities</b>	<u>(293,275)</u>	<u>(80,879)</u>
<b>Net (decrease) / Increase in cash and cash equivalents during the quarter</b>	<u>(33,492)</u>	<u>15,647</u>
Cash and cash equivalents at the beginning of the quarter	296,501	259,646
<b>Cash and cash equivalents at the end of the quarter</b>	<u><u>263,009</u></u>	<u><u>275,293</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  
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 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 dated December 31, 2020 (2020: AM1 dated December 31, 2019) and by PACRA dated June 23, 2021 (2020: AM1 dated June 26, 2020). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.5** Title of the assets of the Fund is held in the name of CDC as a Trustee of the Fund.
- 1.6** The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company has fulfilled requirements for registration and accordingly, the fund has been registered under Sindh Trusts Act, 2020.

**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 VIII A 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 VIII A 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 VIII A 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, 2021.

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 September 30, 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, 2021
- 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, 2021. 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, 2021.
- 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, 2021. 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. <b>BALANCES WITH BANKS</b>	Note	September 30, 2021	June 30, 2021
		(Unaudited)	(Audited)
		(Rupees in '000)	
In saving accounts	5.1	253,758	285,161
In current accounts		9,251	11,340
		<u>263,009</u>	<u>296,501</u>

- 5.1** The balance in saving accounts have an expected profit ranging from 1.50% to 7.27% per annum (June 30, 2021: 1.50% to 7.32% per annum).

6. <b>INVESTMENTS</b>	Note	September 30, 2021	June 30, 2021
		(Unaudited)	(Audited)
		(Rupees in '000)	
Investments - 'at fair value through profit or loss'	6.1	4,254,829	4,650,421
		<u>4,254,829</u>	<u>4,650,421</u>

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

Name of the investee company	As at July 1, 2021	Purchases during the quarter	Bonus / right shares	Sales during the quarter	As at September 30, 2021	Carrying value as at September 30, 2021	Market Value as at September 30, 2021	Unrealised (diminution) / appreciation as at September 30, 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)			%		
<b>Sectors / companies</b>														
<b>Automobile Assembler</b>														
Gandhara Industries Limited	2,200	22,500	-	-	24,700	7,124	4,816	(2,308)	0.11	0.11	0.06			
Gandhara Nissan Limited	-	200,000	-	200,000	-	-	-	-	-	-	-			
Milat Tractors Limited	80,356	-	-	-	80,356	86,753	86,238	(515)	1.93	2.03	0.14			
									<u>2.04</u>	<u>2.14</u>	<u>0.20</u>			
<b>Automobile Parts and Accessories</b>														
Panther Tyres Ltd.	47,735	470,000	98,547	25,000	591,282	37,148	29,245	(7,903)	0.65	0.69	0.35			
<b>Commercial Banks</b>														
BankIslami Pakistan Ltd	5,821,000	21,500	-	-	5,842,500	65,654	73,616	7,962	1.65	1.73	0.53			
Meezan Bank Limited (an associate of the Fund) (note 6.1.3)	2,143,955	50,000	291,593	200,000	2,285,548	230,752	319,817	89,065	7.15	7.52	0.14			
									<u>8.80</u>	<u>9.25</u>	<u>0.67</u>			
<b>Cement</b>														
Cherat Cement Co.Ltd	422,700	45,000	-	21,100	446,600	78,996	63,962	(15,034)	1.43	1.50	0.23			
D.G. Khan Cement Company Limited	650,150	415,000	-	705,000	360,150	41,420	31,844	(9,576)	0.71	0.75	0.08			
Fauji Cement Co.Ltd.	60,000	-	-	-	60,000	1,380	1,077	(303)	0.02	0.03	-			
Kohat Cement Company Limited	650,820	1,100	-	22,500	629,420	129,970	108,222	(21,748)	2.42	2.54	0.31			
Lucky Cement Company Limited	565,630	30,000	-	115,500	480,130	414,246	347,086	(67,160)	7.76	8.16	0.15			
Maple Leaf Cement Company Limited	2,247,577	635,000	-	1,126,000	1,756,577	82,087	61,832	(20,255)	1.38	1.45	0.16			
Attock Cement Pakistan Limited	400	-	-	-	400	72	56	(16)	0.00	0.00	-			
									<u>13.74</u>	<u>14.43</u>	<u>0.93</u>			
<b>Chemicals</b>														
Dynea Pakistan Limited (note 6.1.1)	119,500	-	-	-	119,500	26,410	27,159	749	0.61	0.64	1.27			
Engro Polymer and Chemicals Limited	2,487,041	-	-	230,000	2,257,041	106,623	124,295	17,673	2.78	2.92	0.25			
ICI Pakistan Limited	150,179	-	-	25,250	124,929	108,538	99,140	(9,398)	2.22	2.33	0.14			
Sitara Chemical Industries Limited	29,200	-	-	29,200	-	-	-	-	-	-	-			
									<u>5.61</u>	<u>5.89</u>	<u>1.66</u>			
<b>Engineering</b>														
Agha Steel Ind.Ltd	672,000	-	-	175,000	497,000	16,764	13,663	(3,101)	0.31	0.32	0.09			
Aisha Steel Mills Limited	1,325,000	900,000	-	580,000	1,645,000	40,428	34,232	(6,195)	0.77	0.80	0.21			
Int. Ind.Ltd	354,300	-	-	141,700	212,600	44,863	35,455	(9,408)	1.79	0.83	0.16			
International Steel Limited	289,500	-	-	55,000	234,500	21,905	17,871	(4,033)	0.40	0.42	0.05			
Ittefaq Iron Industries Limited	640,000	-	-	640,000	-	12,128	9,389	(2,739)	0.21	0.22	0.44			
Mughal Iron & Steel Industries	517,980	267,600	-	-	785,580	83,626	76,688	(6,938)	1.72	1.80	0.31			
									<u>4.19</u>	<u>4.40</u>	<u>1.26</u>			
<b>Fertilizer</b>														
Engro Corporation Limited (note 6.1.2)	976,790	-	-	165,161	811,629	239,114	227,053	(12,061)	5.08	5.34	0.14			
Engro Fertilizers Limited	1,277,500	370,800	-	-	1,648,300	118,302	115,843	(2,460)	2.59	2.72	0.12			
									<u>7.67</u>	<u>8.06</u>	<u>0.26</u>			
<b>Food and Personal Care Products</b>														
At-Tahur Limited	-	1,269,500	-	-	1,269,500	36,548	34,734	(1,814)	0.78	0.82	0.72			
Al-Shaheer Corporation Limited	12,997	-	-	-	12,997	259	185	(74)	0.00	0.00	0.01			
National foods (note 6.1.1 & 6.1.3)	6,150	-	-	6,150	-	1,408	1,304	(104)	0.03	0.03	-			
									<u>0.81</u>	<u>0.85</u>	<u>0.73</u>			
<b>Glass &amp; Ceramics</b>														
Ghani Glass Ltd.	702,625	-	-	204,500	498,125	24,010	24,822	812	0.56	0.58	0.09			
Shabbir Tiles & Ceramics Limited (note 6.1.1)	770,000	125,500	-	-	895,500	29,931	27,295	(2,636)	0.61	0.64	0.55			
									<u>1.17</u>	<u>1.22</u>	<u>0.64</u>			

Name of the investee company	As at July 1, 2021	Purchases during the quarter	Bonus / right shares	Sales during the quarter	As at September 30, 2021	Carrying value as at September 30, 2021	Market Value as at September 30, 2021	Unrealised (diminution) / appreciation as at September 30, 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)	-%			
<b>Leather &amp; Tanneries</b>											
Service GlobalFootwear Limited	234,224	-	-	234,224	-	-	-	-	-	-	-
<b>Miscellaneous</b>											
Pakistan Aluminium Beverage Cans Limited	-	674,760	-	437,224	237,536	11,639	9,321	(2,318)	0.21	0.22	0.07
Synthetic Products Enterprises Limited	545	-	-	545	-	-	-	-	-	-	-
									<b>0.21</b>	<b>0.22</b>	<b>0.07</b>
<b>Oil and Gas Exploration Companies</b>											
Mari Petroleum Company Limited	286,581	17,500	-	35,440	268,641	409,827	417,299	7,472	9.33	9.81	0.20
Oil and Gas Development Company Limited	2,341,388	325,000	-	195,500	2,470,888	235,224	207,060	(28,164)	4.63	4.87	0.06
Pakistan Oilfields Limited	282,409	-	-	34,000	248,409	97,838	93,240	(4,598)	2.09	2.19	0.09
Pakistan Petroleum Limited	2,760,363	-	-	508,035	2,252,328	195,570	168,722	(26,848)	3.77	3.97	0.08
									<b>19.83</b>	<b>20.83</b>	<b>0.43</b>
<b>Oil &amp; Gas Marketing Companies</b>											
Attock Petroleum Limited	39,138	-	-	-	39,138	12,564	11,350	(1,214)	0.25	0.27	0.04
Hascol Petroleum Limited	7,946	-	-	-	7,946	71	51	(19)	0.00	0.00	-
Pakistan State Oil Company Limited	902,913	-	-	166,000	736,913	165,253	148,112	(17,141)	3.31	3.48	0.16
Hi-Tech Lubricants Limited	9,000	-	-	-	9,000	638	558	(80)	0.01	0.01	0.01
Sui Northern Gas Pipeline Limited	1,073,000	475,000	-	6,000	1,542,000	75,905	70,130	(5,774)	1.57	1.65	0.24
									<b>5.15</b>	<b>5.41</b>	<b>0.45</b>
<b>Paper and Board</b>											
Cherhat Packaging Limited	180	-	-	-	180	36	32	(4)	0.00	0.00	-
Century Paper & Board Mills (note 6.1.3)	733,000	-	94,950	100,000	727,950	77,270	54,545	(22,725)	1.22	1.28	0.36
Security Papers Limited	46,800	-	-	46,800	-	-	-	-	-	-	-
Packages Limited	221,928	-	-	12,250	209,678	114,316	98,414	(15,902)	2.20	2.31	0.23
									<b>3.42</b>	<b>3.60</b>	<b>0.59</b>
<b>Pharmaceuticals</b>											
AGP Limited	476,250	-	-	476,250	-	-	-	-	-	-	-
GlaxoSmithKline Consumer Health	117,200	-	-	-	117,200	29,311	29,895	585	0.67	0.70	0.10
Highnoon Laboratories Limited	1,926	-	-	-	1,926	1,156	1,193	38	0.03	0.03	0.01
IBL HealthCare Limited	163,500	-	-	76,500	87,000	9,668	7,855	(1,813)	0.18	0.18	0.16
The Searle Company Limited	414,420	-	-	10,000	404,420	98,120	81,495	(16,626)	1.82	1.92	0.19
									<b>2.69</b>	<b>2.83</b>	<b>0.46</b>
<b>Power Generation and Distribution</b>											
K-Electric Limited (note 6.1.1)	13,887,500	800,000	-	233,000	14,454,500	59,836	57,818	(2,018)	1.29	1.36	0.05
Hub Power Company Limited	1,801,316	830,000	-	144,907	2,486,409	197,262	182,826	(14,436)	4.09	4.30	0.19
									<b>5.38</b>	<b>5.66</b>	<b>0.24</b>
<b>Refinery</b>											
Attock Refinery Limited	40,000	75,000	-	115,000	-	-	-	-	-	-	-
Byco Petroleum Pakistan Limited	3,160,000	5,650,000	-	1,390,000	7,420,000	74,915	60,696	(14,219)	1.36	1.43	0.14
Pakistan Refinery Limited	-	850,000	-	-	850,000	19,547	14,263	(5,284)	0.32	0.34	0.13
									<b>1.68</b>	<b>1.76</b>	<b>0.27</b>
<b>Technology and Communication</b>											
Avanceon Limited	507,128	50,000	-	267,500	289,628	27,782	35,729	7,947	0.80	0.84	0.11
TPL Tracker Limited	72,000	-	-	-	72,000	1,261	1,228	(32)	0.03	0.03	0.04
Air Link Communication Limited	-	447,000	-	-	447,000	31,961	32,215	255	0.72	0.76	0.12
Octopus Digital Limited	-	74,336	-	-	74,336	3,018	-	-	0.07	0.07	0.05
Systems Limited (note 6.1.3)	319,175	-	-	10,500	308,675	172,926	224,564	51,638	5.02	5.28	0.23
									<b>6.64</b>	<b>6.97</b>	<b>0.55</b>
<b>Textile Composite</b>											
Nishat Mills Limited	628,100	102,700	-	50,000	680,800	63,201	61,857	(1,343)	1.38	1.45	0.19
Kohinoor Textile Mills Limited	40,000	169,500	-	-	209,500	17,755	14,550	(3,205)	0.33	0.34	0.07
Interloop Limited	1,623,500	266,000	-	-	1,889,500	133,659	134,476	817	3.01	3.16	0.22
									<b>4.72</b>	<b>4.96</b>	<b>0.48</b>
<b>Textile Weaving</b>											
Feroze 1888 Mills Limited	199,700	-	-	-	199,700	20,072	17,893	(2,179)	<b>0.40</b>	<b>0.42</b>	<b>0.05</b>
<b>Vanaspati &amp; Allied Industries</b>											
Unity Foods Limited	760,000	400,000	-	600,000	560,000	22,167	17,483	(4,684)	<b>0.39</b>	<b>0.41</b>	<b>0.06</b>
<b>Total as at September 30, 2021</b>						<b>4,466,224</b>	<b>4,254,829</b>	<b>(211,395)</b>	<b>100</b>		
<b>Total as at June 30, 2021</b>						<b>3,849,145</b>	<b>4,650,421</b>	<b>801,276</b>	<b>100</b>		

- 6.1.1** All shares have a nominal value of Rs 10 each except for the shares of Dynea Pakistan Limited, 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, 2021: 202,000 shares) of Engro Corporation Limited, having market value of Rs 56.510 million (June 30, 2021: Rs 59.51 million) as at September 30, 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, 2021. As at September 30, 2021, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 8.409 million (June 30, 2021: Rs. 9.261 million).

7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - THE MANAGEMENT COMPANY	Note	September 30, 2021	June 30, 2021
		(Unaudited)	(Audited)
		(Rupees in '000)	
Management fee payable	7.1	7,689	577
Sindh Sales Tax on Management fee payable		1,000	75
Allocated expenses payable	7.2	423	450
Sales load payable		251	181
Sindh Sales Tax on sales load		33	24
Selling and marketing expenses payable	7.3	12,098	11,878
		<b>21,493</b>	<b>13,185</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 0.11% of the average annual net assets of the scheme for allocation of such expenses to the Fund.

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 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 September 30, 2021 and June 30, 2021.

		September 30, 2021 (Unaudited)	June 30, 2021 (Audited)
	Note	(Rupees in '000)	
<b>9. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Auditors' remuneration payable		162	585
Brokerage payable		5,389	5,236
Shariah advisor fee payable		312	209
Charity payable		7,272	9,024
Capital gain tax payable		920	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	-	77,691
Zakat payable		44	60
		<b>55,356</b>	<b>135,530</b>

9.1 SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and was also been taken up with the SECP. All the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF vide its circular dated August 30, 2021. Provisioning against SWWF amounting to Rs.79 million has been reversed and it has contributed towards an increase in NAV of the fund by Rs. 0.29 (1.64%) per unit. This was one-off event and is not likely to be repeated in the future.

9.2 The status of provision of Federal Excise Duty is same as disclosed in financial statement for the year ended June 30, 2021. Had the provision for FED not been made, the Net Asset Value of the Fund as at September 30, 2021 would have been higher by Re 0.16 ( June 30, 2021 : Rs. 0.15) 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:

	September 30, 2021 (Unaudited)	June 30, 2021 (Audited)
	(Rupees in '000)	
<b>Al Meezan Investment Management Limited - Management Company</b>		
Remuneration payable	7,689	577
Sindh Sales Tax on management fee payable	1,000	75
Sales load payable	251	181
Sindh Sales Tax on sales load payable	33	24
Selling and marketing expense payable	12,098	11,878
Allocated expenses payable	423	450
Investment of 20,544,868 units (June 30, 2021: 24,508,118 units)	<b>352,606</b>	<b>432,484</b>





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

Units issued: nil units (September 30, 2020: 548,043 units)	-	8,000
Redemption of nil units (September 30, 2020: 1,168,168 units)	-	17,000

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

Units issued: 611,135 units (September 30, 2020: nil units)	11,000	-
Redemption of 834,098 units (September 30, 2020: 1,229,749 units)	15,000	19,000

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

Units issued: 611,135 (September 30, 2020: 376,485 units)	11,000	6,000
Redemption of 388,462 units (September 30, 2020: nil units)	7,000	-

**Directors and executives of the Management Company**

Units issued: 144,193 units (September 30, 2020: 3,037,100 units)	2,581	43,774
Units redeemed: 92,712 units (September 30, 2020: 14,764 units)	1,660	236

**11. TOTAL EXPENSE RATIO**

The Total Expense Ratio (TER) of the Fund as at September 30, 2021 is 3.96% which includes 0.32% representing government levies on the Fund such as Sales Taxes and annual fee to the SECP. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an Equity Scheme.

**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 unit holders. The Fund has not recorded any tax liability as the Fund has incurred a net loss during the quarter

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 September 30, 2021 the Fund held the following financial instruments measured at fair value:

As at September 30, 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'	4,254,829	-	-	4,254,829
--	-----------	---	---	-----------

As at June 30, 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'	4,650,421	-	-	4,650,421
--	-----------	---	---	-----------

**14. DATE OF AUTHORISATION**

These condensed interim financial statements were authorised for issue on October 11, 2021 by the Board of Directors of the Management Company.

**15. GENERAL**

**15.1** 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**

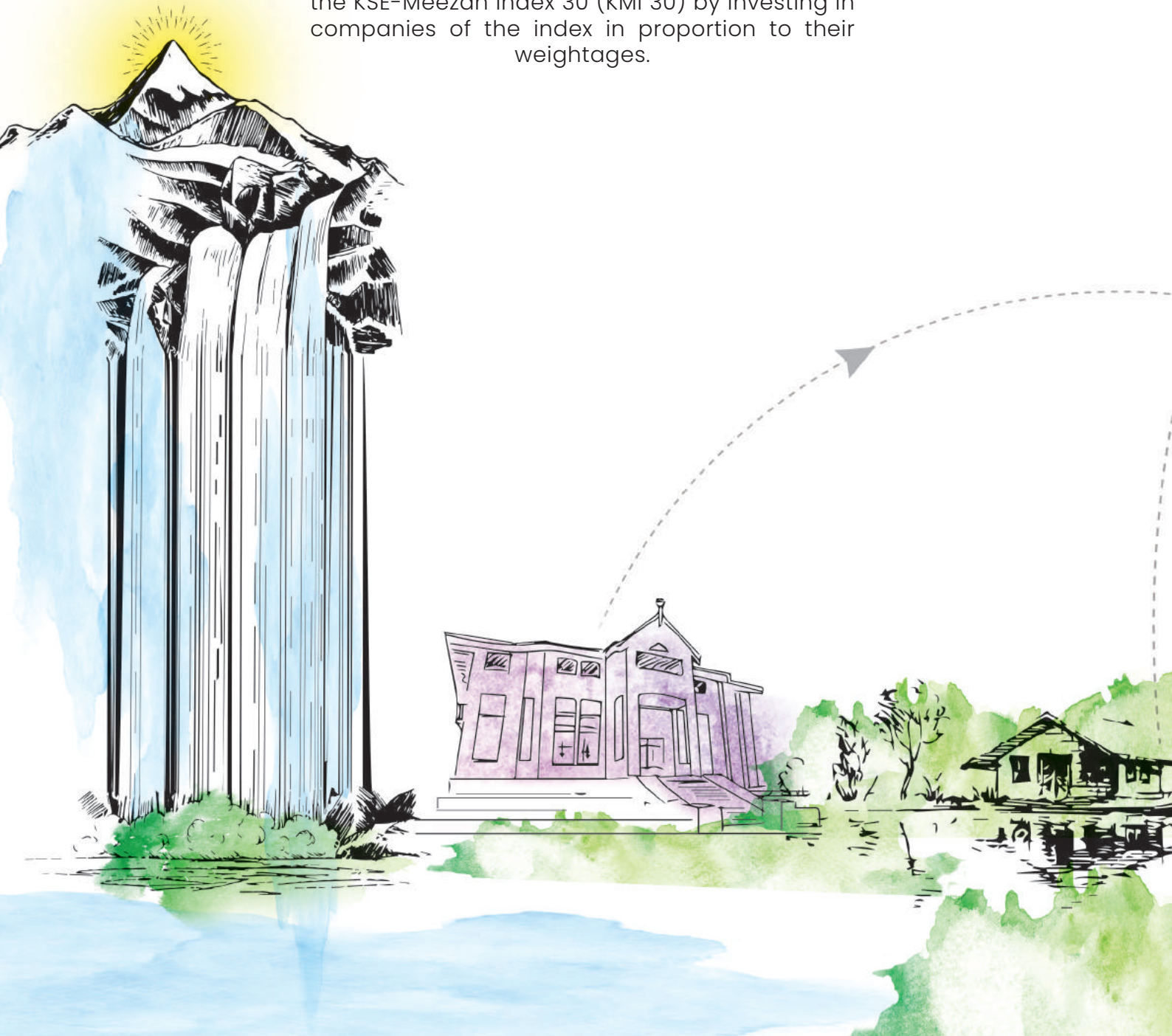
\_\_\_\_\_  
**Director**



**Al Meezan**  
Investment Management Ltd.

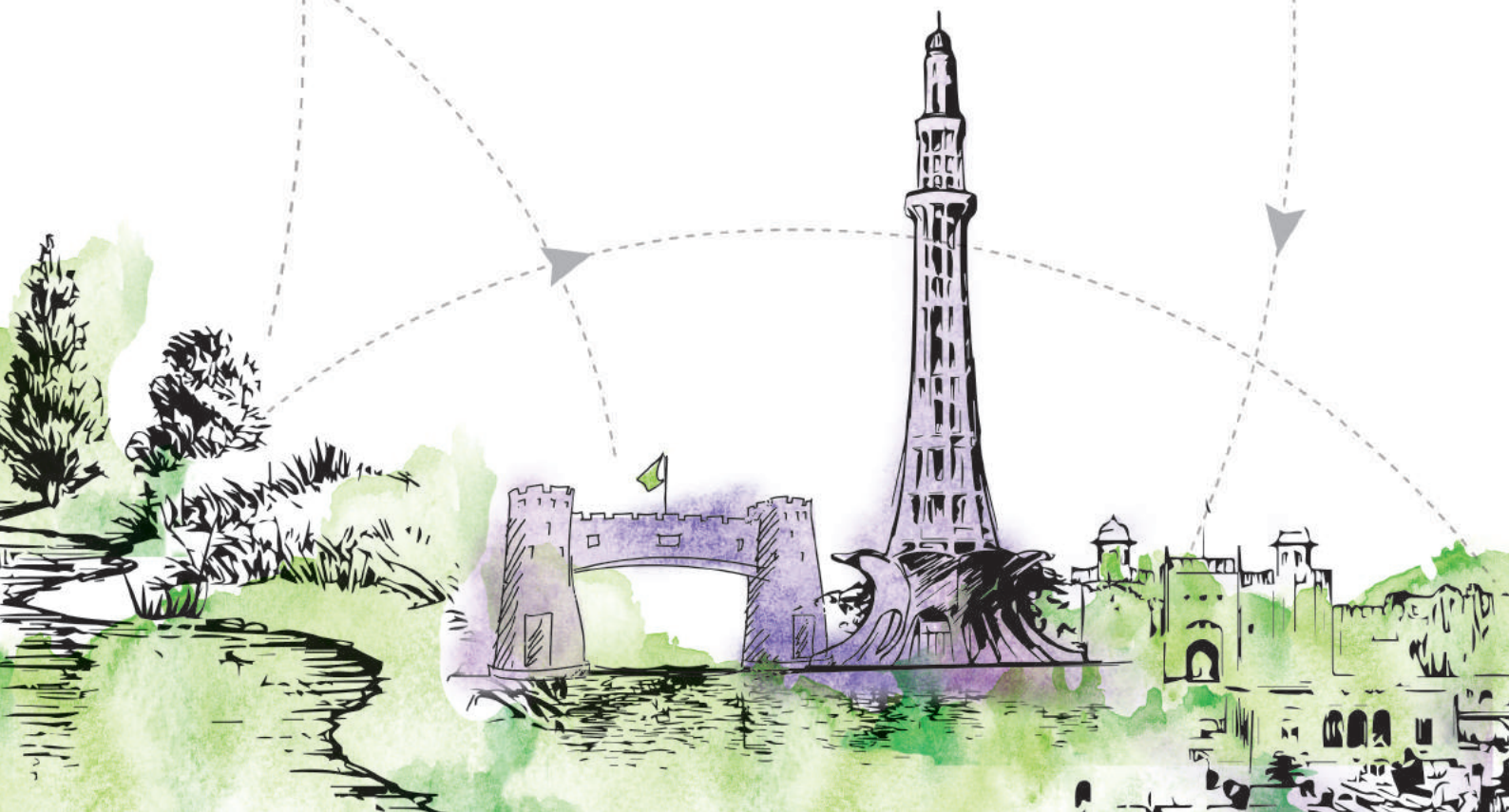
# KSE-MEEZAN INDEX FUND (KMIF)

KSE Meezan Index Fund 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.





ONE OF THE MOST  
**SOUGHT-AFTER**  
TOURIST DESTINATION



# 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

## COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Mr. Salman Muslim

## CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY

Mr. Muhammad Shahid Ojha

## 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

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: [bawaney@cyber.net.pk](mailto:bawaney@cyber.net.pk)

## TRANSFER AGENT

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)

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited



**KSE MEEZAN INDEX FUND  
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT SEPTEMBER 30, 2021**

	September 30, 2021 (Unaudited)	June 30, 2021 (Audited)
Note	----- (Rupees in '000) -----	
<b>Assets</b>		
Balances with banks	5      14,462	22,649
Investments	6      2,788,308	2,697,866
Receivable against conversion of units	333	1,182
Dividend receivable	32,092	4,155
Receivable against sale of investments	-	24,234
Deposits and other receivables	2,675	2,684
<b>Total assets</b>	<u>2,837,870</u>	<u>2,752,770</u>
<b>Liabilities</b>		
Payable to AI Meezan Investment Management Limited - Management Company	8      3,318	905
Payable to Central Depository Company of Pakistan Limited - Trustee	360	349
Payable to the Securities and Exchange Commission of Pakistan	147	489
Payable to Meezan Bank Limited	42	253
Payable against redemption and conversion of units	3,413	1,923
Payable against purchase of investments	40,773	12,393
Accrued expenses and other liabilities	9      13,931	39,954
<b>Total liabilities</b>	<u>61,985</u>	<u>56,266</u>
<b>Net assets</b>	<u>2,775,886</u>	<u>2,696,504</u>
<b>Contingencies and commitments</b>		
7		
<b>Unit holders' fund (as per statement attached)</b>	<u>2,775,886</u>	<u>2,696,504</u>
	(Number of units)	
<b>Number of units in issue</b>	<u>40,187,426</u>	<u>37,003,744</u>
	(Rupees)	
<b>Net asset value per unit</b>	<u>69.0735</u>	<u>72.8711</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 INCOME STATEMENT  
FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (UNAUDITED)**

	September 30,	
	2021	2020
	Note ----- (Rupees in '000) -----	
<b>Income</b>		
Net realised (loss) / gain on sale of investments	(1,169)	18,491
Dividend income	51,410	14,429
Profit on saving accounts with banks	180	139
Reversal of Sindh Workers' Welfare Fund (SWWF)	23,931	-
Other income	1,028	707
	<b>75,380</b>	<b>33,766</b>
Net unrealised (diminution) / appreciation on re-measurement of investments at 'fair value through profit or loss'	(219,396)	303,312
	<b>(144,016)</b>	<b>337,078</b>
<b>Total (loss) / Income</b>		
<b>Expenses</b>		
Remuneration to Al Meezan Investment Management Limited - Management Company	7,370	5,445
Sindh Sales Tax on management fee	958	708
Allocated expenses	811	544
Remuneration to Central Depository Company of Pakistan Limited - Trustee	989	796
Sindh Sales Tax on trustee fee	129	103
Annual fee to Securities and Exchange Commission of Pakistan	147	109
Auditors' remuneration	40	119
Brokerage	772	1,871
Charity expense	2,063	404
Bank and settlement charges	221	71
Fees and subscription	124	136
Legal & Professional Charges	276	-
Provision for Sindh Workers' Welfare Fund (SWWF)	-	6,535
<b>Total expenses</b>	<b>13,900</b>	<b>16,841</b>
	<b>(157,916)</b>	<b>320,237</b>
<b>Net (loss) / income for the quarter before taxation</b>		
Taxation	-	-
<b>Net (loss) / income for the quarter after taxation</b>	<b>(157,916)</b>	<b>320,237</b>
<b>Allocation of net income for the quarter</b>		
Net Income for the quarter after taxation	-	320,237
Income already paid on units redeemed	-	(6,902)
	-	<b>313,335</b>
<b>Accounting income available for distribution</b>		
- Relating to capital gains	-	313,335
- Excluding capital gains	-	-
	-	<b>313,335</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  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (UNAUDITED)**

	<u>September 30,</u>	
	<u>2021</u>	<u>2020</u>
	(Rupees in '000)	
Net (loss) / income for the quarter before taxation	(157,916)	320,237
Other comprehensive income for the quarter	-	-
<b>Total comprehensive (loss) / income for the quarter</b>	<b><u>(157,916)</u></b>	<b><u>320,237</u></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



**KSE MEEZAN INDEX FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDER'S FUND**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (UNAUDITED)**

	Quarter ended September 30, 2021			Quarter ended September 30, 2020		
	Capital Value	Undistrib-uted income / (accumul-ated losses)	Total	Capital Value	Undistrib-uted income / (accumul-ated losses)	Total
	------(Rupees in '000)-----			------(Rupees in '000)-----		
<b>Net assets at the beginning of the quarter</b>	<b>2,559,822</b>	<b>136,682</b>	<b>2,696,504</b>	2,094,337	(237,164)	1,857,173
Issuance of 5,586,802 units (2020: 4,522,104 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	407,116	-	407,116	241,539	-	241,539
- Element of income	5,035	-	5,035	40,982	-	40,982
Total proceeds on issuance of units	412,151	-	412,151	282,521	-	282,521
Redemption of 2,403,120 units (2020: 4,178,402 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	175,118	-	175,118	223,181	-	223,181
- Element of (income) / loss	(265)	-	(265)	30,890	6,902	37,792
Total payments on redemption of units	174,853	-	174,853	254,070	6,902	260,972
Total comprehensive (loss) / income for the quarter	-	(157,916)	(157,916)	-	320,237	320,237
Distribution during the quarter	-	-	-	-	-	-
Net (loss) / income for the quarter less distribution	-	(157,916)	(157,916)	-	320,237	320,237
<b>Net assets at the end of the quarter</b>	<b>2,797,120</b>	<b>(21,234)</b>	<b>2,775,886</b>	2,122,788	76,171	2,198,959
<b>undistributed income / (Accumulated loss) brought forward</b>						
- Realised loss		(267,341)			(138,664)	
- Unrealised loss		404,023			(98,500)	
		136,682			(237,164)	
Accounting income available for distribution						
- Relating to capital gains		-			313,335	
- Excluding capital gains		-			-	
		-			313,335	
Net (loss) / income for the quarter after taxation		(157,916)			-	
Distribution during the quarter		-			-	
Accumulated (loss) / income carried forward		(21,234)			76,171	
<b>Accumulated (loss) / income carried forward</b>						
- Realised gain / (loss)		198,162			(227,141)	
- Unrealised (loss) / income		(219,396)			303,312	
Net (loss) / Income for the quarter after taxation		(21,234)			76,171	
			(Rupees)			(Rupees)
Net assets value per unit at the beginning of the quarter			<u>72.8711</u>			<u>53.4129</u>
Net assets value per unit at the end of the quarter			<u>69.0735</u>			<u>62.6238</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 CASH FLOW STATEMENT  
FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (UNAUDITED)**

	September 30,	
	2021	2020
	------(Rupees in '000)-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) / income for the quarter before taxation	(157,916)	320,237
<b>Adjustments for:</b>		
Net unrealised diminution / (appreciation) on re-measurement of investments at 'fair value through profit or loss'	<u>219,396</u>	<u>(303,312)</u>
	61,480	16,925
<b>(Increase) / decrease in assets</b>		
Investments	<u>(309,838)</u>	<u>(45,966)</u>
Receivable against sale of investments	24,234	(11,730)
Dividend receivable	(27,937)	(4,573)
Deposits and other receivables	8	1
	(313,533)	(62,268)
<b>Increase / (decrease) in liabilities</b>		
Payable to AI Meezan Investment Management Limited - the Management Company	<u>2,413</u>	<u>578</u>
Payable to Central Depository Company of Pakistan Limited - the Trustee	11	41
Payable to Meezan Bank Limited	(211)	(23)
Payable to the Securities and Exchange Commission of Pakistan	(342)	(233)
Payable against purchase of investments	28,380	(17,093)
Accrued expenses and other liabilities	<u>(26,023)</u>	<u>9,452</u>
	4,229	(7,278)
<b>Net cash used in operating activities</b>	<u>(247,825)</u>	<u>(52,621)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipt against issuance of units	<u>413,000</u>	<u>271,298</u>
Payment against redemption of units	<u>(173,363)</u>	<u>(246,310)</u>
<b>Net cash generated from financing activities</b>	239,637	24,988
<b>Net decrease in cash and cash equivalents during the quarter</b>	<u>(8,188)</u>	<u>(27,633)</u>
Cash and cash equivalents at beginning of the quarter	22,649	46,350
<b>Cash and cash equivalents at the end of the quarter</b>	<u><u>14,462</u></u>	<u><u>18,717</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

**KSE MEEZAN INDEX FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (UNAUDITED)**

**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 dated December 31, 2020 (2020: AM1 dated December 31, 2019) and by PACRA dated June 23, 2021 (2020: AM1 dated June 26, 2020). 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 Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.
- 1.6** The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company has fulfilled requirements for registration and accordingly, the fund has been registered under Sindh Trusts Act, 2020.

**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, 2021.

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 September 30, 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, 2021.
- 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, 2021.
- 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, 2021. 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	September 30, 2021	June 30, 2021
			(Unaudited)	(Audited)
			(Rupees in '000)	
	In saving accounts	5.1	11,802	17,992
	In current accounts		2,660	4,657
			<u>14,462</u>	<u>22,649</u>

- 5.1 The balance in saving accounts have an expected profit ranging from 1.50% to 2.50% per annum (June 30, 2021: 1.50% to 2.50% per annum).

6	INVESTMENTS	Note	September 30, 2021	June 30, 2021
			(Unaudited)	(Audited)
			(Rupees in '000)	
	<b>Investments at 'fair value through profit or loss'</b>			
	Shares of listed companies - 'ordinary shares'	6.1	<u>2,788,308</u>	<u>2,697,866</u>

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

Name of the investee company	As at July 1, 2021	Purchases during the quarter	Rights / Bonus issue	Sales during the quarter	As at September 30, 2021	Carrying value as at September 30, 2021	Market value as at September 30, 2021	Unrealised gain / (loss) as at September 30, 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 invest- ments
									-----%-----		
	----- Number of shares -----						----- (Rupees in '000) -----				

#### Sectors / companies

Automobile Assembler											
Honda Atlas Cars (Pakistan) Limited	80,100	14,600		3,700	91,000	31,265	23,975	(7,290)	0.86	0.06	0.86
Millat Tractors Limited	78,853	11,180	-	2,300	87,733	94,831	94,155	(676)	3.39	0.18	3.38
Gandhara Industries Limited	35,700	10,500		4,700	41,500	11,327	8,091	(3,235)	0.29	0.10	0.29
									<b>4.54</b>	<b>0.34</b>	<b>4.53</b>

<b>Bank</b>											
Meezan Bank Limited	995,813	139,041	164,017	25,042	1,273,829	129,808	178,247	48,439	6.42	0.09	6.39
									<b>6.42</b>	<b>0.09</b>	<b>6.39</b>
<b>Cable And Electrical Goods</b>											
Pak Elektron Limited	698,803	116,500	-	37,000	778,303	27,073	21,442	(5,631)	0.77	0.16	0.77
									<b>0.77</b>	<b>0.16</b>	<b>0.77</b>
<b>Cement</b>											
D.G. Khan Cement Company Limitec	616,111	84,277	-	13,059	687,329	80,545	60,774	(19,771)	2.19	0.16	2.18
Cherat Cement company Limited	328,201	45,100	-	8,000	365,301	64,546	52,318	(12,228)	1.88	0.19	1.88
Fauji Cement Company Limited	2,131,875	306,500	-	56,500	2,381,875	54,494	42,755	(11,740)	1.54	0.17	1.53
Lucky Cement Limited	318,493	43,292	-	7,188	354,597	306,448	256,338	(50,110)	9.23	0.11	9.19
Maple Leaf Cement Factory Limited '1	1,390,639	187,415	-	31,501	1,546,553	72,167	54,439	(17,729)	1.96	0.26	1.95
									<b>16.80</b>	<b>0.89</b>	<b>16.73</b>
<b>Chemical</b>											
Engro Polymer & Chemicals Limited	894,271	130,000	-	27,500	996,771	47,708	54,892	7,184	1.98	0.11	1.97
									<b>1.98</b>	<b>0.11</b>	<b>1.97</b>
<b>Engineering</b>											
International Industries	203,800	29,600	-	5,100	228,300	47,987	38,074	(9,913)	1.37	0.17	1.37
International Steels Limited	429,713	57,913	-	10,758	476,868	44,412	36,342	(8,070)	1.31	0.11	1.30
									<b>2.68</b>	<b>0.28</b>	<b>2.67</b>
<b>Fertilizer</b>											
Engro Corporation Limited	891,557	120,674	-	19,790	992,441	292,515	277,635	(14,879)	10.00	0.17	9.96
Engro Fertilizers Limited	1,690,607	229,955	-	38,693	1,881,869	133,014	132,258	(756)	4.76	0.14	4.74
									<b>14.76</b>	<b>0.31</b>	<b>14.70</b>
<b>Oil And Gas Exploration Companies</b>											
Mari Petroleum Company Limited	75,065	10,240	-	1,440	83,865	127,960	130,273	2,313	4.69	0.06	4.67
Oil & Gas Development Company Lir	1,813,235	268,041	-	59,217	2,022,059	191,770	169,449	(22,321)	6.10	0.05	6.08
Pakistan Oilfields Limited	365,459	49,010	-	7,783	406,686	160,071	152,650	(7,421)	5.50	0.14	5.47
Pakistan Petroleum Limited	1,874,578	276,512	-	64,957	2,086,133	180,566	156,272	(24,294)	5.63	0.08	5.60
									<b>21.92</b>	<b>0.33</b>	<b>21.82</b>

Name of the investee company	As at July 1, 2021	Purchases during the quarter	Rights / Bonus issue	Sales during the quarter	As at September 30, 2021	Carrying value as at September 30, 2021	Market value as at September 30, 2021	Unrealised gain / (loss) as at September 30, 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>Oil And Gas Marketing Companies</b>											
Hascol Petroleum Limited	471	-	-	-	471	4	3	(1)	-	-	-
Pakistan State Oil Company Limited	593,789	81,613	-	14,222	661,180	148,177	132,891	(15,286)	4.79	0.14	4.77
Sui Northern Gas Pipelines Limited	802,507	117,698	-	27,348	892,857	43,376	40,607	(2,769)	1.46	0.14	1.46
									<b>6.25</b>	<b>0.28</b>	<b>6.23</b>
<b>Pharmaceuticals</b>											
The Searle Company Limited	303,324	41,162	-	5,841	338,645	81,945	68,240	(13,704)	2.46	0.16	2.45
									<b>2.46</b>	<b>0.16</b>	<b>2.45</b>
<b>Power Generation &amp; Distribution</b>											
The Hub Power Company Limited	2,736,859	372,998	-	61,527	3,048,330	242,573	224,144	(18,429)	8.07	0.24	8.04
									<b>8.07</b>	<b>0.24</b>	<b>8.04</b>
<b>Refinery</b>											
Attock Refinery Ltd	120,056	17,715	-	4,677	133,094	33,782	23,795	(9,987)	0.86	0.12	0.85
National Refinery Limited	73,400	10,017	-	1,580	81,837	41,960	24,785	(17,174)	0.89	0.10	0.89
									<b>1.75</b>	<b>0.22</b>	<b>1.74</b>
<b>Technology &amp; Communication</b>											
Avanceon Limited	168,500	51,300	-	21,300	198,500	19,217	24,487	5,270	0.88	0.08	0.88
System Limited	229,000	32,100	-	5,900	255,200	144,573	185,661	41,087	6.69	0.21	6.66
									<b>7.57</b>	<b>0.29</b>	<b>7.54</b>
<b>Textile Composite</b>											
Nishat Mills Limited	444,550	65,300	-	14,800	495,050	46,355	44,980	(1,375)	1.62	0.14	1.61
									<b>1.62</b>	<b>0.14</b>	<b>1.61</b>
<b>Transport</b>											
Pakistan International Bulk Terminal	2,510,000	346,500	-	51,000	2,805,500	31,785	24,997	(6,788)	0.90	0.16	0.90
<b>Vanaspati &amp; Allied Industries</b>											
Unity Foods Limited	1,535,536	211,365	-	38,366	1,708,535	75,451	53,340	(22,111)	1.92	0.31	1.91
									<b>1.92</b>	<b>0.31</b>	<b>1.91</b>
						<b>3,007,704</b>	<b>2,788,308</b>	<b>(219,396)</b>			<b>100</b>



- 6.1.1 Investments include 682,000 shares (June 2021: 682,000 shares) of Pakistan Petroleum Limited and 80,000 shares of Oil & Gas Development Company Limited having market value of Rs 51.09 million and Rs. 6.70 million as at September 30, 2021 (June 2021: Rs 59.218 million and 7.602 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,
- 6.2 As at September 30, 2021, the market value of bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 1.291 million (June 30, 2021: Rs. 1.416 million).

## 7 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2021 and June 30, 2021.

8	PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY		September 30,	June 30,
			2021 (Unaudited)	2021 (Audited)
			(Rupees in '000)	
	Management fee payable	8.1	2,382	155
	Sindh Sales Tax on management fee payable		310	20
	Allocated expenses payable	8.2	262	251
	Sales load payable		322	424
	Sindh Sales Tax payable on sales load		42	55
			<b>3,318</b>	<b>905</b>

- 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% (June 30, 2021: 1%) per annum of the average net assets of the Fund during the quarter ended September 30, 2021. The remuneration is payable to the Management Company monthly in arrears.

- 8.2 During the year, an amount of Rs. 0.958 million (June 30, 2021: Rs 3.178 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 0.668 million (June 30, 2021: Rs. 3.354 million) has been paid to the Management Company which acts as a collecting agent.

The Management Company based on its own discretion has charged allocated expenses at the rate of 0.11% (June 30, 2021: 0.11% of the average annual net assets).

9	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	September 30,	June 30,
			2021 (Unaudited)	2021 (Audited)
			(Rupees in '000)	
	Auditor's remuneration payable		61	279
	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	-	23,931
	Withholding tax and capital gain tax payable		806	932
	Charity payable		4,505	4,942
	Brokerage payable		1,748	3,193
	Shariah advisory fee payable		385	263
	Printing charges payable		124	124
	Zakat payable		64	52
			<b>13,931</b>	<b>39,954</b>

- 9.1 SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and was also been taken up with the SECP. All the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF vide its circular dated August 30, 2021.

Provisioning against SWWF amounting to Rs. 23.931 million has been reversed and it has contributed towards an increase in NAV of the fund by Rs. 0.59 (0.82%) per unit. This was one-off event and is not likely to be repeated in the future

- 9.2 The status of provision of Federal Excise Duty is same as disclosed in financial statement for the year ended June 30, 2021. Had the provision not been made, the NAV per unit of the Fund as at September 30, 2021 would have been higher by Re 0.16 (June 30, 2021: Re 0.17) 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, 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:

<b>Balances</b>	<b>September 30, 2021 (Unaudited)</b>	<b>June 30, 2021 (Audited)</b>
	<b>(Rupees in '000)</b>	
<b>Al Meezan Investment Management Limited - the Management Company</b>		
Remuneration payable	2,382	155
Sindh Sales Tax on management fee payable	310	20
Sales load payable	322	424
Sindh Sales Tax on sales load payable	42	55
Allocated expenses payable	262	251
Investment of 13,952,768 units (June 30, 2021: 13,952,768 units)	963,767	1,016,754
<b>Meezan Bank Limited</b>		
Sales load payable	37	224
Sindh Sale Tax on sales load payable	5	29
Bank balance	5,383	16,436
Shariah advisor fee payable	385	263
Profit receivable on savings account	14	25
Outstanding of 2,113,224 units (June 30, 2021: 2,113,224 units)	145,968	153,993
Investment in 1,273,829 shares (June 30, 2021: 995,813 shares)	178,247	114,927
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Trustee fee payable	319	289
Sindh Sales Tax on trustee fee payable	41	60
Security deposit	103	103
<b>Directors and their close family members and key management</b>		
Investment of 1,139,660 units (June 30, 2021: 1,136,665 units)	78,720	82,830
<b>Unit holders holding 10% or more units of the Fund</b>		
Investment of 9,725,888 units (June 30, 2021: 9,725,890 units)	671,801	708,736
<b>Al Meezan Investment Management Limited (Gratuity Fund)</b>		
Investment as at September 30, 2021: 133,559 units (June 30, 2021: 133,559 units)	9,225	9,733
<b>Meezan Strategic Allocation Fund MSAP-I</b>		
Investment as at September 30, 2021: 70,737 units (June 30, 2021: 70,737 units)	4,886	5,155
<b>Meezan Strategic Allocation Fund MSAP-II</b>		
Investment as at September 30, 2021: 147,796 units (June 30, 2021: 159,765 units)	10,209	11,642
<b>Meezan Strategic Allocation Fund MSAP-III</b>		
Investment as at September 30, 2021: 106,250 units (June 30, 2021: 159,037 units)	7,339	11,589
<b>Meezan Strategic Allocation Fund MSAP-IV</b>		
Investment as at September 30, 2021: 13,634 units (June 30, 2021: 13,634 units)	942	994
<b>Meezan Strategic Allocation Fund MSAP-V</b>		
Investment as at September 30, 2021: 28,295 units (June 30, 2021: 28,295 units)	1,954	2,062



**Transactions during the quarter**

**Quarter ended September 30,**

**2021 2020**

**(Unaudited)**

**(Rupees in '000)**

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

Remuneration for the quarter	7,370	5,445
Sindh Sales Tax on remuneration of the Management Company	958	708
Allocated expenses	811	544
Units issued: nil units (September 30, 2020: 310,598 units)	-	20,000
Units redeemed: nil units (September 30, 2020: 151,053 units)	-	9,200

**Meezan Bank Limited**

Profit on savings account	32	52
Dividend income	1,640	-
Shariah Advisor fee	122	-
Shares purchased: 139,041 shares (September 30, 2020: 355,570 shares)	17,640	19,257
Bonus Share Received : 164,017 (September 30, 2020: 93,388 shares)	-	-
Shares sold: 25,042 shares (September 30, 2020: 45,500 shares)	3,444	3,799

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

Trustee fee	989	796
Sindh Sales Tax on trustee fee for the quarter	129	103
CDS charges	68	62

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

Units issued: 2,995 units September 30, 2020: 77,383 units)	221	5,040
Units redeemed: nil units (September 30, 2020: 6,775 units)	-	396

**Meezan Strategic Allocation Fund MSAP-II**

Units issued: 136,326 units (September 30, 2020: nil units)	10,000	-
Units redeemed: 148,295 units (September 30, 2020: nil units)	11,000	-

**Meezan Strategic Allocation Fund MSAP-III**

Units issued: 95,507 units (September 30, 2020: nil units)	7,000	-
Units redeemed: 148,295 units (September 30, 2020: nil units)	11,000	-

**11 TOTAL EXPENSE RATIO**

The Total Expense Ratio (TER) of the Fund as at September 30, 2021 is 1.89% (June 30, 2021: 2.45%) which includes 0.18% (June 30, 2021: 0.78%) representing government levies on the Fund such as Sales Taxes, Federal Excise Duties, annual fee to the SECP etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an Equity Scheme.

**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 unit holders. The Fund has not recorded any tax liability as the Fund has incurred a net loss during the quarter.

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 September 30, 2021 and June 30, 2021, the Fund held the following financial instruments measured at fair value:

	As at September 30, 2021			
	Level 1	Level 2	Level 3	Total
<b>ASSETS</b>	----- (Rupees in '000) -----			
<b>Financial assets 'at fair value through profit or loss'</b>				
Shares of listed companies - 'ordinary shares'	2,788,308	-	-	2,788,308

	As at June 30, 2021			
	Level 1	Level 2	Level 3	Total
<b>ASSETS</b>	----- (Rupees in '000) -----			
<b>Financial assets 'at fair value through profit or loss'</b>				
Shares of listed companies - 'ordinary shares'	2,697,866	-	-	2,697,866

### 14 GENERAL

Figures have been rounded off to the nearest thousand rupees.

### 15 DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on October 11, 2021 by the Board of Directors of the Management Company.

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

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

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

\_\_\_\_\_  
Director



**Al Meezan**  
Investment Management Ltd.

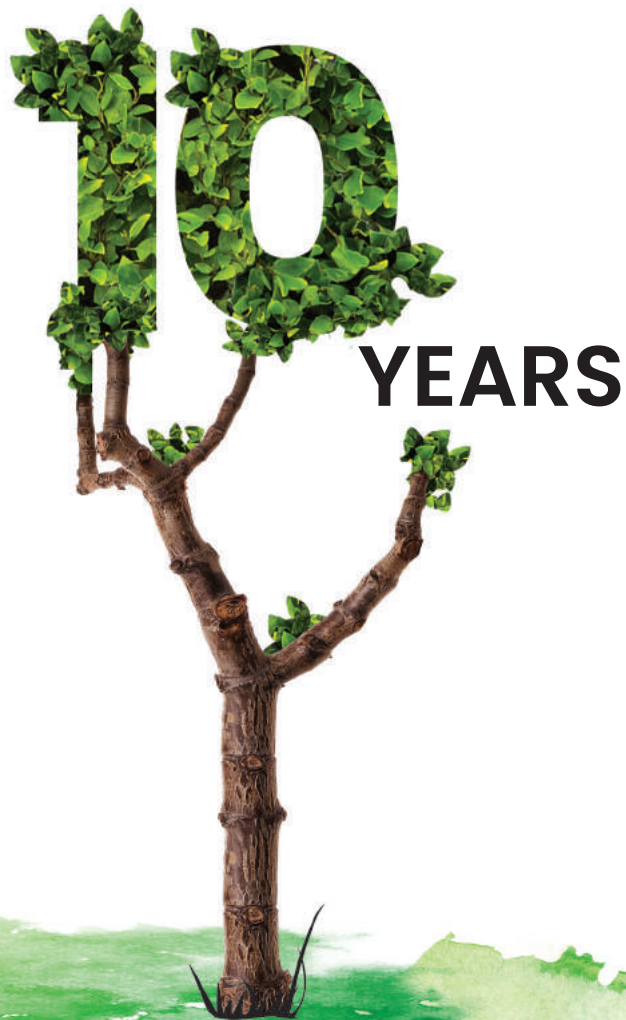
# MEEZAN ENERGY FUND (MEF)

Meezan Energy Fund is a Shariah Compliant Energy Sector (Equity) Scheme. It is an actively managed fund offering a simple way to take exposure to Shariah Compliant equity stocks, primarily from the energy sector/segment/industry available at Pakistan Stock Exchange (PSX).





# CURRENT ACCOUNT DEFICIT LOWEST IN



# 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

## COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Mr. Salman Muslim

## CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY

Mr. Muhammad Shahid Ojha

## 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: [bawaney@cyber.net.pk](mailto:bawaney@cyber.net.pk)

## TRANSFER AGENT

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)

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited



**MEEZAN ENERGY FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT SEPTEMBER 30, 2021**

		September 30, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
<b>Assets</b>			
Balances with banks	5	16,080	18,782
Investments	6	478,527	578,360
Receivable against conversion of units		8,452	8,251
Dividend receivable		10,456	1,764
Advance, deposits and other receivable		4,094	4,094
Preliminary expenses and floatation costs		33	83
<b>Total assets</b>		<u>517,642</u>	<u>611,334</u>
<b>Liabilities</b>			
Payable to Al Meezan Investment Management Limited - Management Company	7	1,566	761
Payable to Central Depository Company of Pakistan Limited - Trustee		96	113
Payable to Meezan Bank Limited		2	33
Payable to the Securities and Exchange Commission of Pakistan (SECP)		27	105
Payable against redemption and conversion of units		6,481	20,927
Accrued expenses and other liabilities	8	2,328	5,085
<b>Total liabilities</b>		<u>10,500</u>	<u>27,024</u>
<b>Net assets</b>		<u>507,142</u>	<u>584,310</u>
<b>Unit holders' funds (as per statement attached)</b>		<u>507,142</u>	<u>584,310</u>
<b>Contingencies and commitments</b>	9		
		<b>(Number of units)</b>	
<b>Number of units in issue</b>		<u>15,837,759</u>	<u>17,035,689</u>
		<b>(Rupees)</b>	
<b>Net asset value per unit</b>		<u>32.0211</u>	<u>34.2992</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 ENERGY FUND  
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

	September 30,	
	2021	2020
Note	(Rupees in '000)	
<b>Income</b>		
Dividend income	12,267	463
Net realised (loss) / gain on sale of investments	(2,502)	23,718
Profit on balances with banks	115	212
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)	2,709	-
	<u>12,589</u>	<u>24,393</u>
Net unrealised (diminution) / appreciation on re-measurement of investments - 'at fair value through profit or loss'	6.1 (43,196)	38,361
<b>Total (loss) / income</b>	<u>(30,607)</u>	<u>62,754</u>
<b>Expenses</b>		
Remuneration of AI Meezan Investment Management Limited - Management Company	2,736	2,709
Sindh Sales Tax on remuneration of the Management Company	356	352
Allocated expenses	151	135
Selling and marketing expense	547	542
Remuneration to Central Depository Company of Pakistan Limited - Trustee	274	271
Sindh Sales Tax on remuneration of the Trustee	36	35
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	27	27
Auditors' remuneration	102	99
Charity expense	667	8
Fees and subscription	142	142
Legal and professional charges	184	-
Brokerage expense	405	704
Bank and settlement charges	109	114
Amortisation of preliminary expenses and floatation costs	50	50
Provision for Sindh Workers' Welfare Fund (SWWF)	8.1 -	1,151
<b>Total expenses</b>	<u>5,786</u>	<u>6,339</u>
<b>Net (loss) / income for the quarter before taxation</b>	<u>(36,393)</u>	<u>56,415</u>
Taxation	13 -	-
<b>Net (loss) / income for the quarter after taxation</b>	<u>(36,393)</u>	<u>56,415</u>
<b>Allocation of net income for the quarter</b>		
Net income for the quarter after taxation	-	56,415
Income already paid on units redeemed	-	(25,325)
	<u>-</u>	<u>31,090</u>
<b>Accounting income available for distribution</b>		
- Relating to capital gains	-	31,090
- Excluding capital gains	-	-
	<u>-</u>	<u>31,090</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 COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

	<b>September 30,</b>	
	<b>2021</b>	<b>2020</b>
	<b>(Rupees in '000)</b>	
<b>Net (loss) / income for the quarter after taxation</b>	(36,393)	56,415
Other comprehensive income for the quarter	-	-
<b>Total comprehensive (loss) / income for the quarter</b>	<b>(36,393)</b>	<b>56,415</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 STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

	September 30					
	2021			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 quarter</b>	974,734	(390,424)	584,310	964,237	(422,371)	541,866
Issue of 5,512,914 units (September 30, 2020: 17,725,623 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	189,089	-	189,089	532,123	-	532,123
- Element of income	(5,336)	-	(5,336)	60,719	-	60,719
Total proceeds on issuance of units	183,753	-	183,753	592,842	-	592,842
Redemption of 6,710,844 units (September 30, 2020: 22,006,035 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	230,177	-	230,177	660,621	-	660,621
- Element of (loss) / income	(5,649)	-	(5,649)	50,621	25,325	75,946
Total payments on redemption of units	224,528	-	224,528	711,242	25,325	736,567
Total comprehensive (loss) / income for the quarter	-	(36,393)	(36,393)	-	56,415	56,415
Distribution during the quarter	-	-	-	-	-	-
Net (loss) / income for the quarter less distribution	-	(36,393)	(36,393)	-	56,415	56,415
<b>Net assets at the end of the quarter</b>	<b>933,959</b>	<b>(426,817)</b>	<b>507,142</b>	<b>845,837</b>	<b>(391,281)</b>	<b>454,556</b>
Accumulated loss brought forward						
- Realised loss		(390,627)			(422,342)	
- Unrealised (loss) / income		203			(29)	
		(390,424)			(422,371)	
<b>Accounting income available for distribution</b>						
- Relating to capital gains		-			31,090	
- Excluding capital gains		-			-	
		-			31,090	
Net loss for the quarter after taxation		(36,393)			-	
Distribution during the quarter		-			-	
Accumulated loss carried forward		(426,817)			(391,281)	
<b>Accumulated loss carried forward</b>						
- Realised loss		(383,621)			(429,642)	
- Unrealised loss		(43,196)			38,361	
		(426,817)			(391,281)	
Net assets value per unit at the beginning of the quarter			(Rupees) 34.2992			(Rupees) 30.0200
Net assets value per unit at the end of the quarter			32.0211			33.0112

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 QUARTER ENDED SEPTEMBER 30, 2021**

	<b>September 30,</b>	
	<b>2021</b>	<b>2020</b>
	<b>(Rupees in '000)</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) / income for the quarter before taxation	(36,393)	56,415
<b>Adjustments for:</b>		
Amortisation of preliminary expenses and floatation costs	50	50
Net unrealised diminution / (appreciation) on re-measurement investments - 'at fair value through profit or loss'	43,196	(38,361)
	<u>6,853</u>	<u>18,104</u>
<b>Decrease in assets</b>		
Investments - net	56,637	107,351
Receivable against sale of investments	-	30,650
Dividend receivable	(8,692)	(464)
Advances, deposits and other receivables	-	41
	<u>47,945</u>	<u>137,578</u>
<b>Increase in liabilities</b>		
Payable to AI Meezan Investment Management Limited - Management Company	805	(156)
Payable to Central Depository Company of Pakistan Limited - Trustee	(17)	201
Payable to Meezan Bank Limited	(31)	(340)
Payable to Securities and Exchange Commission of Pakistan - (SECP)	(78)	(82)
Payable against purchase of investments	-	(2,776)
Accrued expenses and other liabilities	(2,757)	1,422
	<u>(2,078)</u>	<u>(1,731)</u>
<b>Net cash generated from operating activities</b>	52,720	153,951
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	183,552	597,147
Payment against redemption and conversion of units	(238,974)	(747,280)
<b>Net cash used in financing activities</b>	(55,422)	(150,133)
<b>Net (decrease) / increase in cash and cash equivalents during the quarter</b>	(2,702)	3,818
Cash and cash equivalents at the beginning of the quarter	18,782	3,214
<b>Cash and cash equivalents at the end of the quarter</b>	<u>16,080</u>	<u>7,032</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 QUARTER ENDED SEPTEMBER 30, 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 Company as the Management Company and Central Depository Company of Pakistan Limited as the Trustee. The Trust Deed was executed on September 09, 2016 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (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 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, Shariah-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 dated December 31, 2020 (2020: AM1 dated December 31, 2019) and by PACRA dated June 23, 2021 (2020: AM1 dated June 26, 2020). 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.
- 1.6 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company has fulfilled requirements for registration and accordingly, the fund has been registered under Sindh Trusts Act, 2020.

**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, 2021.

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 September 30, 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, 2021.
- 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, 2021. 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, 2021.
- 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, 2021. 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	September 30, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
In saving accounts	5.1	15,087	17,738
In current accounts		993	1,044
		<u>16,080</u>	<u>18,782</u>

- 5.1 The balance in saving accounts have an expected profit ranging from 1.85% to 7.15% per annum (June 30, 2021: 2.24% to 7.20% per annum).

6. INVESTMENTS	Note	September 30, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
<b>Investments - 'at fair value through profit or loss'</b>			
Shares of listed companies 'ordinary shares'	6.1	<u>478,527</u>	<u>578,360</u>

- 6.1 Shares of listed companies 'ordinary shares'

Name of the investee company	As at July 1, 2021	Purchases during the quarter	Bonus / Right issue	Sales during the quarter	As at September 30, 2021	Carrying value as at September 30, 2021	Market value as at September 30, 2021	Unrealised gain / (loss) as at September 30, 2021	Percentage in relation to		
									Net Assets of the Fund	Paid-up capital of investee company	Total market value of investment
-----Number of shares-----						-----Rupees in '000-----			-----%-----		
<b>Sectors / companies</b>											
<b>Oil and Gas Exploration Companies</b>											
Mari Petroleum Company Limited (note 6.1.3)	57,143	4,000	-	4,600	56,543	86,216	87,832	1,616	17.32	0.04	18.36
Oil and Gas Development Company Limited	903,016	90,000	-	86,000	907,016	86,031	76,008	(10,023)	14.99	0.02	15.88
Pakistan Oilfields Limited (note 6.1.3)	226,280	-	-	57,500	168,780	66,476	63,352	(3,124)	12.49	0.06	13.24
Pakistan Petroleum Limited (note 6.1.3)	1,214,418	-	-	251,366	963,052	83,622	72,142	(11,480)	14.23	0.04	15.08
									<b>59.03</b>	<b>0.16</b>	<b>62.56</b>
<b>Oil and Gas Marketing Companies</b>											
Attock Petroleum Limited	31,500	-	-	-	31,500	10,112	9,135	(977)	1.80	0.03	1.91
Hascol Petroleum Limited	4,011	-	-	-	4,011	36	26	(10)	0.01	-	0.01
Hi-Tech Lubricants Limited	86,000	-	-	-	86,000	6,098	5,333	(765)	1.05	0.07	1.11
Pakistan State Oil Company Limited (note 6.1.2 & 6.1.3)	363,878	-	-	172,000	191,878	43,029	38,566	(4,463)	7.60	0.04	8.06
Shell Pakistan Limited	23,800	-	-	23,800	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	487,300	155,000	-	100,000	542,300	26,632	24,664	(1,968)	4.86	0.09	5.15
Sui Southern Gas Pipelines Limited	400,000	-	-	400,000	-	-	-	-	-	-	-
									<b>15.32</b>	<b>0.23</b>	<b>16.24</b>
<b>Power Generation and Distribution</b>											
The Hub Power Company Limited	526,444	370,000	-	-	896,444	70,328	65,916	(4,412)	13.00	0.07	13.77
K - Electric Limited (note 6.1.1)	2,953,500	-	-	500,000	2,453,500	10,256	9,814	(442)	1.94	0.01	2.05
									<b>14.94</b>	<b>0.08</b>	<b>15.82</b>
<b>Refinery</b>											
Attock Refinery Limited	39,500	-	-	39,500	-	-	-	-	-	-	-
Byco Petroleum Limited	1,330,000	1,800,000	-	455,000	2,675,000	27,548	21,882	(5,666)	4.31	0.05	4.57
Pakistan Refinery Limited	-	330,000	-	100,000	230,000	5,339	3,857	(1,482)	0.76	0.04	0.81
									<b>5.07</b>	<b>0.09</b>	<b>5.38</b>
<b>Total as at September 30, 2021</b>						<b>521,723</b>	<b>478,527</b>	<b>(43,196)</b>	<b>94.36</b>		<b>100.00</b>
<b>Total as at June 30, 2021</b>						<b>578,157</b>	<b>578,360</b>	<b>203</b>	<b>98.98</b>		<b>100.00</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** 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, 2021. As at September 30, 2021, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 1.172 million (June 30, 2021: Rs. 1.308 million).

**6.1.3** Investments include 65,000 shares of Pakistan Petroleum Limited, 26,500 shares of Pakistan Oilfields Limited, 4,000 shares of Mari Petroleum Limited and 5,000 shares of Pakistan State Oil Company Limited, having market value of Rs 4.869 million, Rs. 9.947 million, Rs. 6.213 million and Rs. 1.005 million respectively as at September 30, 2021 (June 30, 2021: 5,000 shares of Pakistan Petroleum Limited, 26,500 shares of Pakistan Oilfields Limited, 4,000 shares of Mari Petroleum Limited and 5,000 shares of Pakistan State Oil Company Limited, having market value of Rs 5.644 million, Rs. 10.437 million, Rs. 6.098 million and Rs. 1.121 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.

7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	September 30, 2021	June 30, 2021
		(Unaudited)	(Audited)
		(Rupees in '000)	
Remuneration payable	7.1	852	67
Sindh Sales Tax payable on of the Management Company		110	9
Sales load		9	26
Sindh Sales Tax payable on sales load		1	3
Allocated expense payable	7.2	47	55
Selling and marketing expenses	7.3	547	601
		<b>1,566</b>	<b>761</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% per annum of the average net assets of the Fund during the quarter. 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 fixed a maximum capping of 0.11% 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 has charged during the period selling and marketing expense at 0.4% per annum of average annual net assets of the Fund.

<b>8. ACCRUED EXPENSES AND OTHER LIABILITIES</b>	<b>Note</b>	<b>September 30, 2021 (Unaudited)</b>	<b>June 30, 2021 (Audited)</b>
		<b>(Rupees in '000)</b>	
Auditors' remuneration payable		74	195
Printing charges payable		39	34
Shariah advisor fee payable		402	266
Charity payable		1,309	1,041
Capital gain tax payable		14	186
Provision for Sindh Workers' Welfare Fund	8.1	-	2,709
Zakat payable		31	30
Brokerage Payable		459	624
		<u>2,328</u>	<u>5,085</u>

**8.1** SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and was also been taken up with the SECP. All the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF vide its circular dated August 30, 2021. Provisioning against SWWF amounting to Rs. 2.7 million has been reversed and it has contributed towards an increase in NAV of the fund by Rs. 0.17 (0.51%) per unit. This was one-off event and is not likely to be repeated in the future.

## **9. CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at September 30, 2021 and June 30, 2021.

## **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:

	September 30, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
<b>AI Meezan Investment Management Limited - the Management Company</b>		
Remuneration payable	852	67
Sindh Sales Tax on management fee payable	110	9
Sales load payable	9	26
Sindh Sales Tax on sales load payable	1	3
Allocated expenses	47	55
Selling and marketing expense payable	547	601
Investment of 2,670,254 units (June 30, 2021: 3,263,145 units)	85,504	111,923
<b>Meezan Bank Limited</b>		
Bank balance	8,630	17,265
Profit receivable on saving accounts	10	72
Sales load payable	2	29
Sindh Sales Tax on sales load payable	0	4
Shariah advisor fee payable	402	266
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Trustee fee payable	85	100
Sindh Sales Tax on trustee fee payable	11	13
Security deposit	100	100
<b>Directors and executives of the Management Company</b>		
Investment of 42,680 units (June 30, 2021: 219,868 units)	1,367	7,541
<b>Unitholders holding 10 percent or more of the Fund</b>		
Investment of 4,298,505 units (June 30, 2021: nil)	135,134	-
<b>For the quarter ended September 30,</b>		
	<b>2021</b>	<b>2020</b>
	(Rupees in '000)	
<b>AI Meezan Investment Management Limited - the Management Company</b>		
Remuneration for the quarter	2,736	2,709
Sindh Sales Tax on management fee	356	352
Allocated expenses	151	135
Selling and marketing expense	547	542
Units issued: nil (September 30, 2020: 431,954 units)	-	15,000
Units redeemed: 592,891 units (September 30, 2020: 2,548,000 units)	20,000	85,000
<b>For the quarter ended September 30,</b>		
	<b>2021</b>	<b>2020</b>
	(Rupees in '000)	
<b>Meezan Bank Limited</b>		
Profit on saving accounts	37	116
Shariah advisory fee expense	135	135
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Trustee fee	274	271
Sindh Sales Tax on trustee fee	36	35
CDS charges	13	20
<b>Directors and executives of the Management Company</b>		
Units issued: 167,085 units (September 30, 2020: 43 units)	5,623	1
Units redeemed: 344,272 units (September 30, 2020: 9,947 units)	11,300	311



## 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 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.

### 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 September 30, 2021 and June 30, 2021, the Fund held the following financial instruments measured at fair value:

ASSETS	As at September 30, 2021			
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
<b>Financial assets 'at fair value through profit or loss'</b>				
Shares of listed companies 'ordinary shares'	478,527	-	-	478,527

ASSETS	As at June 30, 2021			
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
<b>Financial assets 'at fair value through profit or loss'</b>				
Shares of listed companies 'ordinary shares'	578,360	-	-	578,360

## 12. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2021 is 4.23% (June 30, 2021: 4.34%) which includes 0.34% (June 30, 2021: 0.60%) representing government levies on the Fund such as sales taxes, annual fee to the SECP. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an Equity Scheme.

## 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 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 as the Fund has incurred a net loss during the quarter.

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. GENERAL**

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

**15. DATE OF AUTHORISATION**

This condensed interim financial information was authorised for issue on October 11, 2021 by the Board of Directors of the Management Company.

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

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

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

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

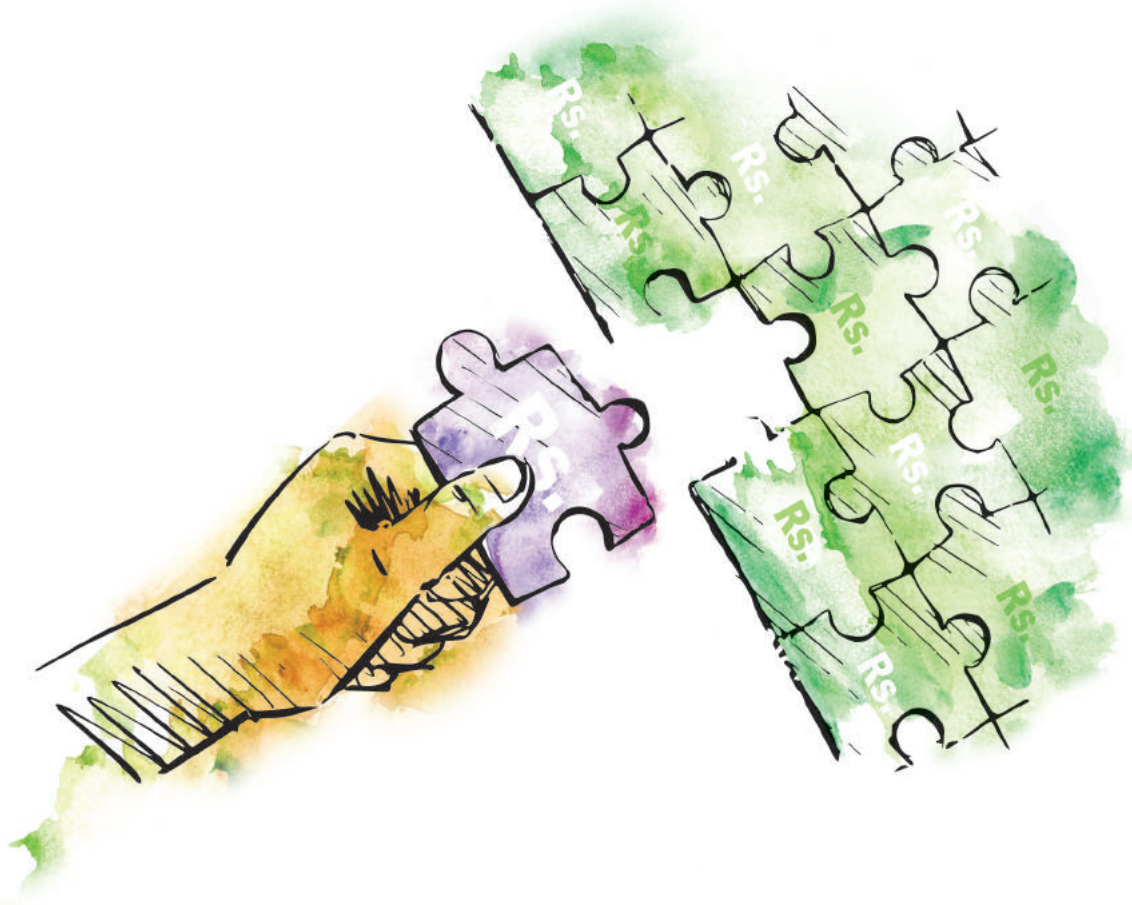


**Al Meezan**  
Investment Management Ltd.

# MEEZAN

## PAKISTAN EXCHANGE TRADED FUND (MP-ETF)

Meezan Pakistan Exchange Traded Fund is a Shariah Compliant Exchange Traded Fund that aims to provide investors an opportunity to track the performance of Meezan Pakistan Index that has been constituted and is maintained by Al Meezan, and comprises Shariah Compliant equity securities selected with high consideration towards market capitalization and traded Value.



# ONE OF ASIA'S BEST PERFORMING STOCK MARKET



# 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. Naem Sattar	Nominee Director - PKIC
Mr. Feroz Rizvi	Independent Director
Ms. Danish Zuberi	Independent Director
Mr. Mohammad Shoaib, CFA	Chief Executive Officer

## COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Mr. Salman Muslim

## CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY

Mr. Muhammad Shahid Ojha

## AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Naem 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

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: [bawaney@cyber.net.pk](mailto:bawaney@cyber.net.pk)

## TRANSFER AGENT

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)

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited



**MEEZAN PAKISTAN EXCHANGE TRADED FUND  
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT SEPTEMBER 30, 2021**



		September 30, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
<b>Assets</b>			
Balances with banks	5	2,194	1,208
Investments	6	77,935	38,827
Dividend receivable		747	295
Other receivables		53	57
<b>Total assets</b>		80,929	40,387
<b>Liabilities</b>			
Payable to AI Meezan Investment Management Limited - Management Company	7	36	1
Payable to Central Depository Company of Pakistan Limited - Trustee		7	5
Payable to the Securities and Exchange Commission of Pakistan (SECP)		3	5
Accrued expenses and other liabilities	8	283	1,089
<b>Total liabilities</b>		329	1,100
<b>Net assets</b>		80,600	39,287
<b>Unit holders' fund (as per statement attached)</b>		80,600	39,287
<b>Contingencies and commitments</b>	9		
<b>Number of units in issue</b>		9,020,000	3,800,000
		<b>(Rupees)</b>	
<b>Net asset value per unit</b>		8.9358	10.3387

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 PAKISTAN EXCHANGE TRADED FUND  
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

	September 30, 2021
Note	(Rupees in '000)
<b>Income</b>	
Profit on balances with banks	12
Dividend income	748
Net realised gain on sale of investments	34
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)	123
	<u>917</u>
Net unrealised diminution on re-measurement of investments - 'at fair value through profit or loss'	6.1 (10,872)
<b>Total loss</b>	<u>(9,955)</u>
<b>Expenses</b>	
Remuneration to AI Meezan Investment Management Limited - Management Company	7 84
Sindh Sales Tax on remuneration of the Management Company	11
Remuneration to Central Depository Company of Pakistan Limited - Trustee	17
Sindh Sales Tax on Remuneration of the Trustee	2
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	3
Auditors' remuneration	28
Charity expense	54
Fees and subscription	12
Legal and professional charges	184
Brokerage expense	51
Bank and settlement charges	2
<b>Total expenses</b>	448
<b>Net loss from operating activities during the quarter</b>	<u>(10,403)</u>
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net	<u>(2,251)</u>
<b>Net loss for the quarter before taxation</b>	(12,654)
Taxation	13 -
<b>Net loss for the quarter after taxation</b>	<u><u>(12,654)</u></u>
<b>Accounting income available for distribution</b>	
- Relating to capital gains	-
- Excluding capital gains	-
	<u><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 PAKISTAN EXCHANGE TRADED FUND  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**



**Meezan**  
Pakistan Exchange Traded Fund

**September 30,  
2021  
(Rupees in '000)**

<b>Net loss for the quarter after taxation</b>	(12,654)
Other comprehensive income	-
<b>Total comprehensive loss for the quarter</b>	<u><u>(12,654)</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 PAKISTAN EXCHANGE TRADED FUND  
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

	September 30, 2021		
	Capital value	Undistributed income	Total
	(Rupees in '000)		
Net assets at the beginning of the quarter	38,000	1,287	39,287
Issue of 5,650,000 units			
- Capital value (at par value)	58,414	-	58,414
- Element of loss	(2,241)	-	(2,241)
Total proceeds on issuance of units	56,172	-	56,172
Redemption of 430,000 units			
- Capital value (at par value)	4,446	-	4,446
- Element of loss	10	-	10
Total payments on redemption of units	4,456	-	4,456
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	2,251	-	2,251
Total comprehensive loss for the quarter	-	(12,654)	(12,654)
<b>Net assets at end of the quarter</b>	<u>91,967</u>	<u>(11,367)</u>	<u>80,600</u>
Undistributed income brought forward			
- Realised Income		101	
- Unrealised Income		1,186	
		<u>1,287</u>	
<b>Accounting income available for distribution</b>			
- Realised income		-	
- Unrealised income		-	
		-	
Net loss for the quarter after taxation		(12,654)	
Accounted loss carried forward		<u>(11,367)</u>	
<b>Accounted loss carried forward</b>			
- Realised loss		(495)	
- Unrealised loss		(10,872)	
		<u>(11,367)</u>	
		<b>(Rupees)</b>	
Net assets value per unit at the beginning of the quarter		10.3387	
Net assets value per unit at the end of the quarter		<u>8.9358</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 PAKISTAN EXCHANGE TRADED FUND  
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**



	September 30, 2021
Note	(Rupees in '000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net loss for the quarter before taxation	(12,654)
<b>Adjustments for:</b>	
Net unrealised diminution on re-measurement of investments - 'at fair value through profit or loss'	10,872
Element of loss / (income) and capital (gains) / losses included in prices of units issued less those in units redeemed - net	2,251
	469
<b>(Increase) / decrease in assets</b>	
Investments	(49,980)
Dividend receivable	(452)
Other receivables	4
	(50,428)
<b>(Decrease) / Increase in liabilities</b>	
Payable to AI Meezan Investment Management Limited - Management Company	35
Payable to Central Depository Company of Pakistan Limited - Trustee	2
Payable to the Securities and Exchange Commission of Pakistan (SECP)	(2)
Accrued expenses and other liabilities	(806)
	(771)
<b>Net cash used in operating activities</b>	(50,730)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Receipts against issuance of units	56,172
Payment against redemption of units	(4,456)
<b>Net cash generated from financing activities</b>	51,716
Net increase in cash and cash equivalents during the quarter	986
Cash and cash equivalents at beginning of the quarter	1,208
Cash and cash equivalents at end of the quarter	2,194
5	

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 PAKISTAN EXCHANGE TRADED FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** Meezan Pakistan Exchange Traded 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 January 9, 2020 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, (the NBFC Regulations), 2008. 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 is a Shariah Compliant Exchange Traded Fund that aims to provide investors an opportunity to track the performance of Meezan Pakistan Index (MZNPI) that has been constituted and is maintained by the Management Company, and comprises of 12 shariah compliant equity securities selected with high consideration towards market capitalization and traded value. 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 a hybrid type of fund having features of both open and closed end funds. A new concept of "Authorised Participants "APs" has been introduced who will act as market makers. The Management Company will only have contact with the APs for issuance and redemption of units. The units of the Fund are tradeable in the Pakistan Stock Exchange Limited (PSX). The APs to whom the units are issued may either keep the units with themselves or trade in the PSX. Consequently, upon trading, the holder of the units keeps on changing. Moreover, on issuance and redemption of units, the basket of shares will be exchanged between AP and Management Company and cash will be paid / received if there is a difference in the applicable net asset value of a creation unit and the market value of the portfolio deposit.
- 1.4** The Fund is an Open Ended Exchange Traded Mutual Fund categorised as "Listed Index Tracking Fund" and is listed on Pakistan Stock Exchange (PSX) Limited.
- 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.
- 1.6** As per the offering document approved by the SECP, the accounting period, in case of the first such period, shall commence from the date on which the trust property is first paid or transferred to the Trustee. Accordingly, these financial statements have been prepared from October 6, 2020. Hence, there are no corresponding figures for the quarter.
- 1.7** The Management Company has been assigned a quality rating of AM1 by VIS dated December 31, 2020 (2020: AM1 dated December 31, 2019) and by PACRA dated June 23, 2021 (2020: AM1 dated June 26, 2020). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.8** The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company has fulfilled requirements for registration and accordingly, the fund has been registered under Sindh Trusts Act, 2020.

**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.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declared that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at September 30, 2021.

### 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, 2021.

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, 2021. 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, 2021.

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, 2021. However, these do not have any impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

	Note	September 30, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
<b>5 BALANCES WITH BANKS</b>			
Balances with banks in:			
Savings account	5.1	2,154	1,186
Current account		40	22
		<u>2,194</u>	<u>1,208</u>

5.1 The balance in savings account has an expected profit rate of 2.50% per annum (June 30, 2021: 2.5% per annum)

	Note	September 30, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
<b>6 INVESTMENTS</b>			
<b>Investment at 'fair value through profit or loss'</b>			
Listed equity securities	6.1	<u>77,935</u>	<u>38,827</u>



## 6.1 Investment at fair value through profit or loss - Listed equity securities

Name of the investee company	As at July 1, 2021	Unaudited						Percentage in relation to						
		Purchases during the quarter	Bonus / Right issue	Sales during the quarter	As at September 30, 2021	Carrying value as at September 30, 2021	Market value as at September 30, 2021	Unrealised gain / (loss) as at September 30, 2021	Net Assets of the Fund	Paid-up capital of investee company (with face value of investment)	Total Market Value of Investment			
		Number of shares			(Rupees in '000)			--%--						
<b>Sectors / companies</b>														
<b>Cement</b>														
DG Khan Cement Company Limited	18,550	24,474	-	6,042	36,982	4,122	3,270	(852)	4.06	0.01	4.20			
Lucky Cement Limited	7,700	10,166	-	2,532	15,334	13,044	11,085	(1,959)	13.75	-	14.22			
Maple Leaf Cement Factory Limited	42,700	56,098	-	14,912	83,886	3,732	2,953	(779)	3.66	0.01	3.79			
									<b>21.47</b>	<b>0.02</b>	<b>22.21</b>			
<b>Engineering</b>														
International Steels Limited	17,850	-	-	-	-	-	-	-	-	-	-			
<b>Fertilizer</b>														
Engro Corporation Limited	17,500	31,382	-	1,978	46,904	13,748	13,121	(627)	16.28	0.01	16.84			
Engro Fertilizers Limited	53,550	26,180	-	79,730	-	-	-	-	-	-	-			
									<b>16.28</b>	<b>0.01</b>	<b>16.84</b>			
<b>Foods and Personal Care Products</b>														
Unity Foods limited	60,900	68,854	-	36,848	92,906	3,882	2,901	(981)	3.60	0.01	3.72			
<b>Oil and Gas Exploration Companies</b>														
Oil and Gas Development Company Limited	32,550	80,247	-	3,655	109,142	10,153	9,146	(1,007)	11.35	-	11.74			
Pakistan Oilfields Limited	6,300	2,992	-	9,292	-	-	-	-	-	-	-			
Pakistan Petroleum Limited	33,600	82,934	-	3,784	112,750	9,453	8,446	(1,007)	10.48	-	10.84			
									<b>21.83</b>	<b>-</b>	<b>22.58</b>			
<b>Oil and Gas Marketing Companies</b>														
Hascal Petroleum Limited	-	-	-	-	-	-	-	-	-	-	-			
Pakistan State Oil Company Limited	18,550	23,718	-	7,090	35,178	7,748	7,070	(678)	8.77	0.01	9.07			
Sui Northern Gas Pipelines Limited	-	-	-	-	-	-	-	-	-	-	-			
									<b>8.77</b>	<b>0.01</b>	<b>9.07</b>			
<b>Pharmaceuticals</b>														
The Searle Company Limited	8,400	11,053	621	2,034	18,040	4,277	3,635	(642)	4.51	0.07	4.66			
<b>Power Generation &amp; Distribution</b>														
The Hub Power Company Limited	-	164,445	621	-	165,066	12,940	12,137	(803)	15.06	0.01	15.57			
<b>Refinery</b>														
Attock Refinery Limited	-	12,007	621	-	12,628	2,973	2,258	(715)	2.80	0.01	2.90			
National Refinery Limited	-	5,693	621	-	6,314	2,735	1,912	(823)	2.37	0.01	2.45			
									<b>5.17</b>	<b>0.02</b>	<b>5.35</b>			
<b>Total as at September 30, 2021</b>									<b>88,807</b>	<b>77,935</b>	<b>(10,872)</b>	<b>96.69</b>	<b>0.15</b>	<b>100.00</b>

6.1.1 All shares have a nominal value of Rs.10 each.

7	PAYABLE TO AI MEEZAN MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	September 30, 2021 (Unaudited)	June 30, 2021 (Audited)
			(Rupees in '000)	
	Management fee payable	7.1	32	1
	Sindh Sales Tax payable on remuneration of the Management Company		4	-
			<u>36</u>	<u>1</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 0.50% per annum of the average net assets of the Fund during the quarter. The remuneration is payable to the Management Company monthly in arrears.

8	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	September 30, 2021 (Unaudited)	June 30, 2021 (Audited)
			(Rupees in '000)	
	Auditors' remuneration payable		128	100
	Brokerage Payable		57	5
	Charity payable		94	40
	Zakat Payable		-	80
	Withholding tax payable		-	737
	Other accrued expenses payable		4	4
	Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	-	123
			<u>283</u>	<u>1,089</u>

- 8.1** SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and was also been taken up with the SECP. All the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF vide its circular dated August 30, 2021.

Provisioning against SWWF amounting to Rs. 0.12 million has been reversed and it has contributed towards an increase in NAV of the fund by Rs. 0.02 (0.17%) per unit. This was one-off event and is not likely to be repeated in the future.

## 9 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2021 and June 30, 2021.

## 10 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons include Al Meezan Investment Management Limited being the Management Company, the Central Depository Company of Pakistan Limited (CDC) being the Trustee, Meezan Bank Limited being the holding company of the Management Company, Directors and executives of the Management Company, other collective investment schemes managed by 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 executed on an arm's length basis and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

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

Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

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

	<b>September 30, 2021 (Unaudited) (Rupees in '000)</b>	<b>June 30, 2021 (Audited)</b>
<b>Balances</b>		
<b>Al Meezan Investment Management Limited - Management Company</b>		
Remuneration payable	32	1
Sindh Sales Tax on management fee payable	4	-
Investment of 1,000,000 units	8,936	10,741
<b>Meezan Bank Limited</b>		
Bank balance	2,194	1,208
Profit receivable on saving accounts	20	24
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	6	4
Sindh Sales Tax on trustee fee payable	1	1
<b>Transactions during the quarter</b>		<b>September 30, 2021 (Unaudited) (Rupees in '000)</b>
<b>Al Meezan Investment Management Limited - Management Company</b>		
Remuneration for the quarter		84
Sindh Sales Tax on remuneration of the Management Company		11
<b>Meezan Bank Limited</b>		
Profit on saving accounts		12
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee		17
Sindh Sales Tax on Remuneration of the Trustee		2
CDS charges		2

## 11 FAIR VALUE MEASUREMENT

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

Underlying the definition of fair value is the presumption that the 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.

### 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: 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 September 30, 2021 and June 30, 2021, the Fund held the following financial instruments measured at fair value:

	As at September 30, 2021		
	Level 1	Level 2	Level 3
	(Rupees in '000)		
<b>Financial assets 'at fair value through profit or loss'</b>			
Shares of listed companies - 'ordinary shares'	77,935	-	-
	<u>77,935</u>	<u>-</u>	<u>-</u>
	As at June 30 2021		
	Level 1	Level 2	Level 3
	(Rupees in '000)		
<b>Financial assets 'at fair value through profit or loss'</b>			
Shares of listed companies - 'ordinary shares'	38,827	-	-
	<u>38,827</u>	<u>-</u>	<u>-</u>

## 12 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2021 is 2.67% which includes 0.13% representing government levies on the Fund such as provision for sales taxes, annual fee to the SECP, etc. This ratio is annualised and AI Meezan Investments is taking measures to restrict it within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an Index Tracking 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 as the Fund has incurred a net loss during the quarter.

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 the Finance Act, 2015 is also not applicable on funds as per Section 4B of the Income Tax Ordinance, 2001.



**14 GENERAL**

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

**15 DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue on October 11, 2021 by the Board of Directors of the Management Company.

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

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

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

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

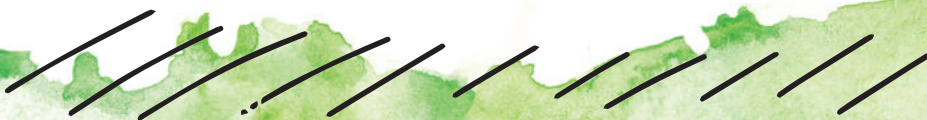
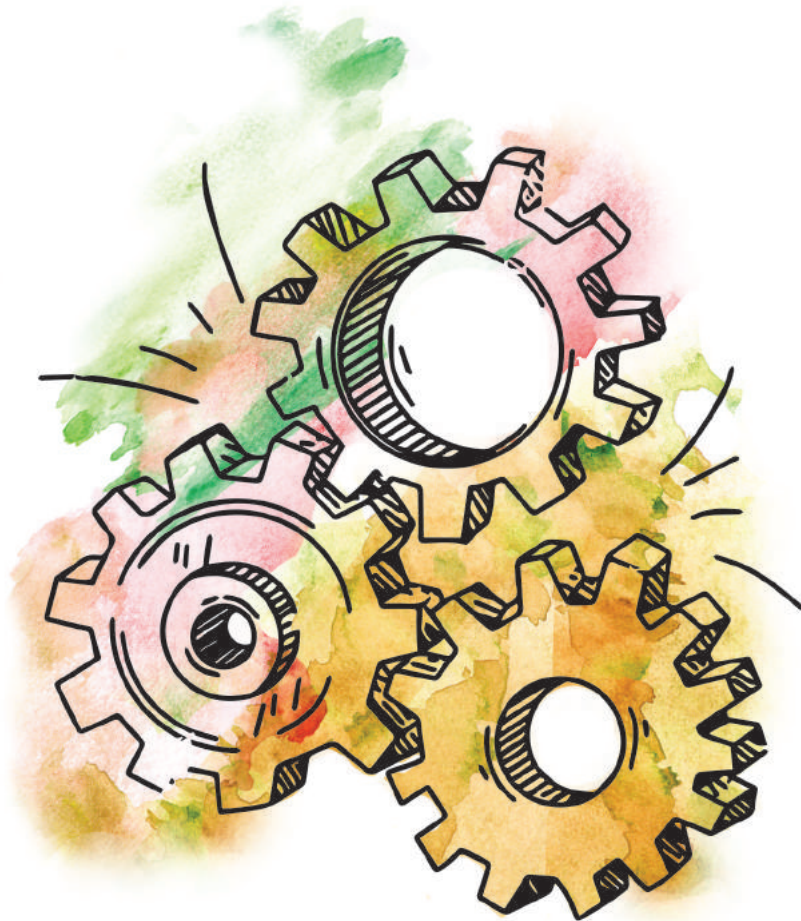


**Al Meezan**  
Investment Management Ltd.

# MEEZAN

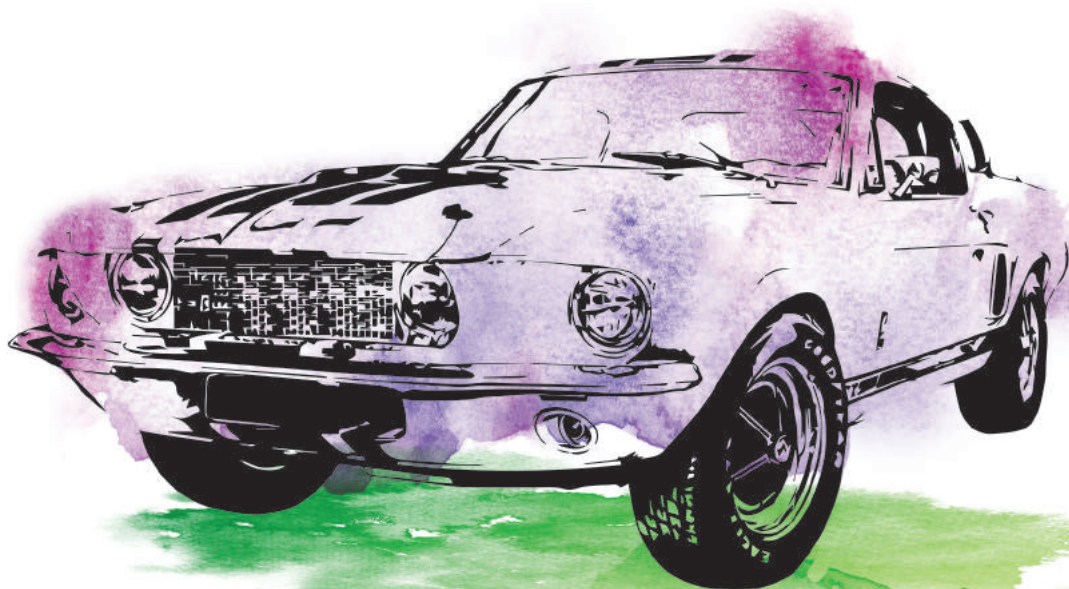
## DEDICATED EQUITY FUND (MDEF)

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





**AUTOMOTIVE**  
INDUSTRY  
HAS PUT PAKISTAN ON THE  
**FAST TRACK**  
AS GOVT POLICIES  
**PROMOTE COMPETITION**





# 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

## COMPANY SECRETARY OF THE MANAGEMENT COMPANY

Mr. Salman Muslim

## CHIEF FINANCIAL OFFICER OF THE MANAGEMENT COMPANY

Mr. Muhammad Shahid Ojha

## 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: [bawaney@cyber.net.pk](mailto:bawaney@cyber.net.pk)

## TRANSFER AGENT

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)

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited

**MEEZAN DEDICATED EQUITY FUND  
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT SEPTEMBER 30, 2021**



		September 30, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
<b>Assets</b>			
Balances with banks	5	20,658	10,265
Investments	6	855,530	990,186
Receivable against sale of investments		10,535	2,485
Dividend receivable		6,121	3,639
Deposits and other receivables		4,008	17,859
<b>Total assets</b>		<b>896,852</b>	<b>1,024,434</b>
<b>Liabilities</b>			
Payable to Al Meezan Investment Management Limited - Management Company	8	2,921	1,259
Payable to Central Depository Company of Pakistan Limited -Trustee		188	193
Payable to the Securities and Exchange Commission of Pakistan		50	177
Payable against purchase of investments		-	8
Payable against redemption and conversion of units		6,500	-
Accrued expenses and other liabilities	9	2,498	7,453
<b>Total liabilities</b>		<b>12,157</b>	<b>9,090</b>
<b>Net assets</b>		<b>884,695</b>	<b>1,015,344</b>
<b>Contingencies and commitments</b>	7		
<b>Unit holders' fund (as per statement attached)</b>		<b>884,695</b>	<b>1,015,344</b>
		(Number of units)	
<b>Number of units in issue</b>		<b>19,779,691</b>	<b>21,646,065</b>
		(Rupees)	
<b>Net asset value per unit</b>		<b>44.7274</b>	<b>46.9066</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  
FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (UNAUDITED)**

	September 30,	
	2021	2020
Note	(Rupees in '000)	
<b>Income</b>		
Net realised (loss) / gain on sale of investments	(3,336)	12,346
Dividend income	12,580	4,402
Profit on saving accounts with banks	243	129
Reversal of Sindh Workers' Welfare Fund (SWWF)	4,997	-
	<u>14,484</u>	<u>16,877</u>
Net unrealised (diminution) / appreciation on re-measurement of investments 'at fair value through profit or loss'	6.1 (49,767)	95,852
<b>Total (loss) / Income</b>	<u>(35,283)</u>	<u>112,729</u>
<b>Expenses</b>		
Remuneration to AI Meezan Investment Management Limited - Management Company	8.1 4,982	3,767
Sindh Sales Tax on management fee	648	490
Allocated expenses	8.3 274	188
Selling and marketing expenses	8.3 996	753
Remuneration to Central Depository Company of Pakistan Limited - Trustee	497	480
Sindh Sales Tax on trustee fee	65	62
Annual fee to Securities and Exchange Commission of Pakistan	50	38
Auditors' remuneration	103	53
Brokerage expenses	463	565
Charity expense	409	127
Bank and settlement charges	103	19
Fees and subscription	141	137
Legal & Professional Charges	184	-
Provision for Sindh Workers' Welfare Fund (SWWF)	-	2,121
<b>Total expenses</b>	<u>8,915</u>	<u>8,800</u>
<b>Net (loss) / Income for the quarter before taxation</b>	<u>(44,198)</u>	<u>103,929</u>
Taxation	12 -	-
<b>Net (loss) / Income for the quarter after taxation</b>	<u>(44,198)</u>	<u>103,929</u>
<b>Allocation of net income for the quarter</b>		
Net income for the quarter after taxation	-	103,929
Income already paid on units redeemed	-	(8,903)
	<u>-</u>	<u>95,026</u>
<b>Accounting income available for distribution</b>		
- Relating to capital gains	-	95,026
- Excluding capital gains	-	-
	<u>-</u>	<u>95,026</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 COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (UNAUDITED)**

	September 30,	
	2021	2020
	(Rupees in '000)	
Net (loss) / Income for the quarter after taxation	(44,198)	103,929
Other comprehensive income for the quarter	-	-
<b>Total comprehensive (loss) / Income for the quarter</b>	<b>(44,198)</b>	<b>103,929</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 DEDICATED EQUITY FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDER'S FUND**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (UNAUDITED)**

	Quarter Ended September 30, 2021			Quarter Ended September 30, 2020		
	Capital Value	Accumulated losses	Total	Capital Value	Undistributed income / Accumulated (losses)	Total
	------(Rupees in '000)-----			------(Rupees in '000)-----		
<b>Net assets at the beginning of the quarter</b>	<b>1,621,443</b>	<b>(606,099)</b>	<b>1,015,344</b>	1,410,246	(791,231)	619,015
Issue of nil units (2020: 3,500,433 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	-	-	-	121,130	-	121,130
- Element of income	-	-	-	17,471	-	17,471
Total proceeds on issuance of units	-	-	-	138,601	-	138,601
Redemption of 1,866,374 units (2020: 1,996,028 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	87,545	-	87,545	69,072	-	69,072
- Element of (loss) / income	(1,094)	-	(1,094)	992	8,903	9,895
Total payments on redemption of units	86,451	-	86,451	70,064	8,903	78,967
Total comprehensive (loss) / Income for the quarter	-	(44,198)	(44,198)	-	103,929	103,929
Distribution during the quarter	-	-	-	-	-	-
<b>Net (loss) / Income for the quarter less distribution</b>	<b>-</b>	<b>(44,198)</b>	<b>(44,198)</b>	<b>-</b>	<b>103,929</b>	<b>103,929</b>
<b>Net assets at the end of the quarter</b>	<b>1,534,992</b>	<b>(650,297)</b>	<b>884,695</b>	<b>1,478,783</b>	<b>(696,205)</b>	<b>782,578</b>
<b>Accumulated loss brought forward</b>						
- Realised loss		(757,234)			(821,914)	
- Unrealised gain		151,135			30,683	
		<u>(606,099)</u>			<u>(791,231)</u>	
Accounting income available for distribution						
- Relating to capital gains		-			95,026	
- Excluding capital gains		-			-	
		-			95,026	
Net (loss) / Income for the quarter after taxation		(44,198)			-	
Distribution during the quarter		-			-	
Accumulated loss carried forward		<u>(650,297)</u>			<u>(696,205)</u>	
<b>Accumulated loss carried forward</b>						
- Realised loss		(600,530)			(792,057)	
- Unrealised (loss) / gain		(49,767)			95,852	
		<u>(650,297)</u>			<u>(696,205)</u>	
			(Rupees)			(Rupees)
Net assets value per unit at the beginning of the quarter			<u>46.9066</u>			<u>34.6044</u>
Net assets value per unit at the end of the quarter			<u>44.7274</u>			<u>40.3542</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 DEDICATED EQUITY FUND  
CONDENSED INTERIM CASH FLOW STATEMENT  
FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (UNAUDITED)**

	<b>September 30 ,</b>	
	<b>2021</b>	<b>2020</b>
	<b>(Rupees in '000)</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) / Income for the quarter before taxation	(44,198)	103,929
<b>Adjustments for</b>		
Net unrealised diminution / (appreciation) on re-measurement of investments 'at fair value through profit or loss'	49,767	(95,852)
	<u>5,569</u>	<u>8,077</u>
<b>Decrease / (Increase) in assets</b>		
Investments - net	84,889	(73,544)
Dividend receivable	(2,482)	(3,837)
Receivable against sale of investments	(8,050)	460
Advances, prepayments and other receivables	13,851	(60)
	88,208	(76,981)
<b>(Decrease) / Increase in liabilities</b>		
Payable to AI Meezan Investment Management Limited - Management Company	1,662	552
Payable to Central Depository Company of Pakistan Limited - Trustee	(5)	155
Payable to Securities and Exchange Commission of Pakistan	(127)	38
Payable against purchase of investments	(8)	(2,616)
Accrued expenses and other liabilities	(4,955)	2,278
	<u>(3,433)</u>	<u>407</u>
<b>Net cash generated from / (used in) operating activities</b>	<u>90,344</u>	<u>(68,497)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	-	138,601
Payment against redemption and conversion of units	(79,951)	(79,003)
<b>Net cash (used in) / generated from financing activities</b>	<u>(79,951)</u>	<u>59,598</u>
<b>Net increase / (decrease) in cash and cash equivalents during the quarter</b>	<u>10,393</u>	<u>(8,899)</u>
Cash and cash equivalents at the beginning of the quarter	10,265	22,127
<b>Cash and cash equivalents at the end of the quarter</b>	<u><u>20,658</u></u>	<u><u>13,228</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 DEDICATED EQUITY FUND**

### **NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (UNAUDITED)**

#### **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 dated December 31, 2020 (2020: AM1 dated December 31, 2019) and by PACRA dated June 23, 2021 (2020: AM1 dated June 26, 2020). 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
- 1.6** The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company has fulfilled requirements for registration and accordingly, the fund has been registered under Sindh Trusts Act, 2020.

#### **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 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, 2021.

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 September 30, 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, 2021.
- 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, 2021. 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, 2021.
- 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, 2021. 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	September 30,	June 30,
		2021 (Unaudited)	2021 (Audited)
		(Rupees in '000)	
In saving accounts	5.1	19,701	9,104
In current accounts		957	1,161
		<u>20,658</u>	<u>10,265</u>

- 5.1 The balances in saving accounts have an expected profit ranging from 1.85% to 7.15% per annum. (June 30, 2021: 2.24% to 7.20% per annum).

6. INVESTMENTS	Note	September 30,	June 30,
		2021 (Unaudited)	2021 (Audited)
		(Rupees in '000)	
Investments - 'at fair value through profit or loss'	6.1	855,530	990,186
		<u>855,530</u>	<u>990,186</u>

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

Name of the investee company	As at July 1, 2021	Purchases during the quarter	Bonus issue / Right shares	Sales during the quarter	As at September 30, 2021	Carrying value as at September 30, 2021	Market value as at September 30, 2021	Unrealised gain / (loss) as at September 30, 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 investment
Number of shares						(Rupees in '000)		%			
<b>Sectors / companies</b>											
<b>Automobile Assembler</b>											
Gandhara Nissan Limited	-	60,000	-	60,000	-	-	-	-	0.33	-	-
Pak Suzuki Motor Company Limited	33,000	-	-	22,000	11,000	3,910	2,943	(967)	0.33	0.01	0.34
Milat Tractors Limited	14,231	-	-	-	14,231	15,364	15,273	(91)	1.73	0.03	1.79
									<b>2.06</b>	<b>0.04</b>	<b>2.13</b>
<b>Automobile Parts &amp; Accessories</b>											
Panther Tyres Limited	11,328	125,001	27,265	-	163,594	9,946	8,091	(1,854)	0.91	0.10	0.95
									<b>0.91</b>	<b>0.10</b>	<b>0.95</b>
<b>Commercial Banks</b>											
BankIslami Pakistan Limited	307,000	-	-	-	307,000	3,451	3,868	418	0.44	0.03	0.45
Meezan Bank Limited (an associate)	440,505	25,000	61,575	30,000	497,080	50,576	69,556	18,980	7.86	0.04	8.13
									<b>8.30</b>	<b>0.07</b>	<b>8.58</b>
<b>Cement</b>											
Cherat Cement Company Limited	141,100	-	-	91,100	50,000	8,869	7,161	(1,708)	0.81	0.03	0.84
D.G. Khan Cement Company Limited	244,252	-	-	210,599	33,653	3,968	2,976	(993)	0.34	0.01	0.35
Fauji Cement Company Limited	200,000	-	-	70,000	130,000	2,990	2,334	(657)	0.26	0.01	0.27
Kohat Cement Company Limited	162,270	-	-	600	161,670	33,383	27,798	(5,586)	3.14	0.08	3.25
Lucky Cement Limited	109,900	5,000	-	25,000	89,900	77,766	64,989	(12,777)	7.35	0.03	7.60
Maple Leaf Cement Factory Limited	665,000	-	-	316,000	349,000	16,396	12,285	(4,111)	1.39	0.06	1.44
									<b>13.29</b>	<b>0.22</b>	<b>13.75</b>
<b>Chemical</b>											
Engro Polymer & Chemicals Limited	346,144	156,500	-	-	502,644	24,593	27,681	3,088	3.13	0.06	3.24
ICI Pakistan Limited	24,350	-	-	8,650	15,700	13,640	12,459	(1,181)	1.41	0.02	1.46
Nimir Resins Limited	7,500	-	-	7,500	-	-	-	-	-	-	-
Dynea Pakistan	20,000	-	-	600	19,400	4,287	4,409	122	0.50	0.10	0.52
Sitara Chemical Limited	14,500	-	-	14,500	-	-	-	-	-	-	-
									<b>5.04</b>	<b>0.18</b>	<b>5.22</b>
<b>Engineering</b>											
International Industries Limited	76,700	-	-	45,000	31,700	6,689	5,287	(1,403)	0.60	0.02	0.62
Aisha Steel Mills Limited	110,000	300,000	-	252,500	157,500	3,899	3,278	(622)	0.37	0.02	0.38
Agha Steel Industries Limited	54,500	-	-	-	54,500	1,838	1,498	(340)	0.17	0.01	0.18
Ittefaq Iron Industries Limited	375,000	-	-	-	375,000	7,106	5,501	(1,605)	0.62	0.26	0.64
International Steels Limited	112,000	-	-	61,336	50,664	4,733	3,861	(871)	0.44	0.01	0.45
Mughal Iron & Steel Industries Limited	117,300	90,000	-	-	207,300	22,144	20,237	(1,908)	2.29	0.08	2.37
									<b>4.49</b>	<b>0.40</b>	<b>4.64</b>
<b>Fertilizer</b>											
Engro Corporation Limited	147,534	-	-	-	147,534	43,465	41,273	(2,192)	4.67	0.03	4.82
Engro Fertilizers Limited	229,387	100,000	-	-	329,387	23,879	23,149	(730)	2.62	0.02	2.71
									<b>7.29</b>	<b>0.05</b>	<b>7.53</b>
<b>Leather &amp; Tanneries</b>											
Service Global Footwear Limited	46,113	-	-	-	46,113	2,667	2,070	(597)	0.23	0.02	0.24
									<b>0.23</b>	<b>0.02</b>	<b>0.24</b>
<b>Food And Personal Care</b>											
At Tahir Limited	-	160,000	-	-	160,000	4,117	4,378	260	0.49	0.10	0.51
Unity Foods Limited	345,000	-	-	65,000	280,000	12,466	8,742	(3,724)	0.99	0.05	1.02
									<b>1</b>	<b>0</b>	<b>2</b>
<b>Glass And Ceramics</b>											
Shabbir Tiles And Ceramics Limited	537,500	-	-	-	537,500	17,926	16,383	(1,543)	1.85	0.16	1.91
Ghani Glass Limited	97,650	-	-	-	97,650	4,707	4,866	159	0.55	0.02	0.57
									<b>2.40</b>	<b>0.18</b>	<b>2.48</b>

Name of the investee company	As at July 1, 2021	Purchases during the quarter	Bonus issue / Right shares	Sales during the quarter	As at September 30, 2021	Carrying value as at September 30, 2021	Market value as at September 30, 2021	Unrealised gain / (loss) as at September 30, 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 investment	
								-----				
Number of shares								(Rupees in '000)	%			
<b>Oil &amp; Gas Exploration Companies</b>												
Mari Petroleum Company Limited	40,848	-	-	-	40,848	62,268	63,452	1,184	7.17	0.03	7.42	
Oil & Gas Development Company Limited	524,295	-	-	-	524,295	49,824	43,936	(5,888)	4.97	0.01	5.14	
Pakistan Oilfields Limited	57,760	-	-	-	57,760	22,749	21,680	(1,069)	2.45	0.02	2.53	
Pakistan Petroleum Limited	532,452	-	-	-	532,452	46,233	39,886	(6,347)	4.51	0.02	4.67	
								<b>19.10</b>	<b>0.08</b>	<b>19.76</b>		
<b>Oil &amp; Gas Marketing Companies</b>												
Pakistan State Oil Company Limited	197,971	-	-	36,890	161,081	36,122	32,376	(3,747)	3.66	0.03	3.78	
Sui Northern Gas Pipelines Limited	361,735	100,000	-	-	461,735	22,810	21,000	(1,810)	2.37	0.10	2.45	
								<b>6.03</b>	<b>0.17</b>	<b>6.23</b>		
<b>Paper &amp; Board</b>												
Century Paper Limited	110,000	-	16,500	-	126,500	13,428	9,479	(3,949)	1.07	0.30	1.11	
Packages Limited	40,250	-	-	3,500	36,750	20,036	17,249	(2,787)	1.95	0.04	2.02	
Security Paper Limited	10,000	-	-	6,000	4,000	578	535	(43)	0.06	0.01	0.06	
Roshan Packages Limited	106,500	-	-	50,000	56,500	1,861	1,407	(454)	0.16	0.04	0.16	
								<b>3.24</b>	<b>0.39</b>	<b>3.35</b>		
<b>Pharmaceuticals</b>												
AGP Limited	95,000	-	-	95,000	-	-	-	-	-	-	-	
Ferozsons laboratories Limited	120	-	-	-	120	42	44	1	-	-	0.01	
Ibl Healthcare Limited	103,000	-	-	20,000	83,000	9,224	7,494	(1,730)	0.85	0.15	0.88	
Glaxosmithkline Consumer Healthcare Limited	9,200	-	-	-	9,200	2,301	2,347	46	0.27	0.01	0.27	
The Searle Company Limited	88,732	-	-	-	88,732	21,528	17,880	(3,648)	2.02	0.04	2.09	
								<b>3.14</b>	<b>0.20</b>	<b>3.25</b>		
<b>Power Generation &amp; Distribution</b>												
K-Electric Limited (note 6.1.1)	2,998,500	-	-	-	2,998,500	12,534	11,994	(540)	1.36	0.01	1.40	
The Hub Power Company Limited	376,655	60,000	-	-	436,655	34,673	32,107	(2,566)	3.63	0.03	3.75	
								<b>4.99</b>	<b>0.04</b>	<b>5.15</b>		
<b>Refinery</b>												
Attock Refinery Limited	35,000	-	-	35,000	-	-	-	-	-	-	-	
Pakistan Refinery Ltd	-	135,000	-	-	135,000	3,137	2,265	(872)	0.26	0.02	0.26	
Byco Petroleum	1,060,000	530,000	-	128,000	1,462,000	15,890	11,959	(3,931)	1.35	0.03	1.40	
								<b>1.61</b>	<b>0.05</b>	<b>1.66</b>		
<b>Technology &amp; Communication</b>												
Avanceon Limited	196,080	25,000	-	95,000	126,080	12,127	15,553	3,426	1.76	0.07	1.82	
Octopus Digital Limited	-	74,501	-	-	74,501	3,025	3,025	-	0.34	0.05	0.35	
Air Link Communication Limited	-	83,250	-	-	83,250	5,952	6,000	47	0.68	0.02	0.70	
World call Telecom Limited	650,000	-	-	-	650,000	2,574	1,768	(806)	0.20	0.04	0.21	
Systems Limited	58,870	-	-	-	58,870	32,980	42,829	9,848	4.84	0.05	5.01	
								<b>7.82</b>	<b>0.23</b>	<b>8.09</b>		
<b>Textile Composite</b>												
Feroze1888 Mills Limited	43,300	-	-	-	43,300	4,352	3,880	(472)	0.44	0.01	0.45	
Kohinoor Textile	90,000	25,000	-	-	115,000	8,918	7,987	(931)	0.90	0.11	0.93	
Interloop Limited	310,882	-	-	-	310,882	21,771	22,125	354	2.50	0.04	2.59	
Nishat Mills Limited	127,200	-	-	-	127,200	11,868	11,557	(310)	1.31	0.04	1.35	
								<b>5.15</b>	<b>0.20</b>	<b>5.32</b>		
<b>Miscellaneous</b>												
Pakistan Aluminum Beverage Cans Ltd	-	139,999	-	105,000	34,999	1,715	1,373	(342)	0.16	0.01	0.16	
								<b>0.16</b>	<b>0.01</b>	<b>0.16</b>		
<b>Total</b>							<b>905,297</b>	<b>855,530</b>	<b>(49,767)</b>			

- 6.1.1** All shares have a nominal value of Rs 10 each except for the shares of Dynea Pakistan 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.
- 6.2** 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, 2021. As at September 30, 2021, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs. 0.327 million (June 30, 2021: Rs. 0.365 million)..

## 7. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2021 and June 30, 2021.

		September 30, 2021 (Unaudited)	June 30, 2021 (Audited)
(Rupees in '000)			
<b>8. PAYABLE TO AL MEEZAN MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>	Note		
Management fee payable	8.1	1,579	121
Sindh Sales Tax on Management fee payable		206	16
Allocated expenses payable	8.3	140	148
Selling and marketing expenses payable	8.3	996	974
		<u>2,921</u>	<u>1,259</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 2021: 2%) per annum of the average net assets of the Fund during the quarter ended September 30, 2021. The remuneration is payable to the Management Company monthly in arrears.

**8.2** During the quarter, an amount of Rs. 0.648 million (June 30, 2021: Rs 2.303 million) was charged on account of sales tax on Management fee levied through the Sindh Sales Tax on Services Act, 2011, and an amount of Rs. 0.458 million (June 30, 2021: Rs. 2.420 million) has been paid to the Management Company which acts as a collecting agent.

**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 has charged selling and marketing expenses at 0.4% of the average annual net assets of the Fund during the quarter. These expenses have also been approved by the Board of Directors of the Management Company.

The Management Company based on its own discretion has charged allocated expenses at the rate of 0.11% (June 30, 2021: 0.11% of the average annual net assets).

		September 30, 2021 (Unaudited)	June 30, 2021 (Audited)
(Rupees in '000)			
<b>9. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Withholding tax payable		82	81
Printing expenses payable		69	69
Auditors' remuneration payable		44	170
Brokerage payable		706	683
Charity payable		1,198	1,189
Provision for Sindh Worker's Welfare Fund	9.1	-	4,997
Shariah advisor fee payable		399	264
		<u>2,498</u>	<u>7,453</u>

**9.1.** SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and was also been taken up with the SECP. All the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to August 12, 2021, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF vide its circular dated August 30, 2021.

Provisioning against SWWF amounting to Rs. 5.203 million has been reversed and it has contributed towards an increase in NAV of the fund by Rs. 0.25 (0.52%) per unit. This was one-off event and is not likely to be repeated in the future."

## 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:

<b>Balances</b>	<b>September 30, 2021 (Unaudited) (Rupees in '000)</b>	<b>June 30, 2021 (Audited)</b>
<b>AI Meezan Investment Management Limited - the Management Company</b>		
Remuneration payable	1,579	121
Sindh Sales Tax payable on management fee	206	16
Selling and marketing expenses payable	996	974
Allocated expense payable	140	148
<b>Meezan Bank Limited</b>		
Balances with bank	1,519	1,658
Profit receivable on saving accounts	7	6
Shariah Advisor fee payable	399	264
Investment in shares: 497,080 shares (June 30, 2021: 440,505 shares)	69,556	50,839
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Trustee fee payable	166	171
Sindh Sales Tax on trustee fee payable	22	22
Security deposit	103	103
<b>Meezan Financial Planning Fund of Funds MAAP I</b>		
Investment of 1,253,414 units (June 30, 2021: 1,253,414 units)	56,062	58,793
<b>Meezan Strategic Allocation Fund MSAP - I</b>		
Investment of 3,313,498 units (June 30, 2021: 3,396,951 units)	148,204	159,339
<b>Meezan Strategic Allocation Fund MSAP - II</b>		
Investment of 396,165 units (June 30, 2021: 396,165 units)	17,719	18,583
<b>Meezan Strategic Allocation Fund MSAP - III</b>		
Investment of 3,295,552 units (June 30, 2021: 3,295,552 units)	147,402	154,583
<b>Meezan Strategic Allocation Fund MSAP - IV</b>		
Investment of 2,113,441 units (June 30, 2021: 2,371,642 units)	94,529	111,246
<b>Meezan Strategic Allocation Fund MSAP - V</b>		
Investment of 898,076 units (June 30, 2021: 898,076 units)	40,169	42,126
<b>Meezan Strategic Allocation Fund MCPP-III</b>		
Investment of 727,737 units (2021: 1,066,314 units)	32,550	50,017
<b>Meezan Strategic Allocation Fund - II MCPP-IV</b>		
Investment of 6,566,505 units (June 30, 2021: 7,491,425 units)	293,703	351,397
<b>Meezan Strategic Allocation Fund - II MCPP-V</b>		
Investment of 219,375 units (June 30, 2021: 329,431 units)	9,812	15,452
<b>Meezan Strategic Allocation Fund - II MCPP-VII</b>		
Investment of 124,227 units (June 30, 2021: 181,851 units)	5,556	8,530
<b>Meezan Strategic Allocation Fund - III MCPP-IX</b>		
Investment of 871,701 units (June 30, 2021: 965,243 units)	38,989	45,276
	<b>September 30 ,</b>	
	<b>2021</b>	<b>2020</b>
	<b>(Unaudited)</b>	
	<b>(Rupees in '000)</b>	
<b>Transactions during the quarter</b>		
<b>AI Meezan Investment Management Limited - the Management Company</b>		
Remuneration for the quarter	4,982	3,767
Sindh Sales Tax on management fee for the quarter	648	490
Allocated expenses	274	188
Selling and marketing expense	996	753



<b>Meezan Bank Limited</b>		
Profit on saving account	19	36
Shares purchased during the quarter: 25,000 shares (September 30, 2020: 75,001 shares)	3,200	6,341
Bonus shares received: 61,575 shares ( September 30, 2020: 33,600 shares)	-	-
Shares sold during the quarter: 30,000 shares ( September 30, 2020: 5,000 shares)	4,726	415
Shariah Advisor fee	135	535
Dividend income	616	-
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Remuneration for the quarter	497	480
Sindh Sales Tax on trustee fee	65	62
CDS charges	15	16
<b>Meezan Strategic Allocation Fund MSAP - I</b>		
Units issued: nil units (September 30, 2020: nil units)	-	-
Units redeemed: 83,453 units (September 30, 2020: nil units)	4,000	-
<b>Meezan Strategic Allocation Fund MSAP - II</b>		
Units issued: nil units (September 30, 2020: 96,045 units)	-	4,000
<b>Meezan Strategic Allocation Fund MSAP - IV</b>		
Units redeemed: 258,201 units (September 30, 2020: nil units)	12,250	-
<b>Meezan Strategic Allocation Fund MCPP-III</b>		
Units redeemed: 338,577 units (September 30, 2020: nil units)	15,350	-
<b>Meezan Strategic Allocation Fund -II MCPP-IV</b>		
Units issued: nil units (September 30, 2020: 2,585,498 units)	-	102,450
Units redeemed: 924,920 units (September 30, 2020: 1,217,367 units)	42,800	48,270
<b>Meezan Strategic Allocation Fund -II MCPP-V</b>		
Units issued: nil units (September 30, 2020: 134,706 units)	-	5,350
Units redeemed: 110,056 units (September 30, 2020: 105,675 units)	5,000	4,289
<b>Meezan Strategic Allocation Fund-II MCPP-VII</b>		
Units redeemed: 57,625 units (September 30, 2020: nil units)	2,700	-
<b>Meezan Strategic Allocation Fund-III MCPP-IX</b>		
Units issued: nil units (September 30, 2020: 687,652 units)	-	26,800
Units redeemed: 93,542 units (September 30, 2020: 676,455 units)	4,350	26,547

## 11. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2021 is 3.58% (June 30, 2021: 2.45%) which includes 0.33% (June 30, 2021: 0.78%) representing government levies on the Fund such as Sales Taxes, Federal Excise Duties, annual fee to the SECP etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an Equity Scheme.

## 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 unit holders. The Fund has not recorded any tax liability as the Fund has incurred a net loss during the quarter.

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 per Section 4B of 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 September 30, 2021 and June 30, 2021, the Fund held the following financial instruments measured at fair value:

<b>As at September 30, 2021</b>				
	Level 1	Level 2	Level 3	Total
<b>ASSETS</b>	----- (Rupees in '000) -----			
Financial assets 'at fair value through profit or loss'	855,530	-	-	855,530
<b>As at June 30, 2021</b>				
	Level 1	Level 2	Level 3	Total
<b>ASSETS</b>	----- (Rupees in '000) -----			
Financial assets 'at fair value through profit or loss'	990,186	-	-	990,186

### 14. GENERAL

Figures have been rounded off to the nearest thousand rupees.

### 15. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on October 11, 2021 by the Board of Directors of the Management Company.

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

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

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

\_\_\_\_\_  
Director