



Al Meezan
Investment Management Ltd.

MEEZAN

ISLAMIC INCOME FUND (MIIF)

Meezan Islamic Income Fund is Pakistan's first Shariah Compliant income fund scheme. The purpose of Meezan Islamic Income Fund is to provide investors with a high and stable rate of current income consistent with long term preservation of capital in a Shariah Compliant way. A secondary objective is to take advantage of opportunities to realize capital appreciation.



ISLAMIC BANKING ASSETS EXPANDED BY

408

BILLION

BRINGING
THE TOTAL ASSETS TO
4.8 TRILLION

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

LEGAL ADVISER

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

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Phone (+9221) 35630722-6, 111-MEEZAN
Fax: (+9221) 35676143, 35630808
Website: www.almeezangroup.com
E-mail: info@almeezangroup.com

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited



MEEZAN ISLAMIC INCOME FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2021

		September 30, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
Assets			
Balances with banks	5	11,912,253	12,514,171
Investments	6	17,961,994	15,889,474
Receivable against conversion of units		44,264	18,133
Receivable against sale of investments		-	506
Advance, deposits, prepayments and other receivables		446,858	256,318
Total assets		<u>30,365,369</u>	<u>28,678,602</u>
Liabilities			
Payable to AI Meezan Investment Management Limited - Management Company	7	43,143	35,570
Payable to Central Depository Company of Pakistan Limited - Trustee		2,133	2,460
Payable to the Securities and Exchange Commission of Pakistan (SECP)		1,505	6,965
Payable to Meezan Bank Limited		3,562	2,424
Payable against conversion and redemption of units		35,557	952,543
Dividend payable		-	36,220
Accrued expenses and other liabilities	8	60,631	396,245
Total liabilities		<u>146,531</u>	<u>1,432,427</u>
Net assets		<u>30,218,838</u>	<u>27,246,175</u>
Unit holders' fund (as per statement attached)		<u>30,218,838</u>	<u>27,246,175</u>
Contingencies and commitments	9		
Number of units in issue		<u>575,026,287</u>	<u>529,323,430</u>
		(Rupees)	
Net asset value per unit		<u>52.5521</u>	<u>51.4736</u>

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

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN ISLAMIC INCOME FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	Note	September 30,	
		2021	2020
		(Rupees in '000)	
Income			
Profit on sukuk certificates		335,361	343,386
Profit on term deposit receipts		-	3,260
Profit on musharakah certificates		22,791	30,081
Profit on Bai Muajjal		-	102,417
Net realised gain on sale of sukuk certificates		735	6,400
Profit on saving accounts with banks		206,160	162,169
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)	8.1	130,733	-
Other income		96	88
		695,876	647,803
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.1.1 & 6.1.2	56,349	48,273
Total income		752,225	696,075
Expenses			
Remuneration of AI Meezan Investment Management Limited - Management Company	7.1	37,627	38,930
Sindh Sales Tax on remuneration of the Management Company		4,891	5,061
Remuneration of Central Depository Company of Pakistan Limited - Trustee		5,630	5,839
Sindh Sales Tax on remuneration of the Trustee		732	759
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)		1,505	1,557
Allocated expenses	7.2	11,288	11,679
Selling and marketing expense	7.3	22,572	31,144
Auditors' remuneration		231	229
Fees and subscription		354	353
Legal and professional charges		184	-
Brokerage expense		212	554
Bank and settlement charges		948	1,538
Provision against sukuk		45,000	-
Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	-	11,969
Total expenses		131,174	109,611
Net income for the quarter before taxation		621,051	586,464
Taxation	12	-	-
Net income for the quarter after taxation		621,051	586,464
Allocation of net income for the quarter			
Net income for the quarter after taxation		621,051	586,464
Income already paid on units redeemed		(53,783)	(241,649)
		567,268	344,815
Accounting income available for distribution			
- Relating to capital gains		57,084	54,673
- Excluding capital gains		510,184	290,142
		567,268	344,815

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

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



**MEEZAN ISLAMIC INCOME FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

	September 30,	
	2021	2020
	(Rupees in '000)	
Net income for the quarter after taxation	621,051	586,464
Other comprehensive income	-	-
Total comprehensive income for the quarter	<u>621,051</u>	<u>586,464</u>

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

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

Chief Executive

Chief Financial Officer

Director

MEEZAN ISLAMIC INCOME FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	September 30, 2021			September 30, 2020		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the quarter	27,004,995	241,180	27,246,175	27,541,424	234,941	27,776,365
Issuance of 230,496,822 units (2020: 334,369,469 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	11,864,501	-	11,864,501	17,208,525	-	17,208,525
- Element of income	90,182	-	90,182	308,432	-	308,432
Total proceeds on issuance of units	11,954,683	-	11,954,683	17,516,957	-	17,516,957
Redemption of 184,793,965 units (2020: 242,574,897 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	9,512,011	-	9,512,011	12,484,263	-	12,484,263
- Element of loss	37,277	53,783	91,060	32,166	241,649	273,815
Total payments on redemption of units	9,549,288	53,783	9,603,071	12,516,428	241,649	12,758,077
Total comprehensive income for the quarter	-	621,051	621,051	-	586,464	586,464
Distribution during the quarter	-	-	-	-	-	-
		621,051	621,051		586,464	586,464
Net assets at the end of the quarter	29,410,390	808,448	30,218,838	32,541,953	579,756	33,121,708
Undistributed income brought forward						
- Realised income		148,151			217,183	
- Unrealised income		93,029			17,758	
		241,180			234,941	
Accounting income available for distribution (after adjusting income already paid on units redeemed)						
- Relating to capital gains		57,084			54,673	
- Excluding capital gains		510,184			290,142	
		567,268			344,815	
Undistributed income carried forward		808,448			579,756	
Undistributed income carried forward						
- Realised income		752,099			531,483	
- Unrealised income		56,349			48,273	
		808,448			579,756	
			(Rupees)			(Rupees)
Net assets value per unit at the beginning of the quarter			51.4736			51.4656
Net assets value per unit at the end of the quarter			52.5521			52.4491

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

For Al Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



**MEEZAN ISLAMIC INCOME FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

	September 30,	
	2021	2020
Note	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the quarter before taxation	621,051	586,464
Adjustments for		
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(56,349)	(48,273)
	<u>564,702</u>	<u>538,191</u>
(Increase) / decrease in assets		
Investments - net	(2,016,171)	2,162,912
Receivable against sale of investments	506	(155,134)
Advance, deposits, prepayments and other receivables	(190,540)	(111,793)
	(2,206,205)	1,895,985
(Decrease) / Increase in liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	7,573	19,524
Payable to Central Depository Company of Pakistan Limited - Trustee	(327)	257
Payable to the Securities and Exchange Commission of Pakistan (SECP)	(5,460)	(2,707)
Payable to Meezan Bank Limited	1,138	(133)
Accrued expenses and other liabilities	(335,614)	(179,416)
	(332,690)	(162,475)
Net cash (used in) / generated from operating activities	<u>(1,974,193)</u>	<u>2,271,701</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	11,928,552	17,695,050
Payments against redemption and conversion of units	(10,520,057)	(12,658,205)
Dividend paid	(36,220)	-
Net cash generated from financing activities	1,372,275	5,036,845
Net (decrease) / increase in cash and cash equivalents during the quarter	<u>(601,918)</u>	<u>7,308,546</u>
Cash and cash equivalents at the beginning of the quarter	12,514,171	6,857,317
Cash and cash equivalents at the end of the quarter	<u><u>11,912,253</u></u>	<u><u>14,165,863</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 ISLAMIC INCOME 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 Income Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on September 13, 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) notified through S.R.O. 1203 (I) / 2008 on November 21, 2008. The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company of the Fund is situated at Ground Floor, Block 'B', Finance and Trade Centre, Shahrah-e-Faisal, Karachi 74400, Pakistan.
- 1.2** The Fund has been formed to provide the unit holders safe and stable stream of halal income on their investments and to generate superior long-term risk adjusted returns. The Fund shall also keep an exposure in short-term instruments for the purpose of maintaining liquidity and to capitalise on exceptional returns if available at any given point of time. Under the Trust Deed all conducts and acts of the Fund are based on Shariah principles. Meezan Bank Limited acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah. The investment objectives and policies are explained in the Fund's offering document.
- 1.3** The Fund is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorised as an Open End Shariah Compliant (Islamic) Income Scheme in accordance with Circular 7 of 2009 issued by the SECP.
- 1.4** The Management Company has been assigned a quality rating of AM1 by VIS 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. The Fund has been given a stability rating of A+(f) by VIS Credit Rating Company Limited dated January 12, 2021.
- 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 the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 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 significant 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	11,912,219	12,514,127
In current accounts		34	44
		<u>11,912,253</u>	<u>12,514,171</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. INVESTMENTS

Investments - 'at fair value through profit or loss'

Sukuk certificates	6.1	16,353,633	14,341,463
Certificates of musharakah	6.2	1,200,000	1,200,000
Commercial papers	6.3	408,361	348,011
		<u>17,961,994</u>	<u>15,889,474</u>
6.1 Sukuk certificates			
Government securities	6.1.1	11,894,703	9,816,183
Corporate sukuks	6.1.2	4,458,931	4,525,280
		<u>16,353,633</u>	<u>14,341,463</u>

6.1.1 Government securities

Name of the security	Maturity date	Profit rate	As at July 1, 2021	Purchases during the quarter	Sales / maturity during the quarter	As at September 30, 2021	Carrying value as at September 30, 2021	Market value as at September 30, 2021	Unrealised appreciation/ (diminution)	Percentage in relation to	
										Net assets of the Fund	Total market value of investment
GoP Ijarah Sukuk Certificates - XXI (note 6.1.1.1)	May 29, 2025	Weighted average 6 months T-Bills	2,000	-	-	2,000	201,260	201,520	260	0.67	1.12
GoP Ijarah Sukuk Certificates - XXII (note 6.1.1.1)	June 24, 2025	Weighted average 6 months T-Bills	2,340	-	-	2,340	235,404	235,942	538	0.78	1.31
GoP Ijarah Sukuk Certificates - XXIV - FRR (note 6.1.1.1)	Decemb er 9, 2025	Weighted average 6 months T-Bills	15,360	20,000	-	35,360	3,568,231	3,573,482	5,250	11.83	19.89
Pakistan Energy Sukuk II (note 6.1.1.1)	May 21, 2030	6 months KIBOR plus base rate of (0.10%)	1,553,450	-	-	1,553,450	7,829,388	7,883,759	54,371	26.09	43.89

Total as at September 30, 2021

11,834,283 11,894,703 60,419 39.36 66.22

Total as at June 30, 2021

9,747,172 9,816,183 69,011 36.03 61.78

6.1.1.1 The nominal value of these sukuk certificates is Rs 100,000 each except for Pakistan Energy Sukuk Certificates having nominal value of Rs. 5,000 each.

6.1.2 Corporate sukuks

Name of the security	Maturity date	Profit rate	As at July 1, 2021	Purchases during the quarter	Sales / redemptions during the quarter	As at September 30, 2021	* Carrying value as at September 30, 2021	* Market value as at September 30, 2021	Unrealised appreciation / (diminution)	Percentage in relation to		
										Net assets of the Fund	Total issue (with face value of investment)	Total market value of investment
Arzoo Textile Mills Limited (note 6.1.2.1 & 6.1.2.2) *	April 15, 2014	6 months KIBOR plus base rate of 2%	14,000	-	-	14,000	-	-	-	-	9.46	-
Eden Housing Limited (note 6.1.2.1 & 6.1.2.2) *	September 29, 2014	6 months KIBOR plus base rate of 2.5%	59,400	-	-	59,400	-	-	-	-	12.32	-
Security Leasing Corporation Limited II (note 6.1.2.1 & 6.1.2.2) *	January 19, 2022	Nil	3,081	-	-	3,081	-	-	-	-	6.67	-
Hascol Petroleum Limited (note 6.1.2.1, 6.1.2.2 & 6.1.2.3) *	January 06, 2022	3 months KIBOR plus base rate of 1.50%	80,000	-	-	80,000	-	-	-	-	4.00	-
BANKS												
Dubai Islamic Bank Pakistan Limited (AA-, VIS, traded) (note 6.1.2.1)	July 14, 2027	6 months KIBOR plus base rate of 0.5%	538	-	-	538	553,046	553,064	18	1.83	13.45	3.08
Meezan Bank Limited Tier - II (AA+, VIS, non-traded) (note 6.1.2.1)	September 22, 2026	6 months KIBOR plus base rate of 0.50%	298	-	-	298	308,615	298,286	(10,329)	0.99	4.26	1.66

Name of the security	Maturity date	Profit rate	As at July 1, 2021	Purchases during the quarter	Sales / redemptions during the quarter	As at September 30, 2021	* Carrying value as at September 30, 2021	* Market value as at September 30, 2021	Unrealised appreciation / (diminution)	Percentage in relation to		
			----	-----	-----	-----	-----	-----	-----	Net assets of the Fund	Total issue (with face value of investment)	Total market value of investment
						----- (Rupees in '000) -----			----- % -----			
FERTILIZER												
Fatima Fertilizer Company Limited (AA-, PACRA, non-traded) (note 6.1.2.1)	November 28, 2021	6 months KIBOR plus base rate of 1.10%	20,068	-	-	20,068	100,653	100,474	(179)	0.33	9.56	0.56
POWER GENERATION & DISTRIBUTION												
K-Electric Limited (sukuk 5) (AA+, VIS, non-traded) (note 6.1.2.1)	August 03, 2027	3 months KIBOR plus base rate of 1.70%	184,600	-	31,400	153,200	777,873	779,610	1,737	2.58	3.06	4.34
The Hub Power Company Limited (AA+, PACRA), non-traded (note 6.1.2.1)	August 22, 2023	3 months KIBOR plus base rate of 1.90%	2,455	-	-	2,455	250,396	250,471	75	0.83	3.51	1.39
The Hub Power Company Limited (AA+, PACRA, non-traded) (note 6.1.2.1)	March 19, 2024	1 year KIBOR plus base rate of 1.900%	6,550	-	2,000	4,550	465,920	467,075	1,155	1.55	9.10	2.60
Hub Power Holdings Limited (AA+, PACRA) (note 6.1.2.1)	November 12, 2025	6 months KIBOR plus base rate of 2.5%	6,000	-	-	6,000	542,000	542,000	-	1.79	10.00	3.02
Engro Powergen Thar (Private) Limited (A, PACRA, non-traded) (note 6.1.2.1)	August 2, 2024	3 months KIBOR plus base rate of 1.10%	62,400	-	-	62,400	312,000	313,839	1,839	1.04	10.40	1.75
PHARMACEUTICALS												
AGP Limited (A+, PACRA, non-traded) (note 6.1.2.1)	June 9, 2022	3 months KIBOR plus base rate of 1.30%	325	198	131	392	39,523	39,594	70	0.13	10.69	0.22
OBS AGP (Private) Limited (A+, VIS) (note 6.1.2.1)	July 15, 2026	3 months KIBOR plus base rate of 1.55%	-	3,900	-	3,900	390,000	390,000	-	1.29	15.00	2.17
CEMENT & CONSTRUCTION												
Javedan Corporation Limited (AA-, VIS non-traded) (note 6.1.2.1)	October 4, 2026	6 months KIBOR plus base rate of 1.75%	917	-	-	917	90,750	90,750	-	0.30	3.34	0.51
STEEL & ALLIED PRODUCTS												
Agha Steel Industries (A+, VIS, non-traded) (note 6.1.2.1)	09-10-25	3 months KIBOR plus base rate of 0.80%	250	-	-	250	249,459	250,752	1,293	0.83	5.00	1.40
CHEMICALS												
Engro Polymer and Chemicals Limited (AA, PACRA, non-traded) (note 6.1.2.1)	July 11, 2026	3 months KIBOR plus base rate of 0.90%	478	-	-	478	48,804	49,260	456	0.16	0.55	0.27
TEXTILE COMPOSITE												
Masood Textile Mills Limited (A, VIS, non-traded) (note 6.1.2.1)	December 17, 2024	3 months KIBOR plus base rate of 2.00%	150	-	-	150	137,715	137,993	278	0.46	6.00	0.77
MISCELLANEOUS												
International Brands Limited (AA, VIS, non-traded) (note 6.1.2.1)	November 15, 2021	12 months KIBOR plus base rate of 0.50%	1,641	-	479	1,162	115,938	115,143	(795)	0.38	14.13	0.64
Shakarganj Food Products Limited (BBB+, VIS, non-traded) (note 6.1.2.1 & 6.1.2.2)	July 10, 2025	3 months KIBOR plus base rate of 1.75%	85	-	5	80	80,308	80,619	311	0.27	13.79	0.45
Total as at September 30, 2021							4,463,001	4,458,931	(4,070)			
Total as at June 30, 2021							4,501,262	4,525,280	24,018			

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

6.1.2.1 The nominal value of these sukuk certificates is Rs 5,000 each except for the sukuk certificates of Eden Housing Limited having nominal value of Rs 984.375, International Brands Limited, AGP Limited, OBS AGP (Private) Limited, Javedan Corporation Limited, Engro Fertilizer Limited, Engro Polymer and Chemicals Limited, Hub Power Holdings Limited and Hub Power Company Limited having nominal value of Rs. 100,000 each and Dubai Islamic Bank Pakistan Limited, Meezan Bank Limited, Shakarganj Food Products Limited, Agha Steel Industries Limited and Masood Textile Mills Limited having nominal value of Rs 1,000,000 each respectively.

6.1.2.2 The Securities and Exchange Commission of Pakistan (SECP) vide circular no. 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. Al Meezan Investment Management Limited (the Management Company) classified Meezan Islamic Income Fund (the Fund) as an 'Income Scheme' in accordance with the said circular. As at September 30, 2021, the Fund is compliant with all the requirements of the constitutive documents and said circular except for clauses which requires the rating of any security in the portfolio shall not be lower than the investment grade.

Following investments of the Funds are in sukuks which are non compliant securities. At the time of investment, these were compliant as per SECP criteria and the investment policy of the Fund.

Name of non-compliant investment	Type of investments	Value of investment before provision	Provision held (if any)	Value of investment after provision	Percentage of net assets	Percentage of total assets
		(Rupees in '000)			-----%	
Arzoo Textile Mills Limited	Non-traded sukuk certificates	70,000	70,000	-	-	-
Eden Housing Limited	Non-traded sukuk certificates	58,472	58,472	-	-	-
Security Leasing Corporation Limited II	Non-traded sukuk certificates	15,403	15,403	-	-	-
Hascol Petroleum Limited	Non-traded sukuk certificates	100,000	100,000	-	-	-
Shakarganj Food Products Limited	Non-traded sukuk certificates	80,619	-	80,619	0.27	0.27
Total - September 30, 2021		324,494	243,875	80,619	0.27	0.27
Total - June 30, 2021		328,461	198,134	130,327	0.48	0.46

6.1.2.3 On April 1, 2021, Hascol Petroleum Limited sukuk certificates have been classified as non-performing by Mutual Funds Association of Pakistan (MUFAP). Therefore, in accordance with the requirement of SECP's Circular No.33 of 2012, the sukuk certificates have been classified as non-performing asset and no further profit has been accrued thereafter. Further, in accordance with the said Circular, an amount of Rs. 100 million have also been held as provision against the outstanding principal as at September 30, 2021.

6.1.2.4 Circular No. 33 of 2012 allows the asset manager to apply a mark up/mark down within available limit for valuation of any specific debt security. Exercising the discretionary power, the above mentioned Sukuks of Agha Steel Industries Limited and Meezan Bank Limited has been valued at a discretionary rate of 100.3006 and 100.0961 when the reported market rate on MUFAP valuation sheet as at September 30, 2021 was 98.9039 and 103.4962 respectively.

6.2 Certificates of Musharakah

Name of the investee company	Maturity date	Profit rate	As at July 1, 2021	Placed during the quarter	Matured during the quarter	Carrying value as at September 30, 2021	Market value as at September 30, 2021	Unrealised appreciation/ (diminution)	Percentage in relation to	
									Net assets of the Fund	Total market value of investment
			(Rupees in '000)					----- % -----		
Orix Modaraba	April 29, 2022	7.48	200,000	-	-	200,000	200,000	-	0.66	1.11
Orix Modaraba	April 29, 2022	7.48	200,000	-	-	200,000	200,000	-	0.66	1.11
Orix Modaraba	April 29, 2022	7.48	200,000	-	-	200,000	200,000	-	0.66	1.11
First Habib Modaraba	December 1, 2021	7.55	300,000	-	-	300,000	300,000	-	0.99	1.67
First Habib Modaraba	December 21, 2021	7.55	300,000	-	-	300,000	300,000	-	0.99	1.67
Total as at September 30, 2021			1,200,000	-	-	1,200,000	1,200,000	-	3.97	6.68
Total as at June 30, 2021			1,600,000	2,252,830	2,652,830	1,200,000	1,200,000	-	4.39	7.56

6.3 Commercial Papers

Name of the security	Maturity date	Profit rate	As at July 1, 2021	Purchases during the quarter	Sales / redemptions / maturity during the quarter	As at September 30, 2021	Carrying value as at September 30, 2021	Market value as at September 30, 2021	Unrealised appreciation / (diminution)	Percentage in relation to	
			----- (Number of certificates) -----			----- (Rupees in '000) -----			----- % -----		Net assets of the Fund
K-Electric Limited CP-16 (note 6.3.1)	September 16, 2021	6 months KIBOR plus base rate of 0.60%	225	-	225	-	-	-	-	-	-
K-Electric Limited CP-18 (note 6.3.1)	October 19, 2021	6 months KIBOR plus base rate of 0.55%	130	-	-	130	129,488	129,488	-	0.43	0.72
Mughal Iron & Steel Industries Limited CP (note 6.3.1)	July 21, 2022	6 months KIBOR plus base rate of 1.75%	-	300	-	300	278,873	278,873	-	0.92	1.55
Total as at September 30, 2021							408,361	408,361	-	1.35	2.27
Total as at June 30, 2021							348,011	348,011	-	1.28	2.19

6.3.1 The nominal value of these commercial papers is Rs 1,000,000 each.

7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - THE MANAGEMENT COMPANY	Note	September 30, 2021	June 30, 2021
		(Unaudited) (Rupees in '000)	(Audited)
Management fee payable	7.1	12,587	751
Sindh Sales Tax on Management fee payable		1,636	98
Allocated expenses payable	7.2	3,776	4,326
Selling and marketing expenses payable	7.3	22,578	27,213
Sales load payable		2,270	2,815
Sindh Sales Tax on sales load payable		295	366
Certificate charges payable		1	1
		43,143	35,570

7.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 0.5% per annum of the average net assets of the Fund during the 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 charged 0.15% of the average annual net assets of the scheme for allocation of such expenses to the Fund for the quarter.

- 7.3** In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company, based on its own discretion has charged selling and marketing expenses at 0.3% 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.

8. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	September 30, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
Auditors' remuneration payable		168	430
Printing expenses payable		566	566
Brokerage payable		382	207
Shariah advisor fee payable		806	538
Withholding tax payable		-	123,938
Capital gain tax payable		5,113	86,196
Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	-	130,733
Zakat payable		518	517
Other accrued expenses payable		19	61
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	8.2	50,417	50,417
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	8.2	2,642	2,642
		<u>60,631</u>	<u>396,245</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. 135 million has been reversed and it has contributed towards an increase in NAV of the fund by Rs. 0.24 (0.46%) per unit. This was one-off event and is not likely to be repeated in

- 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. 0.09 (June 30, 2021: Re. 0.10) 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 provision of the NBFC Rules, the NBFC Regulations and the Trust Deed respectively.

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



Balances	September 30, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
AI Meezan Investment Management Limited (Management Company)		
Remuneration payable	12,587	751
Sindh Sales Tax payable on remuneration of the Management Company	1,636	98
Sales load payable	2,270	2,815
Sindh Sales Tax on sales load	295	366
Allocated expenses payable	3,776	4,326
Selling and marketing expense payable	22,578	27,213
Certificate charges payable	1	1
Meezan Bank Limited		
Balances with bank	112,188	90,730
Sales load payable	3,152	2,145
Sindh Sales Tax on sales load	410	279
Profit receivable on saving account	99	-
Profit receivable on sukuk certificates	1,969	8,038
Investment of 298 sukuk certificates (June 30, 2021: 298 sukuk certificates)	298,286	308,615
Shariah advisor fee payable	806	538
Central Depository Company of Pakistan Limited - CDC (Trustee)		
Trustee fee payable	1,888	2,177
Sindh Sales Tax on Trustee Fee payable	245	283
Security deposit	100	100
Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan		
Investment of 1,604,533 units (June 30, 2021: 1,681,170 units)	84,322	86,536
Meezan Financial Planning Fund of Funds - Moderate Allocation Plan		
Investment of 1,573,180 units (June 30, 2021: 1,452,832 units)	82,674	74,782
Meezan Financial Planning Fund of Funds - Conservative Allocation Plan		
Investment of 3,263,907 units (June 30, 2021: 3,297,127 units)	171,525	169,715
Meezan Financial Planning Fund of Funds - MAAP - I		
Investment of 803,803 units (June 30, 2021: 840,428 units)	42,242	43,260
AI Meezan Investment Management Limited - Employees' Gratuity Fund		
Investment of 200,139 units (June 30, 2021: 200,139 units)	10,518	10,302
Directors and Executives of the Management Company		
Investments of 3,862,635 units (June 30, 2021: 504,281 units)	202,990	25,957

Transactions during the quarter	For the quarter ended	
	September 30,	
	2021	2020
	(Unaudited)	
	(Rupees in '000)	
Al Meezan Investment Management Limited (Management Company)		
Remuneration for the quarter	37,627	38,930
Sindh Sales Tax on remuneration of the Management Company	4,891	5,061
Allocated expenses	11,288	11,679
Selling and marketing expense	22,572	31,144
Units issued: nil (September 30, 2020: 1,157,861 units)	-	60,000
Meezan Bank Limited		
Profit on saving account	478	794
Profit on sukuk certificate	6,259	8,914
Pakistan Energy Sukuk II certificates sold during the quarter: nil (September 30, 2020: 1,540,000 sukuk certificates)	-	7,702,310
Shariah advisor fee	269	269
Central Depository Company of Pakistan Limited - CDC (Trustee)		
Remuneration for the quarter	5,630	5,839
Sindh Sales Tax on trustee fee	732	759
CDS Charges	25	1,420
Meezan Strategic Allocation Fund - MSAP - I		
Units issued: nil (September 30, 2020: 924,876 units)	-	48,000
Units redeemed: nil (September 30, 2020: 780,585 units)	-	40,710
Meezan Strategic Allocation Fund - MSAP - II		
Units issued: nil (September 30, 2020: 500,876 units)	-	26,000
Units redeemed: nil (September 30, 2020: 632,063 units)	-	32,877
Meezan Strategic Allocation Fund - MSAP - III		
Units issued: nil (September 30, 2020: 838,091 units)	-	43,500
Units redeemed: nil (September 30, 2020: 2,035,361 units)	-	105,940
Meezan Strategic Allocation Fund - MSAP - IV		
Units issued: nil (September 30, 2020: 866,998 units)	-	45,000
Units redeemed: nil (September 30, 2020: 3,190,838 units)	-	166,046
Meezan Strategic Allocation Fund - MSAP - V		
Units issued: nil (September 30, 2020: 173,568 units)	-	9,000
Units redeemed: nil (September 30, 2020: 710,579 units)	-	36,990
Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan		
Units issued: 45,561 units (September 30, 2020: 305,721 units)	2,375	15,811
Units redeemed: 122,198 units (September 30, 2020: 96,124 units)	6,378	5,000
Meezan Financial Planning Fund of Funds - Moderate Allocation Plan		
Units issued: 211,287 units (September 30, 2020: 327,384 units)	11,000	17,002
Units redeemed: 90,939 units (September 30, 2020: 21,252 units)	4,740	1,100
Meezan Financial Planning Fund of Funds - Conservative Allocation Plan		
Units issued: 130,251 units (September 30, 2020: 160,700 units)	6,750	8,305
Units redeemed: 163,471 units (September 30, 2020: nil)	8,521	-
Meezan Financial Planning Fund of Funds - MAAP - I		
Units issued: nil (September 30, 2020: 394,976 units)	-	20,500
Units redeemed: 36,625 units (September 30, 2020: 2,135,108 units)	1,900	111,645



For the quarter ended

September 30,

2021 2020

(Unaudited)

(Rupees in '000)

Directors and Executives of the Management Company

Units issued: 3,676,556 units (September 30, 2020: 388,654 units)

Units redeemed: 318,202 units (September 30, 2020: 185,839 units)

190,827	20,228
<u>16,509</u>	<u>9,644</u>

11. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2021 is 1.15% which includes 0.10% representing government levies on the Fund such as provision for 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 Income Scheme.

12. TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current quarter as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2022 as reduced by capital gains (whether realised or unrealised) to its unitholders.

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

13. FAIR VALUES OF FINANCIAL INSTRUMENTS

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

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

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

Fair value hierarchy

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

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

As at 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)			
Financial assets 'at fair value through profit or loss'				
Sukuk Certificates	-	16,353,633	-	16,353,633
Certificates of Musharakah*	-	1,200,000	-	1,200,000
Commercial Papers**	-	408,361	-	408,361
	<u>-</u>	<u>17,961,994</u>	<u>-</u>	<u>17,961,994</u>

ASSETS	As at June 30, 2021			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
Financial assets 'at fair value through profit or loss'				
Sukuk certificates	-	14,341,463	-	14,341,463
Certificates of musharakah*	-	1,200,000	-	1,200,000
Commercial papers**		348,011		348,011
	-	15,889,474	-	15,889,474

* The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counter parties which have high credit ratings.

** The valuation of commercial papers has been done based on amortisation of commercial paper to its face value as per the guidelines given in Circular 33 of 2012 since the residual maturity of this investment is less than six months and they are placed with counterparties which have high credit rating.

14. GENERAL

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

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



Al Meezan
Investment Management Ltd.

MEEZAN

SOVEREIGN FUND (MSF)

Meezan Sovereign Fund is Pakistan's first Shariah Compliant Government Securities Fund. The purpose of the fund is to provide maximum possible preservation of capital and a reasonable rate of return by investing primarily in Shariah Compliant Government Securities.



LARGE SCALE MANUFACTURING SECTOR GREW AT A 16 YEAR HIGH LEVEL OF



FUND INFORMATION

MANAGEMENT COMPANY

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Phone (+9221) 35630722-6, 111-MEEZAN
Fax: (+9221) 35676143, 35630808
Website: www.almeezangroup.com
E-mail: 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 Al Habib Limited - Islamic Banking	National Bank of Pakistan - Islamic Banking
Bank Alfalah Limited	Sindh Bank Limited
Bank Islami Pakistan Limited	Soneri Bank Limited
Dubai Islamic Bank Pakistan Limited	The Bank Of Punjab Limited
Faysal Bank Limited - Islamic Banking	UBL Ameen - Islamic Banking
Habib Bank Limited -Islamic Banking	

LEGAL ADVISER

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3rd & 4th Floor, 68-C, Lane-13, Bokhari Commercial Area,
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Fax: (+9221) 35676143, 35630808
Website: www.almeezangroup.com
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DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited



**MEEZAN SOVEREIGN FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED)
AS AT SEPTEMBER 30, 2021**

	September 30, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
Assets		
Balances with banks	5 2,976,230	2,060,201
Investments	6 7,655,168	7,613,507
Receivable against conversion of units	167,560	526,734
Deposits, prepayments and other receivables	197,054	88,668
Total assets	10,996,012	10,289,110
Liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	7 14,780	9,590
Payable to Central Depository Company of Pakistan Limited - Trustee	644	830
Payable to Securities and Exchange Commission of Pakistan	504	1,822
Payable to Meezan Bank Limited	1,061	834
Payable on redemption and conversion of units	149,051	153,609
Accrued expenses and other liabilities	9 86,818	183,173
Total liabilities	252,858	349,858
Net assets	10,743,154	9,939,252
Unitholders' fund (as per statement attached)	10,743,154	9,939,252
Contingencies and commitments	8	
Number of units in issue	203,388,413	192,651,699
	(Rupees)	
Net assets value per unit	52.8209	51.5918

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

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN SOVEREIGN FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

	Note	September 30,	
		2021	2020
		(Rupees in '000)	
Income			
Profit on sukuk certificates		145,150	161,504
Net realised gain on sale of sukuk certificates		-	2,735
Profit on saving accounts with banks		39,285	19,006
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)	9.1	40,077	
		<u>224,512</u>	<u>183,245</u>
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.1.1	41,661	93,747
Total income		<u>266,173</u>	<u>276,992</u>
Expenses			
Remuneration to AI Meezan Investment Management Limited - Management Company	7.1	12,589	11,072
Sindh Sales Tax on remuneration of the Management Company		1,637	1,439
Remuneration to Central Depository Company of Pakistan Limited - Trustee		1,637	1,439
Sindh Sales Tax on remuneration of the Trustee		213	187
Annual fee to Securities and Exchange Commission of Pakistan		504	443
Auditors' remuneration		169	178
Legal and professional charges		184	-
Fees and subscription		257	274
Brokerage expense		-	384
Bank and settlement charges		17	576
Allocated expenses	7.2	3,777	3,321
Selling and marketing expense	7.3	7,554	8,857
Provision for Sindh Workers' Welfare Fund (SWWF)	9.1	-	4,976
Total expenses		<u>28,538</u>	<u>33,146</u>
Net income for the quarter before taxation		<u>237,635</u>	<u>243,846</u>
Taxation	12	-	-
Net income for the quarter after taxation		<u>237,635</u>	<u>243,846</u>
Allocation of net income for the quarter			
Net income for the quarter after taxation		237,635	243,846
Income already paid on units redeemed		25,522	53,417
		<u>212,113</u>	<u>190,429</u>
Accounting income available for distribution			
- Relating to capital gains		41,661	96,482
- Excluding capital gains		170,452	93,947
		<u>212,113</u>	<u>190,429</u>

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

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

Chief Executive

Chief Financial Officer

Director



MEEZAN SOVEREIGN FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	September 30,	
	2021	2020
	(Rupees in '000)	
Net income for the quarter after taxation	237,635	243,846
Other comprehensive income	-	-
Total comprehensive income for the quarter	237,635	243,846

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

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

MEEZAN SOVEREIGN FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	September 30, 2021			September 30, 2020		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	------(Rupees in '000)-----			------(Rupees in '000)-----		
Net assets at beginning of the quarter	9,634,121	305,131	9,939,252	9,438,622	297,709	9,736,331
Issue of 104,445,111 units (2020: 99,223,950 units)						
- Capital value (at ex-net asset value per unit at the beginning of the quarter)	5,388,511	-	5,388,511	5,114,756	-	5,114,756
- Element of income	50,509	-	50,509	90,960	-	90,960
Total proceeds on issuance of units	5,439,020	-	5,439,020	5,205,716	-	5,205,716
Redemption of 93,708,397 units (2020: 121,909,604 units)						
- Capital value (at ex- net asset value per unit at the beginning of the quarter)	4,834,585	-	4,834,585	6,284,148	-	6,284,148
- Element of loss	12,646	25,522	38,168	41,491	53,417	94,908
Total payments on redemption of units	4,847,231	25,522	4,872,753	6,325,639	53,417	6,379,056
Total comprehensive income for the quarter	-	237,635	237,635	-	243,846	243,846
Distribution during the quarter	-	-	-	-	-	-
Refund of capital	-	-	-	-	-	-
	-	-	-	-	-	-
Net assets at end of the quarter	10,225,910	517,244	10,743,154	8,318,699	488,138	8,806,837
Undistributed income brought forward						
- Realised income		203,956			297,512	
- Unrealised income		101,175			197	
		305,131			297,709	
Accounting income available for distribution (after adjusting income already paid on units redeemed)						
- Relating to capital gains		41,661			96,482	
- Excluding capital gains		170,452			93,947	
		212,113			190,429	
Undistributed income carried forward		517,244			488,138	
Undistributed income carried forward						
- Realised income		475,583			394,391	
- Unrealised income		41,661			93,747	
		517,244			488,138	
Net assets value per unit at beginning of the quarter			(Rupees) 51.5918			(Rupees) 51.5476
Net assets value per unit at end of the quarter			52.8209			52.9911

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

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



**MEEZAN SOVEREIGN FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

	September 30,	
	2021	2020
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the quarter before taxation	237,635	243,846
Adjustments for		
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(41,661)	(93,747)
	<u>195,974</u>	<u>150,099</u>
Increase in assets		
Investments - net	-	(32,534)
Receivable against sale of investments	-	(103,422)
Deposits, prepayments and other receivable	(108,386)	(88,446)
	<u>(108,386)</u>	<u>(224,402)</u>
(Decrease) / Increase in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	5,190	5,513
Payable to Central Depository Company of Pakistan Limited - Trustee	(186)	(13)
Payable to Securities and Exchange Commission of Pakistan	(1,318)	(524)
Payable to Meezan Bank Limited	227	(131)
Accrued expenses and other liabilities	(96,355)	(41,173)
	<u>(92,442)</u>	<u>(36,328)</u>
Net cash used in from operating activities	<u>(4,854)</u>	<u>(110,631)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	5,798,194	5,229,321
Payments against redemption and conversion of units	(4,877,311)	(6,369,352)
Net cash generated / (used in) financing activities	<u>920,883</u>	<u>(1,140,031)</u>
Net increase / (decrease) in cash and cash equivalents during the quarter	<u>916,029</u>	<u>(1,250,662)</u>
Cash and cash equivalents at the beginning of the quarter	2,060,201	2,580,042
Cash and cash equivalents at the end of the quarter	<u><u>2,976,230</u></u>	<u><u>1,329,380</u></u>

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

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

Chief Executive

Chief Financial Officer

Director

MEEZAN SOVEREIGN 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 Sovereign Fund (the Fund) was established under a trust deed executed between Al Meezan Investment Management Limited (Al Meezan) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on May 14, 2009 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 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 maximum possible preservation of capital along with Halal and reasonable returns by investing primarily in a portfolio of Shariah compliant government securities thus, minimising the credit risk of investments. The Fund shall also keep an exposure in short-term near cash instruments for the purpose of maintaining liquidity and to capitalise on exceptional returns if available at any given point of time. Under the Trust Deed, all conducts and acts of the Fund are based on Shariah. 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. The investment objectives and policies are explained in the Fund's
- 1.3** The Fund is an open end Shariah Compliant (Islamic) Income Scheme, 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.
- 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. The Fund has been given a stability rating of AA(f) by VIS Credit Rating Company Limited dated January 12, 2021 (2020: AA-(f) dated December 30, 2019).
- 1.5** Title to the assets of the Fund are held in the name of 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 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 approved accounting 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 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 published audited annual 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 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 Funds 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	2,976,227	2,057,357
In current accounts		3	2,844
		<u>2,976,230</u>	<u>2,060,201</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. INVESTMENTS	Note	September 30, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
Investments - 'at fair value through profit or loss'			
Sukuk Certificates	6.1	<u>7,655,168</u>	<u>7,613,507</u>
6.1 Sukuk Certificates			
Government securities	6.1.1	7,544,443	7,502,782
Corporate sukuks	6.1.2	110,725	110,725
		<u>7,655,168</u>	<u>7,613,507</u>

6.1.1 Government securities

Name of the security	Issue date	Maturity Date	Rate of Return	As at July 01, 2021	Purchased during the quarter	Disposed/matured during the quarter	As at September 30, 2021	Carrying value as at July 01, 2021	Market value as at September 30, 2021	Unrealised (diminution) / appreciation as at September 30, 2021	Market value as a percentage of net assets of the Fund	Market value as a percentage of total investments
				----- Number of certificates -----			(Rupees in '000)			----- Percentage -----		
Pakistan Energy Sukuk (note 6.1.1.1)	March 1, 2019	March 1, 2029	6 months KIBOR plus base rate of 0.8%	150,000	-	-	150,000	800,625	800,625	-	7.45%	10.46%
Pakistan Energy Sukuk II (note 6.1.1.1)	May 20, 2020	May 20, 2030	6 months KIBOR plus base rate of 0.10%	1,154,200	-	-	1,154,200	5,817,168	5,857,565	40,397	54.52%	76.52%
GoP Ijarah Sukuk Certificates - XXII (note 6.1.2.1)	June 24, 2020	June 24, 2025	Weighted average 6 months T-Bills	1,000	-	-	1,000	100,600	100,830	230	0.94%	1.32%
GoP Ijarah Sukuk Certificates - XXIII - VRR (note 6.1.2.1)	July 29, 2020	July 29, 2025	Weighted average 6 months T-Bills	1,830	-	-	1,830	183,915	184,116	201	1.71%	2.41%
GoP Ijarah Sukuk Certificates - XXIV - FRR (note 6.1.2.1)	December 09, 2020	December 09, 2025	Weighted average 6 months T-Bills	5,950	-	-	5,950	600,474	601,307	833	5.60%	7.85%
Total - September 30, 2021								<u>7,502,782</u>	<u>7,544,443</u>	<u>41,661</u>	<u>70.22%</u>	<u>98.56%</u>
Total as at June 30, 2021								<u>7,402,091</u>	<u>7,502,782</u>	<u>100,691</u>	<u>75.49%</u>	<u>98.55%</u>

6.1.1.1 Pakistan Energy Sukuk Certificates having nominal value of Rs. 5,000 each

6.1.2 Corporate sukus

Name of the security	Maturity date	Profit rate	As at July 1, 2021	Purchases during the quarter	Sales / redemptions during the quarter	As at September 30, 2021	Carrying value as at July 01, 2021	Market value as at September 30, 2021	Unrealised (diminution) / appreciation as at September	Percentage in relation to		
										(Number of certificates)	(Rupees in '000)	Net assets of the Fund
Power generation & distribution												
Neelum Jhelum Hydropower Company (Private) Limited (AAA, VIS, non-traded) (note 6.1.2.1)	June 29, 2026	6 months	1,720	-	-	1,720	110,725	110,725	-	1.03%	1.45%	0.17%
Total - September 30, 2021							110,725	110,725	-	1.03%	1.45%	0.17%
Total as at June 30, 2021							110,241	110,725	484	1.11%	1.45%	

6.1.2.1 The nominal value of these sukuk certificate is of Rs. 100,000 each

7	PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - THE MANAGEMENT COMPANY	Note	September 30, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited) (Rupees in '000)
	Management fee payable	7.1	4,337	268
	Sindh Sales Tax payable on remuneration of the Management Company		564	35
	Allocated expenses payable	7.2	1,298	1,205
	Selling and marketing expenses payable	7.3	7,554	7,297
	Sales load payable		909	695
	Sindh sales tax on sales load payable		118	90
			14,780	9,590

7.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 0.5% (2021: 0.5%) 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.

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

The management company based on its own discretion has currently charged 0.15% of the average annual net assets of the scheme for allocation of such expenses to the Fund for the quarter.

7.3 In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company based on its own discretion charged selling and marketing expense at 0.3% per annum of the average annual net assets of the Fund.

8. CONTINGENCIES AND COMMITMENTS

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

	Note	September 30, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited) (Rupees in '000)
9. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		119	350
Printing expenses payable		156	156
Brokerage payable		478	487
Shariah advisor fee payable		428	271
Withholding tax payable		420	36,570
Capital gain tax payable		2,397	22,411
Provision for Sindh Workers' Welfare Fund (SWWF)	9.1	-	40,077
Zakat payable		93	212
CDS Charges Payable		88	-
Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	9.2	80,077	80,077
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	9.2	2,562	2,562
		86,818	183,173

- 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.42 million has been reversed and it has contributed towards an increase in NAV of the fund by Rs. 0.22 (0.42%) 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, 2020. 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 0.41 (June 30, 2021 : Rs. 0.43) per unit.

10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include AI 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, AI 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)
AI Meezan Investment Management Limited - Management Company		
Remuneration payable	4,337	268
Sindh Sales Tax payable on management fee	564	35
Sales load payable	909	695
Sindh Sales Tax payable on sales load	118	90
Allocated expense payable	1,298	1,205
Selling and marketing expense payable	7,554	7,297
Investment of nil units (2021: 19,388,675 units)	-	1,000,297
Meezan Bank Limited		
Balances with bank	31,018	701,593
Profit receivable on saving accounts	98	59
Sales load payable	939	738
Sindh Sales Tax on sales load payable	122	96
Shariah advisor fee payable	428	271
Central Depository Company of Pakistan Limited - Trustee		
Security deposits refundable	100	100
Remuneration Payable	570	530
Sindh Sales Tax on trustee fee	74	69
CDS Charges payable	88	231
AI Meezan Investment Management Limited - Employees Gratuity Fund		
Investment of 173,525 units (2020: 173,525 units)	9,166	8,952
Directors and their close family members and key management personnel of the Management Company		
Investment of 485,341 units (June 30, 2021: 535,228 units)	25,636	27,613

	For the quarter ended September 30,	
	2021	2020
	(Unaudited) (Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration for the quarter	12,589	11,072
Sindh Sales Tax on remuneration of the Management Company	1,637	1,439
Allocated expenses	3,777	3,321
Selling and marketing expense	7,554	8,857
Units issued: nil units (September 30, 2020: 4,526,209 units)	-	234,482
Units redeemed: 19,388,675 units (September 30, 2020: 4,526,209 units)	1,001,742	237,409
Meezan Bank Limited		
Profit on saving accounts	320	117
Shariah advisor fee	157	166
Pakistan Energy Sukuk II certificates sold during the quarter: nil sukuk certificates (September 30, 2020: 1,220,000 sukuk)	-	6,101,830
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the quarter	1,637	1,439
Sindh Sales Tax on trustee fee	213	187
CDS charges for the quarter	-	567
Meezan Financial Planning Fund of Funds - MAAP - I		
Units issued: nil units (September 30, 2020: 1,925,443 units)	-	101,785
Units redeemed: nil units (September 30, 2020: 71,245 units units)	-	3,770
Meezan Strategic Allocation Fund - MCPP - III		
Units redeemed: nil units (September 30, 2020: 649,910 units)	-	33,920
Meezan Strategic Allocation Fund - II - MCPP - IV		
Units issued: nil units (September 30, 2020: 3,798,563 units)	-	200,368
Units redeemed: nil units (September 30, 2020: 6,215,100 units)	-	326,278
Meezan Strategic Allocation Fund - II - MCPP - V		
Units issued: nil units (September 30, 2020: 484,576 units)	-	25,591
Units redeemed: nil units (September 30, 2020: 4,364,872 units)	-	229,440
Meezan Strategic Allocation Fund - II - MCPP - VI		
Units redeemed: nil units (September 30, 2020: 273,460 units)	-	14,320
Meezan Strategic Allocation Fund - II - MCPP - VII		
Units redeemed: nil units (September 30, 2020: 365,864 units)	-	19,274
Meezan Strategic Allocation Fund - II - MCPP - VIII		
Units redeemed: nil units (September 30, 2020: 60,697 units)	-	3,170
Meezan Strategic Allocation Fund - III - MCPP - IX		
Units issued: nil units (September 30, 2020: 451,261 units)	-	23,480
Units redeemed: nil units (September 30, 2020: 534,731 units)	-	27,898
Directors and executives of the Management Company		
Units issued: 368,354 units (September 30, 2020: 1,053,274 units)	19,139	54,597
Units redeemed: 418,242 units (September 30, 2020: 1,175,120 units)	21,699	61,267

11. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at September 30, 2021 is 1.13% which includes 0.09% representing government levies on the Fund such as Sales Taxes and Annual fee to the SECP. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an Income Scheme.

12. TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current quarter as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2022 as reduced by capital gains (whether realised or unrealised) to its unitholders.

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

13. 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, 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'				
Sukuk Certificates	-	7,655,168	-	7,655,168
----- (Rupees in '000) -----				
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'				
Sukuk Certificates	-	7,613,507		7,613,507

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 AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director



Al Meezan
Investment Management Ltd.

THE MEEZAN DAILY INCOME PLAN (MDIP-I)

is an Allocation Plan under “Meezan Daily Income Fund (MDIF)” with an objective to provide investors with a competitive rate of return, together with daily payout, through investment in Shariah Compliant Fixed Income Instruments.



**TECHNOLOGY
EXPORTS
REGISTERED
A STAGGERING HIKE
BY**

80.6%

A tree with a brown trunk and branches. The leaves are green and form the shape of the number 80.6%. The tree is positioned in the center of the page, with its trunk extending downwards towards the bottom.

**IN
AUGUST
2021**

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
E-mail: 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

Al Baraka Islamic Bank B.S.C (E.C)
Bank Islami Pakistan Limited
Bank of Khyber - Islamic Banking
Meezan Bank Limited
United 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
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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
E-mail: info@almeezangroup.com

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited

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



		September 30, 2021 (Unaudited) MDIP-I
		(Rupees in '000)
Note		
Assets		
	Balances with banks	2,275,596
	Receivable against conversion of units	653
	Deposits, prepayments and other receivables	7,017
	Preliminary expenses and floatation costs	763
	Total assets	2,284,029
Liabilities		
	Payable to AI Meezan Investment Management Limited - Management Company	852
	Payable to Central Depository Company of Pakistan Limited - Trustee	81
	Payable to the Securities and Exchange Commission of Pakistan (SECP)	19
	Payable to Meezan Bank Limited	54
	Payable against conversion and redemption of units	380
	Dividend payable	438
	Accrued expenses and other liabilities	525
	Total liabilities	2,349
	NET ASSETS	2,281,680
	UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)	2,281,680
	CONTINGENCIES AND COMMITMENTS	12
	NUMBER OF UNITS IN ISSUE	45,633,593
	NET ASSET VALUE PER UNIT	50.0000

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

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN DAILY INCOME FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE PERIOD FROM SEPTEMBER 14, 2021 TO SEPTEMBER 30, 2021**

		For the period from September 14, 2021 to September 30, 2021
	Note	MDIP-I (Rupees in '000)
Income		
Profit on saving accounts with banks		6,917
Total income		<u>6,917</u>
Expenses		
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	72
Sindh Sales Tax on remuneration of the Trustee	9.2	9
Annual fees to the Securities and Exchange Commission of Pakistan	10	19
Auditors' remuneration	13	11
Amortisation of preliminary expenses and floatation costs	7.1	6
Total expenses		<u>117</u>
Net income for the period before taxation		<u>6,800</u>
Taxation	15	-
Net income for the period after taxation		<u><u>6,800</u></u>
Allocation of net income for the period		
Net income for the period after taxation		6,800
Income already paid on units redeemed		-
		<u><u>6,800</u></u>
Accounting income available for distribution		
- Relating to capital gains		-
- Excluding capital gains		6,800
		<u><u>6,800</u></u>

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

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN DAILY INCOME FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD FROM SEPTEMBER 14, 2021 TO SEPTEMBER 30, 2021**



For the period
from September
14, 2021 to
September 30,
2021
MDIP-I
(Rupees in '000)

Net income for the period after taxation	6,800
Other comprehensive income for the period	-
Total comprehensive income for the period	<u>6,800</u>

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

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

Chief Executive

Chief Financial Officer

Director

MEEZAN DAILY INCOME FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE PERIOD FROM SEPTEMBER 14, 2021 TO SEPTEMBER 30, 2021

For the period from September 14, 2021 to September 30, 2021		
Capital Value	Undistributed income	Total
MDIP-I		
------(Rupees in '000)-----		

Issuance of 47,525,478 units			
- Capital value (at par value)	2,376,274	-	2,376,274
- Element of income	-	-	-
Total proceeds on issuance of units	2,376,274	-	2,376,274
Redemption of 1,891,885 units			
- Capital value (at par value)	94,594	-	94,594
- Element of loss	-	-	-
Total payments on redemption of units	94,594	-	94,594
Total comprehensive income for the period	-	6,800	6,800
Distribution during the period*	-	(6,800)	(6,800)
Net income for the period less distribution	-	-	-
Net assets at the end of the period	2,281,680	-	2,281,680

Accounting income available for distribution	
- Relating to capital gains	-
- Excluding capital gains	6,800
	6,800
Distribution during the period*	(6,800)
Undistributed income carried forward	-
Undistributed income carried forward	-
- Realised income	-
- Unrealised income	-
	-
	(Rupees)
Net assets value per unit at the end of the period	<u>50.0000</u>

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

* Meezan Daily Income Fund- MDIP-I is required to distribute dividend on a daily basis on each business day.

For AI Meezan Investment Management Limited
(Management Company)

Chief Executive

Chief Financial Officer

Director

**MEEZAN DAILY INCOME FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE PERIOD FROM SEPTEMBER 14, 2021 TO SEPTEMBER 30,2021**



	For the period from September 14, 2021 to September 30, 2021
Note	MDIP-I (Rupees in '000)
CASH FLOWS FROM OPERATING ACTIVITIES	
Net income for the period before taxation	6,800
Adjustment for non-cash items:	
Amortisation of preliminary expenses and floatation costs	6
Increase in assets	
Deposits, prepayments and other receivables	(7,017)
Preliminary expenses and floatation costs	(769)
	(7,786)
Increase in liabilities	
Payable to AI Meezan Investment Management Limited - Management Company	852
Payable to Central Depository Company of Pakistan Limited - Trustee	81
Payable to the Securities and Exchange Commission of Pakistan (SECP)	19
Payable to Meezan Bank Limited	54
Accrued expenses and other liabilities	525
	1,531
Net cash generated from operating activities	<u>551</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Receipts against issuance and conversion of units	2,375,621
Payments against redemption and conversion of units	(94,214)
Dividend paid	(6,362)
Net cash generated from financing activities	2,275,045
Net increase in cash and cash equivalents	<u>2,275,596</u>
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	<u>5</u> <u>2,275,596</u>

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

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

Chief Executive

Chief Financial Officer

Director

MEEZAN DAILY INCOME FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD FROM SEPTEMBER 14, 2021 TO SEPTEMBER 30, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Meezan Daily Income Fund (the "Fund" , the "Scheme") was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on August 13, 2021 under Sindh Trusts Act, 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, 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 is an Open Ended Shariah Compliant Income Scheme with Allocation Plans. The investment objective of the Fund is to earn potentially high returns by investing in Shariah Compliant Fixed Income instruments.

1.3 The first Allocation Plan under the Scheme shall be called Meezan Daily Income Plan I (MDIP I) with an objective to provide investors with a potentially high returns, together with daily payout, through investment in Shariah Compliant fixed income instruments. It shall have the following salient features:

- (a) Dividend will be distributed to the entitled unit holders on a daily basis (i.e. each business day).
- (b) Daily dividend received by the unit holder shall be reinvested.
- (c) The duration of the Fund and the first plan, namely MDIP-I is perpetual.
- (d) The plan will work on forward pricing.

By distributing dividend on a daily basis, the Management Company is required to ensure that total distribution in an accounting period accumulates to an amount that is required under the tax laws and other regulations in force.

1.4 Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

1.5 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.

1.6 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.

1.7 As per offering document approved by 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 condensed financial statements have been prepared from September 14, 2021.

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

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

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 significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

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

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2021 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are therefore not disclosed in these financial statements.

3.4 Critical accounting estimates and judgments

The preparation of financial statements in accordance with accounting and reporting standards as applicable in Pakistan requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision & future years if revision affects both current & future years.

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets (notes 4.4) and provision for taxation (note 4.14 and 15).

3.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments classified as at fair value through profit or loss' which are measured at their respective fair values.

3.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupee, which is the Fund's functional and presentation currency.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years.

4.2 Cash and cash equivalents

These comprise balances with banks in savings and current accounts and other short-term highly liquid investments with original maturities of three months or less.

4.3 Bai Muajjal

Bai Muajjal transactions represent sales of Sukuks on a deferred payment basis. The difference between the deferred payment amount receivable and the carrying value at the time of sale is accrued and recorded as income over the life of the transaction.

4.4 Financial assets

4.4.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

4.4.2 Classification and subsequent measurement

a) Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- amortised cost
- at fair value through other comprehensive income (FVOCI)
- at fair value through profit or loss (FVPL) based on the business model of the entity

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognised at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

b) Impairment

The Fund assesses on a forward looking basis the expected credit loss (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

c) Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the Income Statement.

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, considering the specific credit and financial condition of the debt security issuer and in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company. The provisioning policy approved by the Board of Directors has also been placed on the Management Company's website as required under the SECP's circular.

4.4.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

4.4.4 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

4.5 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

4.6 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the 'Statement of Assets and Liabilities' when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.7 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.8 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

4.9 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the Management Company / distributors during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges, if applicable. The sales load is payable to the Management Company.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company receives redemption applications during business hours of that day. The redemption price is equal to NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges.

4.10 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the period also includes portion of income already paid on units redeemed during the period. As more fully explained in note 1.3 to the condensed interim financial statements, the Fund is required to make distribution on each business day.

Distributions declared subsequent to the period end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

4.11 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between Net Asset Value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the NAV per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend NAV of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.12 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place.
- Profit on bank deposits and term deposit receipts is recognised on time proportion basis using the effective yield method.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are recorded in the period in which these arise.
- Income on sukuk certificates, placements and commercial papers is recognised on a time proportionate basis using the effective yield method except for the securities which are classified as non-performing asset under Circular 33 of 2012 issued by the SECP for which the profits are recorded on cash basis.
- Income on bai muajjal is recognised on time proportion basis, the difference between the sale and the credit price is recognised over the credit period.

4.13 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

4.14 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on enacted tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

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 (Section 4B of the Income Tax Ordinance, 2001).

4.15 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income / (loss) of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings / (loss) per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

4.16 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

5	BALANCES WITH BANKS	Note	September 30, 2021 (Unaudited) MDIP-I (Rupees in '000)
	Balances with banks in:		
	Savings accounts	5.1	<u>2,275,596</u>
5.1	The balance in savings accounts has expected profit rate of 2.5% to 7.22% per annum.		
6	DEPOSITS AND PREPAYMENTS		September 30, 2021 (Unaudited) MDIP-I (Rupees in '000)
	Security deposit with Central Depository Company of Pakistan Limited		100
	Profit receivable on saving accounts with bank		<u>6,917</u>
			<u>7,017</u>
7	PRELIMINARY EXPENSES AND FLOTATION COSTS		September 30, 2021 (Unaudited) MDIP-I (Rupees in '000)
	At the beginning of the period		769
	Less: amortisation during the period		<u>(6)</u>
	At the end of the period	7.1	<u>763</u>

7.1 Preliminary expenses and flotation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

8 PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

**September 30,
2021
(Unaudited)
MDIP-I
(Rupees in '000)**

Formation cost payable	769
Sales load payable	73
Sindh Sales Tax on sales load payable	10
	<u>852</u>

8.1 As per regulation 61 of the NBFC Regulations, 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. Currently, the Management Company based on its own discretion has not charged any remuneration fee for the period ended September 30, 2021

8.2 In accordance with Circular 11 dated July 5, 2019, the Management Company is entitled for charging selling and marketing expenses to Collective Investment Schemes (CIS) managed by them. Currently, the Management Company based on its own discretion has not charged any remuneration fee for the period ended September 30, 2021

8.3 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). Currently, the Management Company based on its own discretion has not charged any remuneration fee for the period ended September 30, 2021

	Note	September 30, 2021 (Unaudited) MDIP-I (Rupees in '000)
9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE		
Trustee fee payable	9.1	72
Sindh Sales Tax payable on trustee fee	9.2	9
		<u>81</u>

9.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed, at the rate of 0.075% per annum of net assets of the Fund.

9.2 Sales tax on the trustee remuneration has been charged at the rate of 13%.

10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) classified as an "Asset Allocation Scheme" is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

Accordingly, the Fund has charged the SECP Fee at the rate of 0.02% of average annual net assets during the current period.

11 ACCRUED EXPENSES AND OTHER LIABILITIES

**September 30,
2021
(Unaudited)
MDIP-I
(Rupees in '000)**

Auditors' remuneration payable	10
Withholding tax payable	515
	<u>525</u>

12 CONTINGENCIES AND COMMITMENTS

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

	For the period from September 14, 2021 to September 30, 2021 (Unaudited)
13 AUDITORS' REMUNERATION	MDIP-I (Rupees in '000)
Statutory audit fee	6
Half yearly review fee	5
	<hr/>
14 TOTAL EXPENSE RATIO	11

The Total Expense Ratio (TER) of the Fund as at September 30, 2021 is 0.10% which includes 0.01% representing government levies on the Fund such as, sales taxes, annual fee to the SECP etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Income scheme.

15 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since, the management has distributed the required minimum percentage of income earned by the Fund for the period ended September 30, 2021 to the unit holders, therefore, the Fund has not recorded any tax liability in respect of income relating to the current period.

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.

16 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties 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 and unit holders holding 10 percent or more of the Fund's net assets.

Transactions with connected persons / related parties 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 / related parties. The transactions with connected persons / related parties 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.

The details of transactions carried out by the Fund with connected persons / related parties during the period and balances with them as at period end are as follows:

Balances

September 30,
2021
(Unaudited)
MDIP-I
(Rupees in '000)

Al Meezan Investment Management Limited - Management Company

Formation cost payable	769
Sales Load Payable	73
Sindh Sales Tax on sales load payable	10
Investment of 40,098,707 units	2,004,935

Central Depository Company of Pakistan Limited - Trustee

Remuneration payable to the Trustee	72
Sindh Sales Tax on remuneration of the Trustee	9
Security deposit	100

Meezan Bank Limited

Balance with bank	64,066
Profit receivable on saving account	18
Sales Load Payable	48
Sindh Sales Tax on sales load payable	6

For the period
from September
14, 2021 to
September 30,
2021
(Unaudited)

MDIP-I
(Rupees in '000)

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

Units issued: 40,098,707 units	2,004,935
Dividend paid	5,806

Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee	72
Sindh Sales Tax on remuneration of the Trustee	9

Meezan Bank Limited

Profit on savings account	18
---------------------------	----

Directors and Executives of the Management Company

Units issued: 107,155 units	5,358
Units redeemed: 107,155 units	5,358
Dividend Paid	6

17 FINANCIAL INSTRUMENTS BY CATEGORY

----- September 30, 2021 (Unaudited) -----		
At amortised cost	At fair value through profit or loss	Total
MDIP-I		
----- (Rupees in '000) -----		

Financial assets

Balances with banks	2,275,596	-	2,275,596
Receivable against conversion of units	653	-	653
Deposits, prepayments and other receivables	7,017	-	7,017
	2,283,266	-	2,283,266

----- September 30, 2021 (Unaudited) -----		
At fair value through profit or loss	At amortised cost	Total
MDIP-I		
----- (Rupees in '000) -----		

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company	-	852	852
Payable to Central Depository Company of Pakistan Limited - Trustee	-	81	81
Payable to Meezan Bank Limited	-	54	
Payable against conversion and redemption of units	-	380	380
Accrued expenses and other liabilities	-	10	10
	-	<u>1,377</u>	<u>1,323</u>

18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The risk management policy of the Fund aims to maximise the return attributable to the unit holders and seeks to minimise potential adverse effects on the Fund's financial performance.

Risks of the Fund are being managed by the Fund manager in accordance with the approved policies of the Investment Committee which provides broad guidelines for management of risk pertaining to market risks (including price risk, interest rate risk and currency risk) credit risk and liquidity risk. Further, the overall exposure of the Fund complies with the NBFC Regulations and the directives issued by the SECP.

Risks managed and measured by the Fund are explained below:

18.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee.

Market risk comprises of three types of risks: profit rate risk, currency risk and price risk.

(i) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of September 30, 2021, the Fund is exposed to such risk on its balances held with banks and investments in corporate sukus, commercial papers, term deposit receipts and Bai Muajjal. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income / loss for the period from September 14, 2021 to September 30, 2021 and net assets of the Fund would have been higher / lower by Rs. 0.02 million.

b) Sensitivity analysis for fixed rate instruments

As at September 30, 2021, the Fund does not hold any fixed rate instrument that may expose the Fund to fair value profit rate risk.

The composition of the Fund's investment portfolio and KIBOR rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of September 30, 2021 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at September 30, 2021 can be determined as follows:

September 30, 2021 (Unaudited)					
Effective interest rate (%)	Exposed to profit rate risk			Not exposed to profit rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
MDIP-I					
Rupees in '000					

Financial assets

Balances with banks	2.05% to 7.27%	2,275,596	-	-	-	2,275,596
Receivable against conversion of units		-	-	-	653	653
Deposits, prepayments and other receivables		-	-	-	7,017	7,017
		2,275,596	-	-	7,670	2,283,266

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company		-	-	-	852	852
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	81	81
Payable to Meezan Bank Limited		-	-	-	54	
Payable against conversion and redemption of units		-	-	-	380	380
Dividend Payable		-	-	-	438	438
Accrued expenses and other liabilities		-	-	-	10	10
		-	-	-	1,815	1,761

On-balance sheet gap (a)		2,275,596	-	-	5,855	2,281,505
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a+b)		2,275,596	-	-		
Cumulative profit rate sensitivity gap		2,275,596	2,275,596	2,275,596		

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

18.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement. The maximum limit of which is fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the period from September 14, 2021 to September 30, 2021.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month:

-----September 30, 2021 (unaudited)-----						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
MDIP-I						
-----Rupees in '000-----						

Financial assets

Balances with banks	2,275,596	-	-	-	-	-	2,275,596
Receivable against conversion of units	653	-	-	-	-	-	653
Deposits, prepayments and other receivables	6,917	-	-	-	-	100	7,017
	2,283,166	-	-	-	-	100	2,283,266

Financial liabilities

Payable to Al Meezan Investment Management Limited - Management Company	852	-	-	-	-	-	852
Payable to Central Depository Company of Pakistan Limited - Trustee	81	-	-	-	-	-	81
Payable to Meezan Bank Limited	54	-	-	-	-	-	54
Payable against conversion and redemption of units	380	-	-	-	-	-	380
Dividend Payable	438	-	-	-	-	-	438
Accrued expenses and other liabilities	-	10	-	-	-	-	10
	1,805	10	-	-	-	-	1,815
Net assets / (liabilities)	2,281,361	(10)	-	-	-	100	2,281,451

18.3 Credit risk

18.3.1 Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. Credit risk arising on the debt instruments is mitigated by investing in rated instruments or instruments issued by rated counterparties of credit ratings of at least investment grade by the recognised rating agencies. The Fund receives a monthly rating update, against which investments are reviewed.

Credit risk arises from deposits with banks and financial instruments, profit receivable on balances with banks, receivable against conversion of units and credit exposure arising as a result of receivable against sale of investments. Credit risk arising on other financial assets is monitored through a regular analysis of financial position of brokers and other parties. For debt instrument settlement, Delivery versus Payment (DvP) mechanism applied by the Trustee of the Fund minimises the credit risk. In accordance with the risk management policy of the Fund, the investment committee monitors the credit position on a daily basis which is reviewed by the Board of Directors of the Management Company on a quarterly basis.

The table below analyses the Fund's maximum exposure to credit risk:

September 30, 2021 (Unaudited)	
MDIP-I	
Balance as per statement of assets and liabilities	Maximum exposure to credit risk
-----Rupees In '000-----	
Balances with banks	2,275,596
Receivable against conversion of units	653
Deposits, prepayments and other receivables	7,017
	<u>2,283,266</u>
	<u>2,283,266</u>

The maximum exposure to credit risk before any credit enhancement as at September 30, 2021 is the carrying amount of the financial assets.

18.3.2 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks and profit accrued thereon and receivable against conversion of units and against investments. The credit rating profile of balances with banks is as follows:

Rating	% of financial assets exposed to credit risk
	September 30, 2021 (Unaudited) MDIP-I
AAA	3.16%
A+	96.84%
	<u>100.00%</u>

Ratings of corporate sukuku have been disclosed in related notes to the financial statements.

18.3.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic and industry factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. As transactions are entered with credit worthy parties thereby any significant concentration of credit risk is mitigated.

All financial assets of the Fund as at September 30, 2021 are unsecured and are not impaired.

19 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.

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, the Fund does not hold any financial instruments to be measured at fair value.

20 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movement in Unit Holders' Fund'.

The Fund has no restriction on the subscription and redemption of units.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 18, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

21 DATE OF AUTHORISATION FOR ISSUE

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

22 GENERAL

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

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

Chief Executive

Chief Financial Officer

Director



Al Meezan
Investment Management Ltd.

MEEZAN

CASH FUND (MCF)

Meezan Cash Fund is Pakistan's first Shariah Compliant Money Market Fund. MCF aims to seek maximum possible preservation of capital and a reasonable rate of return via investing primarily in liquid Shariah Compliant money market and debt securities.



ROSHAN DIGITAL ACCOUNT INFLOW SURPASSES



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
E-mail: 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	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
Dubai Islamic Bank Pakistan Limited	Sindh Bank Limited
Faysal Bank Limited - Islamic Banking	The Bank of Punjab
Habib Bank Limited -Islamic Banking	UBL Ameen - Islamic Banking
Habib Metropolitan Bank Limited - Islamic Banking	

LEGAL ADVISER

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3rd & 4th Floor, 68-C, Lane-13, Bokhari Commercial Area,
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Phone (+9221) 35156191-94 Fax: (9221) 35156195
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TRANSFER AGENT

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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
E-mail: info@almeezangroup.com

DISTRIBUTORS

Al Meezan Investment Management Limited
Meezan Bank Limited



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

		September 30, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
Assets			
Balances with banks	5	10,141,452	10,670,565
Investments	6	3,241,706	2,724,517
Receivable against conversion of units		102,201	448,896
Profit accrued		54,477	56,718
Deposits and prepayments		534	589
Total assets		<u>13,540,370</u>	<u>13,901,285</u>
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company	7	29,005	13,765
Payable to Central Depository Company of Pakistan Limited - Trustee		846	829
Payable to the Securities and Exchange Commission of Pakistan		693	2,964
Payable against conversion and redemption of units		60,319	135,383
Accrued expenses and other liabilities	8	37,024	191,330
Total liabilities		<u>127,887</u>	<u>344,271</u>
NET ASSETS		<u><u>13,412,483</u></u>	<u><u>13,557,014</u></u>
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		<u><u>13,412,483</u></u>	<u><u>13,557,014</u></u>
CONTINGENCIES AND COMMITMENTS	9		
NUMBER OF UNITS IN ISSUE		<u><u>260,216,351</u></u>	<u><u>268,254,374</u></u>
		(Rupees)	
NET ASSET VALUE PER UNIT		<u><u>51.5436</u></u>	<u><u>50.5379</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 CASH FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

	September 30,	
Note	2021	2020
	(Rupees in '000)	
Income		
Profit on corporate sukuku	-	21,516
Profit on commercial papers	29,955	36,510
Profit on term deposits	28,931	10,570
Profit on Bai Muajjal	-	28,586
Profit on saving accounts with banks	179,841	182,442
Net realised loss on sale of investments	-	(193)
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)	8.1 72,854	-
Total income	311,581	279,431
Expenses		
Remuneration of AI Meezan Investment Management Limited - Management Company	7.1 17,325	19,246
Sindh Sales Tax on remuneration of the Management Company	2,252	2,502
Selling and marketing expenses	7.3 10,395	15,397
Allocated expenses	7.2 5,198	5,774
Remuneration of Central Depository Company of Pakistan Limited - Trustee	2,252	2,502
Sindh Sales Tax on remuneration of the Trustee	293	325
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	693	770
Auditors' remuneration	185	180
Fees and subscription	359	364
Legal and professional charges	184	-
Brokerage expense	-	30
Bank and settlement charges	147	499
Provision for Sindh Workers' Welfare Fund (SWWF)	8.1 -	4,637
Total expenses	39,283	52,226
Net income for the quarter before taxation	272,298	227,205
Taxation	12 -	-
Net income for the quarter after taxation	272,298	227,205
Allocation of net income for the quarter		
Net income for the quarter after taxation	272,298	227,205
Income already paid on units redeemed	(41,082)	(42,751)
	231,216	184,454
Accounting income available for distribution		
- Relating to capital gains	-	-
- Excluding capital gains	231,216	184,454
	231,216	184,454

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 CASH FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	<u>September 30,</u>	
	<u>2021</u>	<u>2020</u>
	(Rupees in '000)	
Net income for the quarter after taxation	272,298	227,205
Other comprehensive income	-	-
Total comprehensive income for the quarter	<u><u>272,298</u></u>	<u><u>227,205</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 CASH FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	September 30, 2021			September 30, 2020		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	------(Rupees in '000)-----			------(Rupees in '000)-----		
Net assets at the beginning of the quarter	13,448,645	108,369	13,557,014	13,928,564	97,875	14,026,439
Issuance of 145,352,066 units (September 30, 2020: 209,227,691 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	7,345,788	-	7,345,788	10,564,994	-	10,564,994
- Element of income	71,148	-	71,148	80,459	-	80,459
Total proceeds on issuance of units	7,416,936	-	7,416,936	10,645,453	-	10,645,453
Redemption of 153,390,089 units (September 30, 2020: 185,255,529 units)						
- Capital value (at net asset value per unit at the beginning of the quarter)	7,752,014	-	7,752,014	9,354,515	-	9,354,515
- Element of income	40,669	41,082	81,751	37,111	42,751	79,862
Total payments on redemption of units	7,792,683	41,082	7,833,765	9,391,626	42,751	9,434,377
Total comprehensive income for the quarter	-	272,298	272,298	-	227,205	227,205
Distribution during the quarter: nil, (September 30, 2020: nil)	-	-	-	-	-	-
Net income for the period less distribution	-	272,298	272,298	-	227,205	227,205
Net assets at the end of the quarter	13,072,898	339,585	13,412,483	15,182,391	282,329	15,464,720
Undistributed income brought forward						
- Realised income		108,369			97,875	
- Unrealised income		-			-	
		<u>108,369</u>			<u>97,875</u>	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		231,216			184,454	
		<u>231,216</u>			<u>184,454</u>	
Distribution during the quarter: nil, (September 30, 2020: nil)		-			-	
Undistributed income carried forward		<u>339,585</u>			<u>282,329</u>	
Undistributed income carried forward						
- Realised income		339,585			282,329	
- Unrealised income		-			-	
		<u>339,585</u>			<u>282,329</u>	
Net assets value per unit at the beginning of the quarter			(Rupees) <u>50.5379</u>			(Rupees) <u>50.4952</u>
Net assets value per unit at the end of the quarter			<u>51.5436</u>			<u>51.2501</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 CASH FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	September 30,	
	2021	2020
Note	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the quarter before taxation	272,298	227,205
Decrease / (increase) in assets		
Investments - net	582,811	(19,568)
Deposits and prepayments	55	57
Profit receivable	2,241	(11,531)
	585,107	(31,042)
Decrease in liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	15,240	6,522
Payable to Central Depository Company of Pakistan Limited - Trustee	17	(27)
Payable to Securities and Exchange Commission of Pakistan	(2,271)	(1,630)
Accrued expenses and other liabilities	(154,306)	(125,032)
	(141,320)	(120,167)
Net cash generated from operating activities	716,085	75,996
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	7,763,631	10,570,516
Payments against redemption and conversion of units	(7,908,829)	(9,447,891)
Net cash (used in) / generated from financing activities	(145,198)	1,122,625
Net increase in cash and cash equivalents during the quarter	570,887	1,198,621
Cash and cash equivalents at the beginning of the quarter	11,970,565	10,404,710
Cash and cash equivalents at the end of the quarter	5.2 <u>12,541,452</u>	<u>11,603,331</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 CASH 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 Cash Fund (the Fund) was established under a trust deed executed between Al Meezan Investment Management Limited (Al Meezan) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The trust deed was executed on May 14, 2009 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, 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 in time. The Fund shall seek to maximise preservation of capital and a reasonable rate of return via investing primarily in liquid Shariah compliant money market and Shariah compliant debt securities. Under the Trust Deed, all the 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 categorized as an open-end Shariah Compliant (Islamic) Money Market Scheme 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.
- 1.4** The Management Company has been assigned a quality rating of AM1 by VIS Credit Rating Company Limited 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. The Fund has been given a stability rating of AA(f) by VIS Credit Rating Company Limited dated January 12, 2021.
- 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, 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 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 significant 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)
5. BALANCES WITH BANKS			
In saving accounts	5.1	10,141,266	10,670,379
In current accounts		186	186
		<u>10,141,452</u>	<u>10,670,565</u>

5.1 The balances in saving accounts have an expected profit ranging from 1.50 % to 6.90 % per annum (June 30, 2021: 1.50% to 7.00% per annum).

	Note	September 30, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
5.2 Cash and cash equivalents			
Balances with banks	5	10,141,452	10,670,565
Term deposit receipts - having original maturity of 3 months or less	6	2,400,000	1,300,000
		<u>12,541,452</u>	<u>11,970,565</u>

6. INVESTMENTS

At fair value through profit or loss

Commercial papers	6.1	841,706	1,424,517
Term deposit receipts - having original maturity of 3 months or less	6.2	2,400,000	1,300,000
		<u>3,241,706</u>	<u>2,724,517</u>

6.1 Commercial papers

Name of the security	Maturity date	Profit rate	As at July 1, 2021	Purchases during the quarter	Sales / redemptions / maturity during the quarter	As at September 30, 2021	Carrying value as at September 30, 2021	Market value as at September 30, 2021	Unrealised appreciation/ (diminution)	Percentage in relation to	
										Net assets of the fund	Total market value of investments
						(Number of certificates)		(Rupees in '000)		-----(%)-	
K-Electric Limited CP XV (A-1+, PACRA) (note 6.1.1)	September 2, 2021	6 month KIBOR plus base rate of 0.60%	625	-	625	-	-	-	-	-	-
K-Electric Limited CP XVI (A-1+, PACRA) (note 6.1.1)	September 16, 2021	6 month KIBOR plus base rate of 0.60%	300	-	300	-	-	-	-	-	-
K-Electric Limited CP XVII (A-1+, VIS) (note 6.1.1)	October 6, 2021	6 month KIBOR plus base rate of 0.55%	325	-	-	325	324,640	324,640	-	2.42%	10.01%
K-Electric Limited CP XVIII (A-1+, VIS) (note 6.1.1)	October 19, 2021	6 month KIBOR plus base rate of 0.55%	200	-	-	200	199,212	199,212	-	1.49%	6.15%
K-Electric Limited CP XIX (A-1+, VIS) (note 6.1.1)	January 12, 2022	6 month KIBOR plus base rate of 0.45%	-	325	-	325	317,854	317,854	-	2.37%	9.81%
Total as at September 30, 2021							841,706	841,706			
Total as at June 30, 2021							1,424,517	1,424,517			

6.1.1 The nominal value of these commercial papers is Rs 1,000,000 each.

6.1.2 The securities are valued on the basis of amortization to its face value as per the requirements of Circular 33 of 2012 with respect to thinly and non traded debt securities with residual maturity of upto six months.

6.2 Term deposit receipts

Name of the bank	Maturity	Profit rate	As at July 1, 2021	Term deposit receipts placed during the quarter	Matured during the quarter	Carrying value as at September 30, 2021	Market value as at September 30, 2021	Unrealised appreciation/ (diminution) as at September 30, 2021	Percentage in relation to	
									net assets of the fund	Total market value of investment
		%		(Rupees in '000)					---(%)---	
UBL - Ameen	July 5, 2021	7.00%	1,300,000	-	1,300,000	-	-	-	-	-
UBL - Ameen	August 9, 2021	6.80%	-	1,300,000	1,300,000	-	-	-	-	-
UBL - Ameen	September 9, 2021	6.80%	-	1,300,000	1,300,000	-	-	-	-	-
UBL - Ameen	October 8, 2021	7.00%	-	1,300,000	-	1,300,000	1,300,000	-	9.69%	40.10%
AKBL	December 1, 2021	7.15%	-	1,100,000	-	1,100,000	1,100,000	-	8.20%	33.93%
Total as at September 30, 2021				5,000,000	3,900,000	2,400,000	2,400,000	-		
Total as at June 30, 2021						1,300,000	1,300,000	-		

7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY

	Note	September 30, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
Management fee payable	7.1	5,689	449
Sindh Sales Tax payable on remuneration of the Management Company		740	57
Selling and marketing expenses payable	7.3	20,873	10,478
Allocated expenses payable	7.2	1,703	2,781
		<u>29,005</u>	<u>13,765</u>

7.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 0.5% from July 01, 2021 of average annual net assets of the Fund (2021: 0.5% per annum of the average net assets from July 1, 2020 to May 07, 2021 and at 0.6% of average annual net assets of the fund from May 08, 2021 till June 30, 2021). The remuneration is payable to the Management Company monthly in arrears.

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

The management company based on its own discretion charged 0.15% of the average annual net assets of the scheme for allocation of such expenses to the Fund from July 01, 2021 of the average annual net assets of the scheme (June 30, 2021: 0.15% from July 01, 2020 till May 07, 2021 and at 0.25% from May 08, 2021 till June 30, 2021 of the average annual net assets of the scheme).

7.3 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) upto a maximum limit approved by the Board of Directors of the Management Company as part of annual plan.

Accordingly, the Management Company has charged selling and marketing expenses based on its discretion while keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations, 2008 at the rate of 0.3% per annum of the average annual net assets of the Fund from July 1, 2021(0.4% of the average annual net assets of the fund effective July 01, 2020 to March 09, 2021 and 0.3% per annum from March 10, 2021 to June 30, 2021).

	Note	September 30, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
8. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		137	335
Printing expenses payable		111	111
Brokerage payable		49	49
Shariah advisor fee payable		930	653
Withholding tax payable		489	73,530
Capital gain tax payable		6,849	15,532
Federal Excise Duty payable on remuneration of the Management Company	8.2	27,018	27,018
Provision for Sindh Workers' Welfare Fund	8.1	-	72,854
Other expenses payable		230	463
Zakat payable		1,211	785
		<u>37,024</u>	<u>191,330</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. 74.69 million has been reversed and it has contributed towards an increase in NAV of the fund by Rs. 0.27 (0.54%) 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. 0.10 (June 30, 2021: Rs. 0.10) 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 unit holders holding 10 percent or more of the Fund's net assets.

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

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed 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) (Rupees in '000)
AI Meezan Investment Management Limited - the Management Company		
Remuneration payable	5,689	449
Sindh Sales Tax payable on management fee	740	57
Selling and marketing expenses	20,873	10,478
Allocated expenses payable	1,703	2,781
Meezan Bank Limited		
Balance with bank	25,425	321,188
Profit receivable on saving accounts	176	159
Shariah advisor fee payable	930	653
Central Depository Company of Pakistan Limited - the Trustee		
Trustee fee payable	749	734
Sindh Sales Tax on trustee fee payable	97	95
Security deposit	100	100
Directors and executives of the Management Company		
Investment of 7,070,930 units (June 30, 2021: 8,454,024 units)	364,461	427,248
	For the quarter ended September 30,	
	2021	2020
	(Unaudited)	(Unaudited)
	(Rupees in '000)	
AI Meezan Investment Management Limited - the Management Company		
Remuneration for the period	17,325	19,246
Sindh Sales Tax on remuneration of Management Company	2,252	2,502
Selling and marketing expense	10,395	15,397
Allocated expenses	5,198	5,774
Meezan Bank Limited		
Profit on saving accounts	707	789
Shariah advisor fee	276	281
	For the quarter ended September 30,	
	2021	2020
	(Unaudited)	(Unaudited)
	(Rupees in '000)	
Central Depository Company of Pakistan Limited - the Trustee		
Trustee fee for the period	2,252	2,502
Sindh Sales Tax on remuneration of the trustee	293	325
CDS charges	2	321
Meezan Strategic Allocation Fund II- MCPP - IV		
Units issued: nil units (September 30, 2020: 3,239,124 units)	-	165,000
Units redeemed: nil units (September 30, 2020: 3,239,124 units)	-	165,077
Meezan Strategic Allocation Fund II- MCPP - V		
Units issued: nil units (September 30, 2020: 569,301 units)	-	29,000
Units redeemed: nil units (September 30, 2020: 569,301 units)	-	29,014

For the quarter ended September 30,	
2021	2020
(Unaudited)	(Unaudited)
(Rupees in '000)	

Directors and Executives of the Management Company

Units issued: 420,047 units (September 30, 2020: 983,731 units)
Units redeemed: 1,803,136 units (September 30, 2020: 1,005,390 units)

21,441	50,079
92,276	51,106

11. TOTAL EXPENSE RATIO (TER)

The Total Expense Ratio (TER) of the Fund as at September 30, 2021 is 1.13% (June 30, 2021: 1.35%) which includes 0.09% (2021: 0.21%) representing government levies on the Fund such as provision for Sindh Workers' Welfare Fund, sales taxes, annual fee to the SECP etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Money Market scheme.

12. TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current quarter as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2022 as reduced by capital gains (whether realised or unrealised) to its unitholders.

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

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

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

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

Fair value hierarchy

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

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

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

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

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'				
Term deposit receipts - having original maturity of 3 months or less *	-	2,400,000	-	2,400,000
Commercial papers**	-	841,706	-	841,706
-	-	3,241,706	-	3,241,706
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'				
Term deposit receipts - having original maturity of 3 months or less *	-	1,300,000	-	1,300,000
Commercial papers**	-	1,424,517	-	1,424,517
-	-	2,724,517	-	2,724,517

* The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counter parties which have high credit ratings.

** The valuation of commercial papers have been carried out based on amortisation of commercial papers as per the guidelines given in Circular 33 of 2012 since the residual maturity of these investments is less than six months and they are placed with counterparties which have high credit rating.



14. GENERAL

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

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

ROZANA AMDANI FUND (MRAF)

The objective of the Fund is to meet liquidity needs of investors by providing investors a daily payout through investment in Shariah Compliant money market instruments.

The Fund shall be subject to such exposure limits as are specified in the Rules, the Regulations and directives issued by SECP from time to time. The Fund will make daily payout to the unit holders, which will be reinvested.



A QUANTUM LEAP
FROM
136TH POSITION
TO

108



FOR
**"EASE OF
DOING
BUSINESS"**

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
E-mail: 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 - Islamic Banking	Dubai Islamic Bank Pakistan Limited
Askari Bank Limited - Islamic Banking	Faysal Bank Limited - Islamic Banking
Bank Al Habib Limited - Islamic Banking	Habib Bank Limited - Islamic Banking
Bank Of Punjab - Islamic Banking	Meezan Bank Limited
Bank Alfalah Limited - Islamic Banking	UBL Ameen - Islamic Banking

LEGAL ADVISER

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

Al Meezan Investment Management Limited
Meezan Bank Limited



MEEZAN ROZANA AMDANI 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)	
Assets			
Balances with banks	5	28,145,738	56,743,167
Investments	6	19,532,249	17,726,099
Receivable against conversion of units		95,374	436,029
Accrued profit		168,892	257,354
Deposits and prepayments		261	294
Preliminary expenses and floatation costs		449	500
Total assets		<u>47,942,963</u>	<u>75,163,443</u>
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company	7	15,339	-
Payable to Central Depository Company of Pakistan Limited - Trustee		3,018	3,554
Payable to the Securities and Exchange Commission of Pakistan (SECP)		2,942	9,092
Payable against conversion and redemption of units		40,635	280,124
Dividend payable		9,039	-
Accrued expenses and other liabilities	8	37,215	166,376
Total liabilities		<u>108,188</u>	<u>459,146</u>
Net assets		<u>47,834,775</u>	<u>74,704,297</u>
Unit holders' fund (as per statement attached)		<u>47,834,775</u>	<u>74,704,297</u>
Contingencies and commitments	9		
Number of units in issue		<u>956,695,498</u>	<u>1,494,085,918</u>
		----- (Rupees) -----	
Net asset value per unit		<u>50.0000</u>	<u>50.0000</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 ROZANA AMDANI FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021

		September 30,	
		2021	2020
Note	----- (Rupees in '000) -----		
Income			
		71,818	89,263
		145,465	44,908
		159,293	186,001
	6.4	653,149	497,790
		(1,685)	(1,094)
	8.1	141,199	-
		1,169,239	816,868
Expenses			
	7.1	26,467	22,827
	7.2	3,441	2,967
		7,092	41,861
		9,561	7,419
		1,243	964
		2,942	2,283
		160	139
		50	50
		332	330
		184	-
		362	236
		776	1,791
	8.1	-	14,720
		52,610	95,587
		1,116,629	721,281
	12	-	-
		1,116,629	721,281
Allocation of net income for the quarter			
		1,116,629	721,281
		-	-
		1,116,629	721,281
Accounting income available for distribution			
		-	-
		1,116,629	721,281
		1,116,629	721,281

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 ROZANA AMDANI FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

	September 30,	
	2021	2020
	----- (Rupees in '000) -----	
Net income for the quarter after taxation	1,116,629	721,281
Other comprehensive income for the quarter	-	-
Total comprehensive income for the quarter	<u>1,116,629</u>	<u>721,281</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 ROZANA AMDANI FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	September 30, 2021			September 30, 2020		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Net assets at the beginning of the quarter	74,704,297	-	74,704,297	53,350,947	-	53,350,947
Issuance of 455,474,074 units (September 30, 2020: 499,091,129 units)						
- Capital value (at par value)	22,773,704	-	22,773,704	24,954,556	-	24,954,556
- Element of income	-	-	-	-	-	0
Total proceeds on issuance of units	22,773,704	-	22,773,704	24,954,556	-	24,954,556
Redemption of 992,864,494 units (September 30, 2020: 687,169,874 units)						
- Capital value (at par value)	49,643,226	-	49,643,226	34,358,494	-	34,358,494
- Element of Income	-	-	-	-	-	-
Total payments on redemption of units	49,643,226	-	49,643,226	34,358,494	-	34,358,494
Total comprehensive income for the quarter	-	1,116,629	1,116,629	-	721,281	721,281
Distribution during the quarter *	-	(1,116,629)	(1,116,629)	-	(721,281)	(721,281)
Net income for the quarter less distribution	-	-	-	-	-	-
Net assets at the end of the quarter	47,834,775	-	47,834,775	43,947,009	-	43,947,009
Undistributed income brought forward						
- Realised income	-	-	-	-	-	-
- Unrealised income	-	-	-	-	-	-
Accounting income available for distribution						
- Relating to capital gains	-	-	-	-	-	-
- Excluding capital gains	1,116,629	-	1,116,629	721,281	-	721,281
Distribution during the quarter *	(1,116,629)	-	(1,116,629)	(721,281)	-	(721,281)
Undistributed income carried forward	-	-	-	-	-	-
Undistributed income carried forward						
- Realised income	-	-	-	-	-	-
- Unrealised income	-	-	-	-	-	-
			(Rupees)			(Rupees)
Net assets value per unit at the beginning of the quarter			50.0000			50.0000
Net asset value per unit at the end of the quarter			50.0000			50.0000

* Meezan Rozana Amdani Fund is required to distribute dividend on a daily basis on each business day.

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 ROZANA AMDANI FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2021



	September 30,	
	2021	2020
Note	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the quarter before taxation	1,116,629	721,281
Adjustments for:		
Amortisation of preliminary expenses and floatation costs	51	50
	<u>1,116,680</u>	<u>721,331</u>
Increase in assets		
Investments	(7,876,150)	(2,168,065)
Accrued profit	88,462	63,674
Deposits and prepayments	33	29
	<u>(7,787,655)</u>	<u>(2,104,362)</u>
	<u>(6,670,975)</u>	<u>(1,383,031)</u>
(Decrease) / Increase in liabilities		
Payable to AI Meezan Investment Management Limited - Management Company	15,339	14,235
Payable to Central Depository Company of Pakistan Limited - Trustee	(536)	(424)
Payable to Securities and Exchange Commission of Pakistan	(6,150)	(4,374)
Accrued expenses and other liabilities	(129,161)	18,625
	<u>(120,508)</u>	<u>28,062</u>
Net cash used in from operating activities	<u>(6,791,483)</u>	<u>(1,354,969)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	23,114,359	24,917,955
Payments against redemption and conversion of units	(49,882,715)	(34,792,981)
Dividend paid	(1,107,590)	(726,386)
Net cash used in from financing activities	<u>(27,875,946)</u>	<u>(10,601,412)</u>
Net decrease in cash and cash equivalents during the quarter	<u>(34,667,429)</u>	<u>(11,956,381)</u>
Cash and cash equivalents at the beginning of the quarter	68,613,167	41,346,317
Cash and cash equivalents at the end of the quarter	5.3 <u><u>33,945,738</u></u>	<u><u>29,389,936</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 ROZANA AMDANI 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 Rozana Amdani Fund (the Fund) was established under a Trust Deed executed between Al Meezan Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on October 29, 2018 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 investment objective of the Fund is to meet liquidity needs of investors by providing investors a daily payout through investment in Shariah Compliant money market instruments. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah principles. 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 Shariah Compliant Money Market Scheme and has the following specific features:
- (a) Dividend will be distributed to the entitled unit holders on a daily basis (i.e. each business day).
(b) Daily dividend received by the unit holder shall be reinvested.
- By distributing dividend on a daily basis, the Management Company is required to ensure that total distribution in an accounting period accumulates to an amount that is required under the tax laws and other regulations in force.
- 1.4** Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.
- 1.5** 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. The Fund has been given a stability rating of AA+(f) by VIS Credit Rating Company Limited dated January 12, 2021.
- 1.6** 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. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.7** 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 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 the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 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.

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 significant 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	28,145,704	56,743,123
In current accounts		34	44
		28,145,738	56,743,167

5.1 The balances in saving accounts have an expected profit ranging from 2.12% to 8.00% per annum (June 30, 2021: 2.05% to 7.60% per annum)

5.3 Cash And cash equivalents	Note	September 30, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
Balances with banks	5	28,145,738	56,743,167
Term deposit receipts having original maturity of 3 months or less	6.3	5,800,000	11,870,000
		33,945,738	68,613,167

6. INVESTMENTS

At fair value through profit or loss

Corporate sukuk	6.2	675,000	2,281,052
Commercial paper	6.1	2,146,929	675,000
Term deposit receipts having original maturity of 3 months or less	6.3	5,800,000	11,870,000
Bai Muajjal receivable	6.4	10,910,320	2,900,047
		19,532,249	17,726,099

6.1 Commercial papers

Name of the security	Maturity date	Profit rate	As at July 1, 2021	Purchases during the quarter	Sales / redemptions / maturity during the quarter	As at September 30, 2021	Carrying value as at September 30, 2021	Market value as at September 30, 2021	Unrealised appreciation / (diminution)	As a percentage of net assets of the Fund	As a percentage of total market value of investments
K-Electric Limited CP-15 Sukuk (note 6.2.1)	September 02, 2021	6 months Kibor plus base rate of 0.60%	675	-	675	-	-	-	-	-	-
K-Electric Limited CP-16 Sukuk (note 6.2.1)	September 16, 2021	6 months Kibor plus base rate of 0.60%	525	-	525	-	-	-	-	-	-
K-Electric Limited CP-17 Sukuk (note 6.2.1)	October 06, 2021	6 months Kibor plus base rate of 0.55%	525	-	-	525	524,419	524,419	-	1.10%	2.68%
K-Electric Limited CP-18 Sukuk (note 6.2.1)	October 19, 2021	6 months Kibor plus base rate of 0.55%	600	-	-	600	597,637	597,637	-	1.25%	3.06%
K-Electric Limited CP-19 Sukuk (note 6.2.1)	January 12, 2022	6 months Kibor plus base rate of 0.45%	-	375	-	375	366,755	366,755	-	0.77%	1.88%
K-Electric Limited CP-20 Sukuk (note 6.2.1)	January 27, 2022	6 months Kibor plus base rate of 0.45%	-	675	-	675	658,118	658,118	-	1.38%	3.37%
Total as at September 30, 2021							2,146,929	2,146,929			
Total as at June 30, 2021							2,281,052	2,281,052			

6.1.1 The nominal value of these sukuk certificates is Rs 1,000,000 each.

6.1.2 The securities are valued on the basis of amortization to its face value as per the requirements of Circular 33 of 2012 with respect to thinly and non traded debt securities with residual maturity of up to six months.

6.2 Corporate sukuk

Name of the security	Maturity date	Profit rate	As at July 1, 2021	Purchases during the quarter	Sales / redemptions during the quarter	As at September 30, 2021	Carrying value as at September 30, 2021	Market value as at September 30, 2021	Unrealised appreciation / (diminution)	Percentage in relation to	
										Net assets of the Fund	Total market value of investment
							----- (Rupees in '000) -----		----- % -----		
Hub Power Company Limited IV (AA+, PACRA) (note 6.2.1)	November 05, 2021	6 months Kibor plus base rate of 1.10%	6,750	-	-	6,750	675,000	675,000	-	1.41%	3.46%
Total as at September 30, 2021							675,000	675,000			
Total as at June 30, 2021							675,000	675,000			

6.2.1 The nominal value of the sukuk certificates is Rs 100,000 each.

6.3 Term deposit receipts

Name of the bank	Maturity	Profit rate	As at July 1, 2021	Term deposit receipts placed during the quarter	Matured during the quarter	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	Total market value of investment	
		%	----- (Rupees in '000) -----					----- % -----			
United Bank Limited - Ameen	July 5, 2021	7.00%	4,300,000	-	4,300,000	-	-	-	-	-	
Meezan Bank Limited (related party)	August 2, 2021	7.10%	2,800,000	-	2,800,000	-	-	-	-	-	
Meezan Bank Limited (related party)	August 2, 2021	7.10%	750,000	-	750,000	-	-	-	-	-	
Meezan Bank Limited (related party)	August 2, 2021	7.10%	500,000	-	500,000	-	-	-	-	-	
Meezan Bank Limited (related party)	August 2, 2021	7.10%	950,000	-	950,000	-	-	-	-	-	
Askari Bank Limited	September 1, 2021	7.15%	2,570,000	-	2,570,000	-	-	-	-	-	
United Bank Limited - Ameen	August 9, 2021	6.80%	-	4,300,000	4,300,000	-	-	-	-	-	
United Bank Limited - Ameen	September 9, 2021	6.80%	-	4,300,000	4,300,000	-	-	-	-	-	
Askari Bank Limited	December 1, 2021	7.15%	-	1,500,000	-	1,500,000	1,500,000	-	3.14%	7.68%	
United Bank Limited - Ameen	October 8, 2021	7.00%	-	4,300,000	-	4,300,000	4,300,000	-	8.99%	22.01%	
Total as at September 30, 2021						4,300,000	11,870,000	5,800,000	5,800,000		
Total as at June 30, 2021						64,891,259	55,537,697	11,870,000	11,870,000		

6.4 Bai Muajjal receivable

Name of the counterparty	Maturity date	Profit rate	Total transaction price	Total deferred income	Accrued profit	Carrying value as at September 30, 2021	As a	Percentage
							percent	of total
							age of	market
							net	value of
							assets	investments
								%
----- (Rupees in '000) -----								
Samba Bank Limited (AA, VIS)	December 15, 2021	7.25%	444,735	14,046	7,420	452,155	0.95%	2.31%
Samba Bank Limited (AA, VIS)	December 15, 2021	7.25%	281,653	8,895	4,699	286,352	0.60%	1.47%
Samba Bank Limited (AA, VIS)	December 15, 2021	7.25%	445,118	13,704	7,073	452,191	0.95%	2.32%
Samba Bank Limited (AA, VIS)	December 15, 2021	7.25%	281,910	8,679	4,480	286,390	0.60%	1.47%
Samba Bank Limited (AA, VIS)	December 15, 2021	7.25%	445,208	13,618	6,986	452,194	0.95%	2.32%
Samba Bank Limited (AA, VIS)	December 15, 2021	7.25%	281,982	8,626	4,425	286,407	0.60%	1.47%
Samba Bank Limited (AA, VIS)	December 15, 2021	7.25%	445,298	13,533	6,899	452,197	0.95%	2.32%
Samba Bank Limited (AA, VIS)	December 15, 2021	7.25%	282,039	8,571	4,370	286,409	0.60%	1.47%
Samba Bank Limited (AA, VIS)	December 15, 2021	7.25%	445,410	13,448	6,812	452,222	0.95%	2.32%
Samba Bank Limited (AA, VIS)	December 15, 2021	7.25%	282,110	8,517	4,315	286,425	0.60%	1.47%
Samba Bank Limited (AA, VIS)	December 15, 2021	7.25%	247,988	6,995	3,300	251,288	0.53%	1.29%
Pak Brunei Investment Company Limited (AA+, VIS)	December 17, 2021	7.60%	442,969	16,510	9,408	452,377	0.95%	2.32%
Pak Brunei Investment Company Limited (AA+, VIS)	December 17, 2021	7.60%	280,520	10,455	5,958	286,478	0.60%	1.47%
Pak Brunei Investment Company Limited (AA+, VIS)	December 17, 2021	7.60%	443,067	16,421	9,318	452,385	0.95%	2.32%
Pak Brunei Investment Company Limited (AA+, VIS)	December 17, 2021	7.60%	280,584	10,399	5,901	286,485	0.60%	1.47%
Pak Brunei Investment Company Limited (AA+, VIS)	December 17, 2021	7.60%	443,165	16,333	9,228	452,393	0.95%	2.32%
Pak Brunei Investment Company Limited (AA+, VIS)	December 17, 2021	7.60%	280,647	10,343	5,844	286,491	0.60%	1.47%
Pak Brunei Investment Company Limited (AA+, VIS)	December 17, 2021	7.60%	443,262	16,244	9,134	452,396	0.95%	2.32%
Pak Brunei Investment Company Limited (AA+, VIS)	December 17, 2021	7.60%	280,711	10,287	5,786	286,497	0.60%	1.47%
Pak Kuwait Investment Company Limited (AAA, PACRA)	August 3, 2021	7.15%	447,154	11,737	5,168	452,322	0.95%	2.32%
Pak Kuwait Investment Company Limited (AAA, PACRA)	August 4, 2021	7.15%	447,244	11,652	5,081	452,325	0.95%	2.32%
Pak Kuwait Investment Company Limited (AAA, PACRA)	August 4, 2021	7.15%	283,304	7,381	3,219	286,523	0.60%	1.47%
Pak Kuwait Investment Company Limited (AAA, PACRA)	August 5, 2021	7.15%	447,334	11,567	4,995	452,329	0.95%	2.32%
Pak Kuwait Investment Company Limited (AAA, PACRA)	August 5, 2021	7.15%	283,362	7,327	3,164	286,526	0.60%	1.47%
Pak Kuwait Investment Company Limited (AAA, PACRA)	August 6, 2021	7.15%	447,424	11,482	4,908	452,332	0.95%	2.32%
Pak Kuwait Investment Company Limited (AAA, PACRA)	August 6, 2021	7.15%	283,447	7,274	3,109	286,556	0.60%	1.47%
Pak Kuwait Investment Company Limited (AAA, PACRA)	August 10, 2021	7.15%	447,840	11,141	4,562	452,402	0.95%	2.32%
Pak Kuwait Investment Company Limited (AAA, PACRA)	August 10, 2021	7.15%	283,676	7,057	2,890	286,566	0.60%	1.47%
Pak Kuwait Investment Company Limited (AAA, PACRA)	August 11, 2021	7.15%	447,919	11,056	4,475	452,394	0.95%	2.32%
Pak Kuwait Investment Company Limited (AAA, PACRA)	August 11, 2021	7.15%	148,826	3,673	1,487	150,313	0.31%	0.77%
Total as at September 30, 2021			10,745,906	326,971	164,414	10,910,320	22.81%	55.86%
Total as at June 30, 2021			27,829,092	938,786	605,383	2,900,047		

7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - THE MANAGEMENT COMPANY		September 30,	June 30,
		2021	2021
		(Unaudited)	(Audited)
		(Rupees in '000)	
Management fee payable	7.1.	7,299	-
Sindh Sales Tax payable on remuneration of the Management Company		949	-
Selling and marketing expenses payable	7.2.	7,091	-
		<u>15,339</u>	<u>-</u>

7.1. As per regulation 61 of the NBFC Regulations, 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.

Effective from July 01, 2021 to July 05, 2021 the Management Company has charged nil remuneration, from July 06, 2021 to September 16, 2021 0.2% and from September 17, 2021 to September 30, 2021 0.15% of average annual net assets of the Fund. The remuneration is payable to the Management Company monthly in arrears.

- 7.2. 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 nil selling and marketing expense from July 01, 2021 to July 31, 2021, from August 01, 2021 to September 16, 2021 0.1% selling and marketing expense of the average annual net assets of the Fund, and subsequently effective from September 17, 2021 to September 30, 2021 the Management Company discontinued selling and marketing expense which has also been approved by the Board.

	Note	September 30, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
8. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		120	280
Brokerage payable		356	163
Shariah advisor fee payable		809	538
Withholding tax payable		34,040	21,675
Provision for Sindh Workers' Welfare Fund (SWWF)	8.1	-	141,199
CDS Charges Payable		1,200	1,679
Other payables		6	310
Zakat payable		684	532
		<u>37,215</u>	<u>166,376</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. 151 million has been reversed and it has contributed towards an increase in Pay out of the fund by Rs. 0.13 (0.27%) per unit. This was one-off event and is not likely to be repeated in

9. CONTINGENCIES AND COMMITMENTS

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

10. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period ended September 30, 2021 is 0.36% which includes 0.05% representing government levy, sales tax, annual fee to the SECP etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Money Market Scheme.

11. 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 unit holders holding 10 percent or more of the Fund's net assets.

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

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

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

	September 30, 2021 (Unaudited)	June 30, 2021 (Audited)
	(Rupees in '000)	
Al Meezan Investment Management Limited - Management Company		
Remuneration payable to the Management Company	7,299	-
Sindh Sales Tax payable on remuneration of the Management Company	949	-
Selling and marketing expense payable	7,091	-
Investment of 1,226,451 units (June 30, 2020:33,990,446 units)	61,323	9,634,670
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable to the Trustee	2,671	3,145
Sindh Sales Tax on remuneration of the Trustee	347	409
Security deposit	100	100
CDS charges payable	1,200	1,679
Meezan Bank Limited		
Balance with bank	6,039	72,245
Profit receivable on saving account	325	312
Term deposit receipt placed	-	5,000,000
Profit on term deposit receipt	-	4,085
Shariah advisor fee payable	809	538
Meezan Strategic Allocation Fund - MSAP - I		
Investment of 3,198,133 units (June 2021: 3,548,805)	159,907	177,440
Meezan Strategic Allocation Fund - MSAP - II		
Investment of 2,010,532 units June 2021: 2,266,119)	100,527	113,306
Meezan Strategic Allocation Fund - MSAP - III		
Investment of 2,144,582 units (June 2021: 2,609,764)	107,229	130,488
Meezan Strategic Allocation Fund - MSAP - IV		
Investment of 868,949 units (June 2021: 1,081,951)	43,447	54,098
Meezan Strategic Allocation Fund - MSAP - V		
Investment of 296,152 units (June 2021: 302,398)	14,808	15,120
Meezan Strategic Asset Allocation Fund - MCPP - III		
Investment of 4,545,205 units (June 2021: 4,314,182)	227,260	215,709
Meezan Strategic Allocation Fund -II - MCPP - IV		
Investment of 9,048,871 units (June 2021: 8,383,770)	452,444	419,189
Meezan Strategic Allocation Fund-II - MCPP - V		
Investment of 1,634,755 units (June 2021: 1,583,794)	81,738	79,190

	September 30, 2021 (Unaudited) (Rupees in '000)	June 30, 2021 (Audited)
Meezan Strategic Allocation Fund II- MCPP - VI Investment of 1,772,242 units (June 2021: 1,863,801)	88,612	93,190
Meezan Strategic Allocation Fund II- MCPP - VII Investment of 1,931,610 units (June 2021: 1,916,378)	96,581	95,819
Meezan Strategic Allocation Fund II- MCPP - VIII Investment of nil units (June 2021: 694,122)	-	34,706
Meezan Strategic Allocation Fund III- MCPP - IX Investment of 1,133,377 units (June 2021: 1,096,628)	56,669	54,831
AI Meezan Investment Management Limited - Employee Gratuity Fund Investment of 434,765 units (June 30, 2021: 426,440 units)	21,738	21,322
Unitholders holding 10 percent or more of the Fund Investment of 105,464,827 units (June 30, 2021: 161,063,788 units)	5,273,241	8,053,189
Directors and Executives of the Management Company Investment of 302,063 units (June 30, 2021: 540,520 units)	15,103	27,026
	For the Quarter ended September 30,	
	2021	2020
	(Rupees in '000)	
AI Meezan Investment Management Company Limited - Management Company		
Remuneration for the period	26,467	22,827
Sindh Sales Tax on management fee for the period	3,441	2,967
Selling and marketing expense	7,092	41,861
Units issued: 30,617,055 units (September 30,2020: 14,366,038 units)	1,530,853	718,302
Units redeemed: 48,660,000 units (September 30,2020: 8,800,000 units)	2,433,000	440,000
Dividend paid	32,100	28,476
Central Depository Company of Pakistan Limited - Trustee		
Remuneration fee for the period	9,561	7,419
Sindh Sales Tax on trustee fee for the period	1,243	964
CDS charges	505	1,591
Meezan Bank Limited		
Profit on saving account	1,025	3,961
Term deposit receipt matured	5,000,000	-
Profit on term deposit receipts	31,123	-
Shariah advisory fee expense	271	272
Meezan Strategic Allocation Fund - MSAP - I		
Units issued: 65,728 units (September 30,2020: Nil units)	3,286	-
Units redeemed: 416,400 units (September 30,2020: Nil units)	20,820	-
Dividend paid	3,254	-
Meezan Strategic Allocation Fund - MSAP - II		
Units issued: 41,413 units (September 30,2020: Nil units)	2,071	-
Units redeemed: 297,000 units (September 30,2020: Nil units)	14,850	-
Dividend paid	2,071	-



**For the Quarter ended
September 30,**

	2021	2020
	(Rupees in '000)	
Meezan Strategic Allocation Fund - MSAP - III		
Units issued: 48,418 units (September 30,2020: Nil units)	2,421	-
Units redeemed: 513,600 units (September 30,2020: Nil units)	25,680	-
Dividend paid	2,421	-
Meezan Strategic Allocation Fund - MSAP - IV		
Units issued: 17,598 units (September 30,2020: Nil units)	880	-
Units redeemed: 230,600 units (September 30,2020: Nil units)	11,530	-
Dividend paid	880	-
Meezan Strategic Allocation Fund - MSAP - V		
Units issued: 5,753 units (September 30,2020: Nil units)	288	-
Units redeemed: 12,000 units (September 30,2020: Nil units)	600	-
Dividend paid	288	-
Meezan Strategic Asset Allocation Fund - MCPP-III		
Units issued: 374,023 units (September 30,2020: Nil units)	18,701	-
Units redeemed: 143,000 units (September 30,2020: Nil units)	7,150	-
Dividend paid	4,201	-
Meezan Strategic Allocation Fund II- MCPP - IV		
Units issued: 956,901 units (September 30,2020: 3,647,448 units)	47,845	182,372
Units redeemed: 291,800 units (September 30,2020: 3,457,360 units)	14,590	172,868
Dividend paid	8,345	695
Meezan Strategic Allocation Fund II- MCPP - V		
Units issued: 130,761 units (September 30,2020: 3,750,212 units)	6,538	187,511
Units redeemed: 79,800 units (September 30,2020: 506,540 units)	3,990	25,327
Dividend paid	1,538	1,068
Meezan Strategic Allocation Fund II- MCPP - VI		
Units issued: 35,041 units (September 30,2020: Nil units)	1,752	-
Units redeemed: 126,600 units (September 30,2020: Nil units)	6,330	-
Dividend paid	1,752	-
Meezan Strategic Allocation Fund II- MCPP - VII		
Units issued: 87,432 units (September 30,2020: Nil units)	4,372	-
Units redeemed: 72,200 units (September 30,2020: Nil units)	3,610	-
Dividend paid	1,872	-
Meezan Strategic Allocation Fund II- MCPP - VIII		
Units issued: 8,804 units (September 30,2020: Nil units)	440	-
Units redeemed: 702,926 units (September 30,2020: Nil units)	35,146	-
Dividend paid	440	-
Meezan Strategic Allocation Fund III- MCPP - IX		
Units issued: 81,149 units (September 30,2020: Nil units)	4,057	5,507
Units redeemed: 44,400 units (September 30,2020: Nil units)	2,220	3,005
Dividend paid	1,057	7
AI Meezan Investment Management Limited - Employee Gratuity Fund		
Units issued: 8,325 units (September 30,2019: 406,361 units)	416	20,318
Dividend paid	416	118
Directors and Executives of the Management Company		
Units issued: 458,049 units (September 30,2020: 22,265 units)	22,902	1,133
Units redeemed: 696,508 units (September 30,2020: 21,760 units)	34,825	1,088
Dividend paid	654	133

12. TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since, the management has distributed the required minimum percentage of income earned by the Fund for the quarter ended September 30, 2021 to the unit holders, therefore, the Fund has not recorded any tax liability in respect of income relating to the current

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. FAIR VALUES OF FINANCIAL INSTRUMENTS

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

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

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

Fair value hierarchy

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

Level 1: Quoted market price (unadjusted) in active markets for an 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).

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, the Fund held the following financial instruments measured at fair values:

	As at September 30, 2021			
	Level 1	Level 2	Level 3	Total
ASSETS	(Rupees in '000)			
Financial assets 'at fair value through profit or loss'				
Corporate sukuks*	-	675,000	-	675,000
Commercial papers **	-	2,146,929	-	2,146,929
Term deposit receipts - having original maturity of 3 months or less *	-	5,800,000	-	5,800,000
Bai Muajjal receivable**	-	10,910,320	-	10,910,320
	<u>-</u>	<u>19,532,249</u>	<u>-</u>	<u>19,532,249</u>
	As at June 30, 2021			
	Level 1	Level 2	Level 3	Total
ASSETS	(Rupees in '000)			
Financial assets 'at fair value through profit or loss'				
Corporate sukuks*	-	675,000	-	675,000
Commercial papers **	-	2,281,052	-	2,281,052
Term deposit receipts - having original maturity of 3 months or less *	-	11,870,000	-	11,870,000
Bai Muajjal receivable**	-	2,900,047	-	2,900,047
	<u>-</u>	<u>17,726,099</u>	<u>-</u>	<u>17,726,099</u>



* The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counter parties which have high credit ratings.

** The valuation of commercial papers and Bai Muajjal receivable have been carried out based on amortisation to their face values / sale price as per the guidelines given in Circular 33 of 2012 since the residual maturity of these investments is less than six months and they are placed with counterparties which have high credit ratings.

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