



**Al Meezan**  
Investment Management Ltd.

# KANJUT SAR

Evaluating time horizons are critical for investments, just like climbing mountains.

Height 7,760 meters,  
belongs to the range Hispar Karakoram



# 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.



# FUND INFORMATION

## MANAGEMENT COMPANY

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

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

## CHIEF FINANCIAL OFFICER

Mr. Muhammad Shahid Ojha

## COMPANY SECRETARY

Mr. Salman Muslim

## BOARD AUDIT COMMITTEE

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

## BOARD RISK MANAGEMENT COMMITTEE

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

## BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

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

## BOARD IT COMMITTEE

Mr. Furquan Kidwai	Chairman
Mr. Mohammad Shoaib, CFA	Member
Mr. Faiz ur Rehman	Subject Matter Expert

## TRUSTEE

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

## AUDITORS

EY Ford Rhodes  
Chartered Accountants  
Progressive Plaza, Beaumont Road,  
P.O. Box 15541, Karachi 75530

## SHARIAH ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

Allied Bank Limited  
Al Baraka Islamic Bank B.S.C (E.C)  
Askari Bank Limited - Islamic Banking  
Bank Al Habib Limited - Islamic Banking  
Bank Alfalah Limited  
Bank Islami Pakistan Limited  
Dubai Islamic Bank Pakistan Limited  
Faysal Bank Limited - Islamic Banking  
Habib Bank Limited - Islamic Banking  
Habib Metropolitan Bank Limited - Islamic Banking

MCB Bank Limited  
MCB Islamic Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan - Islamic Banking  
Samba Bank Limited  
Sindh Bank Limited  
Soneri Bank Limited - Islamic Banking  
The Bank Of Punjab - Islamic Banking  
The Bank Of Khyber - Islamic Banking  
UBL Ameen - Islamic Banking

## LEGAL ADVISER

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

## TRANSFER AGENT

Al Meezan Investment Management Limited

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited



**MEEZAN ISLAMIC INCOME FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT MARCH 31, 2023**

		<b>March 31, 2023 (Unaudited)</b>	<b>June 30, 2022 (Audited)</b>
	<b>Note</b>	<b>(Rupees in '000)</b>	
<b>Assets</b>			
Balances with banks	5	3,610,905	3,440,427
Investments	6	10,663,927	15,097,091
Receivable against conversion of units		3,215	86,611
Advance, deposits, prepayments and other receivables		619,035	325,582
<b>Total assets</b>		<u>14,897,082</u>	<u>18,949,711</u>
<b>Liabilities</b>			
Payable to Al Meezan Investment Management Limited - Management Company	7	22,190	13,144
Payable to Central Depository Company of Pakistan Limited - Trustee		1,090	1,408
Payable to the Securities and Exchange Commission of Pakistan		2,673	5,316
Payable to Meezan Bank Limited		1,002	1,164
Payable against redemption and conversion of units		29,457	65,446
Accrued expenses and other liabilities	8	85,464	253,798
<b>Total liabilities</b>		<u>141,876</u>	<u>340,276</u>
<b>Net assets</b>		<u>14,755,206</u>	<u>18,609,435</u>
<b>Unit holders' fund (as per statement attached)</b>		<u>14,755,206</u>	<u>18,609,435</u>
<b>Contingencies and commitments</b>	9		
		<b>(Number of units)</b>	
<b>Number of units in issue</b>		<u>260,004,900</u>	<u>361,122,076</u>
		<b>(Rupees)</b>	
<b>Net asset value per unit</b>		<u>56.7497</u>	<u>51.5323</u>

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

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

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

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

\_\_\_\_\_  
Director



**MEEZAN ISLAMIC INCOME FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2023**

	Note	Nine months period ended March 31,		Quarter ended March 31,	
		2023 (Rupees in '000)	2022 (Rupees in '000)	2023 (Rupees in '000)	2022 (Rupees in '000)
<b>Income</b>					
Profit on sukuk certificates and commercial papers		1,449,992	1,182,346	470,953	424,045
Profit on certificates of musharakah		-	60,906	-	15,741
Profit on savings accounts with banks		563,698	544,576	165,026	164,105
Net realised loss on sale of investments		(50,101)	(42,907)	(13,809)	(3,462)
Other income		132	337	64	54
		<u>1,963,721</u>	<u>1,745,258</u>	<u>622,234</u>	<u>600,483</u>
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.1.1 & 6.1.2	<u>(87,780)</u>	<u>(17,468)</u>	<u>(15,925)</u>	<u>(58,566)</u>
<b>Total income</b>		<u>1,875,941</u>	<u>1,727,790</u>	<u>606,309</u>	<u>541,917</u>
<b>Expenses</b>					
Remuneration of Al Meezan Investment Management Limited - Management Company	7.1	66,833	105,625	20,230	30,557
Sindh Sales Tax on remuneration of the Management Company		8,688	13,731	2,630	3,972
Allocated expenses	7.2	20,050	31,688	6,069	9,167
Selling and marketing expenses	7.3	53,466	76,970	16,183	24,445
Remuneration of Central Depository Company of Pakistan Limited - Trustee		10,025	15,830	3,035	4,584
Sindh Sales Tax on remuneration of the Trustee		1,303	2,058	394	596
Annual fee to the Securities and Exchange Commission of Pakistan		2,673	4,225	809	1,222
Auditors' remuneration		604	540	152	120
Fees and subscription		1,080	1,059	361	348
Legal and professional charges		702	184	481	-
Brokerage expense		886	964	244	341
Bank and settlement charges		59	2,022	6	364
Provision against sukuk certificates		-	45,000	-	-
Printing expense		29	-	11	-
Reversal of provision for Sindh Workers' Welfare Fund (SWWF)		-	(130,733)	-	-
<b>Total expenses</b>		<u>166,398</u>	<u>169,163</u>	<u>50,605</u>	<u>75,716</u>
<b>Net income for the period before taxation</b>		<u>1,709,543</u>	<u>1,558,627</u>	<u>555,704</u>	<u>466,201</u>
Taxation	12	-	-	-	-
<b>Net income for the period after taxation</b>		<u>1,709,543</u>	<u>1,558,627</u>	<u>555,704</u>	<u>466,201</u>
<b>Allocation of net income for the period</b>					
Net income for the period after taxation		1,709,543	1,558,627		
Income already paid on units redeemed		(498,258)	(532,627)		
		<u>1,211,285</u>	<u>1,026,000</u>		
<b>Accounting income available for distribution</b>					
- Relating to capital gains		-	-		
- Excluding capital gains		1,211,285	1,026,000		
		<u>1,211,285</u>	<u>1,026,000</u>		

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

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

Chief Executive

Chief Financial Officer

Director



**MEEZAN ISLAMIC INCOME FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2023**

	<b>Nine months period ended</b>		<b>Quarter ended</b>	
	<b>March 31,</b>		<b>March 31,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>(Rupees in '000)</b>		<b>(Rupees in '000)</b>	
<b>Net income for the period after taxation</b>	1,709,543	1,558,627	555,704	466,201
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>1,709,543</u>	<u>1,558,627</u>	<u>555,704</u>	<u>466,201</u>

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

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

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

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

\_\_\_\_\_  
Director



**MEEZAN ISLAMIC INCOME FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

	Nine months period ended March 31, 2023			Nine months period ended March 31, 2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)		
<b>Net assets at the beginning of the period</b>	18,347,819	261,616	18,609,435	27,004,995	241,180	27,246,175
Issuance of 203,077,931 units (2022: 488,632,846 units)						
- Capital value (at net asset value per unit at the beginning of the period)	10,465,073	-	10,465,073	25,151,692	-	25,151,692
- Element of income	424,633	-	424,633	556,195	-	556,195
Total proceeds on issuance of units	10,889,706	-	10,889,706	25,707,887	-	25,707,887
Redemption of 304,195,106 units (2022: 585,206,006 units)						
- Capital value (at net asset value per unit at the beginning of the period)	15,675,873	-	15,675,873	30,122,660	-	30,122,660
- Element of loss	279,347	498,258	777,605	310,547	532,627	843,174
Total payments on redemption of units	15,955,220	498,258	16,453,478	30,433,207	532,627	30,965,834
Total comprehensive income for the period	-	1,709,543	1,709,543	-	1,558,627	1,558,627
Distribution during the period	-	-	-	-	-	-
		1,709,543	1,709,543		1,558,627	1,558,627
<b>Net assets at the end of the period</b>	<b>13,282,305</b>	<b>1,472,901</b>	<b>14,755,206</b>	<b>22,279,675</b>	<b>1,267,180</b>	<b>23,546,855</b>
<b>Undistributed income brought forward</b>						
- Realised income		262,605			148,151	
- Unrealised (loss) / income		(989)			93,029	
		261,616			241,180	
<b>Accounting income available for distribution</b>						
- Relating to capital gains		-			-	
- Excluding capital gains		1,211,285			1,026,000	
		1,211,285			1,026,000	
Undistributed income carried forward		1,472,901			1,267,180	
<b>Undistributed income carried forward</b>						
- Realised income		1,560,681			1,284,648	
- Unrealised loss		(87,780)			(17,468)	
		1,472,901			1,267,180	
			<b>(Rupees)</b>			<b>(Rupees)</b>
Net asset value per unit at the beginning of the period			51.5323			51.4736
Net asset value per unit at the end of the period			56.7497			54.4121

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

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

Chief Executive

Chief Financial Officer

Director



**MEEZAN ISLAMIC INCOME FUND**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

	<b>Nine months period ended</b>	
	<b>March 31,</b>	
<b>Note</b>	<b>2023</b>	<b>2022</b>
	<b>(Rupees in '000)</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	1,709,543	1,558,627
<b>Adjustments for:</b>		
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.1.1 & 6.1.2	
	87,780	17,468
	<u>1,797,323</u>	<u>1,576,095</u>
<b>Decrease / (increase) in assets</b>		
Investments - net	4,345,384	(1,677,063)
Receivable against sale of investments	-	506
Advance, deposits, prepayments and other receivables	(293,453)	(245,433)
	<u>4,051,931</u>	<u>(1,921,990)</u>
<b>Increase / (decrease) in liabilities</b>		
Payable to Al Meezan Investment Management Limited - Management Company	9,046	2,749
Payable to Central Depository Company of Pakistan Limited - Trustee	(318)	(719)
Payable to the Securities and Exchange Commission of Pakistan	(2,643)	(2,740)
Payable to Meezan Bank Limited	(162)	(1,415)
Accrued expenses and other liabilities	(168,334)	(333,007)
	<u>(162,411)</u>	<u>(335,132)</u>
<b>Net cash generated / (used in) from operating activities</b>	<u>5,686,843</u>	<u>(681,027)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	10,973,102	25,649,533
Payments against redemption and conversion of units	(16,489,467)	(31,872,403)
Dividend paid	-	(36,220)
<b>Net cash used in from financing activities</b>	<u>(5,516,365)</u>	<u>(6,259,090)</u>
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>	<u>170,478</u>	<u>(6,940,117)</u>
Cash and cash equivalents at the beginning of the period	3,440,427	12,514,171
<b>Cash and cash equivalents at the end of the period</b>	<u>5</u> <u>3,610,905</u>	<u>5,574,054</u>

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

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

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

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

\_\_\_\_\_  
Director



**MEEZAN ISLAMIC INCOME FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

**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 under the Trust Act, 1882 on September 13, 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on November 21, 2008 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. The Trust Deed was previously registered under The "Trust Act 1882" and now has been registered under "The Sindh Trust Act 2020". The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, the above-mentioned Trust Deed has been registered under the Sindh Trust Act. 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 competitive and stable rate of income on their investments in a Shariah compliant way with a broadly diversified portfolio of long, medium and short term and high quality Islamic income instruments. The Fund shall also keep an exposure in short-term instruments for the purpose of maintaining liquidity and to capitalise on exceptional returns if available at any given point of time. Under the Trust Deed, all conducts and acts of the Fund are based on Shariah principles. Meezan Bank Limited acts as its Shariah Advisor to ensure that the activities of the Fund are in compliance with the principles of Shariah. The investment objectives and policies are explained in the Fund's offering document.
- 1.3** The Fund is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is categorised as an Open End Shariah Compliant (Islamic) Income Scheme in accordance with Circular 7 of 2009 issued by the SECP.
- 1.4** The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 30, 2022 (2021: 'AM1' dated December 27, 2021) and by PACRA dated June 23, 2022 (2021: 'AM1' dated June 23, 2021). 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 03, 2023 (2021: A+(f) dated December 27, 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.

**2. BASIS OF PRESENTATION**

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

**3. BASIS OF PREPARATION**

**3.1 Statement of compliance**

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of repealed Companies Ordinance, 1984; and

- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the requirements of IAS 34, 'Interim Financial Reporting' the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements are 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, 2022.

These condensed interim financial statements are unaudited. However, in compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at March 31, 2023.

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

**4.1** The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2022.

**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, 2022. 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, 2022.

#### **4.3 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period**

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, 2022. 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.

#### **4.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective**

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

<b>Standards, interpretations and amendments</b>	<b>Effective date (Annual period beginning on and after)</b>
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction Amendments to IAS 12	January 01, 2023
Classification of liabilities as current or non-current - Amendment to IAS 1	January 01, 2024
Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	January 01, 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized

The above standards and amendments are not expected to have any material impact on the Fund's financial statements in the period of initial application.

<b>Standards</b>	<b>IASB Effective date (annual periods beginning on or after)</b>
IFRS 1 - First-time Adoption of International Financial Reporting Standards	July 01, 2009
IFRS 17 – Insurance Contracts	January 01, 2023

  

<b>5. BALANCES WITH BANKS</b>	<b>Note</b>	<b>March 31, 2023 (Unaudited) (Rupees in '000)</b>	<b>June 30, 2022 (Audited) (Rupees in '000)</b>
Balances with banks in:			
Savings accounts	5.1	3,610,864	3,440,383
Current accounts		41	44
		<u>3,610,905</u>	<u>3,440,427</u>

**5.1** This includes balances maintained with Meezan Bank Limited (a related party) that has last declared profit rate of 6.96% (June 30, 2022: 6.01%) per annum. Other savings accounts of the Fund have expected rates of profit ranging from 5.00% to 18.18% (June 30, 2022: 3.00% to 16.25%) per annum.

<b>6. INVESTMENTS</b>	<b>Note</b>	<b>March 31, 2023 (Unaudited) (Rupees in '000)</b>	<b>June 30, 2022 (Audited) (Rupees in '000)</b>
<b>Investments - 'at fair value through profit or loss'</b>			
Sukuk certificates	6.1	10,663,927	14,544,888
Commercial papers	6.2	-	552,203
		<u>10,663,927</u>	<u>15,097,091</u>

  

<b>6.1 Sukuk certificates</b>	<b>Note</b>	<b>March 31, 2023 (Unaudited) (Rupees in '000)</b>	<b>June 30, 2022 (Audited) (Rupees in '000)</b>
Government securities	6.1.1	8,223,779	10,538,677
Corporate sukuk certificates	6.1.2	2,440,148	4,006,211
		<u>10,663,927</u>	<u>14,544,888</u>

**6.1.1 Government securities**

Name of the security	Profit payments / principal redemptions	Issue date	Maturity date	Profit rate	As at July 1, 2022	Purchased during the period	Sold / Matured during the period	As at March 31, 2023	Carrying value as at March 31, 2023	Market value as at March 31, 2023	Unrealised (diminution)/ appreciation as at March 31, 2023	Percentage in relation to	
					Number of certificates			Rupees in '000			Net assets of the Fund	Total market value of investments	
GoP Ijarah Sukuk Certificates - 'XX' - VRR	Semi-annually / At maturity	May 29, 2020	May 29, 2025	Weighted average 6 months T-Bills	2,000	145	2,000	145	14,333	14,367	34	0.10	0.13
GoP Ijarah Sukuk Certificates - 'XX' - VRR	Semi-annually / At maturity	June 24, 2020	June 24, 2025	Weighted average 6 months T-Bills	2,340	-	2,340	-	-	-	-	-	-

Name of the security	Profit payments / principal redemptions	Issue date	Maturity date	Profit rate	As at July 1, 2022	Purchased during the period	Sold / Matured during the period	As at March 31, 2023	Carrying value as at March 31, 2023	Market value as at March 31, 2023	Unrealised (diminution)/ appreciation as at March 31, 2023	Percentage in relation to	
												Net assets of the Fund	Total market value of investments
					----- Number of certificates -----			----- (Rupees in '000) -----			----- % -----		
GoP Ijarah Sukuk Certificates - XXII - VRR	Semi-annually / At maturity	December 9, 2020	December 9, 2025	Weighted average 6 months T-Bills	1,735	-	1,735	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XXV - VRR	Semi-annually / At maturity	April 27, 2022	April 27, 2027	Weighted average 6 months T-Bills	6,800	-	6,800	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XX - VRR	Semi-annually / At maturity	July 29, 2020	July 29, 2025	Weighted average 6 months T-Bills	-	4,400	3,503	897	89,673	89,162	(511)	0.60	0.84
GoP Ijarah Sukuk Certificates - XXIV - VRR	Semi-annually / At maturity	October 29, 2021	October 29, 2026	Weighted average 6 months T-Bills	5,000	8,000	13,000	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XXVIII - VRR	Semi-annually / At maturity	October 26, 2022	October 26, 2027	Weighted average 6 months T-Bills	-	6,000	6,000	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XI - FRR	Semi-annually / At maturity	December 15, 2021	December 15, 2026	Weighted average 6 months T-Bills	5,000	-	-	5,000	480,000	453,000	(27,000)	3.07	4.25
Pakistan Energy Sukuk II	Semi-annually / At maturity	May 21, 2020	May 21, 2030	6 months KIBOR minus base rate of 0.10%	1,643,450	-	110,000	1,533,450	7,720,921	7,667,250	(53,671)	51.96	71.90
<b>Total as at March 31, 2023</b>									8,304,927	8,223,779	(81,148)	55.73	77.12
<b>Total as at June 30, 2022</b>									10,585,639	10,538,677	(46,962)	56.63	69.82

**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 sukuk certificates**

Name of the security	Profit payments / principal redemptions	Maturity date	Face value per certificate (Rupees)	Profit rate	As at July 1, 2022	Purchased during the period	Sold / Matured during the period	As at March 31, 2023	Carrying value as at March 31, 2023	Market value as at March 31, 2023	Unrealised appreciation/ (diminution) as at March 31, 2023	Percentage in relation to		
												Net assets of the Fund	Total issue (with face value of investment)	Total market value of investments
					---- (Number of certificates) ----			----- (Rupees in '000) -----			----- % -----			
Arzoo Textile Mills Limited (note 6.1.2.1) *	N/A	April 15, 2014	5,000	Not applicable	14,000	-	-	14,000	-	-	-	-	-	
Eden Housing Limited (note 6.1.2.1) *	N/A	September 29, 2014	984	Not applicable	59,400	-	-	59,400	-	-	-	-	-	
Security Leasing Corporation Limited II (note 6.1.2.1) *	N/A	January 19, 2022	1,540	Not applicable	10,000	-	-	10,000	-	-	-	-	-	
Hascol Petroleum Limited (note 6.1.2.1) *	N/A	January 06, 2022	1,250	Not applicable	80,000	-	-	80,000	-	-	-	-	-	
<b>COMMERCIAL BANKS</b>														
Dubai Islamic Bank Pakistan Limited (AA-, VIS, non-traded)	Semi-annually / At maturity	July 14, 2027	1,000,000	6 months KIBOR plus base rate of 0.50%	538	-	538	-	-	-	-	-	-	
<b>POWER GENERATION &amp; DISTRIBUTION</b>														
K-Electric Limited Sukuk V (AAA+, VIS, non-traded)	Quarterly	August 3, 2027	4,500	3 months KIBOR plus base rate of 1.70%	171,200	-	-	171,200	786,732	784,191	(2,541)	5.31	3.42	7.35

Name of the security	Profit payments / principal redemptions	Maturity date	Face value per certificate (Rupees)	Profit rate	As at July 1, 2022	Purchased during the period	Sold / Matured during the period	As at March 31, 2023	Carrying value as at March 31, 2023	Market value as at March 31, 2023	Unrealised appreciation/ (diminution) as at March 31, 2023	Percentage in relation to		
												Net assets of the Fund	Total issue (with face value of investment)	Total market value of investments
The Hub Power Company Limited (AA+, PACRA, traded)	Semi-annually	August 22, 2023	25,000	3 months KIBOR plus base rate of 1.90%	2,455	-	-	2,455	64,573	61,842	(2,731)	0.42	3.51	0.58
The Hub Power Company Limited (AA+, PACRA, traded)	Semi-annually	March 19, 2024	50,000	12 months KIBOR plus base rate of 1.90%	3,350	-	3,350	-	-	-	-	-	-	-
Hub Power Holdings Limited (AA+, PACRA, non-traded)	Quarterly / Semi-annually commencing from May 12, 2024	November 12, 2025	100,000	6 months KIBOR plus base rate of 2.50%	6,000	-	900	5,100	510,000	520,149	10,149	3.53	8.50	4.88
Engro Powergen Thar (Private) Limited (AA-, PACRA, non-traded)	Annually	August 2, 2024	3,750	3 months KIBOR plus base rate of 1.10%	62,400	-	-	62,400	247,861	242,542	(5,319)	1.64	10.40	2.27
Lucky Electric Power Company Limited (AA, PACRA)	At maturity	December 15, 2022	1,000,000	6 months KIBOR plus base rate of 1.20%	350	-	350	-	-	-	-	-	-	-
Lucky Electric Power Company Limited VI (AA, PACRA)	At maturity	April 13, 2023	1,000,000	6 months KIBOR plus base rate of 1.50%	-	250	-	250	250,000	250,000	-	1.69	3.57	2.34
<b>PHARMACEUTICALS</b>														
OBS AGP (Private) Limited (A+, VIS, non-traded)	Quarterly	July 15, 2026	87,500	3 months KIBOR plus base rate of 1.55%	3,300	-	-	3,300	290,194	293,081	2,887	1.99	12.69	2.75
<b>CEMENT &amp; CONSTRUCTION</b>														
Javedan Corporation Limited (AA-, VIS, non-traded)	Semi-annually	October 4, 2026	66,667	6 months KIBOR plus base rate of 1.75%	800	-	-	800	52,949	52,267	(682)	0.35	2.67	0.49
<b>STEEL &amp; ALLIED PRODUCTS</b>														
Agha Steel Industries Limited (A+, VIS, non-traded)	Quarterly	October 9, 2025	687,500	3 months KIBOR plus base rate of 0.80%	182	-	-	182	129,697	122,622	(7,075)	0.83	3.64	1.15
<b>CHEMICALS</b>														
Engro Polymer and Chemicals Limited (AA, PACRA, non-traded)	Quarterly / Semi-annually commencing from July 11, 2024	July 11, 2026	100,000	3 months KIBOR plus base rate of 0.90%	478	-	478	-	-	-	-	-	-	-
<b>TEXTILE COMPOSITE</b>														
Masood Textile Mills Limited (A, VIS, non-traded)	Quarterly	December 17, 2024	500,000	3 months KIBOR plus base rate of 2.00%	127	-	-	127	62,549	63,447	898	0.43	5.08	0.59
<b>MISCELLANEOUS</b>														
Shakarganj Food Products Limited (BBB+, VIS, non-traded) (note 6.1.2.1 & 6.1.2.2)	Quarterly	July 10, 2025	500,000	3 months KIBOR plus base rate of 1.75%	100	-	-	100	52,225	50,007	(2,218)	0.34	13.79	0.47
<b>Total as at March 31, 2023</b>									<b>2,446,780</b>	<b>2,440,148</b>	<b>(6,632)</b>	<b>16.54</b>	<b>22.88</b>	
<b>Total as at June 30, 2022</b>									<b>3,960,238</b>	<b>4,006,211</b>	<b>45,973</b>	<b>21.53</b>	<b>26.54</b>	

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

**6.1.2.1** The Securities and Exchange Commission of Pakistan 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 March 31, 2023, the Fund is compliant with all the requirements of the said circular except for clause 9 (v) which requires that the

rating of any security in the portfolio shall not be lower than the investment grade.

Following investments of the Funds are in sukuk certificates 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 investment	Value of investment before provision	Provision held (if any)	Value of investment after provision	Percentage of	
					Net assets	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	-	-	-
Hascal Petroleum Limited	Non-traded sukuk certificates	99,259	99,259	-	-	-
Shakarganj Food Products Limited	Non-traded sukuk certificates	50,007	-	50,007	0.34	0.34
<b>Total as at March 31, 2023</b>		<b>293,141</b>	<b>243,134</b>	<b>50,007</b>	<b>0.34</b>	<b>0.34</b>
<b>Total as at June 30, 2022</b>		<b>311,026</b>	<b>243,134</b>	<b>67,892</b>	<b>0.36</b>	<b>0.36</b>

**6.1.2.2** 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 sukuk certificates of Shakarganj Food Products Limited has been valued at a discretionary rate of Rs 100.0148 when the reported market rate on MUFAP valuation sheet as at March 31, 2023 was Rs 102.0069. The mark up in price has been done within allowable limits.

## 6.2 Commercial papers

Name of the security	Maturity date	Profit rate	As at July 1, 2022	Purchased during the period	Matured during the period	As at March 31, 2023	Carrying value as at March 31, 2023	Market value as at March 31, 2023	Unrealised appreciation/ (diminution) as at March 31, 2023	Percentage in relation to	
			(Number of certificates)			(Rupees in '000)			Net assets of the Fund	Total market value of investments	
										%	
Mughal Iron & Steel Industries Limited ICP-1 (A-2, VIS)	July 21, 2022	6 months KIBOR plus base rate of 1.75%	300	-	300	-	-	-	-	-	-
Lucky Electric Power Company Limited ICP-2 (A-1, PACRA)	July 12, 2022	6 months KIBOR plus base rate of 1.50%	250	-	250	-	-	-	-	-	-
<b>Total as at March 31, 2023</b>							-	-	-	-	-
<b>Total as at June 30, 2022</b>							552,203	552,203	-	2.97	3.66

**6.2.1** The nominal value of these commercial papers is Rs 1,000,000 each and these are redeemable at maturity.

7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	March 31, 2023	June 30, 2022
		(Unaudited)	(Audited)
		(Rupees in '000)	
Remuneration payable	7.1	1,235	1,464
Sindh Sales Tax on payable on remuneration of the Management Company		160	190
Allocated expenses payable	7.2	1,928	157
Selling and marketing expenses payable	7.3	16,185	7,205
Sales load payable		2,373	3,653
Sindh Sales Tax payable on sales load		309	475
		<u>22,190</u>	<u>13,144</u>

**7.1** As per Regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 0.50% (March 31, 2022: 0.50%) per annum of the average annual net assets of the Fund during the period ended March 31, 2023. 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 charged such expenses at the rate of 0.15% (March 31, 2022: 0.15%) of the average annual net assets of the Fund during the period ended March 31, 2023, subject to total expense charged being lower than actual expense incurred.

**7.3** In accordance with Circular 11 dated July 05, 2019 with respect to charging selling and marketing expenses, the Management Company, based on its own discretion, has charged selling and marketing expenses at the following rates during the period ended March 31, 2023, subject to total expense charged being lower than actual expense incurred:

Rate applicable from July 1, 2022 to March 31, 2023	Rate applicable from July 1, 2021 to September 30, 2021	Rate applicable from October 1, 2021 to March 31, 2022
0.4% of the average annual net assets of the Fund	0.3% of the average annual net assets of the Fund	0.4% of the average annual net assets of the Fund

	Note	March 31, 2023 (Unaudited)	June 30, 2022 (Audited)
<b>8. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Auditors' remuneration payable		368	459
Brokerage payable		432	527
Shariah advisor fee payable		265	531
Withholding tax payable		-	163,987
Capital gain tax payable		30,563	33,900
Zakat payable		89	381
Other payable		688	954
Provision for Federal Excise Duty and related Sindh Sales Tax on remuneration of the Management Company	8.1	50,417	50,417
Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	8.1	2,642	2,642
		<u>85,464</u>	<u>253,798</u>

**8.1** The status of provision of Federal Excise Duty is same as disclosed in financial statement for the year ended June 30, 2022. Had the provision of Federal Excise Duty not being made, the net asset value per unit as at March 31, 2023 would have been higher by Re. 0.20 (June 30, 2022: Re. 0.15) per unit.

**9. CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at March 31, 2023 and June 30, 2022.

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

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, other collective investment schemes managed by the Management Company, Pakistan Kuwait Investment Company (Private) Limited being the associated company of the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering document, trust deed and NBFC regulations which are publicly available documents and hence, the transactions are considered to be on an arm's length basis.



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 during the period and balances with them as at period end are as follows:

<b>Balances</b>	<b>March 31, 2023 (Unaudited) (Rupees in '000)</b>	<b>June 30, 2022 (Audited) (Rupees in '000)</b>
<b>AI Meezan Investment Management Limited - Management Company</b>		
Remuneration payable	1,235	1,464
Sindh Sales Tax payable on remuneration of the Management Company	160	190
Allocated expenses payable	1,928	157
Selling and marketing expenses payable	16,185	7,205
Sales load payable	2,373	3,653
Sindh Sales Tax payable on sales load	309	475
<b>Meezan Bank Limited</b>		
Balances with bank	58,227	147,637
Profit receivable on savings account	141	199
Sales load payable	887	1,030
Sindh Sales Tax on sales load payable	115	134
ATM deposit	2,704	2,704
Shariah advisor fee payable	265	531
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	965	1,246
Sindh Sales Tax payable on remuneration of the Trustee	125	162
Security deposit	100	100
<b>Meezan Financial Planning Fund of Funds</b>		
<b>- Aggressive Allocation Plan</b>		
Investment of 366,346 units (June 30, 2022: 1,418,225 units)	20,790	73,084
<b>Meezan Financial Planning Fund of Funds</b>		
<b>- Moderate Allocation Plan</b>		
Investment of 593,590 units (June 30, 2022: 936,854 units)	33,686	48,278
<b>Meezan Financial Planning Fund of Funds</b>		
<b>- Conservative Allocation Plan</b>		
Investment of 910,626 units (June 30, 2022: 2,080,458 units)	51,678	107,211
<b>AI Meezan Investment Management Limited - Employees' Gratuity Fund</b>		
Investment of 7,772 units (June 30, 2022: 217,135 units)	441	11,189
<b>Directors and Executives of the Management Company</b>		
Investments of 133,624 units (June 30, 2022: 260,557 units)	7,583	13,427
<b>Transactions during the period</b>		
	<b>Nine months period ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Unaudited)</b>	
	<b>(Rupees in '000)</b>	
<b>AI Meezan Investment Management Limited - Management Company</b>		
Remuneration of the Management Company	66,833	105,625
Sindh Sales Tax on remuneration of the Management Company	8,688	13,731
Allocated expenses	20,050	31,688
Selling and marketing expenses	53,466	76,970
Units issued: 4,829,070 units (March 31, 2022: 7,604,100 units)	250,000	400,000
Units redeemed: 4,829,070 units (March 31, 2022: 7,604,100 units)	251,282	400,350





<b>Meezan Bank Limited</b>			
Profit on savings account		2,747	1,612
Profit on sukuk certificates		-	10,515
Shariah advisor fee		813	805
<b>Central Depository Company of Pakistan Limited - Trustee</b>			
Remuneration of the Trustee		10,025	15,830
Sindh Sales Tax on remuneration of the Trustee		1,303	2,058
CDS Charges		57	35
<b>Meezan Strategic Allocation Fund - MSAP - I</b>			
Units issued: nil (March 31, 2022: 4,524,388 units)		-	240,143
Units redeemed: nil (March 31, 2022: 3,624,635 units)		-	191,860
<b>Meezan Strategic Allocation Fund - MSAP - II</b>			
Units issued: nil (March 31, 2022: 2,913,682 units)		-	154,745
Units redeemed: nil (March 31, 2022: 1,962,516 units)		-	103,461
<b>Meezan Strategic Allocation Fund - MSAP - III</b>			
Units issued: nil (March 31, 2022: 2,688,979 units)		-	142,388
Units redeemed: nil (March 31, 2022: 2,059,853 units)		-	108,513
<b>Meezan Strategic Allocation Fund - MSAP - IV</b>			
Units issued: nil (March 31, 2022: 1,104,674 units)		-	58,512
Units redeemed: nil (March 31, 2022: 839,193 units)		-	44,212
<b>Meezan Strategic Allocation Fund - MSAP - V</b>			
Units issued: nil (March 31, 2022: 374,414 units)		-	19,830
Units redeemed: nil (March 31, 2022: 281,913 units)		-	14,846
<b>Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan</b>			
Units issued: nil (March 31, 2022: 119,104 units)		-	6,300
Units redeemed: 1,051,879 units (March 31, 2022: 334,240 units)		57,616	17,727
<b>Meezan Financial Planning Fund of Funds - Moderate Allocation Plan</b>			
Units issued: 38,747 units (March 31, 2022: 402,852 units)		2,000	21,150
Units redeemed: 382,011 units (March 31, 2022: 837,041 units)		20,405	44,494
<b>Meezan Financial Planning Fund of Funds - Conservative Allocation Plan</b>			
Units issued: nil (March 31, 2022: 613,936 units)		-	32,625
Units redeemed: 1,169,832 units (March 31, 2022: 901,525 units)		62,525	47,823
<b>Meezan Financial Planning Fund of Funds - MAAP - I</b>			
Units issued: nil (March 31, 2022: 989,214 units)		-	52,304
Units redeemed: nil (March 31, 2022: 1,644,639 units)		-	86,495
<b>Al Meezan Investment Management Limited - Employees' Gratuity Fund</b>			
Units redeemed: 209,363 units (March 31, 2022: nil)		11,000	-
<b>Directors and Executives of the Management Company</b>			
Units issued: 192,563 units (March 31, 2022: 3,945,475 units)		10,288	205,675
Units redeemed: 296,542 units (March 31, 2022: 4,052,540 units)		15,855	214,042

## 11. TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund as at March 31, 2023 based on current period results is 1.24% (March 31, 2022: 1.21%) which includes 0.10% (March 31, 2022: 0.10%) representing government levies on the Fund such as Sales Taxes, Federal Excise Duties, annual fee to the SECP etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an '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. Since the Management Company intends to distribute at least 90% of the Fund's accounting income for the year ending June 30, 2023 as reduced by capital gains (whether realised or unrealised) to its unit holders, therefore no provision for taxation has been made in these condensed interim financial statements.

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

## 13. FAIR VALUE 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.

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

As at March 31, 2023 and June 30, 2022, the Fund held the following financial instruments measured at fair value:

ASSETS	As at March 31, 2023			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
<b>Financial assets 'at fair value through profit or loss'</b>				
Sukuk certificates	-	10,663,927	-	10,663,927
	-	10,663,927	-	10,663,927
	-----	-----	-----	-----
ASSETS	As at June 30, 2022			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
<b>Financial assets 'at fair value through profit or loss'</b>				
Sukuk certificates	-	14,544,888	-	14,544,888
Commercial papers **	-	552,203	-	552,203
	-	15,097,091	-	15,097,091
	-----	-----	-----	-----

\*\* The valuation of commercial papers has been done based on amortisation to its fair value as per the guidelines given in Circular 33 of 2012 since the residual maturity of this investment is less than six months and are placed with counterparties which have high credit rating. The commercial papers having maturity slightly more than six months have also been valued on the same basis.



**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 April 12, 2023 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.

# PUMARI CHHISH

Mountain climbing and investments both require intrinsic understanding of marginal benefits.

Height 7,492 meters,  
belongs to the range Hispar Karakoram



# MEEZAN DAILY INCOME FUND(MDIF)

Meezan Daily Income Fund 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.



# FUND INFORMATION

## MANAGEMENT COMPANY

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

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

## CHIEF FINANCIAL OFFICER

Mr. Muhammad Shahid Ojha

## COMPANY SECRETARY

Mr. Salman Muslim

## BOARD AUDIT COMMITTEE

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

## BOARD RISK MANAGEMENT COMMITTEE

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

## BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

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

## BOARD IT COMMITTEE

Mr. Furquan Kidwai	Chairman
Mr. Mohammad Shoaib, CFA	Member
Mr. Faiz ur Rehman	Subject Matter Expert

## TRUSTEE

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

## AUDITORS

EY Ford Rhodes  
Chartered Accountants  
Progressive Plaza, Beaumont Road,  
P.O. Box 15541, Karachi 75530

## SHARIAH ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

Al Baraka Islamic Bank B.S.C (E.C)	Allied Bank Limited - Islamic Banking
Askari Bank Ltd - Islamic Banking	Bank Islami Pakistan Limited
Bank of Khyber - Islamic Banking	Bank Alfalah Limited
Habib Bank Limited - Islamic Banking	Dubai Islamic Bank
Soneri Bank Ltd - Islamic Banking	Faysal Bank Limited - Islamic Banking
United Bank Limited- Islamic Banking	Habib Metropolitan Bank Limited - Islamic Banking
Meezan Bank Limited	The Bank of Punjab - Islamic Banking

## LEGAL ADVISER

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

## TRANSFER AGENT

Al Meezan Investment Management Limited

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited



**MEEZAN DAILY INCOME FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT MARCH 31, 2023**

	March 31, 2023 (Unaudited)			June 30, 2022 (Audited)	
	MDIP-I	MMMP	Total	MDIP-I	
Note -----(Rupees in '000)-----					
<b>Assets</b>					
Balances with banks	5	50,030,110	4,917,104	54,947,214	22,995,517
Investments	6	33,032,450	-	33,032,450	7,294,000
Receivable against conversion of units		203,841	-	203,841	47,229
Deposits, prepayments and profit receivable		1,223,439	112,936	1,336,375	484,814
Preliminary expenses and floatation costs		533	-	533	648
<b>Total assets</b>		<b>84,490,373</b>	<b>5,030,040</b>	<b>89,520,413</b>	<b>30,822,208</b>
<b>Liabilities</b>					
Payable to AI Meezan Investment Management Limited - Management Company	7	84,408	3,443	87,851	8,087
Payable to Central Depository Company of Pakistan Limited - Trustee		6,888	854	7,742	2,072
Payable to the Securities and Exchange Commission of Pakistan		8,918	320	9,238	2,638
Payable to Meezan Bank Limited		87,253	-	87,253	15,378
Payable against conversion and redemption of units		227,127	37,974	265,101	107,446
Dividend payable		35,960	1,990	37,950	-
Accrued expenses and other liabilities	8	263,602	11,922	275,524	37,943
<b>Total liabilities</b>		<b>714,156</b>	<b>56,503</b>	<b>770,659</b>	<b>173,564</b>
<b>Net assets</b>		<b>83,776,217</b>	<b>4,973,537</b>	<b>88,749,754</b>	<b>30,648,644</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>83,776,217</b>	<b>4,973,537</b>	<b>88,749,754</b>	<b>30,648,644</b>
<b>Contingencies and commitments</b>					
9					
Number of units					
<b>Number of units in issue</b>		<b>1,675,523,820</b>	<b>99,470,747</b>	<b>-</b>	<b>612,972,871</b>
Rupees					
<b>Net asset value per unit</b>		<b>50.0000</b>	<b>50.0000</b>	<b>-</b>	<b>50.0000</b>

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

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

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

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

\_\_\_\_\_  
Director



**MEEZAN DAILY INCOME FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

	Nine months period ended March 31, 2023	For the period from October 29, 2022 to March 31, 2023	Total	For the period from September 14, 2021 to March 31, 2022
	MDIP-I	MMMP		MDIP-I
<b>Note</b> ----- (Rupees in '000) -----				
<b>Income</b>				
Profit on sukuks	908,289	-	908,289	47,803
Income on commercial papers	-	-	-	27,322
Profit on certificate of musharaka	1,348,758	1,774	1,350,532	50,434
Profit on term deposit receipts	285,149	-	285,149	37,177
Profit on savings accounts with banks	3,906,889	245,274	4,152,163	507,298
Profit on Bai muajjal	513,833	-	513,833	-
Net realised gain on sale of investment	1,310	-	1,310	1,300
<b>Total income</b>	<b>6,964,228</b>	<b>247,048</b>	<b>7,211,276</b>	<b>671,334</b>
<b>Expenses</b>				
Remuneration of Al Meezan Investment Management Limited - Management Company	7.1 211,085	23,548	234,633	13,744
Sindh Sales Tax on remuneration of the Management Company	27,441	3,061	30,502	1,787
Selling and marketing expenses	7.2 82,828	1,922	84,750	6,473
Remuneration of Central Depository Company of Pakistan Limited - Trustee	33,441	1,201	34,642	4,927
Sindh Sales Tax on remuneration of the Trustee	4,347	156	4,503	640
Annual fee to the Securities and Exchange Commission of Pakistan	8,918	320	9,238	1,314
Auditors' remuneration	308	21	329	152
Brokerage expenses	1,200	1	1,201	23
Bank and settlement charges	1,989	16	2,005	119
Allocated expense	-	320	320	-
Amortisation of preliminary expenses and floatation costs	115	-	115	83
Printing Charges	18	-	18	-
Fees and subscription	972	-	972	578
<b>Total expenses</b>	<b>372,662</b>	<b>30,566</b>	<b>403,228</b>	<b>29,840</b>
<b>Net income for the period before taxation</b>	<b>6,591,566</b>	<b>216,482</b>	<b>6,808,048</b>	<b>641,494</b>
Taxation	11 -	-	-	-
<b>Net income for the period after taxation</b>	<b>6,591,566</b>	<b>216,482</b>	<b>6,808,048</b>	<b>641,494</b>
<b>Allocation of net income for the period</b>				
Net income for the period after taxation	6,591,566	216,482	6,808,048	641,494
Income already paid on units redeemed	-	-	-	-
	<b>6,591,566</b>	<b>216,482</b>	<b>6,808,048</b>	<b>641,494</b>
<b>Accounting income available for distribution</b>				
- Relating to capital gains	1,310	-	1,310	1,300
- Excluding capital gains	6,590,256	216,482	6,806,738	640,194
	<b>6,591,566</b>	<b>216,482</b>	<b>6,808,048</b>	<b>641,494</b>

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

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

Chief Executive

Chief Financial Officer

Director





**MEEZAN DAILY INCOME FUND  
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2023**

	For the quarter ended March 31, 2023		Total	For the quarter ended March 31, 2022	
	MDIP-I	MMMP		MDIP-I	
Note ----- (Rupees in '000) -----					
<b>Income</b>					
Profit on sukuku	323,473	-	323,473	39,901	
Income on commercial papers	-	-	-	15,458	
Profit on certificate of musharaka	985,149	1,774	986,923	43,508	
Profit on term deposit receipts	97,319	-	97,319	35,928	
Profit on savings accounts with banks	1,572,658	222,371	1,795,029	360,066	
Profit on Bai muajjal	304,269	-	304,269	-	
<b>Total income</b>	<b>3,282,868</b>	<b>224,145</b>	<b>3,507,013</b>	<b>494,861</b>	
<b>Expenses</b>					
Remuneration of AI Meezan Investment Management Limited - Management Company	7.1	98,448	21,302	119,750	11,062
Sindh Sales Tax on remuneration of the Management Company		12,798	2,769	15,567	1,438
Selling and marketing expenses	7.2	46,210	1,739	47,949	4,679
Remuneration of Central Depository Company of Pakistan Limited - Trustee		15,069	1,086	16,155	3,510
Sindh Sales Tax on remuneration of the Trustee		1,959	141	2,100	456
Annual fee to the Securities and Exchange Commission of Pakistan		4,019	289	4,308	936
Auditors' remuneration		59	-	59	48
Brokerage expenses		211	1	212	-
Bank and settlement charges		1,062	12	1,074	94
Allocated Expense		-	289	289	-
Amortisation of preliminary expenses and floatation costs		37	-	37	38
Printing Charges		18	-	18	-
Fees and subscription		317	-	317	433
<b>Total expenses</b>		<b>180,207</b>	<b>27,628</b>	<b>207,835</b>	<b>22,694</b>
<b>Net income for the quarter before taxation</b>		<b>3,102,661</b>	<b>196,517</b>	<b>3,299,178</b>	<b>472,167</b>
Taxation	11	-	-	-	-
<b>Net income for the quarter after taxation</b>		<b>3,102,661</b>	<b>196,517</b>	<b>3,299,178</b>	<b>472,167</b>

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

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

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

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

\_\_\_\_\_  
Director



**MEEZAN DAILY INCOME FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2023**

Nine months period ended March 31, 2023	For the period from October 29, 2022 to March 31, 2023	Total	For the period from September 14, 2021 to March 31, 2022

(Rupees in '000)

Net income for the period after taxation	6,591,566	216,482	6,808,048	641,494
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>6,591,566</b>	<b>216,482</b>	<b>6,808,048</b>	<b>641,494</b>

For the quarter ended March 31, 2023		Total	For the quarter ended March 31, 2022
MDIP-I	MMMP		

(Rupees in '000)

Net income for the quarter after taxation	3,102,661	196,517	3,299,178	472,167
Other comprehensive income for the quarter	-	-	-	-
<b>Total comprehensive income for the quarter</b>	<b>3,102,661</b>	<b>196,517</b>	<b>3,299,178</b>	<b>472,167</b>

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

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

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

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

\_\_\_\_\_  
Director



**MEEZAN DAILY INCOME FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

	Nine months period ended March 31, 2023			For the period from October 29, 2022 to March 31, 2023			For the period from September 14, 2021 to March 31, 2022		
	MDIP-I			MMMP			MDIP-I		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)			(Rupees in '000)		
<b>Net assets at the beginning of the period</b>	30,648,644	-	30,648,644	-	-	-	-	-	-
Issuance of units: MDIP-I 2,638,033,215 units, MMMP 259,063,601 units (2022: MDIP-I 833,205,352 units, MMMP Nil)									
- Capital value (at par value per unit)	131,901,686	-	131,901,686	12,953,180	-	12,953,180	41,660,268	-	41,660,268
- Element of income	-	-	-	-	-	-	-	-	-
Total proceeds on issuance of units	131,901,686	-	131,901,686	12,953,180	-	12,953,180	41,660,268	-	41,660,268
Redemption of units: MDIP-I 1,575,482,266 units, MMMP 159,592,854 units (2021: MDIP-I 424,492,469 units, MMMP Nil)									
- Capital value (at par value per unit)	78,774,113	-	78,774,113	7,979,643	-	7,979,643	21,224,624	-	21,224,624
- Element of loss	-	-	-	-	-	-	-	-	-
Total payments on redemption of units	78,774,113	-	78,774,113	7,979,643	-	7,979,643	21,224,624	-	21,224,624
Total comprehensive income for the period	-	6,591,566	6,591,566	-	216,482	216,482	-	641,494	641,494
Distributions during the period*	-	(6,591,566)	(6,591,566)	-	(216,482)	(216,482)	-	(641,494)	(641,494)
Net income for the period less distribution	-	-	-	-	-	-	-	-	-
<b>Net assets at the end of the period</b>	<b>83,776,217</b>	-	<b>83,776,217</b>	<b>4,973,537</b>	-	<b>4,973,537</b>	<b>20,435,644</b>	-	<b>20,435,644</b>
Accounting income available for distribution									
- Relating to capital gains		1,310			-			1,300	
- Excluding capital gains		6,590,256			216,482			640,194	
		6,591,566			216,482			641,494	
Distributions during the period*		(6,591,566)			(216,482)			(641,494)	
Undistributed income carried forward		-			-			-	
<b>Undistributed income carried forward</b>									
- Realised income		-			-			-	
- Unrealised income		-			-			-	
		-			-			-	
		(Rupees)			(Rupees)			(Rupees)	
Net assets value per unit at the end of the period		<b>50.0000</b>			<b>50.0000</b>			<b>50.0000</b>	

\* Meezan Daily Income Fund is required to distribute dividend on a daily basis on each business day. The cumulative distribution per unit for the nine month period ended March 31, 2023 for MDIP-I amounted to Rs.5.4676 per unit and MMMP 2.7353 per unit

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

For Al Meezan Investment Management Limited  
(Management Company)

Chief Executive

Chief Financial Officer

Director



**MEEZAN DAILY INCOME FUND**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

	Nine months period ended March 31, 2023	For the period from October 29, 2022 to March 31, 2023	Total	For the period from September 14, 2021 to March 31, 2022
	MDIP-I	MMMP		MDIP-I
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net income for the period before taxation	6,591,566	216,482	6,808,048	641,494
<b>Adjustment for non-cash items:</b>				
Amortisation of preliminary expenses and floatation costs	115	-	115	83
	<u>6,591,681</u>	<u>216,482</u>	<u>6,808,163</u>	<u>641,577</u>
<b>Increase in assets</b>				
Investments - net	(2,375,000)	-	(2,375,000)	(3,471,042)
Deposits, prepayments and profit receivable	(738,625)	(112,936)	(851,561)	(208,590)
Preliminary expenses and floatation costs paid	-	-	-	(769)
	<u>(3,113,625)</u>	<u>(112,936)</u>	<u>(3,226,561)</u>	<u>(3,680,401)</u>
<b>Increase in liabilities</b>				
Payable to Al Meezan Investment Management Limited - Management Company	76,321	3,443	79,764	8,950
Payable to Central Depository Company of Pakistan Limited - Trustee	4,816	854	5,670	1,512
Payable to the Securities and Exchange Commission of Pakistan (SECP)	6,280	320	6,600	1,314
Payable to Meezan Bank Limited	71,875	-	71,875	10,364
Accrued expenses and other liabilities	225,659	11,922	237,581	23,749
	<u>384,951</u>	<u>16,539</u>	<u>401,490</u>	<u>45,889</u>
<b>Net cash generated from / (used in) operating activities</b>	<u>3,863,007</u>	<u>120,085</u>	<u>3,983,092</u>	<u>(2,992,935)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Receipts against issuance and conversion of units	131,745,074	12,953,180	144,698,254	41,627,186
Payments against redemption and conversion of units	(78,654,432)	(7,941,669)	(86,596,101)	(21,195,322)
Dividend paid	(6,555,606)	(214,492)	(6,770,098)	(635,797)
<b>Net cash generated from financing activities</b>	<u>46,535,036</u>	<u>4,797,019</u>	<u>51,332,055</u>	<u>19,796,067</u>
<b>Net increase in cash and cash equivalents</b>	<u>50,398,043</u>	<u>4,917,104</u>	<u>55,315,147</u>	<u>16,803,132</u>
Cash and cash equivalents at the beginning of the period	25,939,517	-	25,939,517	-
<b>Cash and cash equivalents at the end of the period</b>	<u>76,337,560</u>	<u>4,917,104</u>	<u>81,254,664</u>	<u>16,803,132</u>

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

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

Chief Executive

Chief Financial Officer

Director

**MEEZAN DAILY INCOME FUND****NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023****1 LEGAL STATUS AND NATURE OF BUSINESS**

**1.1** Meezan Daily Income 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 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 return by investing in Shariah compliant fixed income instruments 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); and

(b) Daily dividend received by the unit holders 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.

**1.3** Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund is listed on Pakistan Stock Exchange Limited.

**1.4** The Management Company has been assigned a quality rating of 'AM1' by VIS Credit Rating Company Limited dated December 30, 2022 (2021: 'AM1' dated December 27, 2021) and by PACRA dated June 23, 2022 (2021: 'AM1' dated June 23, 2021). 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 19, 2023.

**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** During the current period Meezan Mahana Munafa Plan has been launched as at October 29, 2022.

**2 BASIS OF PRESENTATION**

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

**3 BASIS OF PREPARATION****3.1 Statement of compliance**

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

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

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

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the published financial statements of the Fund for the period ended June 30, 2022.

These condensed interim financial statements are unaudited. However, in compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at March 31, 2023.

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

**4.1** The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements of the Fund for the period ended June 30, 2022.

**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 period ended June 30, 2022. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Funds for the period ended June 30, 2022.

#### **4.3 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period**

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 01, 2022. 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.

#### **4.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective**

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

<b>Standards, interpretations and amendments</b>	<b>Effective date (annual periods beginning on or after)</b>
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction Amendments to IAS 12	January 01, 2023
Classification of liabilities as current or non-current - Amendment to IAS 1	January 01, 2024
Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	January 01, 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized

The above standards and amendments are not expected to have any material impact on the Fund's financial statements in the period of initial application.

IASB Effective date  
(annual periods  
beginning on or after)

**Standards**

IFRS 1 - First-time Adoption of International Financial Reporting Standards

July 01, 2009

IFRS 17 – Insurance Contracts

January 01, 2023

	March 31, 2023 (Unaudited)			June 30, 2022 (Audited)	
	MDIP-I	MMMP	Total	MDIP-I	
<b>5 BALANCE WITH BANKS</b>	Note ----- (Rupees in '000) -----				
Savings accounts	5.1	<u>50,030,110</u>	<u>4,917,104</u>	<u>54,947,214</u>	<u>22,995,517</u>

5.1 This includes a balance maintained with Meezan Bank Limited (a related party) that has last declared profit rate of 6.96% (June 30, 2022: 6.01%) per annum. Other savings accounts of the Fund have expected rates of profit ranging from 7.00% to 18.18% (June 30, 2022: 3.70% to 16.40%) per annum.

	March 31, 2023 (Unaudited)			June 30, 2022 (Audited)	
	MDIP-I	MMMP	Total	MDIP-I	
<b>6 INVESTMENTS</b>	Note ----- (Rupees in '000) -----				
<b>At fair value through profit or loss</b>					
Sukuk Certificates	6.1	<u>6,725,000</u>	-	<u>6,725,000</u>	4,350,000
Term deposit receipts	6.2	<u>3,000,000</u>	-	<u>3,000,000</u>	-
Certificates of musharaka	6.3	<u>19,600,000</u>	-	<u>19,600,000</u>	2,944,000
Bai Muajjal receivable	6.4	<u>3,707,450</u>	-	<u>3,707,450</u>	-
		<u>33,032,450</u>	-	<u>33,032,450</u>	<u>7,294,000</u>

**6.1 Sukuk certificates**

Government securities	6.1.1	-	-	-	-
Corporate sukuk certificates	6.1.2	<u>6,725,000</u>	-	<u>6,725,000</u>	<u>4,350,000</u>
		<u>6,725,000</u>	-	<u>6,725,000</u>	<u>4,350,000</u>

**6.1.1 Government securities**

Name of the Security	Profit payments / principal redemptions	Issue date	Maturity date	Profit rate	Purchased during the period	Sold during the period	As at March 31, 2023	Carrying value as at March 31, 2023	Market value as at March 31, 2023	Unrealised appreciation / (diminution) as at March 31, 2023	Percentage in relation to	
					Number of certificates			(Rupees in '000)			Net assets of the Fund	Total market value of investments
GoP Ijarah Sukuk Certificates - VIII - VRR	Semi-annually / At maturity	April 30, 2020	April 30, 2025	Weighted Average 6 months T-Bills	62,950	62,950	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XX - VRR	Semi-annually / At maturity	May 29, 2020	May 29, 2025	Weighted Average 6 months T-Bills	6,000	6,000	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - XXIV - VRR	Semi-annually / At maturity	October 29, 2021	October 29, 2026	Weighted Average 6 months T-Bills	2,500	2,500	-	-	-	-	-	-
<b>Total as at December 31, 2022</b>								-	-	-	-	-
<b>Total as at June 30, 2022</b>								-	-	-	-	-

6.1.1.1 The nominal value of the GOP ijarah sukuk certificates is Rs.100,000 each

### 6.1.2 Corporate sukuk certificates

Name of the security	Maturity date	Profit rate	As at July 1, 2022	Purchased during the period	Sold / redeemed during the period	As at March 31, 2023	Carrying value as at March 31, 2023	Market value as at March 31, 2023	Unrealised appreciation/ (diminution) as at March 31, 2023	Percentage in relation to	
										Net assets of the Fund	Total market value of investments
							(Number of certificates)	(Rupees in '000)			%
K-Electric Limited PPSTS - 1 (AA, PACRA) (note 6.1.2.2)	August 04, 2022	6 months KIBOR plus base rate of 0.85%	625	-	625	-	-	-	-	-	-
K-Electric Limited PPSTS - 2 (AA, PACRA) (note 6.1.2.2)	August 15, 2022	6 months KIBOR plus base rate of 0.85%	675	-	675	-	-	-	-	-	-
K-Electric Limited PPSTS - 3 (AA, PACRA) (note 6.1.2.2)	September 01, 2022	6 months KIBOR plus base rate of 0.85%	675	-	675	-	-	-	-	-	-
K-Electric Limited PPSTS - 4 (AA, PACRA) (note 6.1.2.2)	September 23, 2022	6 months KIBOR plus base rate of 0.85%	300	-	300	-	-	-	-	-	-
K-Electric Limited PPSTS - 5 (AA, PACRA) (note 6.1.2.2)	October 12, 2022	6 months KIBOR plus base rate of 0.95%	400	-	400	-	-	-	-	-	-
Hub Power Company Limited XI (AA+, PACRA) (note 6.1.2.1)	October 27, 2022	6 months KIBOR plus base rate of 1.00%	6,750	-	6,750	-	-	-	-	-	-
Lucky Electric Power Company Limited PPSTS - 2 (AA, PACRA) (note 6.1.2.2)	December 15, 2022	6 months KIBOR plus base rate of 1.20%	1,000	-	1,000	-	-	-	-	-	-
Lucky Electric Power Company Limited PPSTS - 4 (AA, PACRA) (note 6.1.2.2)	January 09, 2023	6 months KIBOR plus base rate of 1.20%	-	750	750	-	-	-	-	-	-
China Power Hub Generation Company (PVT) Limited - I (A-1+, PACRA) (note 6.1.2.2)	January 30, 2023	6 months KIBOR plus base rate of 1.35%	-	1,200	1,200	-	-	-	-	-	-
K-Electric Limited PPSTS - 7 (AA, PACRA) (note 6.1.2.2)	February 10, 2023	6 months KIBOR plus base rate of 1.35%	-	750	750	-	-	-	-	-	-
K-Electric Limited PPSTS - 8 (AA, PACRA) (note 6.1.2.2)	February 28, 2023	6 months KIBOR plus base rate of 1.35%	-	600	600	-	-	-	-	-	-
K-Electric Limited PPSTS - 9 (AA, PACRA) (note 6.1.2.2)	March 21, 2023	6 months KIBOR plus base rate of 1.40%	-	300	300	-	-	-	-	-	-
Lucky Electric Power Company Limited PPSTS - 5 (AA, PACRA) (note 6.1.2.2)	March 28, 2023	6 months KIBOR plus base rate of 1.50%	-	750	750	-	-	-	-	-	-
K-Electric Limited - X (A-1+, PACRA) (note 6.1.2.2)	April 05, 2023	6 months KIBOR plus base rate of 1.45%	-	400	-	400	400,000	400,000	-	0.48%	1.21%
Lucky Electric Limited - V (A-1+, PACRA) (note 6.1.2.2)	April 13, 2023	6 months KIBOR plus base rate of 1.5%	-	1,050	-	1,050	1,050,000	1,050,000	-	1.25%	3.18%
K-Electric Limited - XI (A-1+, PACRA) (note 6.1.2.2)	April 26, 2023	6 months KIBOR plus base rate of 1.45%	-	750	-	750	750,000	750,000	-	0.90%	2.27%
Nishat Mills Limited (A-1+, PACRA) (note 6.1.2.2)	February 23, 2023	6 months KIBOR plus base rate of 0.9%	-	320	320	-	-	-	-	-	-
China Power Hub Generation Company - I (A-1+, PACRA) (note 6.1.2.2)	June 07, 2023	6 months KIBOR plus base rate of 1.45%	-	675	-	675	675,000	675,000	-	0.81%	2.04%
K-Electric Limited - XII (A-1+, PACRA) (note 6.1.2.2)	June 13, 2023	6 months KIBOR plus base rate of 1.4%	-	750	-	750	750,000	750,000	-	0.90%	2.27%
Lucky Electric Limited - VI (A-1+, PACRA) (note 6.1.2.2)	June 13, 2023	6 months KIBOR plus base rate of 1.35%	-	600	-	600	600,000	600,000	-	0.72%	1.82%
Lucky Electric Limited - VIII (A-1+, PACRA) (note 6.1.2.2)	September 27, 2023	6 months KIBOR plus base rate of 0.55%	-	750	-	750	750,000	750,000	-	0.90%	2.27%
China Power Hub Generation Company - I (A-1+, PACRA) (note 6.1.2.2)	September 29, 2023	6 months KIBOR plus base rate of 0.70%	-	1,050	-	1,050	1,050,000	1,050,000	-	1.25%	3.18%
Lucky Electric Limited - VII (A-1+, PACRA) (note 6.1.2.2)	August 15, 2023	6 months KIBOR plus base rate of 0.65%	-	700	-	700	700,000	700,000	-	0.84%	2.12%
<b>Total as at March 31, 2023</b>							<b>6,725,000</b>	<b>6,725,000</b>	<b>-</b>	<b>8.03%</b>	<b>20.36%</b>
<b>Total as at June 30, 2022</b>							<b>4,350,000</b>	<b>4,350,000</b>			

6.1.2.1 The nominal value of the sukuk certificates is Rs.100,000 and the profit and principal of corporate sukuks is receivable at maturity.

6.1.2.2 The nominal value of the sukuk certificates is Rs.1,000,000 and the profit and principal of corporate sukuks is receivable at maturity.



## 6.2 Term deposit receipts

Name of the bank	Maturity date	Profit rate	As at July 1, 2022	Placed during the period	Matured during the period	Carrying value as at March 31, 2023	Market value as at March 31, 2023	Unrealised appreciation/ (diminution) as at March 31, 2023	Percentage in relation to	
									Net assets of the Fund	Total market value of investments
(Rupees in '000)										
Meezan Bank Limited (AAA, PACRA)	August 29, 2022	14.15%	-	2,500,000	2,500,000	-	-	-	0.00%	0.00%
The Bank Of Punjab (AA+, PACRA)	February 16, 2023	15.80%	-	2,000,000	2,000,000	-	-	-	0.00%	0.00%
Bank Alfalah Limited (AA+, PACRA)	March 2, 2023	16.00%	-	2,000,000	2,000,000	-	-	-	0.00%	0.00%
The Bank Of Punjab (AA+, PACRA)	January 20, 2023	15.50%	-	2,000,000	2,000,000	-	-	-	0.00%	0.00%
The Bank Of Punjab (AA+, PACRA)	January 30, 2023	15.50%	-	1,000,000	1,000,000	-	-	-	0.00%	0.00%
Askari Bank Limited (AA+, PACRA)	March 17, 2023	15.50%	-	500,000	500,000	-	-	-	0.00%	0.00%
Bank Alfalah Limited (AA+, PACRA)	March 10, 2023	16.55%	-	2,000,000	2,000,000	-	-	-	0.00%	0.00%
The Bank Of Punjab (AA+, PACRA)	March 16, 2023	16.25%	-	3,000,000	3,000,000	-	-	-	0.00%	0.00%
Bank Alfalah Limited (AA+, PACRA)	June 9, 2023	17.72%	-	2,000,000	-	2,000,000	2,000,000	-	2.39%	6.05%
Bank Alfalah Limited (AA+, PACRA)	May 2, 2023	18.75%	-	1,000,000	-	1,000,000	1,000,000	-	1.19%	3.03%
<b>Total as at March 31, 2023</b>						<b>3,000,000</b>	<b>3,000,000</b>		<b>3.58%</b>	<b>9.08%</b>
<b>Total as at June 30, 2022</b>						-	-			

6.2.1 The profit and principal of term deposit receipts is receivable at maturity.

## 6.3 Certificate of Musharaka

### MDIP-I

Name of the bank	Maturity date	Profit rate	As at July 1, 2022	Placed during the period	Matured during the period	Carrying value as at March 31, 2023	Market value as at March 31, 2023	Unrealised appreciation/ (diminution) as at March 31, 2023	Percentage in relation to	
									Net assets of the Fund	Total market value of investments
(Rupees in '000)										
First Habib Modaraba (AA+, PACRA)	July 28, 2022	15.50%	718,000	-	718,000	-	-	-	0.00%	0.00%
First Habib Modaraba (AA+, PACRA)	July 28, 2022	15.50%	718,000	-	718,000	-	-	-	0.00%	0.00%
Orix Modaraba (AA, PACRA)	July 29, 2022	15.86%	700,000	-	700,000	-	-	-	0.00%	0.00%
First Habib Modaraba (AA+, PACRA)	August 9, 2022	15.50%	308,000	-	308,000	-	-	-	0.00%	0.00%
First Habib Modaraba (AA+, PACRA)	August 19, 2022	15.50%	500,000	-	500,000	-	-	-	0.00%	0.00%
First Habib Modaraba (AA+, PACRA)	October 28, 2022	15.80%	-	718,000	718,000	-	-	-	0.00%	0.00%
First Habib Modaraba (AA+, PACRA)	October 28, 2022	15.80%	-	718,000	718,000	-	-	-	0.00%	0.00%
Orix Modaraba (AA, PACRA)	October 28, 2022	16.12%	-	300,000	300,000	-	-	-	0.00%	0.00%
First Habib Modaraba (AA+, PACRA)	November 10, 2022	15.80%	-	308,000	308,000	-	-	-	0.00%	0.00%
First Habib Modaraba (AA+, PACRA)	November 18, 2022	15.80%	-	500,000	500,000	-	-	-	0.00%	0.00%
First Habib Modaraba (AA+, PACRA)	January 13, 2023	16.88%	-	300,000	300,000	-	-	-	0.00%	0.00%
First Habib Modaraba (AA+, PACRA)	January 27, 2023	16.88%	-	718,000	718,000	-	-	-	0.00%	0.00%
First Habib Modaraba (AA+, PACRA)	January 27, 2023	16.88%	-	718,000	718,000	-	-	-	0.00%	0.00%
First Habib Modaraba (AA+, PACRA)	February 10, 2023	16.88%	-	300,000	300,000	-	-	-	0.00%	0.00%
First Habib Modaraba (AA+, PACRA)	February 17, 2023	16.88%	-	500,000	500,000	-	-	-	0.00%	0.00%
UBL Ameen (AAA, PACRA)	December 13, 2022	14.80%	-	6,000,000	6,000,000	-	-	-	0.00%	0.00%
UBL Ameen (AAA, PACRA)	December 16, 2022	14.80%	-	400,000	400,000	-	-	-	0.00%	0.00%
Meezan Bank Limited (AAA, PACRA)	December 16, 2022	15.50%	-	1,500,000	1,500,000	-	-	-	0.00%	0.00%
Meezan Bank Limited (AAA, PACRA)	December 16, 2022	15.50%	-	1,000,000	1,000,000	-	-	-	0.00%	0.00%
UBL Ameen (AAA, PACRA)	January 13, 2023	15.70%	-	6,000,000	6,000,000	-	-	-	0.00%	0.00%
UBL Ameen (AAA, PACRA)	January 13, 2023	15.70%	-	300,000	300,000	-	-	-	0.00%	0.00%
UBL Ameen (AAA, PACRA)	January 13, 2023	15.70%	-	400,000	400,000	-	-	-	0.00%	0.00%
Meezan Bank Limited (AAA, PACRA)	December 23, 2022	15.50%	-	6,500,000	6,500,000	-	-	-	0.00%	0.00%
Meezan Bank Limited (AAA, PACRA)	December 30, 2022	15.50%	-	4,500,000	4,500,000	-	-	-	0.00%	0.00%
Meezan Bank Limited (AAA, PACRA)	January 13, 2023	15.50%	-	2,000,000	2,000,000	-	-	-	0.00%	0.00%
Meezan Bank Limited (AAA, PACRA)	January 13, 2023	15.50%	-	750,000	750,000	-	-	-	0.00%	0.00%
UBL Ameen (AAA, PACRA)	January 13, 2023	15.70%	-	550,000	550,000	-	-	-	0.00%	0.00%
Meezan Bank Limited (AAA, PACRA)	January 13, 2023	15.50%	-	4,500,000	4,500,000	-	-	-	0.00%	0.00%
Meezan Bank Limited (AAA, PACRA)	January 27, 2023	15.50%	-	7,200,000	7,200,000	-	-	-	0.00%	0.00%
UBL Ameen (AAA, PACRA)	January 27, 2023	15.25%	-	7,400,000	7,400,000	-	-	-	0.00%	0.00%
First Habib Modaraba (AA+, PACRA)	April 13, 2023	17.80%	-	300,000	-	300,000	300,000	-	0.36%	0.91%
Faysal Bank Limited (AA, PACRA)	January 25, 2023	14.80%	-	1,000,000	1,000,000	-	-	-	0.00%	0.00%
Faysal Bank Limited (AA, PACRA)	February 3, 2023	15.25%	-	2,500,000	2,500,000	-	-	-	0.00%	0.00%
Meezan Bank Limited (AAA, PACRA)	March 17, 2023	16.50%	-	7,800,000	7,800,000	-	-	-	0.00%	0.00%
First Habib Modaraba (AA+, PACRA)	April 27, 2023	17.80%	-	750,000	-	750,000	750,000	-	0.90%	2.27%
First Habib Modaraba (AA+, PACRA)	April 27, 2023	17.80%	-	750,000	-	750,000	750,000	-	0.90%	2.27%
UBL Ameen (AAA, PACRA)	March 3, 2023	16.50%	-	2,000,000	2,000,000	-	-	-	0.00%	0.00%
Faysal Bank Limited (AA, PACRA)	February 3, 2023	16.50%	-	5,000,000	5,000,000	-	-	-	0.00%	0.00%
UBL Ameen (AAA, PACRA)	March 3, 2023	16.35%	-	3,000,000	3,000,000	-	-	-	0.00%	0.00%
Faysal Bank Limited (AA, PACRA)	February 17, 2023	15.60%	-	4,500,000	4,500,000	-	-	-	0.00%	0.00%
UBL Ameen (AAA, PACRA)	March 6, 2023	16.35%	-	2,000,000	2,000,000	-	-	-	0.00%	0.00%
Faysal Bank Limited (AA, PACRA)	February 24, 2023	16.00%	-	3,000,000	3,000,000	-	-	-	0.00%	0.00%
Dubai Islamic Bank (AA, PACRA)	February 17, 2023	16.35%	-	2,000,000	2,000,000	-	-	-	0.00%	0.00%
Faysal Bank Limited (AA, PACRA)	March 3, 2023	15.75%	-	4,500,000	4,500,000	-	-	-	0.00%	0.00%
First Habib Modaraba (AA+, PACRA)	May 17, 2023	18.00%	-	500,000	-	500,000	500,000	-	0.60%	1.51%
Meezan Bank Limited (AAA, PACRA)	March 3, 2023	16.50%	-	500,000	500,000	-	-	-	0.00%	0.00%
Dubai Islamic Bank (AA, PACRA)	March 3, 2023	16.50%	-	3,000,000	3,000,000	-	-	-	0.00%	0.00%
Faysal Bank Limited (AA, PACRA)	April 7, 2023	18.25%	-	8,400,000	-	8,400,000	8,400,000	-	10.03%	25.43%
Meezan Bank Limited (AAA, PACRA)	April 7, 2023	19.50%	-	600,000	-	600,000	600,000	-	0.72%	1.82%
UBL Ameen (AAA, PACRA)	March 28, 2023	17.45%	-	5,000,000	5,000,000	-	-	-	0.00%	0.00%
UBL Ameen (AAA, PACRA)	March 28, 2023	17.45%	-	3,400,000	3,400,000	-	-	-	0.00%	0.00%
Meezan Bank Limited (AAA, PACRA)	April 7, 2023	19.50%	-	4,800,000	-	4,800,000	4,800,000	-	5.73%	14.53%
Meezan Bank Limited (AAA, PACRA)	April 7, 2023	19.50%	-	3,000,000	-	3,000,000	3,000,000	-	3.58%	9.08%
Habib Bank Limited (AAA, PACRA)	March 29, 2023	19.00%	-	1,000,000	1,000,000	-	-	-	0.00%	0.00%
First Habib Modaraba (AA+, PACRA)	June 29, 2023	21.00%	-	500,000	-	500,000	500,000	-	0.60%	1.51%
<b>Total as at March 31, 2023</b>						<b>19,600,000</b>	<b>19,600,000</b>		<b>23.42%</b>	<b>59.33%</b>
<b>Total as at June 30, 2022</b>						<b>2,944,000</b>	<b>2,944,000</b>			

**MMMP**

Name of the bank	Maturity date	Profit rate	As at July 1, 2022	Placed during the period	Matured during the period	Carrying value as at March 31, 2023	Market value as at March 31, 2023	Unrealised appreciation/ (diminution) as at March 31, 2023	Percentage in relation to	
									Net assets of the Fund	Total market value of investments
(Rupees in '000)										
Habib Bank Limited (AAA, PACRA)	March 29, 2023	19.00%	-	500,000	500,000	-	-	-	0.00%	0.00%
<b>Total as at March 31, 2023</b>						-	-	-	<b>0.00%</b>	<b>0.00%</b>
<b>Total as at June 30, 2022</b>						-	-	-	-	-

6.3.1 The profit and principal of certificate of musharaka is receivable at maturity.

**6.4 Bai Muajjal receivable**

Name of the counterparty	Maturity date	Profit rate	Total transaction Price	Total deferred income	Accrued profit for the period	Carrying value as at March 31, 2023	Percentage in relation to		
							Net assets of the Fund	Total market value of investments	
(Rupees in '000)									
Samba Bank Limited (AA, VIS)	December 13, 2022	14.90%	772,672	19,241	19,241	-	0.00%	0.00%	
Samba Bank Limited (AA, VIS)	December 14, 2022	14.90%	773,026	19,249	19,249	-	0.00%	0.00%	
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 20, 2022	14.90%	518,185	11,634	11,634	-	0.00%	0.00%	
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 20, 2022	14.90%	518,421	11,428	11,428	-	0.00%	0.00%	
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 20, 2022	14.90%	259,210	5,714	5,714	-	0.00%	0.00%	
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 21, 2022	14.90%	518,657	11,433	11,433	-	0.00%	0.00%	
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 21, 2022	14.90%	259,328	5,717	5,717	-	0.00%	0.00%	
Pak Kuwait Investment Company Limited (AAA, PACRA)	December 22, 2022	14.90%	2,423,177	51,438	51,438	-	0.00%	0.00%	
Pak Brunei Investment Company Limited (AA+, VIS)	May 15, 2023	15.50%	784,008	60,594	45,945	829,953	0.99%	2.51%	
Pak Brunei Investment Company Limited (AA+, VIS)	May 15, 2023	15.50%	784,362	60,288	45,633	829,995	0.99%	2.51%	
Pak Brunei Investment Company Limited (AA+, VIS)	May 15, 2023	15.50%	784,716	59,982	45,320	830,036	0.99%	2.51%	
Pak Brunei Investment Company Limited (AA+, VIS)	May 15, 2023	15.50%	785,070	59,676	45,007	830,078	0.99%	2.52%	
Pak Brunei Investment Company Limited (AA+, VIS)	May 15, 2023	15.50%	366,532	27,706	20,857	387,389	0.46%	1.17%	
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 29, 2023	15.90%	799,949	31,362	32,408	-	0.00%	0.00%	
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 29, 2023	15.90%	635,248	24,905	25,735	-	0.00%	0.00%	
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 29, 2023	15.90%	811,382	31,811	32,871	-	0.00%	0.00%	
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 29, 2023	15.90%	800,303	31,028	32,074	-	0.00%	0.00%	
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 29, 2023	15.90%	635,549	24,640	25,471	-	0.00%	0.00%	
Pak Kuwait Investment Company Limited (AAA, PACRA)	March 29, 2023	15.90%	811,733	31,471	32,532	-	0.00%	0.00%	
<b>Total as at March 31, 2023</b>						<b>519,706</b>	<b>3,707,450</b>	<b>4.42%</b>	<b>11.22%</b>
<b>Total as at June 30, 2022</b>						-	-	-	-

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

	Note	March 31, 2023 (Unaudited)			June 30, 2022 (Audited)
		MDIP-I	MMMP	Total	MDIP-I
(Rupees in '000)					
Management fee payable	7.1	10,373	1,329	11,702	1,027
Sindh Sales Tax on remuneration of the Management Company		1,349	173	1,522	134
Selling and marketing expenses payable	7.2	46,211	1,739	47,950	2,135
Allocated expense payable	7.3	-	202	202	-
Sales load payable		23,429	-	23,429	4,240
Sindh Sales Tax on sales load payable		3,046	-	3,046	551
		<b>84,408</b>	<b>3,443</b>	<b>87,851</b>	<b>8,087</b>

7.1 As per Regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit.

Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the following rates during the period ended March 31, 2023:



**MDIP-I**

<b>Rate applicable from July 1, 2022 to November 30, 2022</b>	<b>Rate applicable from December 1, 2022 to March 31, 2023</b>
0.45% of the average annual net assets	0.49% of the average annual net assets

**MMMP**

<b>Rate applicable from October 29, 2022 to March 31, 2023</b>
1.47% of the average annual net assets

The remuneration is payable to the Management Company monthly in arrears.

- 7.2 In accordance with Circular 11 dated July 05, 2019 with respect to charging selling and marketing expenses, the Management Company, based on its own discretion, has charged selling and marketing expenses at the following rates during the period ended March 31, 2023, subject to total expense charged being lower than actual expense incurred:

**MDIP-I**

<b>Rate applicable from July 1, 2022 to October 24, 2022</b>	<b>Rate applicable from October 25, 2022 to November 30, 2022</b>
0.12% of the average annual net assets	0.13% of the average annual net assets

<b>Rate applicable from December 1, 2022 to March 31, 2023</b>
0.23% of the average annual net assets

**MMMP**

<b>Rate applicable from October 29, 2022 to March 31, 2023</b>
0.12% of the average annual net assets

- 7.3 The Management Company, based on its own discretion, has charged such expenses at the rate of 0.02% of the average annual net assets of the Fund during the period ended March 31, 2023, subject to total expense charged being lower than actual expense incurred in MMMP.

	March 31, 2023 (Unaudited)			June 30, 2022 (Audited)
	MDIP-I	MMMP	Total	MDIP-I
<b>8 ACCRUED EXPENSES AND OTHER LIABILITIES</b>	----- (Rupees in '000) -----			
Brokerage payable	314	1	315	16
Auditors' remuneration payable	206	21	227	131
Zakat Payable	392	29	421	612
Withholding tax payable	262,417	11,811	274,228	36,645
Other Payable	-	60	60	-
Shariah advisory fee payable	273	-	273	539
	<b>263,602</b>	<b>11,922</b>	<b>275,524</b>	<b>37,943</b>

**9 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at March 31, 2023 and June 30, 2022.

**10 TOTAL EXPENSE RATIO**

The annualised total expense ratio (TER) of the Fund as at March 31, 2023 based on current period results is as follows:

	As at March 31, 2023	
	MDIP-I	MMMP
Total Expense Ratio (TER)	0.84%	1.90%
Government levies (included in TER)	0.09%	0.22%

  

	As at March 31, 2022	
	MDIP-I	MMMP
Total Expense Ratio (TER)	0.36%	-
Government levies (included in TER)	0.04%	-



The above ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a 'Income Scheme'.

## 11 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 Company intends to distribute at least 90% of the Fund's accounting income for the year ending June 30, 2023 as reduced by capital gains (whether realised or unrealised) to its unit holders, therefore no provision for taxation has been made in these condensed interim financial statements.

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

## 12 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering document, trust deed and NBFC regulations which are publicly available documents and hence, the transactions are considered to be on an arm's length basis.

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 during the period and balances with them as at period end are as follows:

	March 31, 2023 (Unaudited)	June 30 2022 (Audited)
	MDIP-I	
	(Rupees in '000)	
<b>Balances</b>		
<b>Al Meezan Investment Management Limited - Management Company</b>		
Management fee payable	10,373	1,027
Sindh Sales Tax on management fee payable	1,349	134
Selling and marketing expenses payable	46,211	2,135
Sales load payable	23,429	4,240
Sindh Sales Tax on sales load payable	3,046	551
Investment of 10,176,988 units (June 30, 2022: Nil)	508,849	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable to the Trustee	5,404	1,834
Sindh Sales Tax on remuneration of the Trustee	703	238
CDS charges payable	781	-
Security deposit	100	100
<b>Meezan Bank Limited</b>		
Balance with bank	434,663	458,682
Profit receivable on saving account	2,612	1,202
Sales load payable	77,215	13,609
Sindh Sales Tax on sales load payable	10,038	1,769
Shariah advisor fee payable	273	539
Term deposit receipts and certificate of musharaka outstanding	8,400,000	-
Profit receivable on term deposit receipts and certificate of musharaka	71,803	-
ATM deposit	1,000	-



	March 31, 2023 (Unaudited)	June 30 2022 (Audited)
	MDIP-I (Rupees in '000)	
<b>Balances</b>		
<b>Al Meezan Investment Management Limited - Employees Gratuity Fund</b>		
Investment of 692,483 units (June 30, 2022: Nil)	<u>34,624</u>	<u>-</u>
<b>Meezan Strategic Allocation Fund - MSAP - I</b>		
Investment of 1,189,706 units (June 30, 2022: 1,667,038 units)	<u>59,485</u>	<u>83,352</u>
<b>Meezan Strategic Allocation Fund - MSAP - II</b>		
Investment of 1,023,511 units (June 30, 2022: 1,452,507 units)	<u>51,176</u>	<u>72,625</u>
<b>Meezan Strategic Allocation Fund - MSAP - III</b>		
Investment of 944,884 units (June 30, 2022: 923,647 units)	<u>47,244</u>	<u>46,182</u>
<b>Meezan Strategic Allocation Fund - MSAP - IV</b>		
Investment of 411,263 units (June 30, 2022: 409,858 units)	<u>20,563</u>	<u>20,493</u>
<b>Meezan Strategic Allocation Fund - MSAP - V</b>		
Investment of 197,186 units (June 30, 2022: 220,543 units)	<u>9,859</u>	<u>11,027</u>
<b>Meezan Financial Planning Fund Of Funds - MAAP - I</b>		
Investment of 445,055 units (June 30, 2022: 340,490 units)	<u>22,253</u>	<u>17,025</u>
<b>Directors and Executives of the Management Company</b>		
Investment of 14,971,944 units (June 30, 2022: 7,558,695 units)	<u>748,597</u>	<u>377,935</u>
		For the
	Nine months	period from
	period ended	September
	March 31,	14, 2021 to
	2023	March 31,
		2022
	(Unaudited)	(Unaudited)
	MDIP-I	
	(Rupees in '000)	
<b>Transactions during the period</b>		
<b>Al Meezan Investment Management Limited - Management Company</b>		
Remuneration for the period	<u>211,085</u>	<u>13,744</u>
Sindh Sales Tax on management fee for the period	<u>27,441</u>	<u>1,787</u>
Selling and marketing expense	<u>82,828</u>	<u>6,473</u>
Units issued: 32,212,988 units (March 31, 2022: 63,388,228 units)	<u>1,615,015</u>	<u>3,169,411</u>
Units redeemed: 22,036,000 units (March 31, 2022: 56,420,000 units)	<u>1,101,800</u>	<u>2,821,000</u>
Dividend paid	<u>29,101</u>	<u>51,837</u>
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee	<u>33,441</u>	<u>4,927</u>
Sindh Sales Tax on remuneration of the Trustee	<u>4,347</u>	<u>640</u>
CDS charges	<u>1,667</u>	<u>6</u>
<b>Meezan Bank Limited</b>		
Profit on savings account	<u>19,236</u>	<u>2,442</u>
Shariah advisory fee	<u>812</u>	<u>215</u>
Profit on term deposit receipts and certificate of musharaka	<u>354,946</u>	<u>9,067</u>
Term deposit receipt and certificate of musharaka placed	<u>47,150,000</u>	<u>1,200,000</u>
Term deposit receipt and certificate of musharaka matured	<u>38,750,000</u>	<u>1,200,000</u>
<b>Al Meezan Investment Management Limited - Employees Gratuity Fund</b>		
Units issued: 692,483 units (March 31, 2022: Nil)	<u>34,624</u>	<u>-</u>
Dividend paid	<u>1,124</u>	<u>-</u>
<b>Meezan Strategic Allocation Fund - MSAP - I</b>		
Units issued: 518,368 units (March 31, 2022: 7,066,522 units)	<u>25,918</u>	<u>353,326</u>
Units redeemed: 995,700 units (March 31, 2022: 6,228,068 units)	<u>49,785</u>	<u>311,403</u>
Dividend paid	<u>5,418</u>	<u>5,650</u>



	For the period from September 14, 2021 to March 31, 2022	March 31, 2023
	(Unaudited)	(Unaudited)
<b>Transactions during the period</b>	<b>MDIP-I</b>	
	(Rupees in '000)	
<b>Meezan Strategic Allocation Fund - MSAP - II</b>		
Units issued: 507,315 units (March 31, 2022: 4,353,023 units)	25,366	217,651
Units redeemed: 936,311 units (March 31, 2022: 3,781,490 units)	46,816	189,075
Dividend paid	4,366	3,794
<b>Meezan Strategic Allocation Fund - MSAP - III</b>		
Units issued: 476,437 units (March 31, 2022: 4,628,173 units)	23,822	231,409
Units redeemed: 455,200 units (March 31, 2022: 4,099,157 units)	22,760	204,958
Dividend paid	4,322	3,597
<b>Meezan Strategic Allocation Fund - MSAP - IV</b>		
Units issued: 308,205 units (March 31, 2022: 1,866,017 units)	15,410	93,301
Units redeemed: 306,800 units (March 31, 2022: 1,635,436 units)	15,340	81,772
Dividend paid	1,495	1,361
<b>Meezan Strategic Allocation Fund - MSAP - V</b>		
Units issued: 132,843 units (March 31, 2022: 611,777 units)	6,642	30,589
Units redeemed: 156,200 units (March 31, 2022: 486,390 units)	7,810	24,320
Dividend paid	642	505
<b>Meezan Financial Planning Fund Of Funds - MAAP - I</b>		
Units issued: 203,565 units (March 31, 2022: 1,773,162 units)	10,178	88,658
Units redeemed: 99,000 units (March 31, 2022: 1,547,282 units)	4,950	77,364
Dividend paid	1,678	1,219
<b>Directors and Executives of the Management Company</b>		
Units issued: 31,552,717 units (March 31, 2022: 8,932,017 units)	1,588,490	446,601
Units redeemed: 24,060,254 units (March 31, 2022: 6,984,994 units)	1,203,013	349,250
Dividend Paid	72,356	5,075
	March 31, 2023	
	(Unaudited)	
	MMMP	
	(Rupees in '000)	
<b>Balances</b>		
<b>AI Meezan Investment Management Limited - Management Company</b>		
Management fee payable		1,329
Sindh Sales Tax on management fee payable		173
Selling and marketing expenses payable		1,739
Allocated expense payable		202
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable to the Trustee		756
Sindh Sales Tax on remuneration of the Trustee		98
<b>Meezan Bank Limited</b>		
Balance with bank		9,681
Profit receivable on saving account		576



For the period from October  
29, 2022 to March 31, 2023

**Transactions during the period**

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

Remuneration for the period	23,548
Sindh Sales Tax on management fee for the period	3,061
Selling and marketing expense	1,922
Allocated expense	320

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

Remuneration of the Trustee	1,201
Sindh Sales Tax on remuneration of the Trustee	156

**Meezan Bank Limited**

Profit on savings account	6,142
---------------------------	-------

	Note	March 31, 2023 (Unaudited)			June 30, 2022 (Audited)
		MDIP-I	MMMP	Total	MDIP-I
<b>13 CASH AND CASH EQUIVALENTS</b>		(Rupees in '000)			
Balances with banks	5	50,030,110	4,917,104	54,947,214	22,995,517
Term deposit receipts - having original maturity of 3 months or less	6.2	3,000,000	-	3,000,000	2,944,000
Certificates of musharakah	6.3	19,600,000	-	19,600,000	-
Bai Muajjal receivable	6.4	3,707,450	-	3,707,450	-
		<u>76,337,560</u>	<u>4,917,104</u>	<u>81,254,664</u>	<u>25,939,517</u>

**14 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 March 31, 2023 and June 30, 2022, the Fund held the following financial instruments measured at fair value:



**MDIP-I**

<b>As at March 31, 2023</b>			
<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
----- (Rupees in '000) -----			
<b>Financial assets - at fair value through profit or loss</b>			
Corporate sukuks*	6,725,000	-	6,725,000
Term deposit receipts*	3,000,000	-	3,000,000
Certificates of musharakah*	19,600,000	-	19,600,000
Bai Muajjal receivable **	3,707,450	-	3,707,450
-	<u>33,032,450</u>	-	<u>33,032,450</u>

**MDIP-I**

<b>As at June 30, 2022</b>			
<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
----- (Rupees in '000) -----			
<b>Financial assets - at fair value through profit or loss</b>			
Corporate sukuks*	4,350,000	-	4,350,000
Certificates of musharakah*	2,944,000	-	2,944,000
-	<u>7,294,000</u>	-	<u>7,294,000</u>

The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counterparties which have high credit rating.

The valuation of bai muajjal receivable has been carried out based on amortisation to their fair value / 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 are placed with counterparties which have high credit rating.

**15 GENERAL**

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

**16 DATE OF AUTHORISATION**

These condensed interim financial statements were authorised for issue on April 12, 2023 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.

# KUNYANG CHHISH

A generational wealth legacy and the delight of conquering a summit are both exhilarating.

Height 7,823 meters,  
belongs to the range Hispar Karakoram



# 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.

# FUND INFORMATION

## MANAGEMENT COMPANY

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

## BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

## CHIEF FINANCIAL OFFICER

Mr. Muhammad Shahid Ojha

## COMPANY SECRETARY

Mr. Salman Muslim

## BOARD AUDIT COMMITTEE

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

## BOARD RISK MANAGEMENT COMMITTEE

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

## BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

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

## BOARD IT COMMITTEE

Mr. Furquan Kidwai	Chairman
Mr. Mohammad Shoaib, CFA	Member
Mr. Faiz ur Rehman	Subject Matter Expert

## TRUSTEE

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

## AUDITORS

EY Ford Rhodes  
Chartered Accountants  
Progressive Plaza, Beaumont Road,  
P.O. Box 15541, Karachi 75530

## SHARIAH ADVISER

Meezan Bank Limited

## BANKERS TO THE FUND

Allied Bank Limited  
Al Baraka Islamic Bank B.S.C (E.C)  
Askari Bank Limited - Islamic Banking  
Bank Al Habib Limited - Islamic Banking  
Bank Alfalah Limited  
Bank Islami Pakistan Limited  
Dubai Islamic Bank Pakistan Limited  
Faysal Bank Limited - Islamic Banking  
Habib Bank Limited -Islamic Banking

Habib Metropolitan Bank Limited - Islamic Banking  
MCB Islamic Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan - Islamic Banking  
Sindh Bank Limited  
Soneri Bank Limited  
The Bank Of Punjab Limited  
UBL Ameen - Islamic Banking

## LEGAL ADVISER

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

## TRANSFER AGENT

Al Meezan Investment Management Limited

## DISTRIBUTORS

Al Meezan Investment Management Limited  
Meezan Bank Limited



**MEEZAN SOVEREIGN FUND  
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT MARCH 31, 2023**

		<b>March 31, 2023 (Unaudited)</b>	<b>June 30, 2022 (Audited)</b>
		<b>(Rupees in '000)</b>	
<b>Assets</b>			
Balances with banks	5	<b>1,634,994</b>	384,892
Investments	6	<b>5,197,286</b>	5,794,717
Receivable against conversion of units		<b>1,948</b>	79,729
Deposits, prepayments and other receivables		<b>284,803</b>	115,438
<b>Total assets</b>		<b>7,119,031</b>	6,374,776
<b>Liabilities</b>			
Payable to AI Meezan Investment Management Limited - Management Company	7	<b>8,938</b>	2,521
Payable to Central Depository Company of Pakistan Limited - Trustee		<b>373</b>	329
Payable to Securities and Exchange Commission of Pakistan		<b>955</b>	1,789
Payable to Meezan Bank Limited		<b>850</b>	516
Payable on redemption and conversion of units		<b>7,416</b>	35,110
Accrued expenses and other liabilities	9	<b>89,721</b>	138,434
<b>Total liabilities</b>		<b>108,253</b>	178,699
<b>Net assets</b>		<b>7,010,778</b>	6,196,077
<b>Unitholders' fund (as per statement attached)</b>		<b>7,010,778</b>	6,196,077
<b>Contingencies and commitments</b>	8		
<b>Number of units in issue</b>		<b>122,984,570</b>	119,927,049
		<b>(Rupees)</b>	
<b>Net assets value per unit</b>		<b>57.0053</b>	51.6654

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 NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2023**

	Note	Nine months period ended March 31,		Quarter ended	
		2023 (Rupees in '000)	2022	2023 (Rupees in '000)	2022
<b>Income</b>					
Profit on sukuk certificates		597,611	481,697	204,469	157,502
Net realised (loss) / gain on sale of sukuk certificates		(3,920)	(16,538)	2,755	(8,475)
Profit on saving accounts with banks		119,471	94,016	64,390	27,778
		<u>713,162</u>	<u>559,175</u>	<u>271,614</u>	<u>176,805</u>
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.1.1 & 6.1.2	(31,950)	(17,968)	(3,770)	(48,044)
<b>Total income</b>		<b>681,212</b>	<b>541,207</b>	<b>267,844</b>	<b>128,761</b>
<b>Expenses</b>					
Remuneration to Al Meezan Investment Management Limited - Management Company	7.1	23,882	35,683	8,540	10,176
Sindh Sales Tax on remuneration of the Management Company		3,105	4,639	1,110	1,323
Allocated expenses	7.2	7,165	10,705	2,562	3,053
Selling and marketing expense	7.3	14,329	21,410	5,124	6,106
Remuneration to Central Depository Company of Pakistan Limited - Trustee		2,627	4,176	939	1,118
Sindh Sales Tax on remuneration of the Trustee		342	543	123	146
Annual fee to Securities and Exchange Commission of Pakistan		955	1,427	341	407
Auditors' remuneration		474	465	(19)	93
Legal and professional charges		198	184	198	-
Fees and subscription		849	861	285	306
Brokerage expense		647	346	105	197
Printing Expenses		10		3	
Bank and settlement charges		200	67	26	28
(Reversal of Provision) / Provision for Sindh Workers' -Welfare Fund (SWWF)		-	(40,077)	-	-
<b>Total expenses</b>		<b>54,783</b>	<b>40,429</b>	<b>19,337</b>	<b>22,953</b>
<b>Net income for the period before taxation</b>		<b>626,429</b>	<b>500,778</b>	<b>248,507</b>	<b>105,808</b>
Taxation	12	-	-	-	-
<b>Net income for the period after taxation</b>		<b>626,429</b>	<b>500,778</b>	<b>248,507</b>	<b>105,808</b>
<b>Allocation of net income for the period</b>					
Net income for the period after taxation		626,429	500,778		
Income already paid on units redeemed		118,347	218,524		
		<u>508,082</u>	<u>282,254</u>		
<b>Accounting income available for distribution</b>					
- Relating to capital gains		-	-		
- Excluding capital gains		508,082	282,254		
		<u>508,082</u>	<u>282,254</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  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2023**

	<u>Nine months period ended, March 31,</u>		<u>Quarter ended, March 31,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>(Rupees in '000)</u>		<u>(Rupees in '000)</u>	
<b>Net income for the period after taxation</b>	626,429	500,778	248,507	105,808
Other comprehensive income for the period	-	-		
<b>Total comprehensive income for the period</b>	<u>626,429</u>	<u>500,778</u>	<u>248,507</u>	<u>105,808</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  
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

	Nine months period ended March 31, 2023			Nine months period ended March 31, 2022		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)		
<b>Net assets at beginning of the period</b>	5,884,164	311,913	6,196,077	9,634,121	305,131	9,939,252
Issue of 94,436,320 units (2022: 228,400,447 units)						
- Capital value (at ex-net asset value per unit at the beginning of the period)	4,879,090	-	4,879,090	11,783,609	-	11,783,609
- Element of income	262,904	-	262,904	280,579	-	280,579
Total proceeds on issuance of units	5,141,994	-	5,141,994	12,064,188	-	12,064,188
Redemption of 91,378,799 units (2022: 268,625,071 units)						
- Capital value (at ex-net asset value per unit at the beginning of the period)	4,721,122	-	4,721,122	13,858,851	-	13,858,851
- Element of loss	114,253	118,347	232,600	150,119	218,524	368,643
Total payments on redemption of units	4,835,375	118,347	4,953,722	14,008,970	218,524	14,227,494
Total comprehensive income for the period	-	626,429	626,429	-	500,778	500,778
Distribution during the period	-	-	-	-	-	-
Net income for the period less distribution	-	-	-	-	-	-
<b>Net assets at end of the period</b>	<b>6,190,783</b>	<b>819,995</b>	<b>7,010,778</b>	<b>7,689,339</b>	<b>587,385</b>	<b>8,276,724</b>
<b>Undistributed income brought forward</b>						
- Realised income		314,344			203,956	
- Unrealised (loss) / income		(2,431)			101,175	
		311,913			305,131	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		508,082			282,254	
		508,082			282,254	
<b>Undistributed income carried forward</b>		<b>819,995</b>			<b>587,385</b>	
<b>Undistributed income carried forward</b>						
- Realised income		851,945			605,353	
- Unrealised loss		(31,950)			(17,968)	
		819,995			587,385	
Net assets value per unit at beginning of the period			(Rupees) 51.6654			(Rupees) 51.5918
Net assets value per unit at end of the period			57.0053			54.2996

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 NINE MONTHS PERIOD ENDED MARCH 31, 2023**

	<b>Nine months period ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Rupees in '000)</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	626,429	500,778
<b>Adjustments for</b>		
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	31,950	17,968
	<u>658,379</u>	<u>518,746</u>
<b>Decrease/ (Increase) in assets</b>		
Investments - net	565,481	929,963
Deposits, prepayments and other receivable	(169,365)	(116,966)
	396,116	812,997
<b>Decrease / (Increase) in liabilities</b>		
Payable to Al Meezan Investment Management Limited - Management Company	6,417	265
Payable to Central Depository Company of Pakistan Limited - Trustee	44	(390)
Payable to Securities and Exchange Commission of Pakistan	(834)	(395)
Payable to Meezan Bank Limited	334	(321)
Accrued expenses and other liabilities	(48,713)	(96,464)
	(42,752)	(97,305)
<b>Net cash generated from operating activities</b>	<u>1,011,743</u>	<u>1,234,438</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	5,219,775	12,582,573
Payments against redemption and conversion of units	(4,981,416)	(14,372,098)
<b>Net cash generated from / (used in) financing activities</b>	238,359	(1,789,525)
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>	<u>1,250,102</u>	<u>(555,087)</u>
Cash and cash equivalents at the beginning of the period	384,892	2,060,201
<b>Cash and cash equivalents at the end of the period</b>	<u><u>1,634,994</u></u>	<u><u>1,505,114</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 NINE MONTHS PERIOD ENDED MARCH 31, 2023**

**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 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 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The Trust Deed was previously registered under the "Trust Act, 1882" and now has been registered under "The Sindh Trusts Act, 2020". The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, the above-mentioned Trust Deed has been registered under the Sindh Trust Act. 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 unit holders preservation of capital along with Halal returns by investing primarily in a portfolio of Shariah compliant government securities, thus minimising the credit risk of investments. The Fund also keeps an exposure in short-term near cash instruments for the purpose of maintaining liquidity and to capitalise on high 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 (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 offering document.
- 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 Credit Rating Company Limited dated December 30, 2022 (2021: 'AM1' dated December 27, 2021) and by PACRA dated June 23, 2022 (2021: 'AM1' dated June 23, 2021). 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 03, 2023 (2021: 'AA(f)' December 27, 2021).
- 1.5** The title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

**2. BASIS OF PRESENTATION**

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

**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 are 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, 2022.

These condensed interim financial statements are unaudited. However in compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at March 31, 2023.

#### **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 this 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, 2022.

**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, 2022.

#### **4.3 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period**

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, 2022. 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.

#### **4.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective**

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

<b>Standards, interpretations and amendments</b>	<b>Effective date (annual period beginning on or after)</b>
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction Amendments to IAS 12	January 01, 2023
Classification of liabilities as current or non-current - Amendment to IAS 1	January 01, 2024
Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	January 01, 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized

The above standards and amendments are not expected to have any material impact on the Fund's financial statements in the period of initial application.

<b>Standards</b>	<b>IASB Effective date (annual periods beginning on or after)</b>
IFRS 1 - First-time Adoption of International Financial Reporting Standards	July 01, 2009
IFRS 17 – Insurance Contracts	January 01, 2023

5. BALANCES WITH BANKS	Note	March 31, 2023 (Unaudited)	June 30, 2022 (Audited)
		(Rupees in '000)	
In saving accounts	5.1	1,634,914	384,888
In current accounts		80	4
		<b>1,634,994</b>	<b>384,892</b>

5.1 This includes a balance maintained with Meezan Bank Limited (a related party) that has last declared profit rate of 6.96% (2022: 6.01%) per annum. Other profit and loss sharing accounts of the Fund have expected rates of profit ranging from 5.25% to 18.18% (2022: 3.00% to 16.25%) per annum.

6. INVESTMENTS	Note	March 31, 2023 (Unaudited)	June 30, 2022 (Audited)
		(Rupees in '000)	
<b>Investments - 'at fair value through profit or loss'</b>			
Sukuk Certificates	6.1	<b>5,197,286</b>	<b>5,794,717</b>
<b>6.1 Sukuk Certificates</b>			
Government securities	6.1.1	<b>5,169,900</b>	5,761,444
Corporate sukus	6.1.2	<b>27,386</b>	33,273
		<b>5,197,286</b>	<b>5,794,717</b>

#### 6.1.1 Government securities

Name of the security	Issue date	Maturity Date	Rate of Return	As at July 01, 2022	Purchased during the period	Disposed/matured during the period	As at March 31, 2023	Carrying value as at March 31, 2023	Market value as at March 31, 2023	Unrealised (diminution) / appreciation as at March 31, 2023	Market value as a percentage of net assets of the Fund	Market value as a percentage of total investments
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	801,000	801,000	-	11.43%	15.41%
Pakistan Energy Sukuk II (note 6.1.1.1)	May 20, 2020	May 20, 2030	6 months KIBOR plus base rate of 0.10%	984,200	-	180,000	804,200	4,049,147	4,021,000	(28,147)	57.35%	77.37%
GoP Ijarah Sukuk Certificates - XXIV - VRR (note 6.1.1.1)	October 29, 2021	October 29, 2026	Weighted average 6 months T-Bills	50	2,000	2,050	-	-	-	-	0.00%	0.00%
GoP Ijarah Sukuk Certificates - XXIII - VRR (note 6.1.1.1)	July 29, 2020	July 29, 2023	Weighted average 6 months T-Bills	-	3,500	-	3,500	349,975	347,900	(2,075)	4.96%	6.69%
<b>Total - March 31, 2023</b>								<b>5,200,122</b>	<b>5,169,900</b>	<b>(30,222)</b>	<b>73.74%</b>	<b>99.47%</b>
<b>Total as at June 30, 2022</b>								<b>5,766,001</b>	<b>5,761,444</b>	<b>(4,557)</b>	<b>92.99%</b>	<b>99.43%</b>

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, 2022	Purchased during the period	Sales / redemptions during the period	As at March 31, 2023	Carrying value as at March 31, 2023	Market value as at March 31, 2023	Unrealised (diminution) / appreciation as at March 31, 2023	Percentage in relation to		
										Net assets of the Fund	Total market value of investment	Paid-up-Capital of the investee company (with face value of investments)
			(Number of certificates)				(Rupees in '000)			----- % -----		
<b>Power generation &amp; distribution</b>												
Neelum Jhelum Hydropower Company (Private) Limited (AAA, VIS, non-traded) (note 6.1.2.1)	June 29, 2026	6 months KIBOR	720	-	-	720	29,114	27,386	(1,728)	0.39%	0.53%	0.07%
<b>Total - March 31, 2023</b>							<b>29,114</b>	<b>27,386</b>	<b>(1,728)</b>	<b>0.39%</b>	<b>0.53%</b>	<b>0.07%</b>
<b>Total as at June 30, 2022</b>							<b>31,147</b>	<b>33,273</b>	<b>2,126</b>	<b>0.54%</b>		

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	March 31,	June 30,
			2023	2022
			(Unaudited)	(Audited)
			(Rupees in '000)	
	Management fee payable	7.1	585	416
	Sindh Sales Tax payable on remuneration of the Management Company		76	54
	Allocated expenses payable	7.2	899	47
	Selling and marketing expenses payable	7.3	5,124	1,787
	Sales load payable		1,995	192
	Sindh sales tax on sales load payable		259	25
			<b>8,938</b>	<b>2,521</b>

7.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at the rate of 0.5% (2022: 0.5%) of average annual net assets of the Fund. The remuneration is payable to the Management Company monthly in arrears.

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

The Management Company based on its own discretion has currently charged 0.15% (2022: 0.15%) of the average annual net assets of the scheme for allocation of such expenses to the Fund for the period subject to the total expense charged not being higher than actual expense incurred.

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 the rate of 0.3% (2022: 0.3%) per annum of the average annual net assets of the Fund subject to the total expense charged not being higher than actual expense incurred.

## 8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2023 and June 30, 2022.

9.	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	March 31,	June 30,
			2023	2022
			(Unaudited)	(Audited)
			(Rupees in '000)	
	Auditors' remuneration payable		252	368
	Printing expenses payable		-	0
	Brokerage payable		100	377
	Shariah advisor fee payable		34	268
	Withholding tax payable		-	41,908
	Capital gain tax payable		6,614	12,763
	Provision for Sindh Workers' Welfare Fund (SWWF)		-	0
	Zakat payable		81	111
	Provision for Federal Excise Duty and related Sindh Sales Tax on management fee	9.1	80,078	80,077
	Provision for Federal Excise Duty and related Sindh Sales Tax on sales load	9.1	2,562	2,562
			<b>89,721</b>	<b>138,434</b>

9.1 The status of provision of Federal Excise Duty is same as disclosed in financial statement for the year ended June 30, 2020. Had the provision for FED not been made, the Net Asset Value of the Fund as at March 31, 2023 would have been higher by Re 0.67 (June 30, 2022 : Rs. 0.69) per unit.

## 10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates. The management considers that the transactions between the related parties are executed in accordance with the parameters defined in the Offering document, trust deed and NBFC regulations which are publicly available documents and hence, the transactions are considered to be on an arm's length basis.

Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

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

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

	March 31, 2023 (Unaudited)	June 30, 2022 (Audited)
	(Rupees in '000)	
<b>AI Meezan Investment Management Limited - Management Company</b>		
Remuneration payable	585	416
Sindh Sales Tax payable on management fee	76	54
Sales load payable	1,995	192
Sindh Sales Tax payable on sales load	259	25
Allocated expense payable	899	47
Selling and marketing expense payable	5,124	1,787
Investment of 3,262,878 units (2022: 9,873,760 units)	186,001	510,132
<b>Meezan Bank Limited</b>		
Balances with bank	3,442	265,464
Profit receivable on saving accounts	41	88
Sales load payable	752	457
Sindh Sales Tax on sales load payable	98	59
Shariah advisor fee payable	34	268
ATM deposit	-	394
Investment of 9,969 units (2022: 9,969 units)	568	515
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Security deposits refundable	100	100
Remuneration Payable	330	291
Sindh Sales Tax on trustee fee	43	38
CDS Charges payable	-	-
<b>AI Meezan Investment Management Limited - Employees Gratuity Fund</b>		
Investment of 187,593 units (2022: 187,593 units)	10,694	9,691
<b>Directors and their close family members and key management personnel of the Management Company</b>		
Investment of 113,347 units (June 30, 2022: 158,431 units)	6,461	8,185
<b>For the nine month period ended</b>		
	<b>March 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Unaudited)</b>	
	<b>(Rupees in '000)</b>	
<b>AI Meezan Investment Management Limited - Management Company</b>		
Remuneration for the period	23,882	35,683
Sindh Sales Tax on remuneration of the Management Company	3,105	4,639
Allocated expenses	7,165	10,705
Selling and marketing expense	14,329	21,410
Units issued: 5,361,144 units (March 31, 2022: Nil units)	299,376	-
Units redeemed: 11,972,026 units (March 31, 2022: 19,388,675 units)	636,181	1,001,742

**For the nine month period ended**
**March 31,**
**2023                      2022**
**(Unaudited)**
**(Rupees in '000)**
**Meezan Bank Limited**

Profit on saving accounts

Shariah advisor fee

Units issued: Nil units (March 31, 2022: 9,221 units)

<b>1,597</b>	880
<b>575</b>	590
<b>-</b>	500

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

Remuneration for the period

Sindh Sales Tax on trustee fee

CDS charges for the period

<b>2,627</b>	4,176
<b>342</b>	543
<b>68</b>	6

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

Units issued: Nil units (March 31, 2022: 3,731,278 units)

Units redeemed: Nil units (March 31, 2022: 1,505,731 units)

<b>-</b>	198,451
<b>-</b>	81,360

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

Units issued: Nil units (March 31, 2022: 8,206,996 units)

Units redeemed: Nil units (March 31, 2022: 1,320,134 units)

<b>-</b>	438,611
<b>-</b>	71,290

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

Units issued: Nil units (March 31, 2022: 1,435,803 units)

Units redeemed: Nil units (March 31, 2022: 1,228,176 units)

<b>-</b>	76,734
<b>-</b>	66,330

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

Units issued: Nil units (March 31, 2022: 1,529,172 units)

Units redeemed: Nil units (March 31, 2022: 1,161,753 units)

<b>-</b>	81,724
<b>-</b>	62,720

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

Units issued: Nil units (March 31, 2022: 1,746,554 units)

Units redeemed: Nil units (March 31, 2022: 1,113,468 units)

<b>-</b>	93,342
<b>-</b>	60,114

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

Units issued: Nil units (March 31, 2022: 1,064,988 units)

Units redeemed: Nil units (March 31, 2022: 1,064,988 units)

<b>-</b>	56,917
<b>-</b>	57,488

**Directors and executives of the Management Company**

Units issued: 507,382 units (March 31, 2022: 1,041,511 units)

Units redeemed: 552,464 units (March 31, 2022: 1,214,260 units)

<b>27,619</b>	54,976
<b>30,044</b>	64,284

**11. TOTAL EXPENSE RATIO**

The Total Expense Ratio (TER) of the Fund as at March 31, 2022 is 1.15% (2022 :1.13%) which includes 0.09% (2022:0.09%) 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 period 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 March 31, 2023 and June 30, 2022, the Fund held the following financial instruments measured at fair value:

As at March 31, 2023			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			

#### ASSETS

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

Sukuk Certificates	-	5,197,286	-	5,197,286
--------------------	---	-----------	---	-----------

As at June 30, 2022			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			

#### ASSETS

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

Sukuk Certificates	-	5,794,717	-	5,794,717
--------------------	---	-----------	---	-----------

### 14. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on April 12, 2023 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