



Continuous *Research*

Al Meezan's commitment to evolving its research methodologies ensures that it stays at the forefront of rapidly changing market trends and insights, offering clients well-informed investment options and facilitating them to take knowledge-based decisions.

Meezan Islamic Income Fund

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
E-mail: info@almeezangroup.com

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Irfan Siddiqui	Chairman
Mr. Saad Ur Rahman Khan	Non-Executive Nominee Director- PKIC
Ms. Danish Zuberi	Independent Director
Mr. Feroz Rizvi	Independent Director
Mr. Furquan Kidwai	Independent Director
Syed Amir Ali	Non-Executive Nominee Director- MBL
Mr. Ahmed Iqbal Rajani	Non-Executive Nominee Director- PKIC
Ms. Shazia Khurram	Non-Executive Nominee Director- MBL
Mr. Tariq Mairaj	Non-Executive Nominee Director- MBL

ACTING CHIEF EXECUTIVE OFFICER

Mr. Muhammad Asad

CHIEF FINANCIAL OFFICER

Mr. Muhammad Shahid Ojha

COMPANY SECRETARY

Syed Haseeb Ahmed Shah

BOARD AUDIT COMMITTEE

Mr. Feroz Rizvi	Chairman
Mr. Tariq Mairaj	Member
Mr. Ahmed Iqbal Rajani	Member

BOARD RISK MANAGEMENT COMMITTEE

Mr. Saad Ur Rahman Khan	Chairman
Ms. Shazia Khurram	Member
Mr. Furquan R. Kidwai	Member

BOARD HUMAN RESOURCES & REMUNERATION COMMITTEE

Mr. Irfan Siddiqui	Chairman
Mr. Saad Ur Rahman Khan	Member
Mr. Furquan R. Kidwai	Member

BOARD IT COMMITTEE

Mr. Furquan R. Kidwai	Chairman
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

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

SHARIAH ADVISER

Dr. Muhammad Imran Usmani
Jamia Darul Uloom Karachi
Korangi Industrial Area Karachi Postal Code 75180 Pakistan
Tel: +92 21 35044770
Email: miu786@gmail.com

BANKERS TO THE FUND

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

LEGAL ADVISER

Bawaney & Partners
3rd & 4th Floor, 68-C, Lane-13, Bokhari Commercial
Area, Phase VI, DHA, Karachi.
Phone (+9221) 35156191-94 Fax: (+9221) 35156195
E-mail: 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, 2024**

		March 31, 2024 (Unaudited)	June 30, 2023 (Audited)
	Note	(Rupees in '000)	
Assets			
Balances with banks	5	4,709,569	2,340,015
Investments	6	9,625,967	9,479,354
Receivable against conversion of units		24,256	3,037
Advance, deposits, prepayments and other receivables		743,400	317,500
Total assets		<u>15,103,192</u>	<u>12,139,906</u>
Liabilities			
Payable to Al Meezan Investment Management Limited - Management Company	7	20,354	19,081
Payable to Central Depository Company of Pakistan Limited - Trustee		1,045	959
Payable to the Securities and Exchange Commission of Pakistan		937	3,366
Payable to Meezan Bank Limited		1,086	505
Payable against redemption and conversion of units		91,843	314,198
Payable against purchase of investments		9	-
Dividend payable		-	37,141
Accrued expenses and other liabilities	8	62,317	290,308
Total liabilities		<u>177,591</u>	<u>665,558</u>
Net assets		<u>14,925,601</u>	<u>11,474,348</u>
Unit holders' fund (as per statement attached)		<u>14,925,601</u>	<u>11,474,348</u>
Contingencies and commitments	9		
		(Number of units)	
Number of units in issue		<u>250,426,156</u>	<u>222,159,660</u>
		(Rupees)	
Net asset value per unit		<u>59.6008</u>	<u>51.6491</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 Officer

Chief Financial Officer

Director



MEEZAN ISLAMIC INCOME FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2024

	Note	Nine months period ended March 31,		Quarter ended March 31,	
		2024	2023	2024	2023
		(Rupees in '000)		(Rupees in '000)	
Income					
Profit on sukuk certificates and commercial papers		1,412,332	1,449,992	479,682	470,953
Profit on savings accounts with banks		580,688	563,698	212,065	165,026
Net realised loss on sale of investments		(38,871)	(50,101)	(3,718)	(13,809)
Other income		874	132	835	64
		<u>1,955,023</u>	<u>1,963,721</u>	<u>688,864</u>	<u>622,234</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	(2,359)	(87,780)	4,280	(15,925)
Total income		<u>1,952,664</u>	<u>1,875,941</u>	<u>693,144</u>	<u>606,309</u>
Expenses					
Remuneration of Al Meezan Investment Management Limited - Management Company	7.1	64,741	66,833	23,722	20,230
Sindh Sales Tax on remuneration of the Management Company		8,416	8,688	3,084	2,630
Allocated expenses	7.2	10,791	20,050	1,564	6,069
Selling and marketing expenses	7.3	21,122	53,466	6,778	16,183
Remuneration of Central Depository Company of Pakistan Limited - Trustee		7,155	10,025	2,541	3,035
Sindh Sales Tax on remuneration of the Trustee		930	1,303	330	394
Annual fee to the Securities and Exchange Commission of Pakistan		7,155	2,673	2,541	809
Auditors' remuneration		650	604	150	152
Fees and subscription		1,131	1,080	371	361
Legal and professional charges		-	702	-	481
Brokerage expense		1,416	886	229	244
Bank and settlement charges		620	59	66	6
Provision against sukuk certificates - net		12,363	-	7,701	-
Printing expense		9	29	4	11
Total expenses		<u>136,499</u>	<u>166,398</u>	<u>49,081</u>	<u>50,605</u>
Net income for the period before taxation		<u>1,816,165</u>	<u>1,709,543</u>	<u>644,063</u>	<u>555,704</u>
Taxation	12	-	-	-	-
Net income for the period after taxation		<u>1,816,165</u>	<u>1,709,543</u>	<u>644,063</u>	<u>555,704</u>
Allocation of net income for the period					
Net income for the period after taxation		1,816,165	1,709,543		
Income already paid on units redeemed		(337,769)	(498,258)		
		<u>1,478,396</u>	<u>1,211,285</u>		
Accounting income available for distribution					
- Relating to capital gains		-	-		
- Excluding capital gains		1,478,396	1,211,285		
		<u>1,478,396</u>	<u>1,211,285</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 Officer

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, 2024

	<u>Nine months period ended</u> <u>March 31,</u>		<u>Quarter ended</u> <u>March 31,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>(Rupees in '000)</u>		<u>(Rupees in '000)</u>	
Net income for the period after taxation	1,816,165	1,709,543	644,063	555,704
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>1,816,165</u>	<u>1,709,543</u>	<u>644,063</u>	<u>555,704</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 Officer

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, 2024

	Nine months period ended March 31, 2024			Nine months period ended March 31, 2023		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)			(Rupees in '000)		
Net assets at the beginning of the period	11,186,880	287,468	11,474,348	18,347,819	261,616	18,609,435
Issuance of 194,876,045 units (2023: 203,077,931 units)						
- Capital value (at net asset value per unit at the beginning of the period)	10,065,172	-	10,065,172	10,465,073	-	10,465,073
- Element of income	877,729	-	877,729	424,633	-	424,633
Total proceeds on issuance of units	10,942,901	-	10,942,901	10,889,706	-	10,889,706
Redemption of 166,609,549 units (2023: 304,195,106 units)						
- Capital value (at net asset value per unit at the beginning of the period)	8,605,233	-	8,605,233	15,675,873	-	15,675,873
- Element of loss	364,811	337,769	702,580	279,347	498,258	777,605
Total payments on redemption of units	8,970,044	337,769	9,307,813	15,955,220	498,258	16,453,478
Total comprehensive income for the period	-	1,816,165	1,816,165	-	1,709,543	1,709,543
Distribution during the period	-	-	-	-	-	-
		1,816,165	1,816,165		1,709,543	1,709,543
Net assets at the end of the period	13,159,737	1,765,864	14,925,601	13,282,305	1,472,901	14,755,206
Undistributed income brought forward						
- Realised income		373,513			262,605	
- Unrealised loss		(86,045)			(989)	
		287,468			261,616	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		1,478,396			1,211,285	
		1,478,396			1,211,285	
Undistributed income carried forward		1,765,864			1,472,901	
Undistributed income carried forward						
- Realised income		1,768,223			1,560,681	
- Unrealised loss		(2,359)			(87,780)	
		1,765,864			1,472,901	
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the period			51.6491			51.5323
Net asset value per unit at the end of the period			59.6008			56.7497

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 Officer

Chief Financial Officer

Director



**MEEZAN ISLAMIC INCOME FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024**

Note	Nine months period ended March 31,	
	2024	2023
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	1,816,165	1,709,543
Adjustments for:		
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
	2,359	
	1,818,524	1,797,323
(Increase) / decrease in assets		
Investments - net	(148,972)	4,345,384
Advance, deposits, prepayments and other receivables	(425,900)	(293,453)
	(574,872)	4,051,931
(Decrease) / Increase in liabilities		
Payable to Al Meezan Investment Management Limited - Management Company	1,273	9,046
Payable to Central Depository Company of Pakistan Limited - Trustee	86	(318)
Payable to the Securities and Exchange Commission of Pakistan	(2,429)	(2,643)
Payable to Meezan Bank Limited	581	(162)
Payable against purchase of investments	9	-
Accrued expenses and other liabilities	(227,991)	(168,334)
	(228,471)	(162,411)
Net cash generated from operating activities	1,015,181	5,686,843
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts against issuance and conversion of units	10,921,682	10,973,102
Payments against redemption and conversion of units	(9,530,168)	(16,489,467)
Dividend paid	(37,141)	-
Net cash generated from / (used in) from financing activities	1,354,373	(5,516,365)
Net increase in cash and cash equivalents during the period	2,369,554	170,478
Cash and cash equivalents at the beginning of the period	2,340,015	3,440,427
Cash and cash equivalents at the end of the period	5	3,610,905

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 Officer

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, 2024**

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 29, 2023 (2022: 'AM1' dated December 30, 2022) and by PACRA dated June 23, 2023 (2022: 'AM1' dated June 23, 2022). 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 December 27, 2023 (2022: A+(f) dated January 03, 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.

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, 2023.

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, 2024.

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, 2023.

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, 2023. 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, 2023.

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, 2023. 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

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2024. However, the new standards, interpretations and amendments to the approved accounting standards will not have any material impact on the Fund's financial statements in the period of adoption and, therefore, have not been detailed in these condensed interim financial statements.

		March 31, 2024 (Unaudited)	June 30, 2023 (Audited)
		(Rupees in '000)	
5. BALANCES WITH BANKS	Note		
Balances with banks in:			
Savings accounts	5.1	4,709,529	2,339,975
Current accounts		40	40
		4,709,569	2,340,015

5.1 This includes balances maintained with Meezan Bank Limited (a related party) that has last declared profit rate of 11.01% (June 30, 2023: 10.00%) per annum. Other savings accounts of the Fund have expected rates of profit ranging from 3.00% to 21.20% (June 30, 2023: 3.00% to 21.40%) per annum.



		March 31, 2024 (Unaudited)	June 30, 2023 (Audited)
	Note	(Rupees in '000)	
6. INVESTMENTS			
Investments - 'at fair value through profit or loss'			
Sukuk certificates	6.1	<u>9,625,967</u>	<u>9,479,354</u>
6.1 Sukuk certificates			
Government securities	6.1.1	7,962,334	7,383,457
Corporate sukuk certificates	6.1.2	<u>1,663,633</u>	<u>2,095,897</u>
		<u>9,625,967</u>	<u>9,479,354</u>

6.1.1 Government securities

Name of the security	Profit payments / principal redemptions	Issue date	Maturity date	Profit rate	As at July 1, 2023	Purchased during the period	Sold / matured during the period	As at March 31, 2024	Carrying value as at March 31, 2024	Market value as at March 31, 2024	Unrealised appreciation as at March 31, 2024	Percentage in relation to	
					(Number of certificates)						Net assets of the Fund	Total market value of investments	
GoP Ijarah Sukuk Certificates - Semi-annually / A maturity		May 29, 2020	May 29, 2025	Weighted average 6 months T-Bills	145	-	-	145	14,407	14,423	16	0.10%	0.15%
GoP Ijarah Sukuk Certificates - Semi-annually / A maturity		December 15, 2021	December 15, 2026	11.40%	5,000	-	5,000	-	-	-	-	-	-
GoP Ijarah Sukuk Certificates - Semi-annually / A maturity		October 9, 2023	October 9, 2024	22.49%	-	10,000	3,500	6,500	660,220	654,810	(5,410)	4.39%	6.80%
GoP Ijarah Sukuk Certificates - Semi-annually / A maturity		December 4, 2023	December 4, 2028	Weighted average 6 months T-Bills	-	2,000	-	2,000	197,520	200,140	2,620	1.34%	2.08%
GoP Ijarah Sukuk Certificates - Semi-annually / A maturity		April 17, 2023	April 17, 2024	Weighted average 6 months T-Bills	-	2,000	-	2,000	200,920	200,160	(760)	1.34%	2.08%
GoP Ijarah Sukuk Certificates - Semi-annually / A maturity		August 7, 2023	August 7, 2024	Weighted average 6 months T-Bills	-	10,000	-	10,000	1,000,200	1,000,200	-	6.70%	10.39%
GoP Ijarah Sukuk Certificates - Semi-annually / A maturity		July 12, 2023	July 12, 2024	22.15%	-	80	-	80	8,001	8,005	4	0.05%	0.08%
GoP Ijarah Sukuk Certificates - Semi-annually / A maturity		April 17, 2023	April 17, 2024	21.25%	-	300	-	300	30,003	30,030	27	0.20%	0.31%
GoP Ijarah Sukuk Certificates - I - FRR	At maturity	December 11, 2023	December 9, 2024	19.52%	-	53,310	1,788	51,522	228,862	229,118	256	1.54%	2.38%
GoP Ijarah Sukuk Certificates - III - VRR	Semi-annually / A maturity	January 24, 2024	January 24, 2027	Weighted average 6 months T-Bills	-	60,063	-	60,063	300,317	301,817	1,500	2.02%	3.14%
Pakistan Energy Sukuk II	Semi-annually / A maturity	May 21, 2020	May 21, 2030	6 months KIBOR minus base rate of	1,383,450	-	320,000	1,063,450	5,318,313	5,323,631	5,318	35.67%	55.30%
Total as at March 31, 2024									<u>7,958,763</u>	<u>7,962,334</u>	<u>3,571</u>	<u>53.35%</u>	<u>82.72%</u>
Total as at June 30, 2023									<u>7,460,004</u>	<u>7,383,457</u>	<u>(76,547)</u>		

6.1.1.1 The nominal value of these sukuk certificates is Rs 100,000 each except for GoP Ijarah sukuk certificates I - FRR, GoP Ijarah sukuk certificates III - VRR and 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, 2023	Purchased during the period	Sold / matured during the period	As at March 31, 2024	Carrying value as at March 31, 2024	Market value as at March 31, 2024	Unrealised (diminution) / appreciation as at March 31, 2024	Percentage in relation to		
					(Number of certificates)						Net assets of the Fund	Total issue (with face value of investment)	Total market value of investments	

Power generation & distribution

K-Electric Limited Sukuk V (AA+, VIS, non-traded)	Quarterly	August 3, 2027	3,500	3 months KIBOR plus base rate of 1.70%	171,200	-	-	171,200	610,184	609,686	(498)	4.08%	3.42	6.33%
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Name of the security	Profit payments / principal redemptions	Maturity date	Face value per certificate (Rupees)	Profit rate	As at July 1, 2023	Purchased during the period	Sold / matured during the period	As at March 31, 2024	Carrying value as at March 31, 2024	Market value as at March 31, 2024	Unrealised (diminution) / appreciation as at March 31, 2024	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)			%		
Power generation & distribution														
The Hub Power Company Limited (AA+, PACRA)	Not applicable	August 22, 2023	25,000	3 months KIBOR plus base rate of 1.90%	2,455	-	2,455	-	-	-	-	-	-	-
Hub Power Holdings Limited (AA+, PACRA, traded)	Quarterly / Semi-annually commencing from May 12, 2024	November 12, 2025	100,000	6 months KIBOR plus base rate of 2.50%	5,100	-	-	5,100	523,413	519,514	(3,899)	3.48%	8.50	5.40%
Engro Powergen Thar (Private) Limited (AA-, PACRA, non-traded)	Quarterly / Annually	August 2, 2024	2,500	3 months KIBOR plus base rate of 1.10%	62,400	-	-	62,400	158,705	156,328	(2,377)	1.05%	10.40	1.62%
Pharmaceuticals														
OBS AGP (Private) Limited (A+, VIS, traded)	Quarterly	July 15, 2026	62,500	3 months KIBOR plus base rate of 1.55%	3,300	-	650	2,650	165,956	166,784	828	1.12%	10.19	1.73%
Javedan Corporation Limited (AA-, VIS, non-traded)	Semi-annually	October 4, 2026	50,000	6 months KIBOR plus base rate of 1.75%	800	-	-	800	39,200	39,200	-	0.26%	2.67	0.41%
Steel & allied products														
Agha Steel Industries Limited Sukuk 1 (A+, VIS)	Quarterly	October 9, 2025	625,000	3 months KIBOR plus base rate of 0.80%	182	-	182	-	-	-	-	-	-	-
Textile composite														
Masood Textile Mills Limited (A, VIS, non-traded)	Quarterly	December 17, 2024	214,286	3 months KIBOR plus base rate of 2.00%	127	-	-	127	27,201	27,217	16	0.18%	5.08	0.28%
Non-performing assets														
Arzoo Textile Mills Limited (note 6.1.2.2)	Not applicable	April 15, 2014	5,000	Not applicable	14,000	-	-	14,000	-	-	-	-	-	-
Eden Housing Limited (note 6.1.2.2)	Not applicable	September 29, 2014	984	Not applicable	59,400	-	-	59,400	-	-	-	-	-	-
Security Leasing Corporation Limited II (note 6.1.2.2)	Not applicable	January 19, 2022	1,540	Not applicable	10,000	-	-	10,000	-	-	-	-	-	-
Hascol Petroleum Limited (note 6.1.2.2)	Not applicable	January 06, 2022	1,250	Not applicable	80,000	-	-	80,000	-	-	-	-	-	-
Shakarganj Food Products Limited (note 6.1.2.1 & 6.1.2.2)	Quarterly	July 10, 2026	450,000	3 months KIBOR plus base rate of 1.75%	100	-	-	100	28,845	28,845	-	0.19%	13.79	0.30%
Agha Steel Industries Limited Sukuk 2 (note 6.1.2.1, 6.1.2.2 & 6.1.2.3)	Quarterly	August 17, 2027	10,000	3 months KIBOR plus base rate of 0.80%	-	12,376	-	12,376	116,059	116,059	-	0.78%	3.64	1.21%
Total as at March 31, 2024									<u>1,669,563</u>	<u>1,663,633</u>	<u>(5,930)</u>	<u>11.15%</u>		<u>17.28%</u>
Total as at June 30, 2023									<u>2,105,395</u>	<u>2,095,897</u>	<u>(9,498)</u>	<u>18.27%</u>		<u>22.11%</u>

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



	Note	March 31, 2024 (Unaudited)	June 30, 2023 (Audited)
----- (Rupees in '000) -----			
6.1.2.1 Movement of provision			
Balance as at July 01		254,307	243,134
Charge for the period	6.1.2.3	17,363	11,173
Reversal for the period		(5,000)	-
		12,363	11,173
Balance as at March 31		<u>266,670</u>	<u>254,307</u>

6.1.2.2 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, 2024, 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 of the Fund	Total assets of the Fund
----- (Rupees in '000) -----					----- % -----	
Arzoo Textile Mills Limited	Non-traded sukuk certificates	70,000	70,000	-	-	-
Eden Housing Limited	Non-traded sukuk certificates	58,472	58,472	-	-	-
Security Leasing Corporation Limited II	Non-traded sukuk certificates	15,403	15,403	-	-	-
Hascol Petroleum Limited	Non-traded sukuk certificates	99,259	99,259	-	-	-
Shakarganj Food Products Limited	Non-traded sukuk certificates	44,680	15,835	28,845	0.19%	0.19%
Agha Steel Industries Limited	Non-traded sukuk certificates	123,760	7,701	116,059	0.78%	0.77%
Total as at March 31, 2024		<u>411,574</u>	<u>266,670</u>	<u>144,904</u>	<u>0.97%</u>	<u>0.96%</u>
Total as at June 30, 2023		<u>292,814</u>	<u>254,307</u>	<u>38,507</u>	<u>0.33%</u>	<u>0.32%</u>

6.1.2.3 During the period under review, on March 7, 2024, Sukuk certificates of Agha Steel Industries Limited have been classified as non-performing by Mutual Funds Association of Pakistan (MUFAP). Therefore, in accordance with the requirement of SECP's Circular No. 33 of 2012, the Sukuk certificates have been classified as non-performing assets and no further profit has been accrued thereafter. Further, in accordance with the said circular, an amount of Rs. 7.70 million has also been held as provision against the outstanding principal as at March 31, 2024.

	Note	March 31, 2024 (Unaudited)	June 30, 2023 (Audited)
----- (Rupees in '000) -----			
7. PAYABLE TO AL MEEZAN INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Remuneration payable	7.1	1,713	1,279
Sindh Sales Tax on payable on remuneration of the Management Company		223	166
Allocated expenses payable	7.2	-	1,698
Selling and marketing expenses payable	7.3	12,821	13,850
Sales load payable		4,953	1,848
Sindh Sales Tax payable on sales load		644	240
		<u>20,354</u>	<u>19,081</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 from 0.50% to 0.70% (March 31, 2023: 0.50%) per annum of the average annual net assets of the Fund during the period ended March 31, 2024. 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 0.15% from July 01, 2023 to January 31, 2024 and –nil- from February 1, 2024 to March 31, 2024 (March 31, 2023: 0.15%) per annum of the average annual net assets of the Fund, subject to total expense charged being lower than actual expense

- 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 rate from 0.20% to 0.40% (March 31, 2023: 0.40%) of the average annual net assets of the Fund during the period ended March 31, 2024, subject to total expense charged being lower than actual expense incurred.

	Note	March 31, 2024 (Unaudited) (Rupees in '000)	June 30, 2023 (Audited)
8. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		396	492
Brokerage payable		386	825
Shariah advisor fee payable		849	532
Withholding tax payable		-	188,636
Capital gain tax payable		4,922	46,691
Zakat payable		174	73
Other payable		2,531	-
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>62,317</u>	<u>290,308</u>

- 8.1** The status of provision of Federal Excise Duty is same as disclosed in financial statement for the year ended June 30, 2023. Had the provision of Federal Excise Duty not being made, the net asset value per unit as at March 31, 2024 would have been higher by Re. 0.21 (June 30, 2023: Re. 0.24) per unit.

9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2024 and June 30, 2023.

10. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties 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, 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 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.

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

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

Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

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:



Balances as at period end

	March 31, 2024 (Unaudited) (Rupees in '000)	June 30, 2023 (Audited)
AI Meezan Investment Management Limited - Management Company		
Remuneration payable	1,713	1,279
Sindh Sales Tax payable on remuneration of the Management Company	223	166
Allocated expenses payable	-	1,698
Selling and marketing expenses payable	12,821	13,850
Sales load payable	4,953	1,848
Sindh Sales Tax payable on sales load	644	240
Meezan Bank Limited		
Balances with bank	604,844	20,598
Profit receivable on savings account	732	273
Sales load payable	961	447
Sindh Sales Tax on sales load payable	125	58
ATM deposit	2,704	2,704
Shariah advisor fee payable	849	532
Advance against IBFT redemptions	10,000	1,000
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	925	849
Sindh Sales Tax payable on remuneration of the Trustee	120	110
Security deposit	100	100
AI Meezan Investment Management Limited - Employees' Gratuity Fund		
Investment of 8,906 units (June 30, 2023: 8,906 units)	531	460
Directors and Executives of the Management Company		
Investments of 332,569 units (June 30, 2023: 31,878 units)	19,821	1,646
Transactions during the period		
	2024	2023
	(Unaudited) (Rupees in '000)	
AI Meezan Investment Management Limited - Management Company		
Remuneration of the Management Company	64,741	66,833
Sindh Sales Tax on remuneration of the Management Company	8,416	8,688
Allocated expenses	10,791	20,050
Selling and marketing expenses	21,122	53,466
Units issued: nil (March 31, 2023: 4,829,070 units)	-	250,000
Units redeemed: nil (March 31, 2023: 4,829,070 units)	-	251,282
Meezan Bank Limited		
Profit on savings account	4,155	2,747
Shariah advisor fee	855	813
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	7,155	10,025
Sindh Sales Tax on remuneration of the Trustee	930	1,303
CDS Charges	96	57
Meezan Financial Planning Fund of Funds - Aggressive Allocation Plan		
Units redeemed: nil (March 31, 2023: 1,051,879 units)	-	57,616



Transactions during the period

	Nine months period ended	
	March 31,	
	2024	2023
	(Unaudited)	
	(Rupees in '000)	
Meezan Financial Planning Fund of Funds		
- Moderate Allocation Plan		
Units issued: nil (March 31, 2023: 38,747 units)	-	2,000
Units redeemed: nil (March 31, 2023: 382,011 units)	-	20,405
Meezan Financial Planning Fund of Funds		
- Conservative Allocation Plan		
Units redeemed: nil (March 31, 2023: 1,169,832 units)	-	62,525
AI Meezan Investment Management Limited - Employees' Gratuity Fund		
Units redeemed: nil (March 31, 2023: 209,363 units)	-	11,000
Directors and Executives of the Management Company		
Units issued: 392,452 units (March 31, 2023: 192,563 units)	22,664	10,288
Units redeemed: 91,424 units (March 31, 2023: 296,542 units)	5,004	15,855

11. TOTAL EXPENSE RATIO

The annualised Total Expense Ratio (TER) of the Fund as at March 31, 2024 based on current period results is 1.30% (March 31, 2023: 1.24%) which includes 0.17% (March 31, 2023: 0.10%) representing government levies on the Fund such as Sales Taxes, 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, 2024 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, 2024 and June 30, 2023, the Fund held the following financial instruments measured at fair value:

ASSETS	As at March 31, 2024			Total
	Level 1	Level 2	Level 3	
----- (Rupees in '000) -----				
Financial assets 'at fair value through profit or loss'				
Sukuk certificates	5,854,566	3,771,401	-	9,625,967
	<u>5,854,566</u>	<u>3,771,401</u>	<u>-</u>	<u>9,625,967</u>

ASSETS	As at June 30, 2023			Total
	Level 1	Level 2	Level 3	
----- (Rupees in '000) -----				
Financial assets 'at fair value through profit or loss'				
Sukuk certificates	6,918,633	2,560,721	-	9,479,354
	<u>6,918,633</u>	<u>2,560,721</u>	<u>-</u>	<u>9,479,354</u>

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 15, 2024 by the Board of Directors of the Management Company.

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

Chief Executive Officer

Chief Financial Officer

Director