CONTENTS

Vision Statement & Mission Statement	2
Fund Information	3
Directors' Report	4
Condensed Interim Statement of Assets and Liabilities	6
Condensed Interim Income Statement (Unaudited)	7
Condensed Interim Distribution Statement (Unaudited)	8
Condensed Interim Statement of Movement in Equity and Reserves Per Share (Unaudited)	9
Condensed Interim Cash Flow Statement (Unaudited)	10
Condensed Interim Statement of Changes in Equity (Unaudited)	11
Notes to the Condensed Interim Financial Statements (Unaudited)	12
Statement of Income & Expenditure of the Investment Advisor in relation to the Fund	19

AL MEEZAN
Mutual Fund

Our Vision

To set standards of best practices and performance for the industry through efficient asset allocation and security selection

Our Mission

To be the leading mutual fund in the industry, outperforming the benchmark on a consistent basis, and providing shareholders with the best combination of current income and future growth on a risk adjusted basis.

FUND INFORMATION

BOARD OF DIRECTORS

Mr. Istaqbal Mehdi	Chairman
Mr. Irfan Siddiqui	
Mr. Ariful Islam	
Mr. Farhan Malik	
Mr. Muhammad Asad	
Syed Owais Wasti	
Mr. Mohammad Shoaib	Chief Executive

AUDIT COMMITTEE

Mr. Ariful Islam	Chairman
Mr. Farhan Malik	
Mr. Muhammad Asad	

CFO & COMPANY SECRETARY
Syed Owais Wasti

INVESTMENT ADVISOR
Al Meezan Investment Management Limited

AUDITORS
A.F.Ferguson & Co.
Chartered Accountants.
State Life Building No. 1-C, I.I.Chundrigar Road,
P.O.Box 4716, Karachi-74000, Pakistan.

CUSTODIAN
Central Depository Company of Pakistan Limited
Suite # M 13-16, Mezzanine Floor, Progressive Plaza,
Beaumont Road, Karachi, Pakistan.

BANKERS
AlBarakah Islamic Bank
Bank AL Habib Limited
Bank Alfalah Limited
BankIslami Pakistan Limited
Habib Metropolitan Bank Limited
Meezan Bank Limited
MCB Bank Limited
National Bank of Pakistan

REGISTERED OFFICE
Ground Floor, Block "B", Finance & Trade Centre,
Shahrah-e-Faisal, Karachi 74400, Pakistan
Phone: (9221) 563 0722-26, 111 MEEZAN
Fax: (9221) 567 6143, 563 0808
Web site: www.almeezangroup.com
E-mail: marketing@almeezangroup.com

SHARE REGISTRAR
THK Associates (Pvt.) Limited
Ground Floor, State Life Building-3,
Dr. Ziauddin Ahmed Road, Karachi - 75530
P.O. Box No. 8533
Phone: (9221) 111-000-322
Fax: (9221) 565 5595

DIRECTORS' REPORT

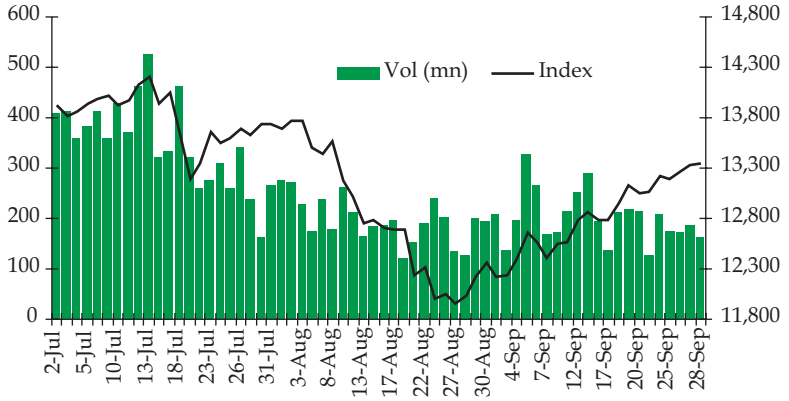
The Board of Directors of Al Meezan Mutual Fund Limited (the Fund) is pleased to present the quarterly accounts of the Fund for the three months ended September 30, 2007.

Market Review

The Stock Market during the first quarter of the financial year was marked by volatility in trend and turnover. The market movements during the quarter can be segmented into three distinct phases; the positive, the slump and the recovery. Overall, the KSE-100 index during the quarter shed 419 points or 3% to finish the quarter at 13,353 with an average daily turnover of 250 million shares.

The new financial year started on a positive note and the Index continued its upward momentum from previous year, making an all time high of 14,202 on July 13, 2007. However this upward movement failed to maintain itself primarily due to rising political uncertainty in the country. News regarding failed talks between leading political parties and the Government, suicidal attacks after the Lal Masjid operation, uncertainty regarding President's re-election and significant outflows of foreign funds led to a decline of 1,200 points in just one week, shedding a total of 1,500 points (11%) during the slump phase and making a low of 11,958 on August 27, 2007. The market completely ignored the robust profitability and handsome dividend payouts by the companies. Moreover, sub prime mortgage crisis in the US which led to persistent sell off in equity markets globally, further weakened market sentiment and contributed to this downtrend. However, later in September positive developments on political front and strong fundamentals helped in an impressive recovery of 1,400 points till close of the period from the lowest level. Moreover, foreign funds which had divested their holdings during first couple of months started to invest in Pakistan again as foreign investors realized the fact that Pakistan's Capital Markets are not likely to be influenced by the sub prime crisis which had mostly affected the developed countries.

KSE-100 Index Performance during FY08



Operational Review

During the three months ended September 30, 2007, the Fund earned gross income of Rs.78 million, main contributors of which were realized capital gains of Rs. 21 million and dividend income of Rs.14 million. After accounting for expenses of Rs. 13 million and revaluation surplus of Rs. 34 million the Fund recorded a net profit of Rs.65 million for the period under consideration. This translates into earning per share of Rs.0.52. The net assets of AMMF as at September 30, 2007 stood at Rs.1,982 million which is equivalent to net asset value per share of Rs.14.41.

The Fund for the year ended June 30, 2007 had declared bonus shares @ 15% i.e. 15 shares for every 100 shares held along with cash dividend of 25 % i.e. Rs.2.5 per share of par value of Rs.10/- each. The bonus shares were allotted during the quarter ended September 30, 2007.

Mutual Fund Rating

Pakistan Credit Rating Agency (PACRA) has assigned 4-Star to AMMF which denotes good performance of the fund versus its peers. The management of the fund is striving to improve this rating further in the future.

Future Outlook

As the political uncertainty starts to subside we remain hopeful of the future prospects of the stock market in general and of Al Meezan Mutual Fund Limited in particular. While the minor corrections in the market may continue to take place in the short term, mainly due to nebulous political affairs, we believe that the long term direction would continue to be guided by the overall economic growth in the country and increasing foreign funds inflows on the back of positive investment and economic outlook of the country.

We take this opportunity to thank our valuable investors for reposing faith in us and making us the largest Shariah Compliant Investment Advisor in Pakistan. We also thank the regulator, Securities and Exchange Commission of Pakistan, AMMF's Custodian, the Central Depository Company of Pakistan and the management of Karachi Stock Exchange for all their support and guidance.

Karachi
October 11, 2007

Mohammad Shoaib, CFA
Chief Executive

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT SEPTEMBER 30, 2007

	Note	Unaudited 30-Sep 2007	Audited 30-Jun 2007
		(Rupees in '000)	
Assets			
Bank balances	5	**409,686**	590,523
Receivable against sale of investments		**24,578**	42,978
Investment in marketable securities - 'available-for-sale'	6	**47,405**	55,179
Investment in marketable securities - 'at fair value through profit or loss'	7	**1,815,404**	1,551,853
Dividend receivable		**11,827**	5,999
Derivative financial instruments	8	**-**	17,418
Deposits, prepayments and other receivables	9	**2,818**	7,433
Advance income tax		**5,124**	5,124
Total assets		**2,316,842**	2,276,507
Liabilities			
Payable to Al Meezan Investment Management Limited - Investment Advisor of the Fund		**10,681**	38,340
Payable to the Central Depository Company of Pakistan Limited - Custodian of the Fund		**81**	113
Payable to Meezan Bank Limited - Shariah Advisor		**63**	250
Payable to Securities and Exchange Commission of Pakistan		**2,278**	1,741
Payable against purchase of investments		**19,653**	14,377
Accrued expenses and other liabilities	10	**2,103**	1,975
Unclaimed dividend		**300,078**	1,119
Total liabilities		**334,937**	57,915
Net assets		**1,981,905**	2,218,592
Shareholders' Equity			
Authorised capital			
150,000,000 ordinary shares of Rs.10 each		**1,500,000**	1,500,000
137,539,986 ordinary shares of Rs. 10 each issued, subscribed and as fully paid-up in cash		**1,375,400**	1,196,000
Unappropriated Profit		**564,278**	977,863
		1,939,678	2,173,863
Surplus on revaluation of 'available-for-sale' financial assets		**42,227**	44,729
		1,981,905	2,218,592

The annexed notes 1 to 13 form an integral part of these financial statements.

Chief Executive **Director**

CONDENSED INTERIM INCOME STATEMENT
(UNAUDITED)
FOR THREE MONTHS ENDED SEPTEMBER 30, 2007

	Note	September 30, 2007	2006
		(Rupees in '000)	(Restated)
Income			
Gain on sale of investments (net)		**20,942**	27,343
Dividend income		**13,657**	22,316
Profit on deposit accounts with banks		**9,863**	3,260
Profit on term finance certificates		**-**	93
		44,462	53,012
Unrealised gain on investments 'at fair value through profit or loss'		**51,099**	28,955
Loss on derivative financial instruments (net)		**(17,418)**	(15,124)
		33,681	13,831
Total income		**78,143**	66,843
Expenses			
Remuneration to Al Meezan Investment Management Limited - Investment Advisor of the Fund		**10,681**	10,329
Remuneration to Central Depository Company of Pakistan Limited - Custodian of the Fund		**276**	361
Payable to Meezan Bank Limited - Shariah Advisor		**63**	-
Annual fee - Securities and Exchange Commission of Pakistan		**537**	294
Auditors' remuneration		**76**	50
Fees and subscription		**391**	60
Brokerage		**1,148**	912
Legal and professional		**38**	-
Bank and settlement charges		**118**	66
		13,328	12,072
Net income for the period		**64,815**	54,771
Basic and diluted earnings per share		**0.52**	0.44

The annexed notes 1 to 13 form an integral part of these financial statements.

Chief Executive **Director**

CONDENSED INTERIM DISTRIBUTION STATEMENT
(UNAUDITED)
FOR THREE MONTHS ENDED SEPTEMBER 30, 2007

	September 30, 2007	2006
	(Rupees in '000)	
Unappropriated income at the beginning of the year	**977,863**	789,906
Less: Final distribution in the form of cash dividend for the year ended June 30, 2007 approved subsequent to the year end(comparative June 30, 2006)	**(299,000)**	(358,800)
Less: Final issue of bonus shares for the year ended June 30, 2007 at 15% i.e. 15 shares for each 100 share held approved subsequent to the year end	**(179,400)**	-
Net income for the period	**64,815**	54,771
Unappropriated income at the end of the period	**564,278**	485,877

The annexed notes 1 to 13 form an integral part of these financial statements.

Chief Executive **Director**

CONDENSED INTERIM STATEMENT OF MOVEMENT IN EQUITY AND RESERVES PER SHARE (UNAUDITED)

FOR THREE MONTHS ENDED SEPTEMBER 30, 2007

	September 30, 2007	2006 (Restated)
	(Rupees)	
Net asset value per share at the beginning of the period	**16.13**	16.96
Gain on sale of investments (net)	**0.15**	0.22
Dividend income	**0.10**	0.18
Profit on deposit accounts with banks	**0.07**	0.03
Unrealised gain on investments 'at fair value through profit or loss'	**0.37**	0.23
Loss on derivative financial instruments (net)	**(0.13)**	(0.12)
Operating expenses	**(0.10)**	(0.10)
Net profit for the year (based on weighted average number of shares outstanding)	**0.47**	0.44
Net changes in surplus on revaluation of 'available-for-sale' financial assets	**(0.02)**	(0.01)
Dividend distribution	**(2.17)**	(3.00)
	(2.19)	(3.01)
Net asset value per share at the end of the period	**14.41**	14.39

The annexed notes 1 to 13 form an integral part of these financial statements.

Chief Executive **Director**

CONDENSED INTERIM CASH FLOW STATEMENT
(UNAUDITED)
FOR THREE MONTHS ENDED SEPTEMBER 30, 2007

	September 30, 2007	2006
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year	**64,815**	54,771
Adjustments for:		
Dividend income	**(13,657)**	(22,316)
Profit on deposit accounts with banks	**(9,863)**	(3,260)
Profit on term finance certificates	**-**	(93)
Unrealised gain on investments - 'at fair value through profit or loss'	**(51,099)**	(28,955)
Surplus realized on 'available-for-sale' investments (net)	**(2,813)**	-
Loss on derivative financial instruments (net)	**17,418**	15,124
	(60,014)	(39,500)
	4,801	15,271
(Increase) / decrease in assets		
Receivable against sale of investments	**18,400**	54,009
Investment in marketable securities	**(204,367)**	139,885
Increase in prepaid expenses	**(170)**	-
	(186,137)	193,894
Increase / (decrease) in liabilities		
Payable to Al Meezan Investment Management Limited - Investment Advisor of the Fund	**(27,659)**	(29,599)
Payable to Central Depository Company of Pakistan Limited - Custodian of the Fund	**(32)**	6
Payable to Meezan Bank Limited - Shariah Advisor	**(187)**	-
Payable to Securities and Exchange Commission of Pakistan	**537**	295
Accrued expenses and other liabilities	**128**	(120)
Payable against purchase of investments	**5,276**	23,110
	(21,937)	(6,308)
Cash (used in) / generated from operations	**(203,273)**	202,857
Dividend received	**7,829**	18,669
Profit received on deposit accounts with banks	**14,648**	2,504
Net cash inflow / (outflow) from operating activities	**(180,796)**	224,030
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	**(41)**	(8)
Net cash outflow from financing activities	**(41)**	(8)
Net increase / (decrease) in cash and cash equivalents during the period	**(180,837)**	224,022
Cash and cash equivalents at the beginning of the period	**590,523**	29,382
Cash and cash equivalents at the end of the period	**409,686**	253,404

The annexed notes 1 to 13 form an integral part of these financial statements.

Chief Executive **Director**

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THREE MONTHS ENDED SEPTEMBER 30, 2007

	Share capital	Unappropriated profit	Total	Surplus on revaluation of available-for-sale financial assets	Total
	(Rupees in '000)				
Balance as at July 1, 2006	1,196,000	789,906	789,906	43,064	**2,028,970**
Final dividend for year ended June 30, 2006 at Rs.3.00 per share (30%) approved subsequent to the year end	-	(358,800)	(358,800)	-	**(358,800)**
Net income for the three months ended September 30, 2006	-	54,771	54,771	-	**54,771**
Deficit on revaluation of 'available-for-sale' financial assets	-	-	-	(1,378)	**(1,378)**
Balance as at September 30, 2006	**1,196,000**	**485,877**	**485,877**	**41,686**	**1,723,563**
Balance as at July 1, 2007	1,196,000	977,863	2,173,863	44,729	**2,218,592**
Final dividend for year ended June 30, 2007 at Rs.2.50 per share (25%) approved subsequent to the year end	-	(299,000)	(299,000)	-	**(299,000)**
Issue of bonus shares for year ended June 30, 2007 at 15% i.e. 15 shares for each 100 share held approved subsequent to the year end	179,400	(179,400)	-	-	**-**
Surplus realised on revaluation of 'available-for-sale' investments taken to capital gains on disposal of investments	-	-	-	(2,813)	**(2,813)**
Net income for the three months ended September 30, 2007	-	64,815	64,815	-	**64,815**
Surplus on revaluation of 'available-for-sale' financial assets	-	-	-	311	**311**
Balance as at September 30, 2007	**1,375,400**	**564,278**	**1,939,678**	**42,227**	**1,981,905**

The annexed notes 1 to 13 form an integral part of these financial statements.

Chief Executive **Director**

CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)

FOR THREE MONTHS ENDED SEPTEMBER 30, 2007

1. LEGAL STATUS AND NATURE OF BUSINESS

Al Meezan Mutual Fund Limited (the Fund) was incorporated in Pakistan on 13 July 1995 as a public limited company under the Companies Ordinance, 1984 and is listed on the Karachi Stock Exchange. The Fund is registered as an 'Investment Company' under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) vide License no. NBFC -II\11 AMMFL-IC-04\05 issued by the Securities and Exchange Commission of Pakistan (SECP). The Fund's registered office is at Finance and Trade Centre, Shahrah-e-Faisal, Karachi. The object of the Fund is to carry on the business of a closed-end mutual fund and to invest its assets in securities, which are listed or proposed to be listed on the stock exchanges.

The Fund has an agreement with Al Meezan Investment Management Limited, an associated undertaking, to provide Investment Advisory services.

The purpose of the Fund is to provide a vehicle where the investors can invest their funds in securities under the management of Al Meezan Investment Management Limited (the Investment Advisor) subject to the general control and directions of the Board of Directors and as per the guidelines by the Shariah Advisor. The objective of the Fund is to provide superior results through investment in quality growth stocks, though the funds may be invested in other stocks. It may also take a significant position of investments in other securities listed on a stock exchange e.g modaraba certificates, sukkuk bonds, murahaba, musharakah etc., from time to time to protect against capital losses when the stock market appears vulnerable. Selection of securities for portfolio will be based, as far as possible on their potential capital appreciation possibilities.

The Fund’s investment policy with its emphasis on investing in securities for their potential capital appreciation possibilities which may involve a substantially greater portfolio turnover for capital gains.

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 earlier referred guidelines. This practice is being followed to comply with the requirements of approved accounting standards as applicable in Pakistan.

3. STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the requirements of approved accounting standards as applicable in Pakistan, the requirements of the Companies Ordinance, 1984, Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the directives issued by the Securities and Exchange Commission of Pakistan. Approved accounting standards comprise of such International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as notified under the provisions of the Companies Ordinance, 1984.

Wherever the requirements of these standards, the requirements of the Companies Ordinance, 1984, the NBFC Rules and the said directives differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the said directives take precedence.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting policies adopted for the preparation of these condensed interim accounts are same as those applied in the preparation of the preceding annual accounts of the Company for the year ended June 30, 2007.

5. BANK BALANCES

	Note	Sep 30, 2007	Jun 30, 2007
		(Rupees in '000)	
In current accounts		**2,749**	1,150
In deposit accounts	5.1	**406,937**	589,373
		409,686	590,523

5.1 These represent deposits payable on demand and carry return at approximately 3% to 9.5% per annum (2006: 3% to 9.5% per annum).

6. INVESTMENT IN MARKETABLE SECURITIES - classified as investments 'available-for-sale'

Name of the investee company	As at 01 July 2007	Purchases during the quarter	Bonus/ rights issue	Sales during the quarter	As at 30 September 2007	Cost as at 30 September 2007	Market value as at 30 September 2007	Unrealised gain as at 30 September 2007	Percentage in relation to: Net assets of the Fund on the basis of market value of investments (see note 7.1.2 above)	Paid-up capital of investee company (with face value of investments)	Total market value (carrying value of investments)
	---------- Number of shares of listed companies ----------					Rupees in '000					
Refinery											
National Refinery Limited	20,000	-	4,000	20,000	4,000	1,054	1,550	496	0.08	0.01	0.09
Oil and gas marketing companies											
Pakistan State Oil Company Limited	1,043	-	-	-	1,043	403	376	(27)	0.02	0.00	0.02
Fertilizer											
Fauji Fertilizer Company Limited	395,469	-	-	-	395,469	37,937	45,479	7,542	2.29	0.08	2.51
						39,394	47,405	8,011			

7. INVESTMENT IN MARKETABLE SECURITIES - classified as Investments 'at fair value through profit or loss'

		Sep 30, 2007	Jun 30, 2007
		(Rupees in '000)	
Held for trading	7.1	**1,815,404**	1,551,853

7.1 'Held for trading '

Name of the investee company	As at July 01, 2007	Purchases during the quarter	Bonus/ rights issue	Sales during the quarter	As at September 30, 2007	Carrying Cost as at September 30, 2007	Market value as at September 30, 2007	Unrealised gain as at September 30, 2007	Percentage in relation to: Net assets of the Fund on the basis of market value of investments (see note 7.1.2 above)	Paid-up capital of investee company (with face value of investments)	Total market value (carrying value of investments)
	---------- Number of shares of listed companies ----------					Rupees in '000					
Commercial Banks											
BankIslami Pakistan Limited	-	250,000	-	-	250,000	3,063	3,312	249	0.17	0.08	0.18
Meezan Bank Limited	1,261,700	-	-	-	1,261,700	40,374	44,475	4,101	2.24	0.33	2.45
Textile composite											
Nishat Mills Limited	698,770	136,000	-	182,000	652,770	80,723	76,243	(4,480)	3.85	0.41	4.20
Jute											
Thal Limited (note 7.1.1)	160,000	-	-	-	160,000	44,640	48,160	3,520	2.43	0.68	2.65
Cement											
Attock Cement Pakistan Limited	299,800	-	-	-	299,800	36,710	34,627	(2,083)	1.75	0.42	1.91
Fauji Cement Company Limited	-	200,000	-	133,500	66,500	1,207	1,220	13	0.06	0.02	0.07
Refinery											
National Refinery Limited	171,300	-	11,460	171,300	11,460	3,256	4,441	1,185	0.22	0.01	0.24
Power generation and distribution											
The Hub Power Company Limited	1,680,000	853,500	-	-	2,533,500	89,125	85,126	(3,999)	4.30	0.22	4.69
Kot Addu Power Company Limited	-	105,000	-	39,100	65,900	3,163	3,552	389	0.18	0.01	0.20
Oil and gas marketing companies											
Pakistan State Oil Company Limited	53,200	82,000	-	75,000	60,200	21,644	21,705	61	1.10	0.04	1.20
Oil and gas exploration companies											
Oil and Gas Development Company Limited	1,379,000	521,000	-	250,000	1,650,000	192,073	189,750	(2,323)	9.57	0.04	10.45
Pakistan Oilfields Limited	204,000	70,000	-	60,000	214,000	67,564	66,233	(1,331)	3.34	0.11	3.65
Pakistan Petroleum Limited	545,100	45,000	-	45,000	545,100	142,963	144,997	2,034	7.32	0.08	7.99
Automobile assembler											
Indus Motor Company Limited	313,100	-	-	-	313,100	95,652	103,323	7,671	5.21	0.40	5.69
Pak Suzuki Motor Company Limited	226,680	-	-	-	226,680	88,859	87,453	(1,406)	4.41	0.28	4.82
Automobile parts and accessories											
Agriauto Industries Limited (note 7.1.1)	590,800	-	-	-	590,800	58,430	56,717	(1,713)	2.86	2.46	3.12
Technology and communication											
Pakistan Telecommunication Company Limited 'A'	50,000	2,325,000	-	350,000	2,025,000	111,431	106,313	(5,118)	5.36	0.05	5.86

Name of the investee company	As at July 01, 2007	Purchases during the quarter	Bonus/ rights issue	Sales during the quarter	As at September 30, 2007	Carrying Cost as at September 30, 2007	Market value as at September 30, 2007	Unrealised gain as at September 30, 2007	Percentage in relation to		
									Net assets of the Fund on the basis of market value of investments (see note 7.1.2 above)	Paid-up capital of investee company (with face value of investments)	Total market value (carrying value of investments)
	---------- Number of shares of listed companies ----------					Rupees in '000					
Fertilizer											
Engro Chemical Pakistan Limited	633,700	136,080	-	130,000	639,780	144,446	166,279	21,833	8.39	0.33	9.16
Fauji Fertilizer Company Limited	771,086	222,000	-	-	993,086	121,238	114,205	(7,033)	5.76	0.20	6.29
Fauji Fertilizer Bin Qasim Limited	2,388,000	1,939,500	-	417,500	3,910,000	159,045	173,213	14,168	8.74	0.42	9.54
Pharmaceutical											
GlaxoSmithKline (Pakistan) Limited	83,125	-	20,781	-	103,906	15,586	16,833	1,247	0.85	0.08	0.93
Chemical											
ICI Pakistan Limited	-	200,100	-	-	200,100	31,116	31,305	189	1.58	0.14	1.72
Sitara Chemical Industries Limited	177,100	-	-	118,500	58,600	9,332	14,240	4,908	0.72	0.32	0.78
Paper and Board											
Packages Limited	571,250	46,000	-	-	617,250	196,309	216,038	19,729	10.90	0.84	11.90
Glass & Ceramics											
Ghani Glass Limited	83,250	-	-	-	83,250	6,356	5,644	(712)	0.28	0.10	0.31
Total						**1,764,305**	**1,815,404**	**51,099**			

7.1.1 All shares have a face value of Rs. 10 each except for the shares of Agriauto Industries Limited and Thal Limited which have a face value of Rs. 5 each.

7.1.2 Net assets are as defined in Rule. 2(xxxiv) of NBFC Rules.

7.1.3 SECP through its letter NO. NBFC-II/ AD/ AMIML/ 406 dated 12 June 2007 has increased the investment limits prescribed in Rule 49(3) and (4) of the NBFC Rules to fifteen percent and thirty percent respectively.

8. DERIVATIVE FINANCIAL INSTRUMENTS

Type of contract	Settlement	Underlying	Notional amount	2007 Fair value (Assets)	2007 Fair value (Liabilities)
				(Rupees in '000)	
-	-	-	-	-	-

* Derivative financial instruments outstanding as at June 30, 2007 amounted to Rs.17.418 million (asset).

	Note	Sep 30, 2007	Jun 30, 2007
		(Rupees in '000)	
9. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Security deposits with CDC		**138**	138
Profit receivable on deposit accounts with banks		**2,510**	7,295
Prepaid expenses		**170**	-
		2,818	7,433
10. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration		**63**	250
Charity expense	10.1	**2,002**	1,644
Others		**38**	81
		2,103	1,975

10.1 According to the instructions of the Shariah Advisor, any income earned by the Fund from investments whereby portion of the investment of such investees has been made in non-shariah compliant avenues, such proportion of income of the Fund from that investee should be given away for charitable purposes directly by the Fund. Accordingly, an amount of Rs. 2.002 million has been recognised as charity payable. No charity has been paid to any charitable institution during the period.

	September 30, 2007	2006 (Restated)
11. BASIC EARNINGS PER SHARE *		
Net income for the year	**64,815**	54,771
	(In numbers)	
Paid-up share capital (weighted average number of shares outstanding)	**125,580,000**	125,580,000
	(Rupees)	
Diluted earnings per share	**0.52**	0.44

12. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

The connected persons include Al Meezan Investment Management Limited being the Investment Advisor, Central Depository Company of Pakistan Limited being the Custodian, Meezan Bank Limited being the holding company of the Investment Advisor, Pakistan Kuwait Investment Company (Private) Limited and Meezan Islamic Fund, Meezan Islamic Income Fund, Meezan Tahaffuz Pension Fund and Meezan Balanced Fund being the Funds under the common management of the Investment Advisor.

Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with the NBFC Rules and the Companies Ordinance, 1984.

Remuneration payable to the Investment Advisor and the Custodian is determined in accordance with the provisions of the NBFC Rules and the Custodial Services Agreement respectively.

	Sep 30, 2007	Jun 30, 2007
	(Rupees in '000)	
Al Meezan Investment Management Limited - Investment Advisor of the Fund		
Balance at the beginning of the period	**38,340**	39,928
Remuneration for the period	**10,681**	38,340
	49,021	78,268
Amount paid during the period	**(38,340)**	(39,928)
Balance at the end of the period	**10,681**	38,340
Investment in 22,755,692 shares (June 30, 2007: 19,787,559 shares)	**273,068**	300,771
Dividend for the year ended June 30, 2007 (comparative June 30, 2006)	**49,469**	58,671
Meezan Islamic Fund		
Investment in 19,570,700 shares (June 30, 2007: 17,018,000 shares)	**234,848**	258,674
Dividend for the year ended June 30, 2007 (comparative June 30, 2006)	**42,545**	51,054
Meezan Bank Limited		
Bank balance at the end of the period	**5,534**	2,735
Profit on deposit accounts with the bank	**6**	3,993
Investment in 5,561,607 shares (June 30, 2007: 4,836,180 shares)	**73,510**	73,510
Investment of 1,261,700 shares (June 30, 2007: 1,261,700 shares)	**44,475**	40,374
Dividend for the year ended June 30, 2007 (comparative June 30, 2006)	**12,090**	12,342
Shariah advisory fee for the period	**63**	250
Sitara Chemical Industries Limited		
Investment of 58,600 shares (June 30, 2007: 177,100 shares)	**14,240**	28,203
Pakistan Kuwait Investment Company (Private) Limited		
Investment in 21,421,190 shares (June 30, 2007: 18,627,122 shares)	**257,054**	283,132
Dividend for the year ended June 30, 2007 (comparative June 30, 2006)	**46,568**	55,229

	Sep 30, 2007	Jun 30, 2007
	(Rupees in '000)	
Central Depository Company of Pakistan Limited		
Balance at the beginning of the period	**113**	85
Remuneration for the year	**276**	1,308
	389	1,393
Amount paid during the period	**(308)**	(1,280)
Balance at the end of the period	**81**	113
Directors and officers		
349,441 shares held (June 30, 2007: 303,862 shares)	**4,193**	4,619
Dividend for the year ended June 30, 2007 (comparative June 30, 2006)	**760**	890

12. DATE OF AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements have been authorised for issue on October 11, 2007 by the board of directors of the Fund.

13. GENERAL

13.1 Comparative figures have been rearranged and reclassified for the purpose of comparison and better presentation. The significant reclassifications are as follows:

Particulars	From	To	Amount Rs. '000
Unrealised gain / (loss) on investments 'at fair value through profit or loss'	Unrealised gain on short term investments	Unrealised gain / (loss) on investments 'at fair value through profit or loss'	28,955
Unrealised gain / (loss) on derivative financial instruments (net)	Unrealised gain on short term investments	Loss on derivative financial instruments (net)	(15,124)
Bank charges	Bank charges	Bank and settlement charges	6
Capital Value Tax	Capital Value Tax	Bank and settlement charges	60

In addition to above, some changes were made to the narrations of expenses and income disclosed in the Income Statement.

13.2 Figures have been rounded off to the nearest thousand rupees.

Chief Executive **Director**

STATEMENT OF THE INCOME & EXPENDITURE OF THE INVESTMENT ADVISOR IN RELATION TO THE FUND

FOR THE PERIOD ENDED SEPTEMBER 30, 2007

	September 30,	
	2007	**2006**
	(Rupees in '000)	
		(Restated)
INCOME		
Remuneration receivable from Al Meezan MutualFund Limited	**10,681**	10,152
Dividend income	**49,469**	59,363
	60,150	69,515
OPERATING EXPENSES		
Salaries and other benefits	**975**	752
Motor vehicle running expenses	**46**	56
Fees and subscription	**204**	19
Insurance expense	**20**	34
Printing and stationery	**21**	41
Brokerage	**35**	-
Financial charges	**3**	8
Telephone, fax, postage & stamps	**79**	50
Depreciation	**224**	245
Amortisation	**21**	13
Travelling and conveyance	**44**	39
Entertainment	**19**	14
Legal and professional charges	**174**	34
Repairs and maintenance	**30**	3
Office supplies	**19**	12
Rent, rates and taxes	**197**	230
Training and development	**32**	3
Utilities	**35**	33
Miscellaneous expenses	**3**	3
	2,181	1,589
PROFIT FOR THE PERIOD	**57,969**	67,926

Note: Other revenue not relating to the Fund has not been included in the above statement.