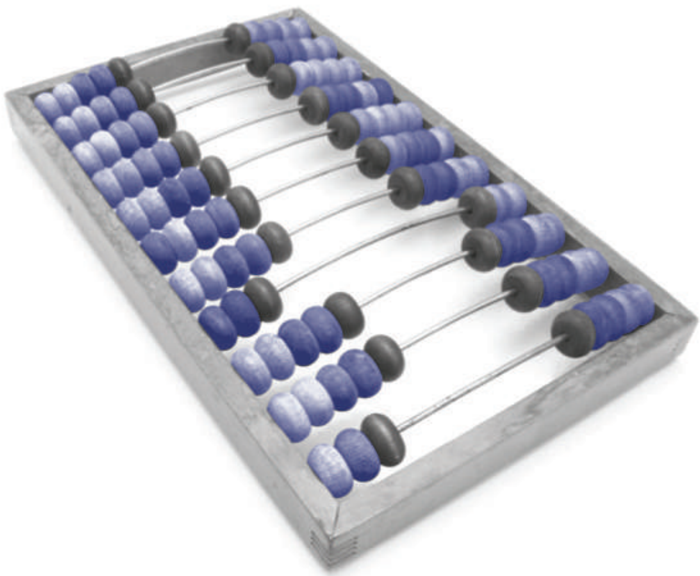
Faysal AssetManagement

Income & Growth Fund

Condensed Interim Financial Statements for
For The Nine Months And Quarter Ended March 31, 2021 (Un-audited)



CONTENTS

FUND INFORMATION

Management Company
Faysal Asset Management Limited

Board of Directors of the Management Company
Mr. Salman Ahmed Usmani, Chairman
Mr. Osman Asghar Khan, Director
Mr. Mian Salman Ali, Director
Syed Muhammad Fraz Zaidi, Director
Mr. Tahir Yaqoob Bhatti, Director
Mr. Nadir Rehman, Director
Mr. Khaldoon Bin Latif, Director/CEO

Chief Executive Officer
Mr. Khaldoon Bin Latif

Chief Financial Officer Company Secretary of the Management Company
Mr. Faisal Ali Khan

Audit Committee
Mr. Osman Asghar Khan, Chairman
Mr. Mian Salman Ali, Member
Syed Muhammad Fraz Zaidi, Member

HR Committee
Mr. Nadir Rehman, Chairman
Mr. Salman Ahmed Usmani, Member
Mr. Osman Asghar Khan, Member

Trustee to the Fund
Central Depository Company of Pakistan Limited,
CDC House, 99B, Block B, S.M.C.H.S.,
Main Shahrah-e-Faisal, Karachi.

Bankers to the Fund
Soneri Bank Limited
Bank Alfalah Limited
Faysal Bank Limited
United Bank Limited
Habib Metropolitan Bank Limited
Allied Bank Limited
Habib Bank Limited
JS Bank Limited
Zarai Taraqiati Bank Limited

Auditors
A.F. Ferguson & Co. Chartered Accountants

Legal Advisor
Mohsin Tayebaly & Co.
2nd Floor, Dime Centre,
BC-4 Block-9, KDA-5,
Clifton, Karachi.

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

MISSION AND VISION

To provide world class investment management and advisory services for the benefit of clientele looking to maximize their financial returns while minimizing risk.

To amplify our client-centricity by inspiring innovation, championing customer service, generating competitive returns, and honoring the utmost ethical and professional standards.

MISSION STATMENT

Faysal Income & Growth FUnd seeks to provide its riks-averse investors an opportunity to earn a consistent market based income with a conservative risk profile while maintaining security of principal as its prime objective.

Condensed Interim Statement of Assets and Liabilities

As at March 31, 2021

	Note	(Un-audited) March 31, 2021	(Audited) June 30, 2020
		------------- (Rupees) -------------	
Assets			
Balances with banks	4	495,412,836	521,263,300
Investments	5	244,241,300	255,163,629
Deposits, advances, prepayments and other receivables		13,674,248	12,286,401
Total assets		753,328,384	788,713,330
Liabilities			
Payable to Faysal Asset Management Limited - the Management Company	6	2,128,167	3,408,422
Payable to Central Depository Company of Pakistan Limited - the Trustee		51,436	73,203
Payable to the Securities and Exchange Commission of Pakistan		112,598	130,595
Accrued and other liabilities	7	11,656,320	11,609,725
Payable against redemption of units		3,561	-
Total liabilities		13,952,082	15,221,945
Net assets		739,376,302	773,491,385
Unit holders' fund (as per the statement attached)		739,376,302	773,491,385
Contingencies and commitments	8		
		------- (Number of units) -------	
Number of units in issue		6,614,143	7,257,969
		------------- (Rupees) -------------	
Net assets value per unit		111.79	106.57

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

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer   Chief Executive Officer   Director

Condensed Interim Income Statement
For The Nine Month Period And Quarter Ended March 31, 2021

	Note	Nine months ended March 31 2021	Nine months ended March 31 2020	Quarter ended March 31 2021	Quarter ended March 31 2020
		------------ (Rupees) ------------		------------ (Rupees) ------------	
Income					
Profit earned on debt seurities		24,751,523	31,539,668	5,955,968	10,225,450
Profit on balances with banks		24,889,384	29,017,742	7,354,291	10,105,122
Realised loss on sale of investments - net		(2,153,904)	(635,615)	(1,370,020)	(1,735,542)
		47,487,003	59,921,795	11,940,239	18,595,030
Unrealised appreciation / (dimunition) on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	5.6	3,345,238	(3,863,218)	(957,990)	1,455,330
Total income		50,832,241	56,058,577	10,982,249	20,050,360
Operating expenses					
Remuneration of Faysal Asset Management Limited - the Management Company	6.1	6,031,243	5,624,284	1,836,540	1,279,886
Sindh sales tax on remuneration of the Management Company	6.2	770,863	731,157	225,552	157,683
Allocated expenses	6.3	336,426	430,769	83,479	141,397
Selling and marketing charges to be reimburse to the Management Company	6.4	3,246,633	858,128	1,001,749	858,128
Remuneration to Central Depository Company of Pakistan Limited the Trustee		422,431	324,989	125,219	107,765
Sindh sales tax on remuneration of the Trustee		56,324	42,249	17,686	13,576
Annual fee to the Securities and Exchange Commission of Pakistan		112,648	86,157	33,391	28,219
Transaction charges		460,581	299,866	222,585	89,438
Bank charges		4,300	10,894	(193)	694
Legal and professional charges		173,420	-	-	-
Auditors' remuneration		611,520	424,875	201,600	140,595
Fees and subscription		238,317	219,994	78,279	80,827
Printing charges and other expenses		13,805	-	5,917	-
Total operating expenses		12,478,511	9,053,362	3,831,804	2,898,208
Net profit from operating activities		38,353,730	47,005,215	7,150,445	17,152,152
Provision for Sindh Workers' Welfare Fund		767,074	940,104	140,294	343,043
Net profit for the period before taxation		37,586,656	46,065,111	7,010,151	16,809,109
Taxation	10	-	-	-	-
Net profit for the period after taxation		37,586,656	46,065,111	7,010,151	16,809,109
Allocation of net profit for the period:					
- Net profit for the period		37,586,656	46,065,111	7,010,151	16,809,109
- Income already paid on units redeemed		(7,408,221)	(2,312,160)	(215,622)	(577,460)
		30,178,435	43,752,951	6,794,529	16,231,649
Accounting income available for distribution					
- Relating to capital gains		1,191,334	-	-	-
- Excluding capital gains		28,987,101	43,752,951	6,794,529	16,231,649
		30,178,435	43,752,951	6,794,529	16,231,649

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer   Chief Executive Officer   Director

Condensed Interim Statement of Comprehensive Income

For The Nine Month Period And Quarter Ended March 31, 2021

	Nine months ended March 31		Quarter ended March 31	
	2021	2020	2021	2020
Net income for the period after taxation	37,586,656	46,065,111	7,010,151	16,809,109
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	37,586,656	46,065,111	7,010,151	16,809,109

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

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer | Chief Executive Officer | Director

Condensed Interim Statement of Movement in Unit Holders' Fund

For The Nine Month Period And Quarter Ended March 31, 2021

	Nine month ended March 31, 2021			Nine month ended March 31, 2020		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees)			(Rupees)		
Net assets at the beginning of the period	732,189,845	41,301,540	773,491,385	505,072,998	39,759,390	544,832,388
Issuance of units 6,724,481 (2020: 2,754,524 units)						
- Capital value (at net asset value per unit at the beginning of the period)	716,627,962	-	716,627,962	292,971,160	-	292,971,160
- Element of income	11,671,117	-	11,671,117	13,990,020	-	13,990,020
Total proceeds on issuance of units	728,299,079	-	728,299,079	306,961,180	-	306,961,180
Redemption of 7,368,307 units (2020: 2,884,819 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(785,240,508)	-	(785,240,508)	(306,820,438)		(306,820,438)
- Element of income	(7,352,089)	(7,408,221)	(14,760,310)	(13,763,368)	(2,312,160)	(16,075,528)
Total payments on redemption of units	(792,592,597)	(7,408,221)	(800,000,818)	(320,583,806)	(2,312,160)	(322,895,966)
Total comprehensive income for the period	-	37,586,656	37,586,656	-	46,065,111	46,065,111
Cash distribution per unit (date of declaration: July 06, 2018)	-	-	-	-	-	-
Net assets at the end of the period	667,896,327	71,479,975	739,376,302	491,450,372	83,512,341	574,962,713
Undistributed income brought forward						
- Realised gain		41,301,540			38,984,932	
- Unrealised gain		-			774,458	
		41,301,540			39,759,390	
Cash distribution @ Rs. 2.48 per unit (date of declaration: July 06, 2018)		-			-	
Accounting income available for distribution						
- Relating to capital gains		1,191,334			-	
- Excluding capital gains		28,987,101			43,752,951	
		30,178,435			43,752,951	
Undistributed income carried forward:		71,479,975			83,512,341	
Undistributed income carried forward						
- Realised income		68,261,542			87,375,559	
- Unrealised income / (loss)		3,218,433			(3,863,218)	
		71,479,975			83,512,341	
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the period			106.57			106.36
Net asset value per unit at the end of the period			111.79			115.17

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

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer | Chief Executive Officer | Director

Condensed Interim Cash Flows Statement

For The Nine Month Period And Quarter Ended March 31, 2021

	Note	Nine months ended March 31 2021	2020
		---- (Rupees) ----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the period before taxation		37,586,656	46,065,111
Adjustments for:			
Realised loss on sale of investments - net		2,153,904	635,615
Unrealised appreciate / (dimunition) on re-measurement of investments classified 'at fair value through profit or loss'		(3,345,238)	3,863,218
Provision for Sindh Workers' Welfare Fund (SWWF)		767,074	940,104
		37,162,396	51,504,048
(Increase) / decrease in assets			
Investments		12,113,663	18,081,579
Deposits, advances, prepayments and other receivables		(1,387,847)	(11,586,778)
		10,725,816	6,494,801
Increase / (decrease) in liabilities			
Payable to Faysal Asset Management Limited - the Management Company		(1,280,255)	945,570
Payable to Central Depository Company of Pakistan Limited - the Trustee		(21,767)	(47,982)
Payable to the Securities and Exchange Commission of Pakistan		(17,997)	(457,402)
Accrued and other liabilities		(716,918)	5,392,655
		(2,036,937)	5,832,841
Net cash generated from operating activities		45,851,275	63,831,690
CASH FLOWS FROM FINANCING ACTIVITIES			
Amounts received against issuance of units		728,299,079	306,961,180
Payments made against redemption of units		(800,000,818)	(322,895,966)
Dividend paid		-	(19,620,910)
Net cash used in financing activities		(71,701,739)	(35,555,696)
Net (decrease) / increase in cash and cash equivalents during the period		(25,850,464)	28,275,994
Cash and cash equivalents at beginning of the period		521,263,300	289,764,669
Cash and cash equivalents at end of the period	4	495,412,836	318,040,663

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer Chief Executive Officer Director

Notes to and forming part of the Condensed Interim Financial Statements

For The Nine Month Period And Quarter Ended March 31, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Faysal Income & Growth Fund (the Fund) is an open-end collective investment scheme established through a Trust Deed under the Trust Act, 1882, entered into on April 27, 2005 between Faysal Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The investment activities and administration of the Fund are managed by the Management Company.

The Management Company of the Fund has been licensed by the SECP to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 through a certificate of registration issued by the Securities and Exchange Commission of Pakistan (SECP). The registered office of the Management Company is situated at 7th Floor, Faysal House, ST-02, Main Shahrah-e-Faisal, Karachi, Pakistan. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

1.2 The Fund is categorised as an 'Aggressive Fixed Income Scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs.100 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from October 10, 2005 and are transferable and redeemable by surrendering them to the Fund.

1.3 According to the Trust Deed, the objective of the Fund is to provide superior long-term risk adjusted returns by investing in a diverse pool of fixed income securities, including money market instruments. In particular, the aim is to minimize interest rate risk through duration management and default risk portfolio diversification.

1.4 The Management Company has been assigned a quality rating of 'AM2' by VIS Credit Rating Company Limited dated March 31, 2021 (2019: 'AM2' dated February 18, 2020). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes. Moreover, PACRA has maintained the stability rating of the Fund at 'A(f)' dated October 16, 2020 (June 30, 2020: 'A(f) dated April 17, 2020).

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 PREPARATION

2.1 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

Notes to and forming part of the Condensed Interim Financial Statements
For The Nine Month Period And Quarter Ended March 31, 2021

reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting' issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and

- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and 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 requirements of the Trust Deed differ from 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 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 IAS 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, 2020.

	Note	(Un-audited) March 31, 2021	(Audited) June 30, 2020
		---------- (Rupees) ---------	
4 BALANCES WITH BANKS			
PLS accounts	4.1	495,412,836	521,263,300

4.1 These savings accounts carry mark-up at rates ranging from 5.50% to 8.25% (June 30, 2020: 6.50% to 14.60%) per annum. Deposits in savings accounts also include Rs. 5.229 million (June 30, 2020: Rs. 5.054 million) maintained with Faysal Bank Limited, a related party, and carry mark-up at the rate of 5.50% (June 30, 2020: 6.50%) per annum.

Notes to and forming part of the Condensed Interim Financial Statements

For The Nine Month Period And Quarter Ended March 31, 2021

	Note	(Un-audited) March 31, 2021	(Audited) June 30, 2020
		-------- (Rupees) --------	
5 INVESTMENTS			
Financial assets 'at fair value through profit or loss'			
Term finance certificates	5.1	198,328,799	195,139,548
Commercial papers	5.2	-	60,024,081
Pakistan Investment Bonds	5.3	45,912,500	-
Market Treasury Bills	5.4	-	-
Listed Equity Securities			
		244,241,300	255,163,629

5.1 Term finance / Sukuk certificates - atfair value through profit or loss

Term finance certificates

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Name of the security	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2020	Purchases during the period	Sold during the period	As at March 31, 2021	Carrying value as at March 31, 2021	Market value as at March 31, 2021	Unrealised appreciation / (diminution) as at March 31, 2021	Percentage in relation to Net assets of the Fund	Percentage in relation to Total market value of investment
				------------- Number of certificates -------------				--------------- (Rupees) ---------------			------------ % ------------	
COMMERCIAL BANKS												
JS Bank Limited (A+, PACRA, non-traded) (Face value of 5,000 per certificate)	Semi-annually	December 14, 2023	6 months KIBOR plus base rate of 1.40%	12,000	-	-	12,000	58,786,522	59,221,574	435,052	8.01%	24.25%
JS Bank Limited (A+, PACRA, non-traded) (Face value of 1,00,000 per	Semi-annually	December 29, 2024	6 months KIBOR plus base rate of 1.40%	250	-	-	250	21,667,750	25,177,925	3,510,175	3.41%	10.31%
The Bank of Punjab (AA-, PACRA, non-traded) (Face value of 99,840 per certificate)	Semi-annually	December 23, 2026	6 months KIBOR plus base rate of 1.00%	660	250	250	660	64,656,094	65,894,400	1,238,306	8.91%	26.98%
Khushali Microfinance Bank Limited (A, VIS, non-traded) (Face value of 1,00,000 per	Semi-annually	March 19, 2026	6 months KIBOR plus base rate of 2.05%	500	-	-	500	50,000,000	48,034,900	(1,965,100)	6.50%	19.67%
Total as at March 31, 2020								195,110,366	198,328,799	3,218,433	26.82%	81.20%
Total as at June 30, 2020								200,182,939	195,139,548	(5,043,391)	25.23%	76.48%

Notes to and forming part of the Condensed Interim Financial Statements

For The Nine Month Period And Quarter Ended March 31, 2021

5.2 Commercial Paper

Name of the security	Yield per annum	Maturity date	As at July 01, 2020	Purchased during the period	Matured / redeemed during the period	As at March 31, 2021	Carrying value as at March 31, 2021	Market value as at March 31, 2021	Unrealised appreciation / (diminution) as at March 31, 2021	Market value as a percentage of net assets	Market value as a percentage of total investments
			------------------ Face value (Rupees) ------------------				------------------------ (Rupees) -------------------			--------------- % ---------------	
TPL Corporation Limited (A-1, PACRA)	16.00%	July 14, 2020	60,000,000	-	60,000,000	-	-	-	-	-	-
TPL Corporation Limited (A-1, PACRA)	9.13%	January 8, 2021	-	56,810,323	56,810,323	-	-	-	-	-	-
Total as at March 31, 2021							-	-	-	0.00%	0.00%
Total as at June 30, 2020							60,024,081	60,024,081	-	7.76%	23.52%

5.3 Pakistan Investment Bonds

Pakistan Investment Bonds

Name of security	Issue Date	As at July 1, 2020	Purchased during the period	Sold during the period	As at March 31, 2021	Carrying value as at March 31, 2021	Market value as at March 31, 2021	Unrealised appreciation as at March 31, 2021	Market value as percentage of total investments	Market value as percentage of net assets
		------------------ Face value (Rupees) ------------------				------------------------ (Rupees) -------------------			--------------- % ---------------	
Pakistan Investment Bonds - 05 years	September 19, 2019	-	450,000,000	400,000,000	50,000,000	45,785,700	45,912,500	126,800	18.80%	6.21%
Pakistan Investment Bonds - 10 years	July 18, 2020	-	-	-	-	-	-	-	0.00%	0.00%
Pakistan Investment Bonds - 03 years	June 18, 2020	-	100,000,000	100,000,000	-	-	-	-	0.00%	0.00%
Total as at March 31, 2021						**45,785,700**	**45,912,500**	**126,800**	**18.80%**	**6.21%**
Total as at June 30, 2020						-	-	-	-	-

5.4 Market Treasury Bills

Name of security	Issue Date	As at July 1, 2020	Purchased during the period	Sold during the period	As at March 31, 2021	Carrying value as at March 31, 2021	Market value as at March 31, 2021	Unrealised appreciation / (dimunition)	Market value as percentage of total	Market value as percentage of net
		------------------ Face value (Rupees) ------------------				------------------------ (Rupees) -------------------			--------------- % ---------------	
Market Treasury Bills - 3 months	July 16, 2020	-	75,000,000	75,000,000	-	-	-	-	0.00%	0.00%
Market Treasury Bills - 6 months	July 16, 2020	-	75,000,000	75,000,000	-	-	-	-	0.00%	0.00%
Market Treasury Bills - 12 months	July 16, 2020	-	100,000,000	100,000,000	-	-	-	-	0.00%	0.00%
Total as at March 31, 2021						-	-	-	-	-
Total as at June 30, 2020						-	-	-	-	-

5.5 Listed Equity Securities

LISTED EQUITY SECURITIES

Name of the Investee Company	Note	As at July 01, 2020	Purchased during the period	Bonus / right shares received during the period	Disposed off during the period	As at March 31, 2021	Carrying Value as at March 31, 2021	Market Value as at March 31, 2021	Unrealised gain / (loss) on revaluation	Market Value as a percentage of Net assets of the Fund	Market Value as a percentage of Total investments of the Fund	Holding as a Investee company paid-up capital of the Fund
		-------------------- Number of shares --------------------					------------------------ (Rupees) ------------------------			------------------------ % ------------------------		
TECHNOLOGY & COMMUNICATIONS												
Trg Pakistan Limited - Class 'A'		-	336,000	-	336,000	-			-	-	-	-
							-	-	-	-	-	
Total as at March 31, 2021							-	-	-	-	-	
Total as at June 30, 2020							-	-	-	-	-	

Notes to and forming part of the Condensed Interim Financial Statements
For The Nine Month Period And Quarter Ended March 31, 2021

		Note	March 31, 2020 (Un-audited)	June 30, 2020 (Audited)
5.6	**Unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets 'at fair value through profit or loss'**		------------- (Rupees)	-------------
	Market value of investments	5.1, 5.2, 5.3 & 5.4	244,241,304	255,163,629
	Less: carrying value of investments	5.1, 5.2, 5.3 & 5.4	240,896,066	260,207,020
			3,345,238	(5,043,391)

5.7 Investments - non-compliance

The Securities and Exchange Commission of Pakistan (SECP), vide its Circular No. 16 dated July 07, 2010, prescribed certain disclosures for the schemes holding investments that were non-compliant either with the minimum investment criteria specified for the category assigned to such schemes or with the investment requirement of their constitutive documents. The Securities and Exchange Commission of Pakistan vide Circular 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. Faysal Asset Management Limited (the Management Company) classified Faysal Income & Growth Fund (the Fund) as an 'Aggressive fixed Income Scheme' in accordance with the said Circular.

The following are the details of non-compliant investments held by the Fund:

As per regulation 55(5) of the NBFC Regulations, the exposure of collective investment scheme to any single entity shall not exceed the lower of an amount equal to 10% of the total net assets of the collective investment scheme or 10% of the debt issue. As at March 31, 2021 the following investment exceeds 10% of net assets value of the Fund.

Name of non-compliant investment	Exposure	Actual Holding
JS Bank Limited	10.00%	11.38%

		Note	(Un-audited) March 31, 2021	(Audited) June 30, 2020
6	**PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - THE MANAGEMENT COMPANY**		----------Rupees	-----------
	Remuneration of the Management Company	6.1	670,976	718,865
	Sindh sales tax on remuneration of the Management Company	6.2	117,925	93,452
	Sales load payable		1,091	-
	Allocated expenses	6.3	1,338,175	1,055,621
	Selling and marketing charges to be reimburse to the Management Company	6.4	-	1,540,484
			2,128,167	3,408,422

Notes to and forming part of the Condensed Interim Financial Statements
For The Nine Month Period And Quarter Ended March 31, 2021

6.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the offering document subject to the total expense ratio limit.

Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at the following rates:

From July 1, 2020 to July 21, 2020	From July 22, 2020 to March 31, 2021
0.80% of average annual net assets	1.10% of average annual net assets

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

6.2 During the period, Sindh sales tax on management remuneration has been charged at the rate of 13% (June 30, 2020: 13%).

6.3 In accordance with Regulation 60 of the NBFC Regulations, 2008, 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).

During the year ended June 30, 2020, the Board of Directors of the Management Company, in its 106th meeting held on April 17, 2020, had given Management Company the discretion for charging allocated expenses on the Fund as it may decide. The Management Company has, therefore, charged allocated expenses keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations, 2008 at the following rates:

From July 1, 2020 to July 21, 2020	From July 22, 2020 to March 31, 2020
0.15% of average annual net assets	0.05% of average annual net assets

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

Accordingly, the Management Company has charged selling and marketing expenses based on its discretion (duly authorised by the Board of Directors) while keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations, 2008 at the following rates:

From July 1, 2020 to July 21, 2020	From July 22, 2020 to October 21, 2020	From October 22, 2020 to March31, 2021
0.70% of average annual net assets	0.50% of average annual net assets	0.60% of average annual net assets

Notes to and forming part of the Condensed Interim Financial Statements

For The Nine Month Period And Quarter Ended March 31, 2021

		Note	(Un-audited) March 31, 2021	(Audited) June 30, 2020
7	**ACCRUED AND OTHER LIABILITIES**		----------Rupees-----------	
	Accrued expenses		1,117,396	915,863
	Withholding, capital gain tax , Zakat and other payable		35,211	1,063,673
	Provision for Sindh Workers' Welfare Fund	7.1	6,346,548	5,579,472
	Provision for indirect taxes and duties	7.2	4,157,165	4,050,717
			11,656,320	11,609,725

7.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have mutual funds / CISs excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on mutual funds / CISs, MUFAP recommended that, as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund, the net asset value of the Fund as at March 31, 2021 would have been higher by Rs. 0.96 per unit (June 30, 2020: Re. 0.77 per unit).

7.2 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

Notes to and forming part of the Condensed Interim Financial Statements
For The Nine Month Period And Quarter Ended March 31, 2021

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 4.051 million (June 30, 2020: Rs. 4.051 million) is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED and related Sindh sales tax not been made, the net asset value of the Fund as at March 31, 2020 would have been higher by Re 0.63 (June 30, 2020: Re 0.56) per unit.

8 CONTINGENCIES AND COMMITMENTS

8.1 "During the current period, Faysal Income & Growth Fund (FIGF) has received a show cause notice for the tax year 2018 from the Additional Commissioner (Inland) Revenue (ACIR), whereby the ACIR has raised objection on claiming of “income already paid on units redeemed” as part of distribution and has thereby challenged the distribution of 90 percent of income and the Fund’s eligibility for exemption from tax. The ACIR is of the view that the amount of “Cash Dividend” paid can only be treated as part of distribution and according to his view the amount of “income already paid on units redeemed” is not a “Cash Dividend”. The Management Company through its tax advisor has submitted the response in respect of objections raised by the ACIR. No further communication has been received from the ACIR after the submission of the tax advisor’s response.

"The Management Company contends that the practice being followed by it is as per the applicable regulations and in line with the industry practise. Based on the advice of the tax advisor and merits of the case, the Management Company believes that the matter will be decided in the favour of the Fund and accordingly, no provision has been recognised in these condensed interim financial statements

8.2 There were no contingencies and commitments outstanding as at March 31, 2021 and June 30, 2020.

Notes to and forming part of the Condensed Interim Financial Statements
For The Nine Month Period And Quarter Ended March 31, 2021

9 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund for the period ended March 31, 2021 is 2.26% which includes 0.29% representing government levies, Sindh Workers' Welfare Fund and the SECP fee, etc. The same is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an aggressive fixed income scheme.

10 TAXATION

The Fund's income is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, 2008, the Fund is required to distribute not less than 90 percent of its accounting income for the period derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2021 to the unit holders in the manner as explained above, 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.

11 EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed in theses condensed interim financial statements as, in the opinion of the management, determination of weighted average outstanding number of units for calculating EPU is not practicable.

12 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

12.1 Connected persons and related parties include Faysal Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, Faysal Asset Management Limited - Staff Provident Fund, Faysal Asset Management Limited - Staff Gratuity Fund, Faysal Bank Limited, Faysal Bank Limited - Staff Provident Fund, Faysal Bank Limited - Staff Gratuity Fund and other entities under common management and / or directorship and the directors and officers of the Management Company and the Trustee, key management personnel, other associated undertakings and unit holders holding more than 10 percent or more units / net assets of the Fund.

Notes to and forming part of the Condensed Interim Financial Statements

For The Nine Month Period And Quarter Ended March 31, 2021

12.2 Transactions with connected persons are executed on an arm's length basis 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. Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

12.3 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:

	(Un-audited) Nine months ended March 31	
	2021	**2020**
	-------------- (Rupees) --------------	
Transactions during the period		
Faysal Asset Management Limited (the Management Company)		
Remuneration of Faysal Asset Management Limited - the Management Company	6,031,243	5,624,284
Sindh sales tax on remuneration of the Management Company	770,863	731,157
Allocated expenses	336,426	-
Units issued 696,129 units (2020: 898,908)	77,359,980	99,967,593
Units redeemed of 1,317,189 units (2020: 900,036)	142,519,837	100,390,389
Selling and markerting charges to be reimburse to the Management Company	3,246,633	858,128
Faysal Bank Limited (group company)		
Profit on PLS accounts	265,157	408,076
Bank charges	2,006	-
Central Depository Company of Pakistan Limited - (the Trustee)		
Remuneration to Central Depository Company of Pakistan Limited the Trustee	422,431	324,989
Sindh sales tax on remuneration of the Trustee	56,324	42,249
	(Un-audited) March 31, 2021	**(Audited) June 30, 2020**
	-------------- (Rupees) --------------	
Amounts / balances outstanding as at period / year end		
Faysal Asset Management Limited (the Management Company)		
Remuneration payable to the Management Company	670,976	718,865
Sindh sales tax on remuneration payable to the Management Company	117,925	93,452
Allocated expenses	1,338,175	1,055,621
Selling and markerting charges to be reimburse to the Management Company	-	1,540,484
Sales load payable	1,091	-
Units in issue 593,564 units (June 30, 2020: 1,214,625 units)	66,354,566	129,442,586
Faysal Bank Limited (group company)		
Units in issue 2,413,740 units (June 30, 2020: 2,413,740 units)	269,831,990	257,232,272
Balance in PLS accounts	5,229,442	5,054,312
Profit receivable on PLS accounts	143,500	243,498
Central Depository Company of Pakistan Limited (the Trustee)		
Remuneration payable to the Trustee	43,577	64,782
Sales tax payable to the Trustee fee	7,859	8,421
Security deposit	-	100,000
Unit holder with more than 10% unit holding		
Units in issue: 1,668,430 units (June 30, 2020: 1,668,430 units)	186,513,790	177,804,585

* Faysal Bank Limited also hold more than 10% units in the Fund

Notes to and forming part of the Condensed Interim Financial Statements

For The Nine Month Period And Quarter Ended March 31, 2021

12.4 Other balances due to / from related parties / connected persons are included in the respective notes to these condensed interim financial statements.

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

	(Un-audited)			
	As at March 31, 2021			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
Financial assets 'at fair value through profit or loss'				
Term finance certificates	-	198,328,799	-	198,328,799
Commercial papers*	-	-	-	-
Pakistan Investment Bonds	-	45,912,500	-	45,912,500
	-	244,241,301	-	244,241,300

Notes to and forming part of the Condensed Interim Financial Statements

For The Nine Month Period And Quarter Ended March 31, 2021

	(Audited)			
	As at June 30, 2020			
	Level 1	Level 2	Level 3	Total
	------------------------------------ (Rupees) --------------------------------			
Financial assets 'at fair value through profit or loss'				
Term finance certificates	-	195,139,548	-	195,139,548
Commercial papers*	-	60,024,081	-	60,024,081
	-	255,163,629	-	255,163,629

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

14 CORRESPONDING FIGURES

Corresponding figures have been re-classified and re-arranged in these condensed interim financial statements, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications have been made in these condensed interim financial statements during the period.

15 GENERAL

15.2 Figures have been rounded off to the nearest rupee.

15.2 Impact of COVID-19

The COVID-19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

- The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were

Notes to and forming part of the Condensed Interim Financial Statements

For The Nine Month Period And Quarter Ended March 31, 2021

assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of COVID-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

16 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 19 April 2021 by the Board of Directors of the Management Company.

For Faysal Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

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