

**IAML EQUITY FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)**  
**AS AT 30 SEPTEMBER 2023**

September 30,  
2023  
Note -----Rupees -----

**ASSETS**

Bank balances	4	135,367,177
Profit receivable on bank balances		1,217,516
Total assets		136,584,693

**LIABILITIES**

Payable to Management Company	5	167,965
Payable to Trustee	6	16,141
Payable to Commission	7	5,291
Accrued expenses and other liabilities	8	61,766
Total liabilities		251,162

**NET ASSETS**

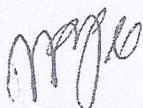
**UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)** 136,333,531

**CONTINGENCIES AND COMMITMENTS**

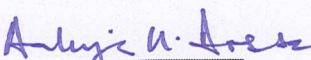
**NUMBER OF UNITS IN ISSUE** 13,573,117

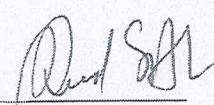
**NET ASSET VALUE PER UNIT** 10.0444

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

  
M.P.J.O.  
Chief Financial Officer

For Interloop Asset Management Limited  
(Management Company)

  
A.N.A.  
Chief Executive Officer

  
D.S.H.  
Director

**IAML EQUITY FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

For the Period  
 From  
 September 15,  
 2023 to  
 September 30,  
 2023

Note ----- Rupees -----

**INCOME**

Profit on bank balances	1,217,516
Total income for the period	<u>1,217,516</u>

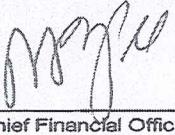
**EXPENSES**

Remuneration of Interloop Asset Management Limited - Management Company	5.1	55,697
Sindh Sales Tax on remuneration of the Management Company	5.2	7,241
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	6.1	14,284
Sindh Sales Tax on remuneration of the Trustee	6.2	1,857
Annual fee to the Securities and Exchange Commission of Pakistan	7.1	5,291
Accounting and operational charges	5.3	105,027
Fund rating fee		9,352
Auditors' remuneration	11	16,552
Annual listing fee		19,310
Printing and postage charges		5,517
Legal and professional charges		11,035
Bank charges		452
Total expenses		<u>251,615</u>

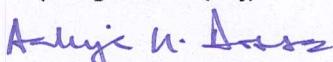
Net income for the period before taxation	965,902
Taxation	3.10
Net income for the period after taxation	<u>965,902</u>
Earnings per unit	3.12

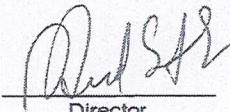
Allocation of net income for the year	
- Net income for the period after taxation	965,902
- Income already paid on units redeemed	-
	<u>965,902</u>
Accounting income available for distribution:	
-Relating to capital gains	-
-Excluding capital gains	<u>965,902</u>
	<u>965,902</u>

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

  
 Chief Financial Officer

For Interloop Asset Management Limited  
 (Management Company)

  
 Chief Executive Officer

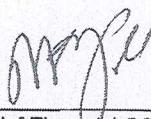
  
 Director

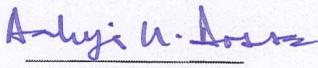
**IAML EQUITY FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

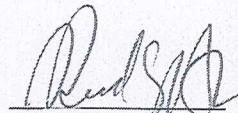
For the Period  
From  
September 15,  
2023 to  
September 30,  
2023  
Rupees -----

Net income for the period after taxation	965,902
Other comprehensive income	
Total comprehensive income for the period	<u>965,902</u>

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

  
Chief Financial Officer

For Interloop Asset Management Limited  
(Management Company)  
  
Chief Executive Officer

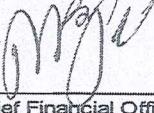
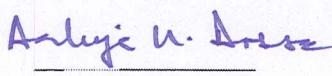
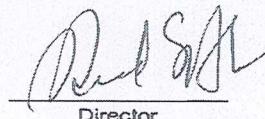
  
Director

**IAML EQUITY FUND****CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2023****For the Period From 15 September 2023 to 30 September 2023**

	Capital value	Undistributed income	Total
	Rupees		
<b>Issue of 13,573,117 units</b>			
Capital value (at net assets value per unit at beginning of the period)	135,731,171	-	135,731,171
Element of income	135,731,171	-	135,731,171
Total comprehensive income for the period	-	965,902	965,902
Interim Distribution (dividend declared on September 20, 2023 Re. 0.0268 per unit)	-	(363,542)	(363,542)
Net assets at end of the period	<b>135,731,171</b>	<b>602,360</b>	<b>136,333,531</b>
<b>Undistributed Income carried forward</b>			
- Realised gain		602,360	
- Unrealised gain		602,360	
Net assets value per unit at beginning of the period			
Net assets value per unit at end of the period			<b>10.0444</b>

(Rupees)

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

For Interloop Asset Management Limited  
(Management Company)  
Chief Financial Officer  
Chief Executive Officer  
Director

**IAML EQUITY FUND**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

For the Period  
 From  
 September 15,  
 2023 to  
 September 30,  
 2023

Note ----- Rupees -----

**CASH FLOWS FROM OPERATING ACTIVITIES**

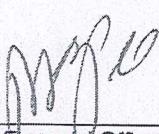
Net income for the period before taxation	965,902
Adjustments for:	
Mark-up on bank deposits with banks	<span style="border: 1px solid black; padding: 2px;">(1,217,516)</span> <span style="border: 1px solid black; padding: 2px;">(1,217,516)</span>
(Increase) / decrease in assets	
Profit receivable on bank balances	<span style="border: 1px solid black; padding: 2px;">-</span> <span style="border: 1px solid black; padding: 2px;">-</span>
Increase in liabilities	
Payable to Management Company	<span style="border: 1px solid black; padding: 2px;">167,965</span>
Payable to Trustee	<span style="border: 1px solid black; padding: 2px;">16,141</span>
Payable to Commission	<span style="border: 1px solid black; padding: 2px;">5,291</span>
Accrued expenses and other liabilities	<span style="border: 1px solid black; padding: 2px;">61,766</span> <span style="border: 1px solid black; padding: 2px;">251,162</span>
Net cash used in operating activities	<span style="border-top: 1px solid black; border-bottom: 1px solid black; padding: 2px;">(452)</span>

**CASH FLOWS FROM FINANCING ACTIVITIES**

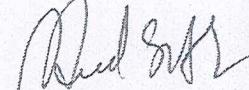
Net receipts from issuance of units	<span style="border: 1px solid black; padding: 2px;">135,731,171</span>
Issue of cash dividend	<span style="border: 1px solid black; padding: 2px;">(363,542)</span>
Net cash generated from financing activities	<span style="border-top: 1px solid black; border-bottom: 1px solid black; padding: 2px;">135,367,629</span>
Net increase in cash and cash equivalents	<span style="border-top: 1px solid black; border-bottom: 1px solid black; padding: 2px;">135,367,177</span>
Cash and cash equivalents at the beginning of the period	<span style="border-top: 1px solid black; border-bottom: 1px solid black; padding: 2px;">4</span>
Cash and cash equivalents at the end of the period	<span style="border-top: 1px solid black; border-bottom: 3px double black; padding: 2px;">135,367,177</span>

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

For Interloop Asset Management Limited  
 (Management Company)

  
 Chief Financial Officer

  
 Chief Executive Officer

  
 Director

**IAML EQUITY FUND****NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED 30 SEPTEMBER 2023****1 LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1 IAM Equity Fund (the Fund) is an open-ended equity scheme constituted under a trust deed entered into on 20 January 2023 between Interloop Asset Management Limited (IAML) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The investment activities and administration of the Fund are managed by IAML whose registered office is situated at Suit No. 205, 2nd Floor, The Forum, Clifton Block 09, Karachi. The Fund was authorised by the Securities and Exchange Commission of Pakistan as a unit trust scheme on 28 February 2023.
- 1.2 The Fund is an open-ended fund. The units of the Fund were initially offered to public (IPO) on 15 September 2023. The units are transferable and can also be redeemed by surrendering to the Fund.
- 1.3 According to the Trust Deed, the principal activity of the Fund is to provide capital appreciation to investors schemes by investing in equity securities..
- 1.4 The titles of the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.5 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Act 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Trust Act have been introduced. The Management Company submitted the Collective Investment Scheme Trust Deed to the Registrar (acting under Sindh Trusts Act 2020) to fulfil the requirement for registration of Trust Deed under Sindh Trusts Act 2020. Subsequent to the year ended June 30, 2021, the Trust deed has been registered under the Sindh Trusts Act 2020

**2 BASIS OF PREPARATION****2.1 STATEMENT OF COMPLIANCE**

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

- International Financial Reporting Standards (IFRS Standards) 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

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 IFRS Standards, 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.

**2.2 New / Revised Standards, Interpretations and Amendments**

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2021 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these financial statements.

**2.3 Standards, interpretations and amendments to approved accounting standards that are not yet effective**

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

Standard or Interpretation	Effective date (annual periods beginning on or after)
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	January 01, 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	January 01, 2022
IAS 41 Agriculture - Taxation in fair value measurements	January 01, 2022
IFRS 3 - Reference to the Conceptual Framework (Amendments)	January 01, 2022
IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities	January 01, 2022
Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction' Amendments to IAS 12	January 01, 2023
Classification of liabilities as current or non-current - Amendment to IAS 1	January 01, 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	January 01, 2023

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

**2.4 Critical accounting estimates and judgements**

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

**2.5 Accounting convention**

These financial statements have been prepared under the historical cost convention except where investments that are required to be carried at fair value.

**2.6 Functional and presentation currency**

These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out as below.

**3.1 Financial instruments**

**a) Initial recognition and measurement**

Financial assets and liabilities, with the exception of bank balances are initially recognised on the trade date, i.e., the date that the Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Bank balances are recognised when funds are transferred to the banks.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

**b) Classification**

**Equity Instruments**

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. An equity instrument held for trading purposes or in which FVOCI election is not taken is classified as measured at FVTPL. Given the objectives of the Fund, all investments have been classified as FVTPL.

**Debt Instruments**

A debt instrument is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument held for trading purposes or which does not meet the solely payments of principal and interest (SPPI) criterion is classified as measured at FVTPL.

In addition, on initial recognition, the Fund may irrevocably designate a debt instrument that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

**Business model assessment**

The Fund's business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as: the objectives for the portfolio; how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel; the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed etc.

**Assessments whether contractual cash flows are solely payments of principal and interest (SPPI)**

As a second step of its classification process the Fund assesses the contractual terms of financial assets to identify whether they passes the SPPI criteria.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Fund applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

**c) Subsequent Measurement**

**Debt Investments at FVTPL**

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in income statement.

**Debt instruments at Amortised Cost**

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are

**Debt Instruments at FVOCI**

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss. The Fund has not used this classification for its investment portfolio.

**Equity investments at FVTPL**

These assets are subsequently measured at fair value. Dividends are recognised as income in income statement unless the dividend clearly represents a recovery of part of the cost of the investment.

**Equity instruments at FVOCI**

Upon initial recognition, the Fund can elect to irrevocably classify an equity investment as FVOCI when they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by instrument basis.

Gains and losses on these equity instruments are never recycled to profit. Dividends are recognised in profit or loss as other operating income when the right of the payment has been established, except when the Fund benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

**Financial liabilities****Financial liabilities measured at amortised cost**

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. They are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

**d) Derecognition**

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Fund has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Fund has:

(a) Transferred substantially all of the risks and rewards of the asset; or

(b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the

When the Fund has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Fund's continuing involvement in the asset. In that case, the fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the fund has retained. The Fund derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

**e) Reclassification of financial assets and liabilities**

From the application date of IFRS 9, the Fund does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Fund acquires, disposes of, or terminates a business line.

**f) Regular way contracts**

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

**g) Impairment of financial assets**

IFRS 9 requires an expected credit loss model which requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

However, SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds and accordingly, basis defined in Circular No. 33 of 2012 dated, October 24, 2012 have been followed.

**h) Offsetting of financial assets and liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**i) Determination of fair value**

The fair value of financial assets are determined as follows:

**a) Debt securities (other than Government securities)**

The debt securities are valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities vide its Circular No. 33 of 2012 dated 24 October 2012. In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

**b) Debt securities (Government securities)**

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV rates) which are based on the remaining tenure of the securities.

**c) Equity securities**

The equity securities are valued on the basis of closing quoted market prices available at the Pakistan Stock

**3.2 Cash and cash equivalents**

Cash and cash equivalents include deposits with banks and other short term highly liquid investments with original maturities of three months or less.

**3.3 Provisions**

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

**3.4 Unit holder's Fund**

Unit holders' Fund representing the units issued by the Fund, is carried at the redemption amount representing the Investors' right to a residual interest in the Fund's assets.

**3.5 Issue and redemption of units**

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

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

**3.6 Distribution to unit holders**

Distribution to unit holders is recognised upon declaring and approval by the Management under powers delegated to them by the Board of Directors of the Management Company or declaration and approval by the Board of Director of the Management Company.

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

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

The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated 03 August 2017 includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders' fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. MUFAP, in consultation with the SECP, specified methodology of determination of income paid on units redeemed under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net

**3.8 Revenue recognition**

- Dividend income is recognised when the right to receive the dividend is established.
- Profit on bank balances, placements and deposits is recognised on an accrual basis.
- Gains/losses on sale of investments are included in the Income Statement in the year in which it arises.
- Unrealised gain / (loss) in the value of investments classified as 'financial assets at fair value through profit or loss' are included in the Income Statement in the period in which they arise.

**3.9 Expenses**

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

**3.10 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 ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed among the unit holders. The Fund intends to distribute such income at the year end in order to avail this tax exemption. Accordingly, no provision is made for current and deferred taxation in these condensed interim financial statements.

**3.11 Net asset value per unit**

The net asset value per unit disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at the year / period end.

**3.12 Earnings per unit**

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

**3.13 Preliminary Expense and floatation cost**

The Fund has recorded all expenses incurred in connection with the incorporation, registration, establishment and authorization of the Fund as preliminary expenses and floatation costs which are to be amortized by the Fund over a period of five years.

4	<b>BANK BALANCES</b>				30 September 2023 Un-audited —Rupees —
	- Profit and loss sharing accounts				
4.1	The rate of return on these accounts is 20.50% per annum.	Note			
		4.1			<u>135,367,177</u>
5	<b>PAYABLE TO INTERLOOP ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY - (RELATED PARTY)</b>				30 September 2023 Un-audited —Rupees —
	Remuneration of the Management Company				
	Sindh Sales Tax payable on remuneration of the Management Company	5.1			55,697
	Accounting and operational charges	5.2			7,241
		5.3			<u>105,027</u>
					<u>167,965</u>
5.1	As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (I) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio. The Management Company has charged management fee at the rate of 1.00% on average annual net assets. The fee is payable to the Management Company monthly in arrears.				
5.2	During the period, an amount of Rs. 7,241 was charged on account of sales tax on remuneration of Management Company levied through Sindh Sales Tax on Services Act, 2011.				
5.3	The Management Company is allowed to charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from 20 June 2019 as per SECP SRO 639 (I) /2019 dated 20 June 2019. Keeping in view, Management Company has accordingly charged expenses at the rate of 0.10% of the average annual net assets of the Fund for allocation of such expenses to the Fund.				
6	<b>PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE - RELATED PARTY</b>				30 September 2023 Un-audited —Rupees —
	Remuneration of the Trustee				
	Sindh sales tax on remuneration of the Trustee	6.1			14,284
		6.2			<u>1,857</u>
					<u>16,141</u>
6.1	The Trustee is entitled to monthly remuneration for services rendered to the fund at the flat rate of 0.2% p.a of average net assets.				
6.2	Sindh Sales Tax has been charged at 13% on trustee fee levied through Sales Tax on Services Act, 2011 during the period resulting in an amount of Rs. 1,857.				
7	<b>PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)</b>				30 September 2023 Un-audited —Rupees —
	Annual fee payable				
		7.1			<u>5,291</u>
7.1	In accordance with the NBFC Regulations, 2008, a collective investment scheme classified as an equity scheme is required to pay the Securities and Exchange Commission of Pakistan an amount equal to 0.095% of the average annual net assets of the Fund as annual fee.				
8	<b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>				30 September 2023 Un-audited —Rupees —
	Auditors' remuneration payable				16,552
	Printing charges payable				5,517
	Fund Rating Fee payable				9,352
	Legal and professional charges payable				11,035
	Annual Listing Fee Payable				<u>19,310</u>
					<u>61,766</u>

**9 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at 30 September 2023.

**10 TOTAL EXPENSE RATIO**

The Total Expense Ratio (TER) of the Fund as at 30 September 2023 is 3.48% which includes 0.20% representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc.

**30 September**

**2023**

**Un-audited**

**— Rupees —**

**11 AUDITORS' REMUNERATION**

Audit fee	14,648
Sindh sales tax	1,904
	<hr/>
	<b>16,552</b>

**12 TRANSACTIONS WITH CONNECTED PERSONS / OTHER RELATED PARTIES**

- 12.1 Connected persons include Interloop Asset Management Limited being the Management Company, the Central Depository Company Limited being the Trustee, other collective investment schemes managed by the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.
- 12.2 Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 12.3 Remuneration to the Management Company and the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.
- 12.4 The details of transactions carried out by the Fund with connected persons during the period and balances with them at the period end are as follows:

**30 September**

**2023**

**Un-audited**

**— Rupees —**

**12.5 Transactions during the period**

Interloop Asset Management limited (Management Company)	55,697
Remuneration of the Management Company	7,241
Sindh Sales Tax on remuneration of the Management Company	105,027
Accounting and operational charges	

Central Depository Company of Pakistan Limited (Trustee)	14,284
Remuneration of the Trustee	1,857
Sindh Sales Tax on remuneration of the Trustee	

Key Management Personnel of Management Company	121,050,000
Issue of 12,105,000 units	47,952
Dividend reinvested of 4,795 units	

**12.6 Balances as at period end**

Interloop Asset Management limited (Management Company)	55,697
Remuneration payable to the Management Company	7,241
Sindh Sales Tax payable on remuneration of the management company	105,027
Accounting and operational charges payable	

Central Depository Company of Pakistan Limited (Trustee)	14,284
Remuneration of the Trustee	1,857
Sindh sales tax payable on remuneration of the Trustee	

Key Management Personnel of Management Company	121,635,627
Units held 12,109,795	

13 FINANCIAL INSTRUMENTS BY CATEGORY

	As at 30 September 2023			
	Amortised Cost	At fair value through profit or loss	At fair value through other comprehensive income	Total
		(Rupees)		
<b>Financial Assets</b>				
Bank balances	135,367,177	-	-	135,367,177
Profit receivable on bank balances	1,217,516	-	-	1,217,516
	136,584,693	-	-	136,584,693

	As at 30 September 2023			
	At fair value through profit or loss	At fair value through other comprehensive income	Total	
		(Rupees)		
<b>Financial Liabilities</b>				
Payable to Interloop Asset Management Limited- Management Company	160,724	-	160,724	
Payable to Central Depository Company of Pakistan Limited - Trustee	14,284	-	14,284	
Accrued expenses and other liabilities	59,861	-	59,861	
	234,870	-	234,870	

14 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

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 significantly different from book value.

14.1 Fair value hierarchy

Following hierarchy is used in determining and disclosing the fair value of the following financial instruments by valuation technique:

Level 1: quoted prices in active markets for identical assets.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The Fund does not have any investment as at September 30, 2023.

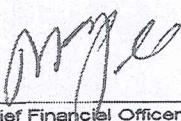
15 GENERAL

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

16 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on \_\_\_\_\_.

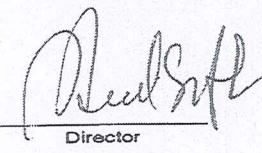
For Interloop Asset Management Limited  
(Management Company)



Chief Financial Officer



Chief Executive Officer



Director

**INTERLOOP ASSET MANAGEMENT LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS ( Un-Audited)**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

**1. CORPORATE INFORMATION**

**1.1 Legal status and nature of business**

Interloop Asset Management Limited ("the Company") is a public unlisted company, incorporated in Pakistan as a limited liability company on 21 December 2021 under the Companies Act, 2017 ("the Act"). The Company has obtained licenses from the Securities and Exchange Commission of Pakistan (SECP) to carry on asset management services and investment advisory services as a Non-Banking Finance Company (NBFC) under Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 ("the NBFC Rules"), and Non-Banking Finance Companies and Notified Entities Regulations, 2008 ("the NBFC Regulations").

- 1.2** The Company is a subsidiary of Interloop Holdings (Private) Limited ("the Holding Company"), which is a private limited company incorporated in Pakistan under the Act, and owns 97.44% shares in the Company.

- 1.3** Geographical location and addresses of the Company is as follows:

<b>Description</b>	<b>Address</b>
Registered Office	Suite No. 205, 2nd Floor, The Forum, Clifton Block 09, Karachi
Other Office	Plot no 29, Street no 40, G 10/4, Islamabad

- 1.4** The Company has commenced its operations in December 2021 and obtained approval from Securities Exchange Commission of Pakistan (SECP) pertaining to registration of trust deed of equity fund and money market fund on 28 June 2022 and 20 March 2023 respectively. IAML, equity fund has been established/launched on September 15, 2023.
- 1.5** The Company is managing investments under discretionary and non-discretionary portfolio management agreements.

**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. The accounting and reporting standards applicable in Pakistan comprise of :

- International Financial Reporting Standards ("IFRS") 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;
- 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).

Where provisions of and directives issued under the Companies Act, 2017 part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations differ from the requirements of IFRSs standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.

## **2.2 Basis of Measurement**

These condensed financial statements have been prepared under historical cost convention as disclosed in the audited accounts for the year ended June 30, 2023.

## **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES**

The significant accounting policies which have been adopted in the preparation of these condensed interim financial statements of the Company are consistent as disclosed in the Audited accounts for the year ended June 30, 2023.

### **3.4.1 Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of statement of cash flows , cash and cash equivalents comprise bank balance on current and saving account and, other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

### **3.4.2 Accrual and other payables**

Accrual and other payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services acquired, whether or not billed to the Company.

## **3.5 Revenue**

### **Revenue from contracts with customers**

The Company recognizes revenue from contracts with customers based on a five step model as set out in IFRS 15.

Mentioned below are the revenue streams of the Company and their terms of recognition of revenue:

#### **3.5.1 Portfolio advisory fee**

The performance obligation relates to provision of portfolio advisory services as agreed in respective agreements entered into by the company with customers. The consideration charged to customers for portfolio advisory fee are based on the transaction price agreed in the respective agreements. The performance obligation meet the overtime recognition criteria. Accordingly, revenue from portfolio advisory fee is recognized over time on straight-line basis over the tenure of respective agreements.

#### **3.5.2 Interest income**

Profit on saving accounts and interest-bearing assets are recognized using the effective interest rate.

#### **3.5.3 Management fee**

In order to facilitate the unit holders of IAML- equity fund , the management has decided to charge management fee at the rate of 1 % instead of 3 % Per annum upto June 30, 2024.

## **3.6 Contract balances**

### **Trade receivables**

Trade receivables from local customers are stated at amortized cost. The Company has not recognized expected credit losses on its trade receivables as it believes that the impact of ECL is insignificant to the Company's financial statements.

### **Contract liabilities**

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

### **3.6.1 Income tax expense**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

#### **i) Current income tax**

The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### **ii) Deferred tax**

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred tax assets are recognized for deductible temporary differences and unused tax losses and credits only if it is probable that future taxable amounts will be available to utilize those temporary differences and unused tax losses and credits.

Current and deferred tax is recognized in statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

## 4 EQUIPMENT

## Operating fixed assets

## 4.1 Operating fixed assets

	Note	September 30, 2023 Rupees	June 30, 2023 Rupees
4.1		20,162,058	894,374

	September 30, 2023					
	COST		ACCUMULATED DEPRECIATION		NET BOOK VALUE	
	As at 01 July 2023	Additions	As at 30 September 2023	As at 01 July 2023 (Rupees)	As at 30 September 2023	As at 30 September 2023 Rate %
Office equipments	1,020,679	692,175	1,602,884	146,730 1,075	59,054 510	205,784 1,685
Furniture and fixtures	21,500	19,023,125	21,500 19,023,125	-	317,052	1,387,070 19,915
Vehicle	-	-	-	-	-	18,706,073 20
Capital Work in progress	1,042,179	19,605,300	20,647,479	147,895	376,616	524,421 39,000
						20,162,058

	30-Jun-23					
	COST		ACCUMULATED DEPRECIATION		NET BOOK VALUE	
	As at 01 July 2022	Additions	As at 30 June 2023	As at 01 July 2022 (Rupees)	Charge for the year	As at 30 June 2023 Rate %
Office equipments	657,850	1,020,679	34,164	112,666 1,075	146,730 1,075	873,949 20,425
Furniture and fixtures	21,500	21,500	-	113,641	147,895	10 894,374
	492,829	579,360	1,042,179			

## 4.2 Depreciation charge for the year has been allocated as follows:

## Administrative expenses

	Note	September 2023 Rupees	June 2023 Rupees
12		316,616	113,641

5	INTANGIBLE ASSETS	Note	Sep 30,2023	June 30,2023
			Rupees	Rupees
	Licenses		515,083	599,103
	Development work in progress		747,420	616,080
5			<u>1,262,503</u>	<u>1,215,183</u>

5.1.1 The amortization expense has been charged to administrative expenses.

6	LONG TERM DEPOSIT	Note	Sep 30,2023	June 30,2023
			Rupees	Rupees
	Deposit with Central Depository Company (CDC)	6	<u>37,500</u>	<u>37,500</u>

7	SHORT TERM INVESTMENTS - at amortized cost		Sep 30,2023	June 30,2023
			Rupees	Rupees
	Treasury bills		<u>216,937,409</u>	<u>229,024,587</u>

8.	CASH AND BANK BALANCES		Rupees	Rupees
			Rupees	Rupees
	Cash in hand		67,056	24,940
	Balances with bank on:			
	Saving accounts	8.1	<u>16,325,777</u>	<u>17,576,032</u>
			<u>16,392,833</u>	<u>17,600,972</u>

8.1 These represent saving accounts which carries markup at the rate of 20.50% per annum (2022: 12% to 14% per annum).

#### 9 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

9.1 Issued, subscribed and paid up capital

Sep. 30, 2023 (Number of shares)	June 30,2023	Ordinary shares of Rs. 10 each fully paid in cash	Sep. 30, 2023 Rupees	June 30,2023 Rupees
25,000,700	23,000,700	Opening balance	250,007,000	230,007,000
-	2,000,000	Movement during the year	-	20,000,000
<u>25,000,700</u>	<u>25,000,700</u>	Closing balance	<u>250,007,000</u>	<u>250,007,000</u>

10	ACCRUALS AND OTHER PAYABLES		30-Sep-23	30-Jun-23
			Rupees	Rupees
	Due to related parties - unsecured		6,068,161	3,135,484
	Accrued expenses		8,646,932	5,242,022
	Withholding tax payable		1,473,789	433,713
	Creditors		737,760	-
	Others Payables		6,700,000	-
	Sales tax payable		-	50,271
			<u>23,626,642</u>	<u>8,861,490</u>

#### 11 CONTINGENCIES AND COMMITMENTS

##### 11.1 Contingencies

There were no contingencies to report as at 30 September 2023 (2022: Nil).

##### 11.2 Commitments

There were no commitments to report as at 30 September 2023 (2022: Nil).

		Note	Sep.2023 Rupees	Sep. 2022 Rupees	
12	<b>ADMINISTRATIVE EXPENSES</b>				
	Directors' remuneration		6,632,576	6,465,193	
	Salaries and benefits		5,954,608	2,198,666	
	Staff retirement gratuity		259,536	-	
	Fuel and power		518,233	213,898	
	Rent, rates and taxes		2,462,441	-	
	Repair and maintenance		26,103	21,156	
	Legal and professional charges		456,669	995,799	
	Printing and stationery		73,652	11,200	
	Travelling and conveyance		257,200	63,341	
	Insurance		8,979	-	
	Fees and subscriptions		863,229	29,345	
	Postage and communication		309,831	76,105	
	Entertainment		101,170	34,471	
	Auditors' remuneration		311,250	187,500	
	Depreciation	4	376,616	21,435	
	Amortization	5	84,020	84,020	
	Miscellaneous		32,113	8,752	
			<b>18,728,226</b>	<b>10,410,881</b>	
13	<b>FINANCE COSTS</b>				
	Bank charges and commission		<b>10,825</b>	<b>10,522</b>	
14	<b>RELATED PARTY TRANSACTIONS</b>				
	Amounts due to/from related parties are shown under the respective notes to the financial statements. Other significant transactions with related parties and associated undertakings are as under:				
	Name of Related Party	Basis of Relationship	Nature of Transaction	Sep.2023 Rupees	Sep. 2022 Rupees
	Interloop Holdings (Private) Limited	Holding Company - 97.44% shareholding	Expenses paid on behalf of the Company	2,015,427	1,479,947
	Momentum Logistics (Private) Limited	Associate by way of common control	Expenses paid on behalf of the Company	848,426	-
	Octans Digital (Private) Limited	Associate by way of common control	Expenses paid on behalf of the Company	68,824	164,031
	Tariq Iqbal Khan	Director of the Company	Management and Portfolio Advisory fee	12,603	-
			Loan to Company	6,700,000	-
	Ms. Yasmin Dossa	Relative of the Chief Executive	Management and Portfolio advisory fee	21,729	-
	Musadaq Zulraqnain	Chairman of Holding Company	Management and portfolio Advisory fee	184,223	33,066
	Aaliya Khadijeh Dossa	Chief Executive Officer	Management and Portfolio advisory fee	6,100	-
			Expenses paid on behalf of Company	94,000	-

**15 FAIR VALUE HIERARCHY**

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair values are observable either, directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The Company did not have any financial instruments carried at fair value to be disclosed in these condensed interim financial statements.

**16. CAPITAL RISK MANAGEMENT**

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

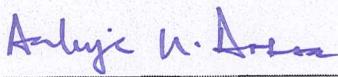
As per Regulation 4 and Schedule I of NBFC Regulations, 2008, the Company is required to maintain minimum equity of Rs. 200 million to undertake asset management services and Rs. 30 million for investment advisory services. The capital of the company as at September 30 , 2023 is Rs. 240 million ( June 30, 2023: Rs. 247 million).

17 Correspondence figures have been re-arranged/re-classified , where necessary, for the purpose of comparison,however, no significant re-arrangements/re-classification to report.

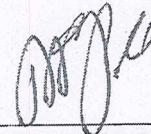
	<u>30-Sep-23</u>	<u>30-Sep-22</u>
	Nos.	Nos.
18 Number of employees at the end of the period	<u>9</u>	<u>4</u>
Average number of employees during the period	<u>5</u>	<u>3</u>

**19 DATE OF AUTHORISATION FOR ISSUE**

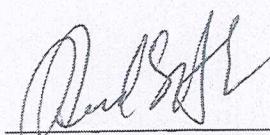
The Board of Directors of the Company has authorized the financial statements for issuance on October 27, 2023.



(CHIEF EXECUTIVE)



(CHIEF FINANCIAL OFFICER)



(DIRECTOR)