

NBP ISLAMIC MONEY MARKET FUND



HALF YEARLY REPORT
DECEMBER 31, 2020



MISSION STATEMENT

**To rank in the top quartile
in performance of
NBP FUNDS
relative to the competition,
and to consistently offer
Superior risk-adjusted returns to investors.**



Contents

FUND'S INFORMATION	03
DIRECTORS' REPORT	05
REPORT OF THE TRUSTEE TO THE UNITHOLDERS	09
INDEPENDENT AUDITORS' REVIEW REPORT TO THE UNITHOLDERS	10
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES	11
CONDENSED INTERIM INCOME STATEMENT	12
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	13
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND	14
CONDENSED INTERIM CASH FLOW STATEMENT	15
NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL INFORMATION	16



FUND'S INFORMATION

Management Company

NBP Fund Management Limited - Management Company

Board of Directors of Management Company

Shaikh Muhammad Abdul Wahid Sethi	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Ms. Mehnaz Salar	Director
Syed Hasan Irtiza Kazmi	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Khalid Mansoor	Director
Mr. Saad Amanullah Khan	Director
Mr. Humayun Bashir	Director

Company Secretary & COO

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Audit & Risk Committee

Mr. Saad Amanullah Khan	Chairman
Syed Hasan Irtiza Kazmi	Member
Mr. Imran Zaffar	Member
Mr. Humayun Bashir	Member

Human Resource Committee

Mr. Khalid Mansoor	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
Mr. Ali Saigol	Member
Mr. Humayun Bashir	Member

Strategy & Business Planning Committee

Mr. Humayun Bashir	Chairman
Ms. Mehnaz Salar	Member
Mr. Ali Saigol	Member
Mr. Imran Zaffar	Member
Mr. Saad Amanullah Khan	Member

Trustee

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

Bankers to the Fund

Allied Bank Limited
Askari Bank Limited
Bank Al Habib Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
Summit Bank Limited
United Bank Limited



Auditors

Yousuf Adil
Chartered Accountants
Cavish Court,
A-35, Block 7 & 8,
KCHSU, Sharae Faisal
Karachi-75350 Pakistan.

Legal Advisor

Akhund Forbes
D-21, Block 4, Scheme 5,
Clifton, Karachi 75600, Pakistan.

Head Office:

7th Floor Clifton Diamond Building, Block No. 4,
Scheme No. 5, Clifton Karachi.
UAN: 021 (111-111-632),
(Toll Free): 0800-20002,
Fax: (021) 35825329
Website: www.nbpffunds.com

Lahore Office:

7-Noon Avenue, Canal Bank,
Muslim Town, Lahore.
UAN: 042-111-111-632
Fax: 92-42-35861095

Islamabad Office:

1st Floor, Ranjha Arcade
Main Double Road, Gulberg Greens,
Islamabad.
UAN: 051-111-111-632
Fax: 051-4859031

Peshawar Office:

Opposite Gul Haji Plaza, 2nd Floor
National Bank Building
University Road Peshawar,
UAN: 091-111 111 632
Fax: 091-5703202

Multan Office:

Khan Center, 1st Floor, Abdali Road, Multan.
Phone No. : 061-4540301-6, 061-4588661-2 & 4



DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the reviewed financial statements of **NBP Islamic Money Market Fund (NIMMF)** for the half year ended December 31, 2020.

Fund's Performance

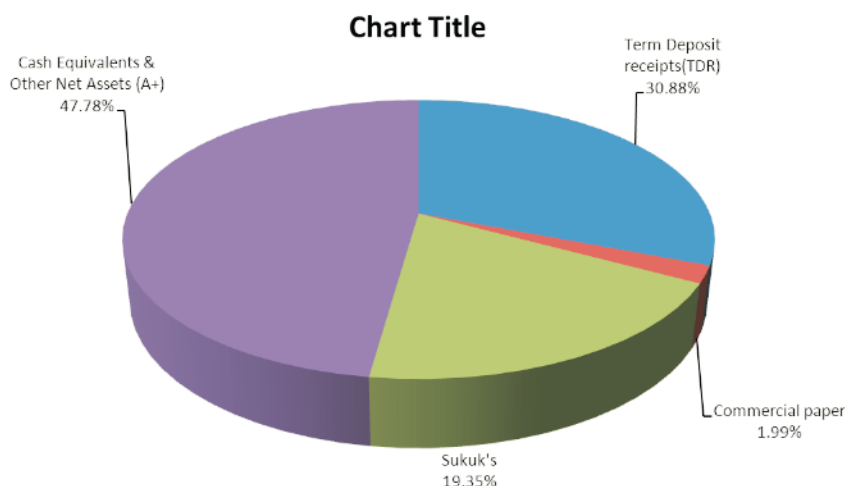
The size of NBP Islamic Money Market Fund has decreased from Rs. 5,886 million to Rs. 4,695 million during the period, a fall of 20%. The unit price of the Fund has increased from Rs. 10.0355 on June 30, 2020 to Rs. 10.3413 on December 31, 2020; thus, posting a return of 6.0% p.a. as compared to its Benchmark return of 3.7% p.a. The performance of the Fund is net of management fee and other expenses.

NIMMF is categorized as a Shariah Compliant Money Market Fund. The Fund aims to consistently provide better return than the profit rates offered by Islamic Banks/Islamic windows of commercial banks. Minimum eligible rating is AA, while the Fund is not allowed to invest in any security exceeding six months maturity. The weighted average time to maturity of the Fund cannot exceed 90 days while also providing easy liquidity along with a high-quality credit profile.

During 1HFY21, the SBP held two Monetary Policy Committee (MPC) meetings wherein it left the Policy Rate unchanged at 7%, citing the prevailing accommodative monetary policy stance appropriate for the nascent economic recovery. Inflation as measured by the CPI clocked-in at 8% for December 2020, owing to supply side issues and rise in prices of perishable food items.

The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NIMMF:

The Fund has earned a total income of Rs. 174.02 million during the period. After deducting total expenses of Rs. 27.67 million, the net income is Rs. 146.35 million. The chart below presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NIMMF.



Acknowledgement

The Board takes this opportunity to thank its valued unit-holders for their confidence and trust in the Management Company, and providing the opportunity to serve them. It also offers its sincere gratitude to the Securities & Exchange Commission of Pakistan and State Bank of Pakistan for their patronage and guidance.

The Board also wishes to place on record its appreciation for the hard work, dedication and commitment shown by the staff and the Trustee.

On behalf of the Board of
NBP Fund Management Limited

Chief Executive

Director

Date: February 26, 2021
Place: Karachi.

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 دسمبر 2020ء کو ختم ہونے والی ششماہی کے لئے NBP اسلامک منی مارکیٹ فنڈ (NIMMF) کے جائزہ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

فنڈ کی کارکردگی

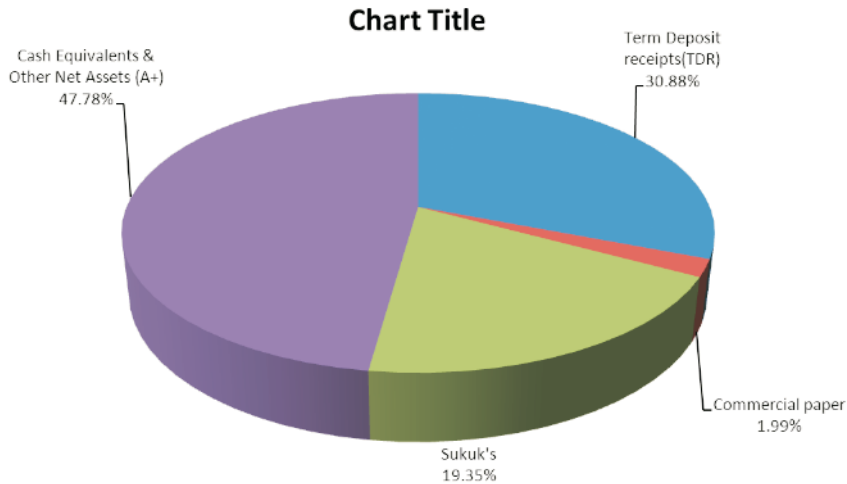
موجودہ مدت کے دوران NBP اسلامک منی مارکیٹ فنڈ (NIMMF) کا سائز 5,886 ملین روپے سے کم ہو کر 4,695 ملین روپے ہو گیا ہے یعنی 20% کی کمی ہوئی۔ زیر جائزہ مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2020 کو 10.0355 روپے (EX-Div) سے بڑھ کر 31 دسمبر 2020ء کو 10.3413 روپے ہو گئی، لہذا اس مدت کے دوران فنڈ نے اپنے بیچ مارک 3.7% کے مقابلے میں 6.0% منافع درج کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

NIMMF کی درجہ بندی بطور شرعیہ کمپلائنس منی مارکیٹ فنڈ کی گئی ہے۔ اس فنڈ کا مقصد اسلامی بینکوں / تجارتی بینکوں کی اسلامی ونڈوز کی پیش کردہ منافع کی شرحوں کے مقابلے میں توازن سے بہتر منافع فراہم کرنا ہے۔ ریٹنگ کا کم از کم تقاضا AA ہے، جب کہ فنڈ کو چھ ماہ سے زائد میچورٹی والی سیکورٹی میں انویسٹ کرنے کی اجازت نہیں ہے۔ فنڈ کی میچورٹی کی نئی تلی اوسط مدت 90 دن سے زائد نہیں ہو سکتی، جبکہ اعلیٰ کوائٹی پروفائل کے ساتھ آسان ایکویٹیڈ پوزیشن بھی فراہم کرتی ہے۔

مالی سال 2021 کی پہلی ششماہی میں اسٹیٹ بینک آف پاکستان نے مائٹری پالیسی کمیٹی (MPC) کے دو اجلاس طلب کئے جس میں موجودہ معاشی بحالی کے لئے موزوں مائٹری پالیسی کا حوالہ دیتے ہوئے، پالیسی کی شرح 7% کو تبدیل نہیں کیا۔ اشیائے خورد و نوش کی قیمتوں میں اضافے اور رسد کی فراہمی جیسے مسائل کے باعث CPI افراط زر کی شرح دسمبر 2020 میں 8 فیصد رہی۔

فنڈ نے موجودہ مدت کے دوران 174.02 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 27.67 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 146.35 ملین روپے ہے۔

درج ذیل چارٹ NIMMF کی ایسٹ ایلوکییشن اور اس کے ذیلی اٹالوں کے تمام درجوں کی پیمائش شدہ اوسط کریڈٹ ریٹنگ پیش کرتا ہے:





اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے بینجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ انویسٹمنٹ کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی سرپرستی اور رہنمائی کے لئے ان کے ٹھٹس رویہ کا بھی اعتراف کرتا ہے۔

بورڈ اپنے اسٹاف اور ڈسٹری بیوٹرز کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

NBP فنڈ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 26 فروری 2021ء

مقام: کراچی



TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of NBP Islamic Money Market Fund (the Fund) are of the opinion that NBP Fund Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 26, 2021



INDEPENDENT AUDITORS' REVIEW REPORT TO THE UNITHOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NBP Islamic Money Market Fund** (the Fund) as at December 31, 2020, and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund, condensed interim statement of cash flow and notes to and forming part of the condensed interim financial statements for the half year ended December 31, 2020 (here-in-after referred to as the 'condensed interim financial statements'). NBP Fund Management Limited (the Management Company) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures of the condensed interim income statement and condensed interim statement of comprehensive income, for the quarter ended December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2020.

Yousuf Adil

Chartered Accountants

Engagement Partner

Naresh Kumar

Date: February 27, 2021

Place: Karachi



CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2020

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	----- Rupees in '000 -----	
ASSETS			
Bank balances	4	2,251,155	3,742,608
Investments	5	2,496,085	2,202,102
Preliminary and floatation costs	6	470	581
Deposit, prepayment and other receivables	7	178	263
Mark-up accrued	8	30,143	27,032
Receivable against transfer of units		1,615	63,982
Total assets		4,779,646	6,036,568
LIABILITIES			
Payable to NBP Fund Management Limited - Management Company	9	11,536	10,709
Payable to Central Depository Company of Pakistan Limited - Trustee	10	316	298
Payable to the Securities and Exchange Commission of Pakistan	11	491	693
Payable against redemption of units		56,762	109,581
Accrued expenses and other liabilities	12	15,710	28,891
Total liabilities		84,815	150,172
NET ASSETS		4,694,831	5,886,396
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		4,694,831	5,886,396
Contingencies and commitments	13		
		----- Number of units -----	
Number of units in issue		453,990,235	586,559,970
		----- Rupees -----	
Net asset value per unit		10.3413	10.0355

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Note	Half year ended		Quarter ended	
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
INCOME					
Return / mark- up on					
- bank balances		93,807	184,177	45,032	105,708
- term deposit receipts		25,776	18,138	12,852	6,082
- sukuk		8,672	9,429	8,672	9,429
- bai muajjal		17,533	-	7,673	-
- commercial paper		28,232	6,582	12,135	6,582
Total income		174,020	218,326	86,364	127,801
EXPENSES					
Remuneration of NBP Fund Management Limited - Management Company	9.1	2,457	2,112	1,248	1,186
Sindh Sales Tax on remuneration of the Management Company	9.2	319	275	162	155
Reimbursement of operational expenses to the Management Company	9.3	2,679	1,612	1,470	960
Selling and marketing expenses to the Management Company	9.4	15,375	11,129	6,912	6,549
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1	1,597	1,048	811	604
Sindh Sales Tax on remuneration of the Trustee	10.2	208	136	106	78
Annual fee to the Securities and Exchange Commission of Pakistan	11	491	322	249	186
Settlement and bank charges		264	204	172	172
Auditors' remuneration		286	298	119	129
Preliminary and floatation cost		111	111	55	56
Fund rating fee		363	98	130	51
Listing fee		19	15	7	8
Printing charges		92	84	46	82
Shariah advisor fee		298	264	172	208
Legal and professional charges		120	68	97	58
Total expenses		24,679	17,776	11,756	10,482
Net income from operating activities		149,341	200,550	74,608	117,319
Provision for Sindh Workers' Welfare Fund		(2,987)	(4,011)	(1,492)	(2,346)
Net income for the period before taxation		146,354	196,539	73,116	114,973
Taxation	14	-	-	-	-
Net income for the period after taxation		146,354	196,539	73,116	114,973
Allocation of net income for the period					
Net income for the period after taxation		146,354	196,539	73,116	114,973
Income already paid on units redeemed	18	(40,427)	(52,410)	(27,747)	(34,554)
		105,927	144,129	45,369	80,419
Accounting income available for distribution:					
- Relating to capital gain		-	-	-	-
- Excluding capital gain		105,927	144,129	45,369	80,419
		105,927	144,129	45,369	80,419

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Half year ended		Quarter ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
----- Rupees in '000 -----				
Net income for the period after taxation	146,354	196,539	73,116	114,973
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	146,354	196,539	73,116	114,973

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Half year ended	
	December 31, 2020	December 31, 2019
Note	Rupees in '000	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	146,354	196,539
Adjustments:		
Return / mark-up on bank balances	(93,807)	(184,177)
- term deposit receipts	(25,776)	(18,138)
- sukuk	(8,672)	(9,429)
- bai muajjal	(17,533)	
- commercial paper	(28,232)	(6,582)
Amortisation of preliminary and floatation cost	111	111
Provision for Sindh Workers' Welfare Fund	2,987	4,011
	(170,922)	(214,204)
	(24,568)	(17,665)
(Increase) / decrease in assets		
Investments	(293,983)	(1,066,646)
Deposit, prepayment and other receivables	85	14
	(293,898)	(1,066,632)
Increase / (decrease) in liabilities		
Payable to the Management Company	827	6,172
Payable to the Trustee	18	108
Payable to the Securities and Exchange Commission of Pakistan	(202)	(606)
Accrued expenses and other liabilities	(16,168)	863
	(15,525)	6,537
Mark-up received on:		
- bank balances	99,422	161,844
- commercial papers	28,232	-
- bai mujjal	17,533	-
- sukuk	1,973	-
- term deposit receipts	23,749	18,138
Net cash used in operating activities	(163,082)	(897,778)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received on issuance of units	4,777,024	6,879,347
Amounts paid on redemption of units	(6,105,395)	(4,394,492)
Net cash (used in) / generated from financing activities	(1,328,371)	2,484,855
Net (decrease) / increase in cash and cash equivalents during the period	(1,491,453)	1,587,077
Cash and cash equivalents at the beginning of the period	3,742,608	747,089
Cash and cash equivalents at the end of the period	2,251,155	2,334,166

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 NBP Islamic Money Market Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on January 09, 2018 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on February 7, 2018 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules).

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by SECP. The registered office of the Management Company is situated at 7th floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi. The Management Company is also the member of Mutual Fund Association of Pakistan (MUFAP).

The Fund is an open-ended mutual fund and classified as sharia compliant "money market scheme" by the Management Company and is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units of the Fund are transferable and can be redeemed by surrendering them to the Fund.

The objective of the Fund is to provide competitive return with maximum possible capital preservation by investing in low risk and liquid Shariah Compliant authorised instruments.

The Pakistan Credit Rating Agency Limited (PACRA) has maintained an asset manager rating of 'AM1' to the Management Company and has assigned stability rating AA(f) to the Fund.

Title of the assets of the Fund is held in the name of Central Depository Company of Pakistan limited (CDC) as trustee of the Fund.

1.2 Impact of Covid-19

In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, "stay-at-home" or "shelter-in-place" orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic.

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended December 31, 2020 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the performance of the Fund, regulators / governments across the country have introduced a host of measures on both the fiscal and economic fronts by issuing certain circulars and notifications from time to time.



The management of the Fund is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of initiatives.

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 reporting. The accounting and reporting standards comprise of:

- Interim Accounting Standard (IAS-34) Interim Financial Reporting, issued by the International Accounting standard Board (IASB) as notified under the Companies, Act ,2017;
- Provisions of and directives issued under the Companies Act, 2017 ; and
- The requirements of the Trust Deed , the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (The "NBFC Regulation") and the directives issued by the SECP.

Wherever provisions of and directives issued under the Companies Act , 2017 ,the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulation or the directives issued by the SECP differ with the requirements of the IAS 34, the provisions of and directives issued under the Companies Act, 2017, requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail

2.1.1 The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements does not include all the information and disclosures required in a full set of financial statements and, therefore, should be read in conjunction with the annual financial statements of the Fund for the year ended June 30, 2020.

2.1.2 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that these condensed interim financial statement gives a true and fair view of the state of the Fund's affairs as at December 31, 2020.

2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention, except that certain financial assets are stated at fair value.

2.3 Functional and presentation currency

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



3. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENTS AND CHANGES THEREIN

- 3.1 The significant judgments made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited financial statements of the Fund for the year ended June 30, 2020.
- 3.2 The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards. requires the management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires the management to exercise judgement in application of its accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.
- 3.3 There are certain new and amended standards, interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2019 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 condensed interim financial statements.
- 3.4 The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended June 30, 2020.

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
4	BANK BALANCES		
		----- Rupees in '000 -----	
	Current accounts	12,048	11,329
	Savings accounts	2,239,107	3,731,279
		<u>2,251,155</u>	<u>3,742,608</u>

- 4.1 These savings accounts carry mark-up at rates ranging from 6.36% to 6.46% per annum (June 30, 2020: 6.30% to 14.50% per annum).

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
5	INVESTMENTS		
		----- Rupees in '000 -----	
	Fair value through profit or loss		
	Commercial papers	95,085	570,770
	Sukuks	925,000	-
	Term deposits receipts	1,476,000	1,133,000
	Bai Muajjal	-	498,332
		<u>2,496,085</u>	<u>2,202,102</u>



5.1 Commercial papers

Name of the investee company	Note.	Face value				Carrying value as at December 31, 2020	Carrying value as at June 30, 2020
		As at July 01, 2020	Purchases during the period	Sales / matured during the period	As at December 31, 2020		
----- Rupees in '000 -----							
K-Electric Limited		550,000	-	550,000	-		536,300
K-Electric Limited		35,000	-	35,000	-		34,470
K-Electric Limited	5.1.1		82,000		82,000	81,252	-
K-Electric Limited			35,000	35,000	-		-
K-Electric Limited			480,000	480,000	-		-
K-Electric Limited			115,000	115,000	-		-
K-Electric Limited	5.1.1		19,000	5,000	14,000	13,833	-
		585,000	731,000	1,220,000	96,000	95,085	570,770
Carrying value as at December 31, 2020						95,085	

5.1.1

Particulars	Profit/ mark-up rates	Issue date	Maturity Date	Face Value	Amortised Cost	Carrying value as a % of net assets	Carrying value as a % of total investment
----- Rupees in '000 ----- ----- Percentage -----							
K-Electric Limited	8.21%	August 12, 2020	February 12, 2021	82,000	81,252	1.73%	3.26%
K-Electric Limited	7.92%	November 12, 2020	February 26, 2021	14,000	13,833	0.29%	0.55%
				96,000	95,085		

5.2 Sukuk

Name of the investee company	Number of certificates				Market value as at December 31, 2020	Investment as a percentage of		
	As at July 01, 2020	Purchases during the year	Disposals / matured during the year	As at December 31, 2020		Net assets	Market value of total investments	Issue size
Rupees '000' ----- % -----								
HUB Power Company Limited - (5.2.1)	-	6,750	-	6,750	675,000	14.38%	27.04%	0.00%
Kot Addu Power Company	-	2,500	-	2,500	250,000	5.33%	10.02%	15.87%
Carrying value before fair value adjustment as at December 31, 2020					925,000			

5.2.1 Significant terms and conditions of sukuk outstanding as at December 31, 2020 are as follows:

Name of security	Total face value	Unredeemed face value Rupees in '000	Mark-up rate (per annum)	Issue Date	Maturity Date
HUB Power Company Limited	675,000	675,000	8.65%	November 16, 2020	May 17, 2021
Kot Addu Power Company	250,000	250,000	7.99%	December 08, 2020	June 08, 2021



5.3 Term deposit receipts

Name of the investee company	Note.	Face value				Face Value as at June 30, 2020
		As at July 01, 2020	Purchases during the period	Sales / matured during the period	As at December 31, 2020	
----- Rupees in '000 -----						
UBL Ameen Islamic Banking	5.3.1	1,133,000	-	1,133,000	-	1,133,000
UBL Ameen Islamic Banking			250,000	250,000	-	-
UBL Ameen Islamic Banking			67,000	67,000	-	-
UBL Ameen Islamic Banking			8,000	8,000	-	-
UBL Ameen Islamic Banking			9,500	9,500	-	-
UBL Ameen Islamic Banking			250,000	250,000	-	-
UBL Ameen Islamic Banking			255,000	255,000	-	-
UBL Ameen Islamic Banking			218,000	218,000	-	-
UBL Ameen Islamic Banking			250,000	250,000	-	-
UBL Ameen Islamic Banking			209,000	209,000	-	-
UBL Ameen Islamic Banking			54,000	54,000	-	-
UBL Ameen Islamic Banking			220,000	-	220,000	-
UBL Ameen Islamic Banking			47,000	-	47,000	-
UBL Ameen Islamic Banking			209,000	-	209,000	-
UBL Ameen Islamic Banking			250,000	-	250,000	-
UBL Ameen Islamic Banking			50,000	-	50,000	-
UBL Ameen Islamic Banking			700,000	-	700,000	-
		1,133,000	3,046,500	2,703,500	1,476,000	1,133,000

Face value as at December 31, 2020

1,476,000

5.3.1

Particulars	Profit / mark-up rates	Issue date	Maturity Date	Face Value	Face value as a % of net assets	Face value as a % of total investment
Rupees in '000						
UBL Ameen Islamic Banking	6.65%	November 06, 2020	February 06, 2021	220,000	4.69%	8.81%
UBL Ameen Islamic Banking	6.65%	November 25, 2020	February 25, 2021	47,000	1.00%	1.88%
UBL Ameen Islamic Banking	6.65%	November 30, 2020	March 01, 2021	209,000	4.45%	8.37%
UBL Ameen Islamic Banking	6.65%	November 30, 2020	March 01, 2021	250,000	5.33%	10.02%
UBL Ameen Islamic Banking	6.65%	December 23, 2020	March 24, 2021	50,000	1.07%	2.00%
UBL Ameen Islamic Banking	7.00%	December 30, 2020	January 30, 2021	700,000	14.91%	28.04%
				1,476,000		

5.4 Bai Muajjal

This represents the sale of K-Electric Commercial papers as Bai Muajjal to Pak Burnei Investment Company Limited on June 10, 2020 (having face Value of Rs 300 Million), and on June 11, 2020 (having face value of Rs. 113 Million) both carried a profit of 7.60% annually. These had been matured to September 10, 2020.



		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	----- Rupees in '000 -----	
6 PRELIMINARY AND FLOATATION COSTS			
Preliminary and floatation costs unamortised	6.1	581	802
Less: amortisation during the period		(111)	(221)
Closing balance		<u>470</u>	<u>581</u>

6.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund and are being amortised over a period of five years commencing from March 01, 2018 as per the requirements set out in the Trust Deed of the Fund.

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	----- Rupees in '000 -----	
7 DEPOSIT, PREPAYMENT AND OTHER RECEIVABLES			
Security deposit with Central Depository Company of Pakistan Limited		100	100
Mutual fund rating fee		-	93
Advance tax		69	70
Listing fee		9	-
		<u>178</u>	<u>263</u>

8 MARK-UP ACCRUED

Mark-up accrued on:

- bank balances		15,794	21,409
- sukuks		8,672	1,973
- term deposit receipts		5,677	3,650
		<u>30,143</u>	<u>27,032</u>

9 PAYABLE TO NBP FUND MANAGEMENT LIMITED

Remuneration of the Management Company	9.1	431	406
Sindh Sales Tax on remuneration of the Management Company	9.2	56	53
Operational expenses	9.3	1,470	981
Selling and marketing expenses	9.4	6,912	6,883
Sales load		2,187	1,978
Sindh Sales Tax on sales load		284	257
Other payable		196	151
		<u>11,536</u>	<u>10,709</u>

9.1 Under the provisions of the NBFC Regulations, the Management Company of the Fund was entitled to a remuneration during the first five years of a Fund, of an amount not exceeding 3% of the average annual net assets of the Fund and thereafter of an amount equal to 2% of such assets provided that Management Company may charge performance based or fixed fee or the combination of both which shall not exceed the limit prescribed in the NBFC Regulations and such fee structure shall be disclosed in the offering document.

The Management Company has charged management remuneration at the rate of 1% per annum (determined on a daily basis) until April 22, 2019. Thereafter from April 23, 2019, the Management Company has charged



management remuneration at the rate of 0.5% per annum (determined on a daily basis) and then revised it again on July 12, 2020 to 1%. The fee is payable to the Management Company on a monthly basis in arrears.

- 9.2** This represents amount payable in respect of Sindh Sales Tax at the rate of 13% (2020: 13%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.
- 9.3** This represents reimbursement of certain expenses to the Management Company. As per regulation 60(3)(s) of the NBFC Regulations, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to Collective Investment Scheme (CIS) are chargeable to the scheme, maximum up to 0.1% of the average annual net assets or the actual cost whichever is lower. Accordingly, the Management Company has charged 0.1% of the average annual net assets, being the lower amount, to the Fund.
- 9.4** The SECP through its Circular No. SCD/PRDD/Circular/394/2018 (Circular No. 5 of 2018) dated June 04, 2018 allowed charging selling and marketing expenses to all categories of mutual funds (except fund of funds and money market funds).

The AMC is allowed to charge these expenses subject to the approval of the Board. In current period SECP through its Circular No. 11 of 2019 dated July 5, 2019, has now removed ceiling of 0.4% for the chargeability of "Selling and Marketing Expenses" on all open end funds (except "Fund of Funds"). In addition to the requirement of Board approval, now these expenses to be paid to AMC on reimbursement basis and subject to approval of the Trustee.

In pursuance of above circular, the Board has approved the limits to be charged in respect of these expenses. Accordingly effective from July 12, 2019, the Fund is charging 0.7% of daily net asset value of the Fund in respect of selling and marketing this has been further revised by the Board as follows

- 0.5% per annum of daily net asset value of the Fund, applicable from October 27, 2020 onwards ;

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	----- Rupees in '000 -----	
10	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE		
	Remuneration of the Trustee	10.1 280	264
	Sindh Sales Tax on remuneration of the Trustee	10.2 36	34
		316	298

- 10.1** The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provision of Trust Deed as per the tariff specified therein, based on the net assets of the Fund.

Tariff structure applicable to the Fund till June 30, 2019 is as follows:

Net asset value	Tariff per annum
Upto Rs 1 Billion	0.15% per annum of net asset value
1 Billion upto 10 Billion	Rs 1.5 million plus 0.075% per annum of net asset value exceeding Rs 1 Billion"
Over 10 Billion	Rs 8.25 million plus 0.06% per annum of net asset value exceeding Rs 10 Billion"

Effective from July 12, 2019, tariff structure has been revised from above table to actual custodial expenses / charges plus 0.065% per annum of average net assets.

The remuneration is payable to the Trustee monthly in arrears.



- 10.2** This represents amount payable in respect of Sindh Sales Tax at the rate of 13% (2020: 13%) on remuneration of the Trustee through the Sindh Sales Tax on Services Act, 2011.

11 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Under the provisions of the NBFC Regulations, a collective investment scheme categorised as an "shariah compliant money market scheme" is required to pay as annual fee to the Securities and Exchange Commission of Pakistan. Effective from July 1, 2019, fee has been reduced to 0.02% per annum from 0.075% per annum. The fee is paid annually in arrears.

12 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	(Un-audited)	(Audited)
		December 31, 2020	June 30, 2020
-----Rupees in '000-----			
Auditors' remuneration		425	514
Provision for Sindh Workers' Welfare Fund	12.1	13,190	10,203
Settlement charges		14	15
Withholding tax		12	6,930
Capital gain tax		1,075	10,412
Legal and professional charges		127	104
Bank charges		127	32
Printing charges		130	108
Shariah advisor fee		311	520
Payable to brokers		-	25
Others		299	28
		15,710	28,891

- 12.1** The legal status of applicability of Sindh Workers' Welfare Fund (SWWF) is same as that disclosed in note 14 to the annual audited financial statements of the Fund for the year ended June 30, 2020.

The Fund, being prudent, recognised provision for SWWF amounting to Rs. 13,190 million for the half year ended December 31, 2019 in these condensed interim financial statements, Had the provision not been made, net assets value per unit at December 31, 2020 would have been higher by Rs. 0.0291 per unit (June 30, 2020: Rs. 0.0174 per unit).

13. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at December 31, 2020 and June 30, 2020.

14. 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% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders (excluding distribution made by issuance of bonus units). The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute in cash at least 90% of the Fund's accounting income for the year ending June 30, 2020 as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash.

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



15. TOTAL EXPENSE RATIO

Total expense ratio (all the expenses incurred during the period divided by average net assets for the period) is 1.31% (June 30, 2020 : 1.31%) including 0.16% (June 30, 2020 : 0.37%) representing government levies on collective investment scheme such as Sales tax, Sindh Worker's Welfare Fund and Securities and Exchange Commission of Pakistan fee for the period. However, as per SECP SRO 639 (I)/2019 date June 30, 2019, total expense ratio has been limited to 2% for Money Market Funds.

16. TRANSACTIONS WITH CONNECTED PERSONS AND RELATED PARTIES

Connected persons and related parties include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan being the Parent of the Management Company and Baltoro Growth Fund being the sponsor of the Management Company. It also includes associated companies of Management Company due to common directorship, post-employment benefit funds of the Management Company, its parent and sponsor. It also includes subsidiaries and associated companies of the Parent of the Management Company and other collective investment schemes (CIS) managed by the Management Company, directors and key management personnel of the Management Company and any person or company beneficially owning directly or indirectly 10% or more of the units in issue / net assets of the Fund.

16.1 The transactions with connected persons and related parties are carried at agreed terms.

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

16.3 Remuneration of the Trustee is determined in accordance with the rates agreed between the Management Company and the Trustee.

	(Un-audited) Half year ended	
	December 31, 2020	December 31, 2019
	----- Rupees in '000 -----	
16.4 Details of transactions with connected persons and related parties are as follows:		
NBP Fund Management Limited (Management Company)		
Remuneration of the Management Company	2,457	2,112
Sindh Sales Tax on remuneration of the Management Company	319	275
Reimbursement of operational expenses to the Management Company	2,679	1,612
Selling and marketing expenses	15,375	11,129
Sales load inclusive of Sindh Sales Tax	230	343
Others	49	-
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	1,597	1,048
Sindh Sales Tax on remuneration of the Trustee	208	136
Employees of the Management Company		
Units issued / transferred in 29,107,919 units (2019: 7,323,314 units)	296,773	76,653
Units redeemed / transferred out 30,334,034 units (2019: 6,048,990 units)	309,348	63,402



	(Un-audited) Half year ended	
	December 31, 2020	December 31, 2019
	----- Rupees in '000 -----	
CDC Trustee NAFA Islamic Capital Preservation Plan I (Fund Managed by Management Company)		
Units issued / transferred in 1,323,783 units (2019: 2,596,311 units)	13,500	27,644
Units redeemed / transferred out 8,025,288 units (2019: 50,577,179 units)	81,390	520,118
CDC Trustee NBP Riba Free Saving Fund (Fund Managed by Management Company)		
Purchase of commercial paper	-	201,131
CDC Trustee NBP Financial Sector Income Fund (Fund Managed by Management Company)		
Purchase of commercial paper	-	305,515
CDC Trustee NBP Islamic Income Fund (Fund Managed by Management Company)		
Purchase of commercial paper	18,573	-
Sale of commercial paper	39,428	-
CDC Trustee NBP Islamic Mahana Hamdani Fund (Fund Managed by Management Company)		
Sale of commercial paper	342,518	-
NBP Islamic Daily Dividend Fund (Fund Managed by Management Company)		
Sale of commercial paper	240,173	-
Fauji Fertilizer Company Limited (Common Directorship with the Management Company)		
Units issued / transferred in 819 units (2019: 37,525,416 units)	8	380,000
Units redeemed / transferred out Nil units (2019: 37,525,416)	-	384,335
Portfolio Managed by Management Company		
Units issued / transferred in 23,251,295 units (2019: 1,477,032 units)	235,314	15,000
Units redeemed / transferred out 20,677,883 units (2019: 1,477,032 Units)	210,094	15,052
The Hub Power Company Limited (Common Directorship with the Management Company)		
Purchase of sukuk certificates	675,000	560,000
Income from sukuk certificates	8,672	9,429
Pakistan Stock Exchange Limited (Common Directorship with the Management Company)		
Listing Fees	19	15

* Prior period balances with these parties have not been disclosed as they were not connected persons and related parties during prior periods.



	Half year ended	
	(Un-audited) December 31, 2020	(Audited) June 30, 2020
	----- Rupees in '000 -----	
16.5 Amounts outstanding as at period / year end are as follows :		
NBP Fund Management Limited (Management Company)		
Remuneration of the Management Company	431	406
Sindh Sales Tax on remuneration of the Management Company	56	53
Operational expenses	1,470	981
Sales load	2,187	1,978
Sindh Sales Tax and Federal Excise Duty on sales load	284	257
Other payable	196	1,251
Selling and marketing expense	6,912	-
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	280	264
Sindh sales tax on remuneration of the Trustee	36	34
Security deposit	100	100
Employees of the Management Company		
Investment held in the Fund: 5,955,185 Units (June 30, 2020: 718,454 Units)	61,584	7,210
Sooty Enterprises (Pvt) Limited **		
Investment held in the Fund: 50,251,242 Units (June 30, 2020: Nil Units)	519,663	-
Portfolio Managed by Management Company		
Investment held in the Fund: 19,740,406 Units (June 30, 2020: 16,615,027 Units)	204,142	166,740
CDC Trustee NAFA Islamic Capital Preservation Plan-I (Common Management)		
Investment held in the Fund: 6,484,892 units (June 30, 2020: 13,186,397 units)	67,062	132,332
Fauji Fertilizer Company Limited (Common Directorship with the Management Company)		
Investment held in the Fund: 819 Units (June 30, 2020: Nil Units)	8	-
Hub Power Company Limited (Common Directorship with the Management Company)		
Sukuk certificates purchased	675,000	-

* Current period transactions with these parties have not been disclosed as they did not remain connected persons and related parties during the period."

** Prior period balances with these parties have not been disclosed as they were not connected persons and related parties during prior periods.

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

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.



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.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Fund to classify fair value measurements 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:

Fair value hierarchy:

- 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)."
- Level 3: Inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs).

	Note	Carrying Value			Fair Value			
		Fair value through profit & loss	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
December 31, 2020		Rupees in '000						
Financial assets measured at fair value								
Commercial papers	5.1	95,085	-	95,085	-	95,085	-	95,085
Sukuks	5.2	925,000	-	925,000	-	925,000	-	925,000
Term deposits receipts	5.3	1,476,000	-	1,476,000	-	1,476,000	-	1,476,000
		2,496,085	-	2,496,085	-	2,496,085	-	2,496,085
Financial assets not measured at fair value								
Bank balances	4	-	2,251,155	2,251,155	-	-	-	-
Mark-up accrued	6	-	30,143	30,143	-	-	-	-
Receivable against units transferred	0	-	1,615	1,615	-	-	-	-
Deposit	7	-	100	100	-	-	-	-
		-	2,283,013	2,283,013	-	-	-	-
Financial liabilities not measured at fair value								
Payable to the Management Company	8	-	11,536	11,536	-	-	-	-
Remuneration payable to the trustee	9	-	316	316	-	-	-	-
Payable against units transferred		-	56,762	56,762	-	-	-	-
Accrued expenses and other liabilities	11	-	1,433	1,433	-	-	-	-
Net assets attributable to redeemable units		-	4,694,831	4,694,831	-	-	-	-
		-	4,764,878	4,764,878	-	-	-	-



	Note	Carrying Value			Fair Value			
		Fair value through profit & loss	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
June 30, 2020		----- Rupees in '000 -----						
Financial assets measured at fair value								
Commercial papers	5.1	570,770	-	570,770	-	570,770	-	570,770
Term deposit receipts	5.2	1,133,000	-	1,133,000	-	1,133,000	-	1,133,000
Bai muajjal	5.3	498,332	-	498,332	-	498,332	-	498,332
		2,202,102	-	2,202,102	-	2,202,102	-	2,202,102
Financial assets not measured at fair value								
Bank balances	4	-	3,742,608	3,742,608	-	-	-	-
Mark-up accrued	6	-	27,032	27,032	-	-	-	-
Receivable against units transferred	9	-	63,982	63,982	-	-	-	-
Deposit	7	-	193	193	-	-	-	-
		-	3,833,815	3,833,815	-	-	-	-
Financial liabilities not measured at fair value								
Payable to the Management Company	8	-	10,709	10,709	-	-	-	-
Remuneration payable to the trustee	9	-	298	298	-	-	-	-
Payable against units transferred		-	109,581	109,581	-	-	-	-
Accrued expenses and other liabilities	11	-	1,321	1,321	-	-	-	-
Net assets attributable to redeemable units		-	5,886,396	5,886,396	-	-	-	-
		-	6,008,305	6,008,305	-	-	-	-

18 INCOME ALREADY PAID ON REDEMPTION OF UNITS

Mutual Funds are exempt from income tax on their income if they distribute at least 90% of their accounting income as per clause 99 of Part 1 of the Second Schedule of the Income Tax Ordinance 2001 (Ordinance). Distribution of income by collective investment schemes includes (a) the income already distributed upon redemption of units and (b) the remaining amount of income distributed by way of cash dividend.

Open end mutual funds continuously offer issuance and redemption of units at prevailing Net Assets Value (NAV) applicable at the time of offer and redemption. The unit-holder who invests in the open end mutual fund during the year and redeems during the same year has effectively taken his due share of income for the year and the differential amount (proceeds received less original investment) is and should be treated as "distribution of profit". In case of unit holder who existed at the beginning of the year and makes redemption during the year, the amount representing his due share of income from the current year's income is and should be considered as "distribution of profit".



In assessment for Tax Year 2018 in respect of the Fund, the said exemption has been denied by The Additional Commissioner – Audit (AC), on the ground that the amount paid as income on units redeemed by investors during the tax year cannot be treated as distribution of income as per criteria envisaged under Clause 99 of Part 1 of the Second Schedule of the Ordinance and AC due to commented that the distribution by the Fund fell short of 90% distribution threshold.

The Management Company has initiated for filing before commissioner appeal, and also intending to approach to Sindh High Court for stay.

19 GENERAL

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

19.2 This condensed interim financial information are unaudited and has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2020 have not been reviewed.

20. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on February 26, 2021.

For NBP Fund Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

Head Office

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