

## NBP RIBA FREE SAVINGS FUND



QUARTERLY REPORT  
**MARCH 31, 2021**



# **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.**



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## 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. Humayun Bashir	Director
Mr. Saad Amanullah Khan	Director

### Company Secretary & COO

Mr. Muhammad Murtaza Ali

### Chief Financial Officer

Mr. Khalid Mehmood

### Audit & Risk Committee

Mr. Saad Amanullah Khan	Chairman
Ms. Mehnaz Salar	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
Mr. Saad Amanullah Khan	Member

### Strategy & Business Planning Committee

Mr. Humayun Bashir	Chairman
Syed Hasan Irtiza Kazmi	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

Al Baraka Islamic Bank Limited  
Allied Bank Limited  
Bank Alfalah Limited  
Bank Al Habib Limited  
BankIslami Pakistan Limited  
Dubai Islamic Bank Pakistan Limited  
Faysal Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
JS Bank Limited  
MCB Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
Silk Bank Limited  
Soneri Bank Limited  
Summit Bank Limited  
United Bank Limited



## **Auditors**

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

## **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.nbpfonds.com](http://www.nbpfonds.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 unaudited financial statements of **NBP Riba Free Savings Fund (NRFSF)** for the period ended March 31, 2021.

### Fund's Performance

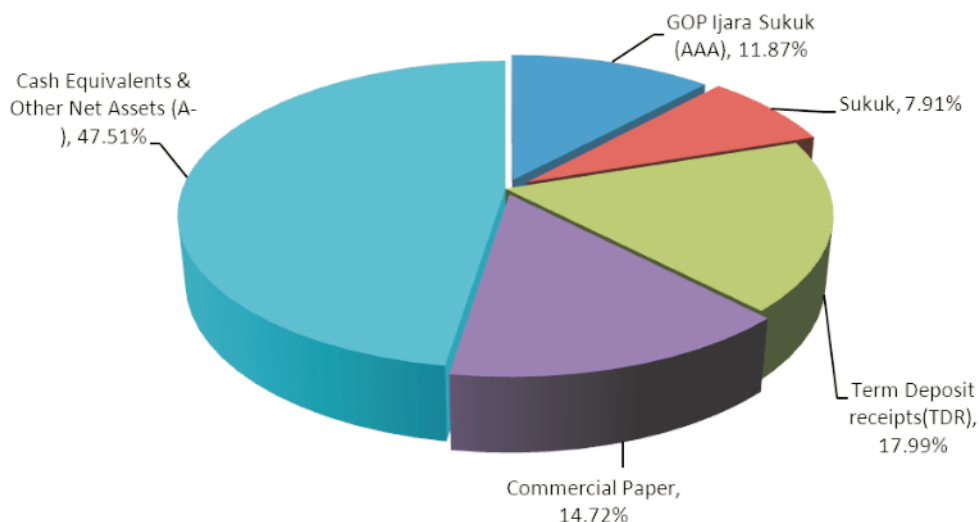
The size of NBP Riba Free Savings Fund has decreased from Rs. 5,163 million to Rs. 4,352 million during the period (a fall of 16%). During the period, the unit price of the Fund has increased from Rs. 10.2319 on June 30, 2020 to Rs. 10.7079 on March 31, 2021, thus showing a return of 6.2% as compared to the benchmark return of 3.7% for the same period. The performance of the Fund is net of management fee and all other expenses.

NRFSF is an Islamic Income Scheme. The stability rating of the Fund by PACRA is 'A+ (f)', which denotes a strong capacity to maintain relative stability in returns and very low exposure to risks. The Fund aims to consistently provide better returns than profit rates offered by Islamic Banks/Islamic windows of commercial banks, while also providing easy liquidity along with a good quality credit profile.

Active cases of Covid-19 declined significantly after peaking in July; the fatality rate fell sharply; and infection ratios also dropped to a low single-digit that allowed re-opening of the economy. The economic recovery picked-up steam as reflected by the frequently released economic data such as cement dispatches, retail fuels sales and automobile sales volume. On the policy response fronts, SBP slashed the Policy Rate by a cumulative 6.25% in a short span of time and government announced a Rs. 1.2 trillion stimulus package, equivalent to 2.8% of the GDP, which included relief for all sectors of the society including the under privileged, businesses, and the industries. External account also remained beneficiary of the Coronavirus pandemic thanks to a robust 24% growth in remittances during 8MFY21. The country posted a current account surplus of USD 881 million during 8MFY21 versus a Current Account Deficit (CAD) of USD 2.7 billion in the comparative period last year. The Extended Fund Facility (EFF) with the International Monetary Fund (IMF) that was put on hold in April last year, finally resumed, and as a result the central bank secured the IMF tranche of around USD 500 million. The resumption of IMF program allowed the country to borrow USD 2.5 billion by issuing Eurobonds in the international debt market.

During 9MFY21, the State Bank of Pakistan (SBP) held four Monetary Policy Committee (MPC) meetings wherein the benchmark Policy Rate was left unchanged at 7%. Sovereign yields responded to these monetary policy actions, and inflation & interest rate outlook.

The Fund has earned a total income of Rs. 305.817 million during the period. After deducting total expenses of Rs. 66.854 million, the net income is Rs. 238.963 million. The below chart presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NRFSF.





## 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: **April 30, 2021**

Place: Karachi.

## ڈائریکٹرز رپورٹ

NBP فنڈ منجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 مارچ 2021ء کو ختم ہونے والی نو ماہی کے لئے NBP ربا فری سیونگز فنڈ (NRFSF) کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

### فنڈ کی کارکردگی

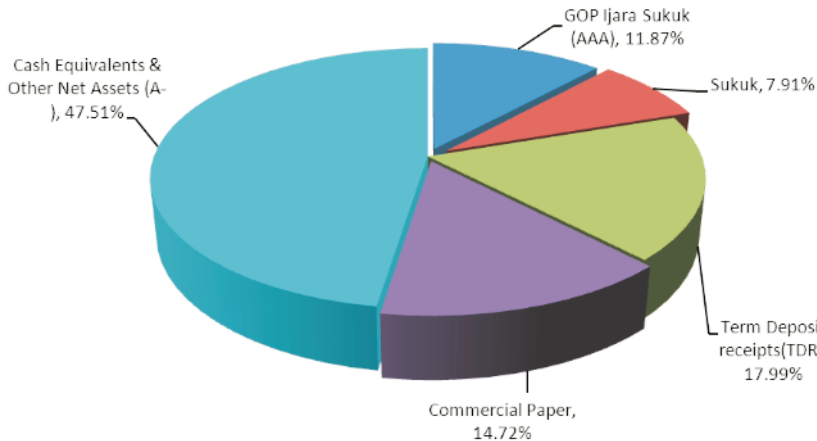
موجودہ مدت کے دوران NBP ربا فری سیونگز فنڈ کا سائز 5,163 ملین روپے سے کم ہو کر 4,352 ملین روپے ہو گیا ہے یعنی 16% کی کمی ہوئی ہے۔ اس مدت کے دوران، فنڈ کے پینٹ کی قیمت 30 جون 2020 کو 10.2319 روپے سے بڑھ کر 31 مارچ 2021ء کو 10.7079 روپے تک پہنچ چکی ہے، لہذا اسی مدت کے لئے اپنے بیچ مارک منافع 3.7% کے مقابلے میں 6.2% منافع درج کرایا۔ فنڈ کی کارکردگی منجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

NRFSF ایک اسلامک انکم اسکیم ہے جس کا اسٹاک مارکیٹ سے بالواسطہ یا بلاواسطہ کوئی ایکسپوزیشن نہیں ہے۔ فنڈ کو PACRA کی طرف سے A+(f) کی اسٹیٹیلٹی ریٹنگ دی گئی ہے جو منافع جات میں استحکام برقرار رکھنے کی زبردست اہلیت اور خطرات کی زد میں آنے کے بہت معمولی امکانات کی نشان دہی کرتی ہے۔ فنڈ کا مقصد اسلامی بینکوں / کمرشل بینکوں کی اسلامی وندوز کی پیش کردہ منافع کی شرحوں کے مقابلے میں بہتر منافع فراہم کرنا ہے، جب کہ اعلیٰ کوالٹی کے کریڈٹ پروفائل کے ساتھ آسان لیکویڈیٹی بھی مہیا کرتا ہے۔

جولائی میں بلندی پر پہنچنے کے بعد کوویڈ 19 کے فعال کیسز میں نمایاں کمی؛ اموات کی شرح میں تیزی سے کمی اور انفیکشن تناسب بھی کم ہو کر واحد ہندسے پر آ گیا جس نے معیشت کو دوبارہ کھولنے کی اجازت دی۔ معاشی بحالی کی رفتار سینٹ کی زبیل، خوردہ ایندھن کی فروخت اور آٹوموبائل کے فروخت حجم کے اکثر جاری کردہ معاشی اعداد و شمار سے ظاہر ہوتی ہے۔ پالیسی سازی کے تناظر میں، اسٹیٹ بینک آف پاکستان نے قلیل مدت میں پالیسی شرح کو مجموعی طور پر 6.25 فیصد تک کم کر دیا اور حکومت نے ایک 1.2 ٹریلین روپے کے محرک پیکیج کا اعلان کیا، جو جی ڈی پی کے 2.8 فیصد کے مساوی ہے، جس میں معاشرے کے تمام شعبوں کو ریلیف دیا گیا ہے جن میں بیسماندہ افراد، کاروبار اور صنعتیں شامل ہیں۔ 8MFY21 کے دوران وبائی مرض کرونا وائرس کے بدولت بیرونی اکاؤنٹ پر مثبت اثر ہوا اور ترسیلات زر میں 24 فیصد اضافہ ہوا۔ ملک نے گزشتہ سال کے تقابلی دورانیہ میں 2.7 بلین امریکی ڈالر کے کرنٹ اکاؤنٹ خسارہ (CAD) کے مقابلے میں 8MFY21 کے دوران 881 بلین امریکی ڈالر کا کرنٹ اکاؤنٹ سرپلس درج کیا ہے۔ بین الاقوامی مالیاتی فنڈ (IMF) کے ساتھ توسیعی فنڈ کی سہولت (EFF) جسے پچھلے سال اپریل میں روک دیا گیا تھا، آخر کار دوبارہ شروع ہو گئی، اور اس کے نتیجے میں مرکزی بینک نے آئی ایم ایف سے قریباً 500 ملین ڈالر کی رقم حاصل کی۔ آئی ایم ایف پروگرام کے دوبارہ آغاز سے بین الاقوامی ڈیٹ مارکیٹ میں یورو بانڈز جاری کر کے ملک کو 2.5 ارب ڈالر قرض لینے کا موقع ملا۔

مالی سال 21 کی نو ماہی کے دوران، اسٹیٹ بینک آف پاکستان (SBP) نے مانیٹری پالیسی کمیٹی (MPC) کے چار اجلاس منعقد کئے جن میں بیچ مارک پالیسی کی شرح کو 7 فیصد برقرار رکھا۔ ان مانیٹری پالیسی کارروائیوں، اور افراط زر اور سود کی شرح کے نقطہ نظر پر گورنمنٹ منافع میں اضافہ ہوا۔

فنڈ نے اس مدت کے دوران 305.817 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 66.854 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 238.963 ملین روپے رہی۔ درج ذیل چارٹ 31 مارچ 2021 کو NRFSF کی ایٹ ایلیکیشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیمائش شدہ اوسط ریٹنگ پیش کرتا ہے۔







## اظہار تشکر

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

بورڈ اپنے اسٹاف اور ٹرسٹی 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 منجمنٹ کمیٹی**

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 30 اپریل 2021ء

مقام: کراچی



## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2021

	Note	Un-Audited MARCH 31, 2021	Audited June 30, 2020
----- Rupees in '000 -----			
<b>ASSETS</b>			
Balances with banks	4	2,910,325	2,076,787
Investments	5	1,501,662	3,232,720
Prepayment and other receivables		207	437
Profit receivable		43,744	61,805
Receivable against issue of units		3,295	12,083
<b>Total assets</b>		<b>4,459,233</b>	<b>5,383,832</b>
<b>LIABILITIES</b>			
Payable to the Management Company		23,210	14,989
Payable to the Trustee		319	380
Payable to Securities and Exchange Commission of Pakistan		790	1,209
Payable against redemption of units		46,555	94,496
Accrued expenses and other liabilities		35,891	110,086
<b>Total liabilities</b>		<b>106,765</b>	<b>221,160</b>
<b>NET ASSETS</b>		<b>4,352,468</b>	<b>5,162,672</b>
<b>Unit holders’ fund (As per statement attached)</b>		<b>4,352,468</b>	<b>5,162,672</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	10		
-----Number of units-----			
<b>Number of units in issue</b>		<b>406,472,066</b>	<b>504,564,248</b>
-----Rupees-----			
<b>Net asset value per unit</b>		<b>10.7079</b>	<b>10.2319</b>

The annexed notes form an integral part of this condensed interim financial information.

For NBP Fund Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021

	Nine months ended		Quarter ended	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Note	----- Rupees in '000 -----			
<b>INCOME</b>				
Income on Bank balances	95,128	455,426	29,710	135,310
Income on Term deposits	65,803	83,206	23,301	17,538
Income on GOP Ijara Sukuk	38,252	-	10,450	-
Income on Commercial paper	40,328	66,978	13,478	8,582
Income on Sukuk	34,419	22,216	4,917	22,216
Income on bai mujaal receivable	10,451	-	-	-
Gain on sale of Investments - net	17,204	-	854	-
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	4,232	-	2,314	-
<b>Total income</b>	<b>305,817</b>	<b>627,826</b>	<b>85,024</b>	<b>183,646</b>
<b>EXPENSES</b>				
Remuneration of the Management Company	20,740	35,369	5,959	10,246
Sindh sales tax on remuneration of the Management Company	2,696	4,598	775	1,332
Remuneration of the Trustee	2,961	3,467	873	1,015
Sindh Sales Tax on remuneration of the Trustee	385	451	114	132
Selling and Marketing Expense	27,637	31,721	8,146	9,471
Annual fee - Securities and Exchange Commission of Pakistan	790	925	233	271
Reimbursement of operational expenses to the Management Company	4,485	4,623	1,454	1,353
Annual listing fee	21	21	7	7
Securities transaction cost	83	-	24	-
Settlement & Bank charges	517	181	127	82
Auditors' remuneration	549	497	162	123
Fund rating fee	367	335	130	119
Printing and related costs	133	28	34	15
Shariah advisor fee	410	794	72	264
Legal and professional charges	203	52	137	14
<b>Total expenses</b>	<b>61,977</b>	<b>83,062</b>	<b>18,247</b>	<b>24,444</b>
<b>Net income from operating activities</b>	<b>243,840</b>	<b>544,764</b>	<b>66,777</b>	<b>159,202</b>
	<b>243,840</b>	<b>544,764</b>	<b>66,777</b>	<b>159,202</b>
Provision for Sindh Workers' Welfare Fund	(4,877)	(10,895)	(1,336)	(3,184)
<b>Net income for the period before taxation</b>	<b>238,963</b>	<b>533,869</b>	<b>65,441</b>	<b>156,018</b>
Taxation	-	-	-	-
<b>Net income for the period after taxation</b>	<b>238,963</b>	<b>533,869</b>	<b>65,441</b>	<b>156,018</b>
<b>Earnings per unit</b>				
<b>Allocation of net income for the period:</b>				
Net income for the period after taxation	238,963	533,869	65,441	156,018
Income already paid on units redeemed	(74,483)	(167,155)	(29,408)	(46,310)
	<b>164,480</b>	<b>366,714</b>	<b>36,033</b>	<b>109,708</b>
<b>Accounting Income available for Distribution</b>				
- Relating to capital gain	17,204	-	854	-
- Excluding capital gain	147,276	366,714	35,179	109,708
	<b>164,480</b>	<b>366,714</b>	<b>36,033</b>	<b>109,708</b>

The annexed notes form an integral part of this condensed interim financial information.

**For NBP Fund Management Limited  
(Management Company)**

Chief Financial Officer

Chief Executive Officer

Director



## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021

	<u>Nine months ended</u>		<u>Quarter ended</u>	
	<u>31-Mar-21</u>	<u>31-Mar-20</u>	<u>31-Mar-21</u>	<u>31-Mar-20</u>
	----- Rupees in '000 -----			
Net income for the period after taxation	<b>238,963</b>	533,869	<b>65,411</b>	156,018
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b><u>238,963</u></b>	<b><u>533,869</u></b>	<b><u>65,411</u></b>	<b><u>156,018</u></b>

The annexed notes form an integral part of this condensed interim financial information.

For NBP Fund Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director



## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021

	Nine Months Period ended March 31,					
	2021			2020		
	(Rupees in '000)					
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
Net assets at beginning of the period	5,119,835	42,837	5,162,672	6,539,757	29,294	6,569,051
Issue of 391,044,697 units (2020: 587,340,121 units)						
- Capital value	4,001,130	-	4,001,130	5,993,747	-	5,993,747
- Element of income	77,348	-	77,348	244,438	-	244,438
Total proceeds on issuance of units	4,078,478	-	4,078,478	6,238,185	-	6,238,185
Redemption of 489,136,879 units (2020: 709,054,399 units)						
- Capital value	(5,004,800)	-	(5,004,800)	(7,235,829)	-	(7,235,829)
- Element of loss	(48,362)	(74,483)	(122,845)	(127,264)	(167,155)	(294,419)
Total payments on redemption of units	(5,127,645)	(74,483)	(5,127,645)	(7,363,093)	(167,155)	(7,530,248)
Total comprehensive income for the period	-	238,963	238,963	-	533,869	533,869
Net assets at end of the period	4,070,668	207,317	4,352,468	5,414,849	396,008	5,810,857
Undistributed income brought forward						
- Realised		42,837			29,294	
- Unrealised		-			-	
		42,837			29,294	
Accounting income available for distribution						
- Relating to capital gain		17,204			-	
- Excluding capital gain		147,276			366,714	
		164,480			366,714	
Distribution paid during the period		-			-	
Undistributed income carried forward		207,317			396,008	
Undistributed income carried forward						
- Realised		185,881			396,008	
- Unrealised		21,436			-	
		207,317			396,008	
		- (Rupees) -			- (Rupees) -	
Net assets value per unit at beginning of the period		10.2319			10.2049	
Net assets value per unit at end of the period		10.7079			11.1320	

The annexed notes form an integral part of this condensed interim financial information.

**For NBP Fund Management Limited  
(Management Company)**

Chief Financial Officer

Chief Executive Officer

Director



## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021

	<b>Nine Months Period</b>	
	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>----- Rupees in '000 -----</b>	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	238,963	533,869
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(4,232)	-
Gain on sale of investments - net	(65,803)	(83,206)
	<b>168,928</b>	<b>450,663</b>
<b>(Increase) / decrease in assets</b>		
Investments - net	1,801,093	1,264,755
Advances, deposits, prepayments and other receivables	230	209
Profit receivable	18,061	8,841
	<b>1,819,384</b>	<b>1,273,805</b>
<b>Increase / (decrease) in liabilities</b>		
Payable to the Management Company	8,221	(7,035)
Payable to the Trustee	(61)	(157)
Payable to Securities and Exchange Commission of Pakistan	(419)	(3,272)
Accrued expenses and other liabilities	(74,195)	(20,308)
	<b>(66,454)</b>	<b>(30,772)</b>
<b>Net cash (used in) operating activities</b>	<b>1,921,858</b>	<b>1,693,696</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issue of units	4,087,266	6,229,163
Payment on redemption of units	(5,175,586)	(7,511,934)
<b>Net cash generated from financing activities</b>	<b>(1,088,320)</b>	<b>(1,282,771)</b>
<b>Net increase in cash and cash equivalents during the period</b>	<b>833,538</b>	<b>410,925</b>
Cash and cash equivalents at the beginning of the period	2,076,787	4,208,621
<b>Cash and cash equivalents at end of the period</b>	<b>2,910,325</b>	<b>4,619,546</b>

The annexed notes form an integral part of this condensed interim financial information.

For NBP Fund Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



## NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021

### 1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Riba Free Savings 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 June 29, 2010 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on June 18, 2010 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 the 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 a member of Mutual Funds Association of Pakistan (MUFAP).

The Fund is an open-ended mutual fund and classified as an Islamic "income 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 preservation of capital and earn a reasonable rate of return along with a high degree of liquidity by investing in Shariah compliant banks and money market / debt securities.

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

Title of the assets of the Fund is held in the name of CDC as a trustee of the Fund.

### 2 BASIS OF PREPARATION

#### 2.1 STATEMENT OF COMPLIANCE

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

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

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

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

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.



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

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declared that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at March 31, 2021.

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

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2020.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on July 1, 2020 that have a material effect on the financial statements of the Fund.

### 4 BANK BALANCES

		(Un-audited) March 31, 2021	(Audited) June 30, 2020
	Note	----- Rupees in '000 -----	
Current accounts		27,383	23,739
Savings accounts		2,099,942	2,053,048
Term deposits receipts	4.1	783,000	
		<u>2,910,325</u>	<u>2,076,787</u>

#### 4.1

Name of Investee Company	Placement date	Profit rate	As at July 1, 2020	Amount placed		As at March 31, 2021	Market value as at March 31, 2021	Market value as a percentage of total investments	Market value as a percentage of net assets
				Purchased during the period	Matured during the period				
United Bank Limited	March 08, 2021	6.90%	-	98,000	-	98,000	98,000	0.03	0.02
Bank Islami Pakistan Limited	March 08, 2021	6.90%	-	685,000	-	685,000	685,000	0.24	0.16
							<u>783,000</u>	<u>0.27</u>	<u>0.18</u>

### 5 INVESTMENTS

		(Un-Audited) March 31, 2021	(Audited) June 30, 2020
	Note	----- Rupees in '000 -----	
Financial assets at fair value through profit loss			
Sukuk	5.1	344,200	1,475,000
Commercial Paper	5.2	640,769	218,136
Government securities - Ijarah Sukuk	5.3	516,693	1,039,618
Bai- Muajjal		-	299,966
Term deposits receipts		-	200,000
		<u>1,501,662</u>	<u>3,232,720</u>





## 5.1 Sukuks Certificates - At fair value through profit or loss

All certificates have a face value of Rs.100,000 each

Name of the security	As at July 1, 2020	Purchases during the period	Matured / disposed off during the period	As at March 31, 2021	Market value as at March 31, 2021	Percentage in relation to	
						Net assets of the Fund	Total market value of the investment
	----- Number of certificates -----					(Rupees in '000)	----- % -----
Rupees in '000'							
Hub Power Company Limited (traded) (related party) (Face value of Rs. 100,000 per certificate)	7,000	-	7,000	-	-	-	-
K-Electric Limited Sukuk (traded) (Face value of Rs. 5,000 per certificate)	100,000	-	100,000	-	-	-	-
Pakistan Energy Sukuk-II (traded) (Face value of Rs. 5,000 per certificate)	55,000	-	-	55,000	277,200	0.06	0.18
Kot Addu Power Company Limited (Face value of Rs. 100,000 per certificate)	-	670	-	670	67,000	0.02	0.04
					344,200	0.08	22.92%
<b>Total</b>					<u>342,000</u>		
Carrying value as at March 31, 2021					<u>1,475,000</u>		
Market value as at June 30, 2020					<u>1,475,000</u>		

## 5.2 Commercial papers

Name of security	Face value (Rupees in '000)				(Rupees in '000)	Market value as a percentage of total investments	Market value as a percentage of net assets
	As at July 1, 2020	Purchased during the period	Disposed off / matured during the period	As at March 31, 2021	Market value as at March 31, 2021		
----- % -----							
Power generation & distribution							
K-Electric Limited CP 8	225,000	-	225,000	-	-	-	-
K-Electric Limited CP 9	-	125,000	125,000	-	-	-	-
K-Electric Limited CP 10	-	450,000	450,000	-	-	-	-
K-Electric Limited CP 11	-	30,000	30,000	-	-	-	-
K-Electric Limited CP 13	-	205,000	205,000	-	-	-	-
K-Electric Limited CP 14	-	205,000	205,000	-	-	-	-
K-Electric Limited CP 15	-	205,000		205,000	204,195	0.14	0.05
K-Electric Limited CP 16	-	372,000	-	372,000	359,569	0.24	0.08
K-Electric Limited CP 17	-	80,000	-	80,000	77,005	0.05	0.02
Total					640,769	0.43	0.15
Carrying value as at March 31, 2021					640,769		
Market value as at June 30, 2020					218,136		
Carrying value as at June 30, 2020					218,136		

These carry yield ranging from 6.85% to 7.68% per annum and are due to mature latest by April 20, 2021.



## 5.3 Government securities - Ijarah sukuk

Name of the security	As at July 1, 2020	Purchases during the period	Sales during the period	As at March 31, 2021	Market value as at March 31, 2021	Percentage in relation to	
						Net assets of the Fund	Total market value of the investment
		----- Number of certificates-----				(Rupees in '000)	----- % -----
GOP Ijarah sukuk XX (Face value of Rs. 100,000 per certificate Maturity April 30, 2025)	157,500	582,000	689,500	50,000	240,950	0.06	0.16
GOP Ijarah sukuk XXI (Face value of Rs. 100,000 per certificate Maturity May 29, 2025)	55,000	55,000	55,000	55,000	275,743	0.06	0.18
Total					516,693	0.12	0.34
Carrying value as at March 31, 2021					514,661		
Market value as at June 30, 2020					1,039,618		
Carrying value as at June 30, 2020					1,062,500		

## 6 SELLING AND MARKETING EXPENSES

The SECP vide circular 11 of 2019 dated July 05, 2019 has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) and prescribed revised conditions for charging of selling and marketing expenses to CIS. The said circular also supersedes circular No. 40 of 2016, circular No. 05 of 2017 and circular No. 5 of 2018. These expenses shall be counted in the total expense ratio cap of the fund. Accordingly, the Management Company has charged selling and marketing expenses at the rate of 0.7% per annum of the net assets of the Fund.

## 7 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at March 31, 2021 is 1.69% (2020: 2.03%) which includes 0.22% (2020: 0.36%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% (as amended by S.R.O 639 dated June 20, 2019) prescribed under the NBFC Regulations for a collective investment scheme categorised as 'Shariah Compliant Income Scheme'.

## 8 PROVISION FOR SINDH WORKERS' WELFARE FUND

The legal status of applicability of Worker's Welfare Fund and Sindh Workers' Welfare Fund is same as that disclosed in note 19 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.32.850 million for the period ended March 31, 2021 in this condensed interim financial information. Had the provision not been made, net assets value per unit at March 31, 2021 would have been higher by Rs. 0.0808 per unit (June 30, 2020: Rs. 0.055 per unit).

## 9 TAXATION

The Fund's income is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income



Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2020 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements.

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

## 10 CONTINGENCIES AND COMMITMENTS

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

## 11 TRANSACTIONS WITH CONNECTED PERSONS

**11.1** Connected persons include NBP Fund Management Limited being the Management Company (NBP Funds), Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP) and its connected persons, and Baltoro Growth Fund being the sponsors, NAFA Pension Fund, NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company and directors and officers of 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 and unit holders holding ten percent or more units of the Fund.

**11.2** The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

**11.3** Remuneration to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

**11.4** Remuneration payable to the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

### 11.5 Transactions during the period

----- (Un-Audited) -----  
**Nine months Period ended**  
**March March**  
**31, 2021 31, 2020**  
 ----- Rupees in '000 -----

#### **NBP Fund Management Limited**

Management remuneration for the period	20,740	35,369
Sindh sales tax on remuneration of the Management Company	2,696	4,598
Selling and marketing expense	27,637	31,721
Accounting and operational charges to the Management Company	4,485	4,623
Sales Load and sind sale tax	2,883	493
ADC share and Sindh sale tax - payable to Management Company	129	-

#### **Central Depository Company of Pakistan Limited - Trustee**

Remuneration	2,961	3,467
Sindh Sale tax on Remuneration	385	451
CDS Charges	86	15



	----- (Un-Audited) -----	
	Nine months Period ended	
	March 31,2021	March 31,2020
	----- Rupees in '000 -----	
<b>Employees of Management Company</b>		
Units issued / transferred in 4,220,723 units; (2020: 1,224,380 units)	44,214	13,064
Units redeemed / transferred out 3,963,462 units; (2020: 2,625,044 units)	41,646	27,887
<b>NBP FUND's Employee Provident Fund (Management Company)</b>		
Units redeemed / transferred out 436,294 units (2020: 189,271 units)	4,530	1,998
<b>Portfolio Managed By Management Company</b>		
Units issued / transferred in 2,390,665 units (2020: 13,225,431 units)	24,582	141,746
Units redeemed / transferred out 9,202,030 units (2020: 13,985,736 units)	95,665	149,999
Sale of sukuk certificates - K-Electric	33,620	-
<b>Mr. Khalid Mehmood - Chief Financial Officer</b>		
Units issued / transferred in 57 units (2020: 38,846 units)	1	400
Units redeemed / transferred out Nil units (2020: 441,969 units)	-	4,722
<b>BANKISLAMI PAKISTAN LIMITED - (Common directorship)</b>		
Profit earned from savings account	8,245	178,400
Placements of term deposit receipts	4,830,000	6,421,000
Profit earned from term deposits receipts	29,094	83,206
Purchase of sukuk certificates - GOP Ijarah sukuk certificates	471,563	-
Sale of sukuk certificates - GOP Ijarah sukuk certificates	954,974	-
Carrying value as at March 31, 2021		
<b>NBP ISLAMIC MAHANA AMDANI FUND (CIS managed by the Management Company)</b>		
Sale of Commercial paper during the period	-	388,056
Sale of sukuk certificates during the period	1,125,418	-
<b>NBP ISLAMIC INCOME FUND (CIS managed by the Management Company)</b>		
Sale of sukuk certificates during the period	104,597	-
<b>NBP ISLAMIC SARMAYA IZAFAT FUND (CIS managed by the Management Company)</b>		
Sale of GOP Ijarah Sukuk during the period	297,813	-
<b>Hub Power Company Limited- (common directorship)</b>		
Purchase of Sukuk during the period	761,838	700,000
Profit earned on Sukuk during the period	12,774	3,570
<b>NBP ISLAMIC DAILY DIVIDEND FUND (CIS managed by the Management Company)</b>		
Sale of Commercial paper during the period	-	157,638
<b>NBP ISLAMIC MONEY MARKET FUND (CIS managed by the Management Company)</b>		
Sale of Commercial paper during the period	-	201,131
<b>Pakistan Stock Exchange Limited-Common Directorship</b>		
Listing Fee paid	25	25
<b>National Clearing Company of Pakistan Limited - common directorship</b>		
Settlement charges	225	-



	(Un-Audited) March 31, 2021	(Audited) June 30, 2020
	----- Rupees in '000 -----	
<b>11.6 Balances outstanding as at period / year end</b>		
<b>NBP Fund Management Limited</b>		
Remuneration payable	1,890	2,891
Sindh sales tax on remuneration of the Management Company	247	360
Selling and Marketing expense payable	8,146	9,947
Operational expenses	1,456	1,422
Sales load payable and sales tax on sale load	351	369
Federal excise duty on sales load	334	-
Federal excise duty on remuneration of the Management Company	10,657	10,657
ADC share and Sindh sale tax - payable to Management Company	129	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	283	337
Sale tax on Remuneration payable	36	43
CDS settlement charges payable	34	13
Security deposit	200	200
<b>National Bank of Pakistan - Parent Company</b>		
Balance in current account	3,766	2,758
<b>Employees of Management Company</b>		
Investment held in the Fund 1,099,987 units (June 30, 2020: 833,335 units)	11,779	8,527
<b>BANKISLAMI PAKISTAN LIMITED - (Common directorship)</b>		
Bank balance	68,597	3,871
Accrued profit	713	49
Placements of term deposit receipts	685,000	-
Profit receivable from term deposits receipts	3,545	-
<b>Portfolio Managed by the Management Company</b>		
Investment held in the Fund 179 units (June 30, 2020: 6,811,544 units)	2	69,695
<b>Mr. Khalid Mehmood - Chief Financial Officer</b>		
Units held: 57 units (June 30, 2020: Nil units)	1	-

## 12 DATE OF AUTHORISATION FOR ISSUE

This financial information was authorised for issue by the Board of Directors of the Management Company on April 30, 2021.

## 13 GENERAL

13.1 Figures have been rounded off to the nearest thousand Rupees.

## 13.2 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation. No significant changes to corresponding figures have been made during the current period.

For NBP Fund Management Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

## Head Office

7th Floor, Clifton Diamond Building, Block No.4,  
Scheme No.5, Clifton, Karachi.

**UAN:** 021-111-111-632

**Toll Free:** 0800-20002

**Sms:** INVEST to 9995

**Fax:** 021-35825335

**Email:** [info@nbpfunds.com](mailto:info@nbpfunds.com)

**Website:** [www.nbpfunds.com](http://www.nbpfunds.com)

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