



# NBP ISLAMIC MAHANA AMDANI FUND

QUARTERLY REPORT  
MARCH 31, 2022



# MISSION STATEMENT

"To become country's most  
investor-focused company,  
by assisting investors  
in achieving their financial goals."



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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
Mr. Tauqeer Mazhar	Director
Ms. Mehnaz Salar	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
Mr. Tauqeer Mazhar	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 Bank Limited	United Bank Limited
Allied Bank Limited	Zarai Taraqiat Bank Limited
Bank Al Habib Limited	
Bank Islami Pakistan Limited	
Bank Alfalah Limited	
Dubai Islamic Bank Pakistan Limited	
Faysal Bank Limited	
Habib Metropolitan Bank Limited	
Habib Bank Limited	
JS Bank Limited	
MCB Bank Limited	
Meezan Bank Limited	
National Bank of Pakistan	
Silk Bank Limited	
Soneri 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.nbpffunds.com](http://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 unaudited financial statements of **NBP Islamic Mahana Amdani Fund (NIMAF)** for the period ended March 31, 2022.

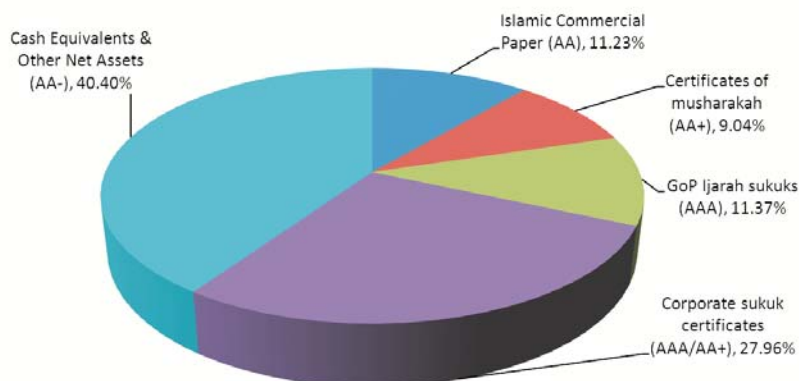
### Fund's Performance

The market witnessed issuance of a decent size of corporate sukuk and Shariah Compliant commercial papers to meet the increasing funding needs for fixed and working capital investments. In the secondary market, the trading activity in corporate sukuk remained thin at around Rs. 3.2 billion compared to Rs. 15.5 billion during the same period last year. During 9MFY22, the State Bank of Pakistan (SBP) held six Monetary Policy Committee (MPC) meetings and increased the policy rate by 2.75% to arrive at 9.75%. The MPC, monitoring the domestic economic conditions and high degree of uncertainty in the outlook for international commodity prices & global financial conditions, took the much needed and timely action to safeguard the macroeconomic stability. While the business sentiment and overall market activity has improved, the downside risk still persists due to the ongoing Russia-Ukraine conflict carrying adverse impacts - posing risks and challenges to the current account deficit (CAD) and inflation expectations. Furthermore, there has been a sharp decline in the SBP's foreign exchange reserves to USD 12 bn largely due to elevated CAD & debt repayments. Deteriorating macros coupled with heightened political uncertainty also contributed to a 16% depreciation in the rupee and a sharp rise in domestic secondary market yields.

NIMAF is categorized as a Shariah Compliant Income Fund. The Fund aims to provide monthly income to investors by investing in Shariah Compliant money market and debt avenues. Minimum eligible rating is A-, while the Fund is allowed to invest with Islamic Banks, Islamic branches / windows of conventional banks providing easy liquidity. The Fund is allowed to invest in Shariah Compliant Money Market instruments & debt securities rated A- or better. The Fund is not authorized to invest in Equities. The weighted average time to maturity of the Fund cannot exceed 4 years excluding government securities.

The size of NBP Islamic Mahana Amdani Fund has decreased from Rs. 15,085 million to Rs. 12,122 million during the period (a decrease of 20%). During the period, the unit price of the Fund has increased from Rs. 10.0493 on June 30, 2021 to Rs. 10.6477 on March 31, 2022, thus showing return of 7.9% as compared to the benchmark return of 3.2% for the same period. The performance of the Fund is net of management fee and other expenses. During August 2021, provisioning against Sindh Workers' Welfare Fund has been reversed. The reversal of provision has contributed towards an unusual increase in NAV of the Fund. This is a one-off event and is not likely to be repeated in the future.

The Fund has earned a total income of Rs. 900.092 million during the period. After deducting total expenses of Rs. 132.712 million, the net income is Rs. 767.380 million. The chart below presents the asset allocation and the weighted average credit rating of each of the sub-asset classes of NIMAF.





## 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 27, 2022**

Place: Karachi.



## ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بعد مسرت 31 مارچ 2022ء کو ختم ہونے والی نو ماہی کے لئے NBP اسلامک ماہانہ آمدنی فنڈ (NIMAF) کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

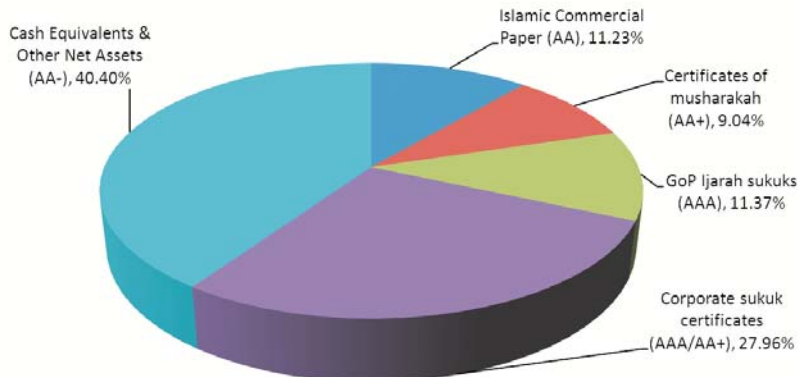
### فنڈ کی کارکردگی

مارکیٹ نے مقررہ اور ورکنگ کپیٹل سرمایہ کاری کے لیے فنڈنگ کی بڑھتی ہوئی ضروریات کو پورا کرنے کے لیے کارپوریٹ سکوک اور شریعہ کمپلیٹ کرشئل پیپرز کے معقول سائز کا اجراء دیکھا۔ ثانوی مارکیٹ میں، کارپوریٹ سکوک میں تجارتی سرگرمیاں پچھلے سال کی اسی مدت کے دوران 15.5 بلین روپے کے مقابلے تقریباً 3.2 بلین روپے کم رہی ہیں۔ 9MFY22 کے دوران، اسٹیٹ بینک آف پاکستان (SBP) نے چھ مانیٹری پالیسی کمیٹی (MPC) کے اجلاس منعقد کیے اور پالیسی کی شرح میں 2.75pps کا اضافہ کر کے 9.75% تک پہنچا دیا۔ MPC نے ملکی اقتصادی حالات اور بین الاقوامی اجناس کی قیمتوں اور عالمی مالیاتی حالات کے تناظر میں اعلیٰ درجے کی غیر یقینی صورتحال کو دیکھتے ہوئے میکرو اکنامک استحکام کے تحفظ کے لیے انتہائی ضروری اور بروقت اقدام کیا۔ اگرچہ کاروباری حالات اور مارکیٹ کی مجموعی سرگرمی میں بہتری آئی ہے، روس-یوکرین کے جاری تنازعہ کے منفی اثرات کے باعث کرنٹ اکاؤنٹ خسارے (CAD) اور افراط زر کی توقعات کے لیے خطرات اور چیلنجز کا خطرہ اب بھی برقرار ہے۔ مزید برآں، SBP کے غیر ملکی زرمبادلہ کے ذخائر میں شدید کمی سے 12 بلین امریکی ڈالر ہو گئے جس کی وجہ بڑھتے ہوئے CAD اور قرض کی ادائیگیوں میں اضافہ ہے۔ بڑھتی ہوئی سیاسی غیر یقینی صورتحال کے ساتھ خراب میکروزونے روپیہ کی قدر میں 16% فیصد کی اور مقامی ثانوی منڈی کی شرح منافع میں تیزی سے اضافہ کیا۔

NIMAF شریعت کے مطابق انکم فنڈ کے طور پر درجہ بندی کیا جاتا ہے۔ فنڈ کا مقصد شریعتی مطابقت پذیر بنی مارکیٹ اور قرض کی آمد میں سرمایہ کاری کر کے سرمایہ کاروں کو ماہانہ آمدنی فراہم کرنا ہے۔ کم از کم اہل درجہ بندی-A، جبکہ فنڈ اسلامی بینکوں، اسلامی شاخوں / روایتی بینکوں کی وٹڈ آسان فراہمی کرنے کے ساتھ سرمایہ کاری کرنے کی اجازت دی جاتی ہے۔ فنڈ شریعت کے مطابق Money Market Instruments اور Debt Securities میں سرمایہ کاری کرنے کی اجازت دیتا ہے جو-A یا اس سے بہتر ہو۔ فنڈ ایکویٹیز میں سرمایہ کاری کرنے کا اختیار نہیں رکھتا۔ فنڈ کی اوسط میچورٹی گورنمنٹ سکیورٹیز کے علاوہ 4 سال سے زائد نہیں ہے۔

موجودہ مدت کے دوران NBP اسلامک ماہانہ آمدنی فنڈ کا سائز 15,085 ملین روپے سے کم ہو کر 12,122 ملین روپے ہو گیا ہے یعنی 20% کی کمی ہوئی۔ زیر جائزہ مدت کے دوران، فنڈ کے یونٹ کی قیمت 30 جون 2021 کو 10.0493 روپے (EX-Div) سے بڑھ کر 31 مارچ 2022 کو 10.6477 روپے ہو گئی، لہذا اس مدت کے دوران فنڈ نے اپنے بیچ مارک 3.2% کے مقابلے میں 7.9% منافع درج کیا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔ اگست 2021 کے دوران، سندھ ورکرز ویلفیئر فنڈ کی پروڈیونگ ریورس کر دی گئی۔ اس پروڈیون کے ریورسل کے باعث فنڈ کی NAV میں غیر معمولی اضافہ ہوا۔ یہ ایک ایسا موقع ہے جس کا مستقبل میں دوبارہ آنے کا امکان نہیں ہے۔

فنڈ نے موجودہ مدت کے دوران 900.092 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 132.712 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 767.380 ملین روپے ہے۔ درج ذیل چارٹ NIMAF کی ایسٹیلیکیشن اور اس کے ذیلی اثاثوں کے تمام درجوں کی پیکائش شدہ اوسط کریڈٹ ریٹنگ پیش کرتا ہے:







## اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے منجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ 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 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 منجمنٹ لمیٹڈ**

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 27 اپریل 2022ء

مقام: کراچی



## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2022

		(Un-Audited) March 31, 2022	(Audited) June 30, 2021
	Note	(Rupees in '000)	
<b>Assets</b>			
Bank balances	4	6,203,114	7,268,163
Investments	5	7,224,884	9,512,849
Profit receivable		184,546	127,154
Preliminary expenses and floatation costs		304	455
Receivable against transfer of units		5,684	105,380
Deposits, prepayments and other receivables		2,897	2,994
<b>Total assets</b>		<b>13,621,429</b>	<b>17,016,995</b>
<b>Liabilities</b>			
Payable to NBP Fund Management Limited - Management Company		40,132	44,678
Payable to Central Depository Company of Pakistan Limited - Trustee		883	1,188
Payable to Securities and Exchange Commission of Pakistan		1,995	3,714
Payable against redemption of units		22,735	22,890
Payable against purchase of investments		1,424,453	1,660,562
Accrued expenses and other liabilities		9,188	199,157
<b>Total liabilities</b>		<b>1,499,386</b>	<b>1,932,189</b>
<b>Net assets</b>		<b>12,122,043</b>	<b>15,084,806</b>
<b>Unit holders' funds (As per Statement attached)</b>		<b>12,122,043</b>	<b>15,084,806</b>
<b>Contingencies and commitments</b>	7		
		(Number of units)	
<b>Number of units in issue</b>		<b>1,138,462,564</b>	<b>1,501,086,720</b>
		(Rupees)	
<b>Net asset value per unit</b>		<b>10.6477</b>	<b>10.0493</b>

The annexed notes 1 to 14 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 NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2022

		Nine Months Period Ended		Quarter Ended	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Note		Rupees in '000			
<b>Income</b>					
Income on sukuk certificates		300,825	299,354	113,493	92,593
Income on Islamic commercial papers		88,481	113,593	34,177	25,020
Income on term deposit receipts		22,394	215,764	-	76,687
Income on bai muajjal certificate		11,108	34,638	6,521	-
Income on certificates of musharakah		69,350	56,326	27,866	19,026
Profit on bank deposits		350,765	364,886	121,088	96,011
		842,923	1,084,561	303,145	309,337
Loss on sale of investments - net		(12,016)	(11,848)	(2,777)	1,559
Unrealised appreciation / (diminution) on re-measurement of investments at fair value through profit or loss - net		2,331	15,853	(11,305)	6,734
		(9,685)	4,005	(14,082)	8,293
<b>Total income</b>		<b>833,238</b>	<b>1,088,566</b>	<b>289,063</b>	<b>317,630</b>
<b>Expenses</b>					
Remuneration of the Management Company		20,641	29,325	6,262	8,465
Sindh Sales Tax on remuneration of the Management Company		2,683	3,812	814	1,100
Reimbursement of allocated expenses		12,469	16,214	3,877	5,272
Reimbursement of selling and marketing expenses	8	83,348	100,185	28,330	29,522
Remuneration of the Trustee		7,481	10,734	2,326	3,163
Sindh sales tax on remuneration of the Trustee		973	1,395	303	411
Annual fees to the Securities and Exchange Commission of Pakistan		1,995	2,862	620	843
Amortisation of preliminary expenses and floatation costs		151	151	50	50
Securities transaction cost		39	793	33	47
Settlement and bank charges		466	839	123	198
Auditors' remuneration		510	407	109	90
Annual rating fee		155	135	51	46
Shariah advisor fee		1,402	1,809	466	585
Annual listing fee		21	21	7	7
Printing charges		53	114	16	18
Legal and professional charges		325	167	54	115
<b>Total expenses</b>		<b>132,712</b>	<b>168,963</b>	<b>43,441</b>	<b>49,932</b>
<b>Net income from operating activities</b>		<b>700,526</b>	<b>919,603</b>	<b>245,622</b>	<b>267,698</b>
Reversal of / (provision against) Sindh Workers' Welfare Fund - r	6	66,854	(18,392)	-	(5,354)
<b>Net income for the period before taxation</b>		<b>767,380</b>	<b>901,211</b>	<b>245,622</b>	<b>262,344</b>
<b>Taxation</b>	9	-	-	-	-
<b>Net income for the period after taxation</b>		<b>767,380</b>	<b>901,211</b>	<b>245,622</b>	<b>262,344</b>
<b>Allocation of Net income for the period:</b>					
Net income for the period		767,380	901,211	245,622	262,344
Income already paid on units redeemed		(183,315)	(311,889)	(82,975)	(114,562)
		584,065	589,322	162,647	147,782
<b>Accounting Income available for distribution:</b>					
- Relating to capital gains		-	4,005	-	8,293
- Excluding capital gains		584,065	585,317	162,647	139,489
		584,065	589,322	162,647	147,782

The annexed notes 1 to 14 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 NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2022

	Nine Months Period Ended		Quarter Ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	Rupees in '000'			
Net income for the period after taxation	767,380	901,211	245,622	262,344
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>767,380</b>	<b>901,211</b>	<b>245,622</b>	<b>262,344</b>

The annexed notes 1 to 14 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 MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022

	Nine Months Period Ended					
	March 31, 2022			March 31, 2021		
	Capital value	Undistributed loss	Total	Capital value	Undistributed loss	Total
Note ----- (Rupees in '000) -----						
<b>Net Assets at beginning of the year</b>	<b>15,016,569</b>	<b>68,237</b>	<b>15,084,806</b>	<b>20,258,361</b>	<b>54,913</b>	<b>20,313,274</b>
Issuance of 828,228,071 units (2021 : 2,162,716,792 units)						
- Capital value	8,323,112	-	8,323,112	21,714,325	-	21,714,325
- Element of Income	203,023	-	203,023	428,991	-	428,991
Total proceeds on issuance of units	8,526,135	-	8,526,135	22,143,316	-	22,143,316
Redemption of 1,190,852,227 units (2021 : 2,596,680,834 units)						
- Capital value	(11,967,231)	-	(11,967,231)	(26,071,455)	-	(26,071,455)
- Element of (Loss)	(105,732)	(183,315)	(289,047)	(245,465)	(311,889)	(557,354)
Total payments on redemption of units	(12,072,963)	(183,315)	(12,256,278)	(26,316,920)	(311,889)	(26,628,809)
Total comprehensive Income for the period	-	767,380	767,380	-	901,211	901,211
<b>Net assets at end of the period</b>	<b>11,469,741</b>	<b>652,302</b>	<b>12,122,043</b>	<b>16,084,757</b>	<b>644,235</b>	<b>16,728,992</b>
Undistributed Income brought forward						
- Realised income		55,951			91,428	
- Unrealised gain / (loss)		12,286			(36,515)	
		<u>68,237</u>			<u>54,913</u>	
Accounting income available for distribution:						
- Relating to capital gains		-			4,005	
- Excluding capital gains		584,065			585,317	
		<u>584,065</u>			<u>589,322</u>	
Interim cash distribution		-			-	
Undistributed income carried forward		<u>652,302</u>			<u>644,235</u>	
Undistributed income carried forward						
- Realised Income		649,971			628,382	
- Unrealised Income		2,331			15,853	
		<u>652,302</u>			<u>644,235</u>	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the period		<u>10.0493</u>			<u>10.0403</u>	
Net assets value per unit at end of the period		<u>10.6477</u>			<u>10.5266</u>	

The annexed notes 1 to 14 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 NINE MONTHS PERIOD ENDED MARCH 31, 2022

	Nine Months Period Ended	
	March 31, 2022	March 31, 2021
	(Rupees in '000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	767,380	901,211
<b>Adjustments for:</b>		
(Reversal of) / provision against Sindh Workers' Welfare Fund - net	(66,854)	18,392
Unrealised (appreciation) on re-measurement of investments at fair value through profit or loss - net	(2,331)	(15,853)
Amortisation of preliminary expenses and floatation costs	151	151
	<b>698,346</b>	<b>903,901</b>
<b>Decrease in assets</b>		
Investments	2,290,296	1,577,782
Profit receivable	(57,392)	8,219
Deposits, prepayments and other receivables	97	83
	<b>2,233,001</b>	<b>1,586,084</b>
<b>(Decrease) in liabilities</b>		
Payable to NBP Fund Management Limited - Management Company	(4,546)	(17,384)
Payable to Central Depository Company of Pakistan Limited - Trustee	(305)	(351)
Payable to Securities and Exchange Commission of Pakistan	(1,719)	(926)
Payable against purchase of investments	(236,109)	-
Accrued expenses and other liabilities	(123,115)	(197,459)
	<b>(365,794)</b>	<b>(216,120)</b>
<b>Net cash generated from operating activities</b>	<b>2,565,553</b>	<b>2,273,865</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net receipts from issue of units	8,625,831	22,135,638
Net payments on redemption of units	(12,256,433)	(26,672,821)
Distribution paid	-	-
<b>Net cash (used in) financing activities</b>	<b>(3,630,602)</b>	<b>(4,537,183)</b>
<b>Net (decrease) in cash and cash equivalents during the period</b>	<b>(1,065,049)</b>	<b>(2,263,318)</b>
Cash and cash equivalents at the beginning of the period	7,268,163	8,080,669
<b>Cash and cash equivalents at the end of the period</b>	<b>6,203,114</b>	<b>5,817,351</b>

The annexed notes 1 to 14 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 NINE MONTHS PERIOD ENDED MARCH 31, 2022**

### **1 LEGAL STATUS AND NATURE OF BUSINESS**

NBP Islamic Mahana Amdani Fund (the Fund) is an open end mutual fund constituted under a Trust Deed between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on August 07, 2018.

During the year ended June 30, 2021 the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on October 26, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 through a certificate of registration issued by the Securities and Exchange Commission of Pakistan (SECP). The registered office of the Management Company is situated at 7th Floor, Clifton Diamond Building, Block 4, Scheme No. 5, Clifton, Karachi. The Management Company is a member of Mutual Funds Association of Pakistan (MUFAP).

The Fund has been categorised as an open ended 'Shariah compliant income scheme' by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by the Securities and Exchange Commission of Pakistan and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription under pre - IPO at a par value of Rs.10 per unit. Thereafter, the units are being offered for public subscription on a continuous basis since October 07, 2018 and are transferable and redeemable by surrendering them to the Fund.

The objective of the Fund is to earn a reasonable rate of return along with a high degree of liquidity by investing in short-term Shariah compliant money market and debt securities.

The Pakistan Credit Rating Agency (PACRA) has determined the asset manager rating of the Management Company of AM1 (2021: AM1) on June 23, 2021. The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes. Furthermore, PACRA has maintained the stability rating of the Fund to A(f) (2021: A(f) on October 16, 2020) on October 18, 2021.

The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan as the Trustee of the Fund.

### **2 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, 2021.

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, 2022.

These condensed interim 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, 2021.

3.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2021. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2021.

		March 31, 2022	June 30, 2021
4	<b>BANK BALANCES</b>	Note	Rupees in '000
	Balances with banks		
	Savings accounts	4.1	6,154,909
	Current accounts		48,205
			<u>6,203,114</u>

4.1 These include a balance of Rs 28.492 million (June 30, 2021: Rs 26.867 million) maintained with BankIslami Pakistan Limited (a related party) and balances of Rs 3.099 million (June 30, 2021: Rs 3.236 million) with National Bank of Pakistan Limited (a related party) that carry profit at the rate of 10.25% (June 30, 2021: 6.8%) per annum and 7.25% (June 30, 2021: 4.50%) per annum respectively. Other savings accounts of the Fund carry profit rates ranging from 5.5% to 11.25% per annum (June 30, 2021: 4.50% to 7.4%) per annum.

		(Un-Audited) March 31, 2022	(Audited) June 30, 2021
5	<b>INVESTMENTS</b>	Note	Rupees in '000
	<b>At fair value through profit or loss</b>		
	GoP Ijarah sukuk certificates	5.1	1,378,340
	Corporate sukuk certificates	5.2	3,389,275
	Islamic commercial papers	5.3	1,361,871
	Term deposit receipts		-
	Certificates of musharakah	5.4	1,095,398
			<u>7,224,884</u>





## 5.1 GoP Ijarah sukuk certificates

Name of the security	Maturity date	Profit rate	As at July 01, 2021	Purchased during the period	Sales / redemptions during the period	As at March 31, 2022	Carrying value as at March 31, 2022	Market value as at March 31, 2022	Market value as a percentage of total investments	Market value as a percentage of net assets
			Number of certificates				(Rupees in '000)		Percentage	
GOP Ijarah sukuk XX										
(Face value of Rs 100,000 per certificate)	April 30, 2025	Weighted average 6 months T-Bills	8,655	31,310	33,965	6,000	577,140	577,140	7.99	4.76
GOP Ijarah sukuk XXI										
(Face value of Rs 100,000 per certificate)	May 29, 2025	Weighted average 6 months T-Bills	8,000	16,000	16,000	8,000	801,200	801,200	11.09	6.61
Total as at March 31, 2022							1,378,340	1,378,340		

## 5.2 Corporate sukuk certificates

Name of the security	Maturity date	Profit rate	As at July 01, 2021	Purchased during the period	Sales / redemptions during the period	As at March 31, 2022	Carrying value as at March 31, 2022	Market value as at March 31, 2022	Market value as a percentage of total investments	Market value as a percentage of net assets
			Number of certificates				(Rupees in '000)		Percentage	
Commercial banks										
Meezan Bank Limited Sukuk	December 16, 2031	6 months KIBOR plus base rate of 0.35%	-	170	-	170	172,975	175,950	2.44	1.45
POWER GENERATION AND DISTRIBUTION										
Hub Power Holdings Limited	November 12, 2025	6 months KIBOR plus base rate of 2.5%	5,700	-	-	5,700	541,213	541,213	7.49	4.46
The Hub Power Company Limited	March 19, 2024	1 year KIBOR plus base rate of 1.90%	6,500	-	-	6,500	665,600	666,250	9.22	5.50
K-Electric Limited STS I	August 04, 2022	6 months KIBOR plus base rate of 0.85%	-	225	-	225	225,000	225,000	3.11	1.86
K-Electric Limited STS II	August 15, 2022	6 months KIBOR plus base rate of 0.85%	-	200	-	200	200,000	200,000	2.77	1.65
K-Electric Limited	August 3, 2027	3 months KIBOR plus base rate of 1.7%	83,300	-	-	83,300	422,956	425,330	5.89	3.51
Pakistan Energy Sukuk-II	May 21, 2030	6 months KIBOR minus base rate of 0.10%	230,000	-	-	230,000	1,159,200	1,155,532	15.99	9.53
Total as at March 31, 2022							3,386,944	3,389,275		



## 5.3 Islamic commercial papers

Name of Investee Company	Issue date	Tenor	As at July 01, 2021	Purchased during the period	Sales / Matured during the period	As at March 31, 2022	Carrying value as at March 31, 2022	Market value as at March 31, 2022	Market value as a percentage of total investments	Market value as a percentage of net assets
			Face value (Rupees in '000)				(Rupees in '000)	Percentage		
Power generation and distribution										
K-Electric Limited	6-Oct-21	6 months	-	300,000	-	300,000	299,659	299,659	4.15	2.47
Lucky Electric Power Company Limited	9-Nov-21	6 months	-	730,000	-	730,000	723,022	723,022	10.01	5.96
Lucky Electric Power Company Limited	12-Jan-22	6 months	-	200,000	-	200,000	193,189	193,189	2.67	1.59
ENGINEERING										
Mughal Iron & Steel Industries Limited	26-Jan-21	1 Year	-	150,000	-	150,000	146,001	146,001	2.02	1.20
Total as at March 31, 2022							1,361,871	1,361,871		

## 5.4 Certificates of musharakah

Name of the security	Issue date	Profit rate (%) / Tenor	As at July 01, 2021	Purchased during the period	Matured during the period	As at March 31, 2022	Carrying value as at March 31, 2022	Market value as at March 31, 2022	Market value as a percentage of total investments	Market value as a percentage of net assets
						Rupees in '000		Percentage		
First Habib Modarba	28-Oct-21	10.2 6 months	-	575,104	-	575,104	575,104	575,104	7.96	4.74
First Habib Modarba	26-Jan-22	10.75 3 months	-	520,294	-	520,294	520,294	520,294	7.20	4.29
<b>Total as at March 31, 2022</b>							<b>1,095,398</b>	<b>1,095,398</b>		

## 6 SINDH WORKERS' WELFARE FUND (SWWF)

During the current period, SRB through its letter dated August 12, 2021 intimated MUFAP that the mutual funds do not qualify as financial institutions / industrial establishments and are therefore, not liable to pay SWWF contributions. This development was discussed at MUFAP level and was also taken up with the SECP and all the Asset Management Companies, in consultation with the SECP, have reversed the cumulative provision of SWWF amounting to Rs. 69.05 million recognised in these condensed interim financial statements of the Fund, for the period from October 7, 2018 to August 12, 2021, on August 13, 2021. The SECP also gave its concurrence for prospective reversal of provision for SWWF. Going forward, no provision for SWWF has been recognised in these condensed interim financial statements of the Fund.

## 7 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2022 and June 30, 2021.



## **8 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 0.95% per annum of the net assets of the Fund.

## **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 unitholders. 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, 2022 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.

In assessment for Tax Year 2019 & 2020 in respect of NBP Islamic Mahana Amdani Fund, Additional Commissioner – Audit (AC), issued orders challenging the admissibility of reimbursement of expenses and exemption status of few investors. However, Management believes that such reimbursements and status of exemption of investors are admissible and legitimate hence, no provision for taxation is required to be made in these condensed financial statements.

The fund has filed an appeal to Commissioner Inland Revenue Appeals (CIRA) and expect a positive outcome.

## **10 TOTAL EXPENSE RATIO**

The Total Expense Ratio (TER) of the Fund as at March 31, 2022 is 1.33% (March 31, 2021 : 1.31%) which includes 0.06% (March 31, 2021 : 0.18%) representing government levies on the Fund such as sales taxes, federal excise duties, 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 'Shari'ah compliant income scheme'.

## **11 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES**

- 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, other collective investment schemes managed by the Management Company, entities having common directorship with the Management Company, retirement funds of group companies, directors and officers of the Management Company and any person or company which beneficially owns directly or indirectly 10% or more of the units in issue / net assets of the Fund.
- 11.2** Transactions with connected persons are executed on an arm's length basis and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.



- 11.3 Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 11.4 Remuneration to the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 11.5 Details of transactions with related parties / connected persons during the period are as follows:

(Un-Audited)

Nine Months Period Ended

	March 31, 2022	March 31, 2021
	Rupees in '000	
<b>NBP Fund Management Limited - Management Company</b>		
Remuneration of the Management Company	20,641	29,325
Sindh Sales Tax on remuneration of the Management Company	2,683	3,812
Sales and transfer load including Sindh sales tax	19,200	30,006
Reimbursement of allocated expenses	12,469	16,214
Reimbursement of selling and marketing expenses	83,348	100,185
Amortisation of preliminary expenses and floatation costs	151	151
ADC charges including Sindh sales tax	2,194	1,135
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration	7,481	10,734
Sindh sales tax on remuneration of Trustee	973	1,395
Settlement charges	102	99
<b>Employees of NBP Fund Management Limited</b>		
Units issued during the period - 14,175,385 (2021: 27,754,380)	146,867	285,219
Units redeemed during the period - 14,658,904 (2021: 28,331,388)	151,628	291,048
<b>Dr Amjad Waheed - Chief Executive Officer of the Management Company</b>		
Units issued during the period - Nil (2021: 520)	-	5
<b>Khalid Mehmood - Chief Financial Officer</b>		
Units issued during the period - 274,470 (2021: 186,305)	2,800	1,900
Units redeemed during the period - 212,648 (2021: 187,633)	2,184	1,952
<b>Muhammad Murtaza Ali - Chief Operating Officer and Company Secretary</b>		
Units issued - 109,004 (2021: 145)	1,136	1
Units redeemed - 208,668 (2021: 54,917)	2,176	558
<b>Portfolio managed by the Management Company</b>		
Units issued during the period - 2,215 (2021: 8,939,937)	22	91,190
Units redeemed during the period - 19,574,573 (2021: 27,726,977)	205,125	283,247
<b>National Bank of Pakistan</b>		
Profit on bank deposits	79	310
Purchase of GoP Ijarah Sukuks	-	1,284,542
<b>NBP Income Opportunity Fund</b>		
Purchase of sukuk certificates	88,362	-
<b>NBP Riba Free Savings Fund</b>		
Purchase of sukuk certificates	-	1,125,418



(Un-Audited)  
Nine Months Period Ended

	March 31, 2022	March 31, 2021
	Rupees in '000	
<b>NBP Active Allocation Riba Free Savings Fund</b>		
Purchase of Islamic commercial paper	-	6,936
<b>NBP Islamic Money Market Fund</b>		
Purchase of Islamic commercial paper	-	342,518
<b>The Hub Power Company Limited - common directorship **</b>		
Purchase of sukuk certificates	-	707,421
Profit on sukuk certificates	-	81,138
<b>Hub Power Holding Limited - common directorship **</b>		
Purchase of sukuk certificates	-	470,013
Profit on sukuk certificates	-	23,567
<b>Pakistan Stock Exchange Limited **</b>		
Listing fee paid	-	25
<b>BankIslami Pakistan Limited - common directorship</b>		
Profit on bank deposits	8,044	22,435
Profit on term deposit receipts	14,530	83,894
Placement of term deposit receipts	1,703,062	14,671,500
Purchase of GoP Ijarah Sukuks	-	1,293,776
Sale of GoP Ijarah Sukuks	262,095	1,801,346

\*Nil due to rounding off

\*\*Current Period figure has not been presented as the person is not classified as a related party / connected person of the Fund as at March 31, 2022.

## 11.6 Amounts / balances outstanding as at period end:

	(Un- Audited) March 31, 2022	Audited June 30, 2021
	Rupees in '000	
<b>NBP Fund Management Limited - the Management Company</b>		
Remuneration payable to the Management Company	2,143	2,803
Sindh Sales Tax payable on remuneration of the Management Company	279	364
Reimbursement of allocated expenses payable	3,877	5,321
Reimbursement of selling and marketing expenses payable	28,331	29,795
Sales load payable to management company	2,174	4,861
Payable against formation cost	-	-
Transfer load payable	25	33
Sindh Sales Tax payable on sales load and transfer load	294	644
ADC charges payable including Sindh sales tax	2,929	777
Other payable to the Management Company	80	80
<b>Employees of the Management Company</b>		
Units held 5,426,454 (June 30, 2021: 6,329,429) units	57,779	63,606



	(Un- Audited) March 31, 2022	Audited June 30, 2021
	Rupees in '000	
<b>Dr Amjad Waheed - The Chief Executive Officer of the Management Company</b>		
Units held 549 units (June 30, 2021: 549 units)	6	6
<b>Muhammad Murtaza Ali - The Chief Operating Officer and the Company Secretary</b>		
Units held 1,553 (June 30, 2021: 101,216) units	17	1,017
<b>Imran Zaffar - Director</b>		
Units held 2,112 (June 30, 2021: 2,112) units	22	21
<b>Fauji Fertilizer Company Limited - common directorship</b>		
Units held 17 (June 30, 2021: 17) units*	-	-
<b>Khalid Mehmood - Chief Financial Officer</b>		
Units held 61,822 (June 30, 2021: Nil) units	658	-
<b>Portfolio managed by the Management Company</b>		
Units held 39,067 (June 30, 2021: 9,703,004) units	415	97,508
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Remuneration payable to the Trustee	781	1,051
Sindh sales tax on remuneration of the Trustee	102	137
Settlement charges payable	77	24
Security deposit	103	103
<b>The Hub Power Company Limited - common directorship**</b>		
Sukuk certificates	-	665,600
Profit receivable on sukuk certificates	-	18,761
<b>Hub Power Holdings Limited - common directorship**</b>		
Sukuk certificates	-	503,742
Profit receivable on sukuk certificates	-	211
<b>BankIslami Pakistan Limited - common directorship</b>		
Bank balances	28,492	26,867
Investment in term deposit receipts	-	700,000
Profit receivable on term deposit receipts	-	280
Profit receivable on bank balances	122	13,874
<b>National Bank of Pakistan - Parent of the Management Company</b>		
Bank balances	3,099	3,236
Profit receivable on bank balances	5	17

\*Nil due to rounding off

\*\*Current year figures have not been presented as the person is not classified as a related party / connected person of the Fund as at March 31, 2022.

## 12 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. Consequently, differences can arise between carrying values and the fair value estimates.



Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the reporting date. The estimated fair value of all other financial assets and financial liabilities is considered not to be significantly different from the respective book values.

## 12.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

## 13 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on April 27, 2022.

## 14 GENERAL

Figures have been rounded off to the nearest thousand rupees, unless otherwise specified.

For NBP Fund Management Limited  
(Management Company)

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

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

\_\_\_\_\_  
Director

## Head Office

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