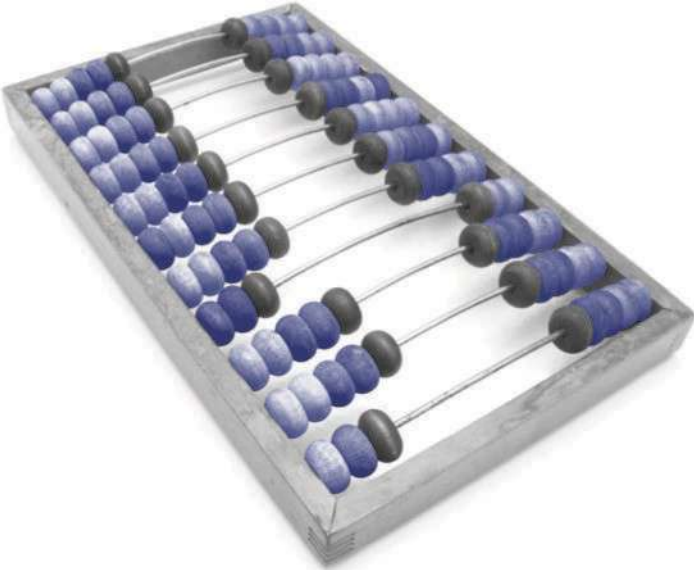


# Faysal Funds

## Income & Growth Fund

Condensed Interim Financial Statements for  
For The Half Year Ended December 31, 2022 (Un-audited)



## **CONTENTS**

Fund Information	02
Mission Statement	03
Trustee Report to the Unit Holders	04
Independent Auditor's Report to the Unit Holders	05
Condensed Interim Statement of Assets and Liabilities	06
Condensed Interim Income Statement	07
Condensed Interim Statement of Comprehensive Income	08
Condensed Interim Statement of Movement in Unit Holders' Fund	09
Condensed Interim Cash Flow Statement	10
Notes to the Condensed Interim Financial Statements	11

## Faysal Funds

### Faysal Income and Growth Fund

#### FUND INFORMATION

**Management Company**

Faysal Asset Management Limited

**Board of Directors of the Management Company**

Mr. Salman Ahmed Usmani, Chairman

Mr. Mian Salman Ali, Director

Syed Muhammad Fraz Zaidi, Director

Mr. Nadir Rahman, Director

Mr. Ali Waqar, Director

Ms. Samia Zuberi, Director

Mr. Khaldoon Bin Latif, Director/CEO

**Chief Executive Officer**

Mr. Khaldoon Bin Latif

**Chief Financial Officer**

Mr. Faisal Ali Khan

**Company Secretary of the Management Company**

Muhammad Umer Ilyas

**Audit Committee**

Mr. Nadir Rahman, Chairman

Mr. Mian Salman Ali, Member

Syed Fraz Muhammad Zaidi, Member

**HR Committee**

Ms. Samia Zuberi, Chairman

Mr. Nadir Rahman, Member

Syed Fraz Muhammad Zaidi, Member

**Risk Committee**

Mr. Mian Salman Ali, Chairman

Mr. Nadir Rahman, Member

Syed Fraz Muhammad Zaidi, Member

Mr. Ali Waqar, Member

**Trustee to the Fund**

Central Depository Company of Pakistan Limited

CDC House, 99B, Block B, SMCHS,

Main Sharah-e-Faisal, Karachi.

**Auditors**

A.F. Ferguson & Co. Chartered Accountants

**Legal Advisor**

Mohsin Tayebaly & Co.

2<sup>nd</sup> Floor, Dime Centre,

BC-4, Block-9, KDA-5,

Clifton, Karachi

**Registrar**

IT Minds Limited

Central Depository Company of Pakistan Limited

CDC House, 99B, Block-B, S.M.C.H.S.,

Main Shahra-e-Faisal, Karachi.

**Bankers to the Fund**

Faysal Bank Limited

JS bank Limited

Bank Alfalah Limited

Khushali Bank Limited

Soneri Bank Limited

UMicro Finance Bank Limited

Allied bank Limited

ZTBL bank Limited

HBL Micro Finance Bank Limited

## **MISSION AND VISION**

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

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

## **MISSION STATEMENT**

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

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office:**

CDC House, 99-B, Block 'B'  
S.M.C.H.S., Main Shakra-e-Faisal  
Karachi - 74400, Pakistan.

Tel : (92-21) 111-111-500

Fax: (92-21) 34326021 - 23

URL: [www.cdcpakistan.com](http://www.cdcpakistan.com)

Email: [info@cdcpak.com](mailto:info@cdcpak.com)



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**FAYSAL INCOME & GROWTH FUND**

**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 Faysal Income & Growth Fund (the Fund) are of the opinion that Faysal Asset 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, 2022 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 22, 2023



**REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS**

**Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Faysal Income & Growth Fund** (the Fund) as at December 31, 2022 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the half year ended December 31, 2022. The Management Company (Faysal Asset Management Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with 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. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2022 and December 31, 2021 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2022.

**Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of 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.

A.F. Ferguson & Co.  
Chartered Accountants  
Engagement Partner: **Shahbaz Akbar**  
Dated: February 28, 2023  
Karachi  
UDIN: RR202210068q3K5jpoA1

**FAYSAL INCOME & GROWTH FUND  
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT DECEMBER 31, 2022**

		<b>December 31, 2022 (Un-audited)</b>	<b>June 30, 2022 (Audited)</b>
	<b>Note</b>	----- (Rupees) -----	-----
<b>Assets</b>			
Balances with banks	4	7,112,424,645	4,445,590,680
Investments	5	887,091,494	341,347,985
Deposits, profit and other receivables		266,491,802	53,829,919
<b>Total assets</b>		<b>8,266,007,941</b>	<b>4,840,768,584</b>
<b>Liabilities</b>			
Payable to Faysal Asset Management Limited - Management Company	6	8,545,771	2,810,046
Payable to Central Depository Company of Pakistan Limited - Trustee	7	580,449	338,634
Payable to the Securities and Exchange Commission of Pakistan	8	624,724	644,552
Payable against redemption of units		780	780
Accrued expenses and other liabilities	9	8,820,547	5,607,567
<b>Total liabilities</b>		<b>18,572,271</b>	<b>9,401,579</b>
<b>Net assets</b>		<b>8,247,435,670</b>	<b>4,831,367,005</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>8,247,435,670</b>	<b>4,831,367,005</b>
<b>Contingencies and commitments</b>	10		
		----- (Number of units) -----	
<b>Number of units in issue</b>		<b>71,199,397</b>	<b>45,118,467</b>
		----- (Rupees) -----	
<b>Net asset value per unit</b>		<b>115.84</b>	<b>107.08</b>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

**For Faysal Asset Management Limited  
(Management Company)**

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

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

\_\_\_\_\_  
Director

**FAYSAL INCOME & GROWTH FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2022**

	Note	Half year ended December 31,		Quarter ended December 31,	
		2022	2021	2022	2021
<b>(Rupees)</b>					
<b>Income</b>					
Profit on savings accounts with banks		467,687,280	63,618,014	266,983,554	52,560,037
Interest on Pakistan Investment Bonds		-	3,333,113	-	-
Interest on term finance certificates		29,755,298	7,488,930	15,401,428	3,332,782
Profit on commercial papers		617,257	5,243,890	617,257	2,621,369
Profit on sukuk certificates		16,355,479	-	16,355,479	-
Realised gain / (loss) on sale of investments - net		2,036,301	(1,388,053)	2,036,301	(178)
Unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.4	(534,670)	6,834,703	(516,861)	5,544,448
<b>Total income</b>		<b>515,916,945</b>	<b>85,130,597</b>	<b>300,877,158</b>	<b>64,058,458</b>
<b>Expenses</b>					
Remuneration of Faysal Asset Management Limited -					
Management Company	6.1	12,199,611	6,962,130	7,357,092	3,180,333
Sindh Sales Tax on remuneration of the Management Company	6.2	1,585,949	905,077	956,417	413,444
Selling and marketing expenses	6.3	5,987,295	1,310,409	4,579,724	680,110
Remuneration of Central Depository Company of Pakistan Limited - Trustee	7.1	2,344,101	603,963	1,335,238	414,874
Sindh Sales Tax on remuneration of the Trustee	7.2	304,733	78,515	172,901	53,304
Annual fee to the Securities and Exchange Commission of Pakistan	8.1	624,724	161,057	355,694	110,634
Auditors' remuneration		372,048	372,232	186,024	166,152
Transaction charges		284,187	244,047	284,187	135,375
Bank charges		2,298	7,708	2,185	6,628
Legal and professional charges		79,120	105,436	39,560	(33,300)
Fees and subscription		188,416	180,688	94,208	100,670
Printing charges		17,112	19,125	8,556	12,869
<b>Total expenses</b>		<b>23,989,594</b>	<b>10,950,387</b>	<b>15,371,786</b>	<b>5,241,093</b>
<b>Net income from operating activities</b>		<b>491,927,351</b>	<b>74,180,210</b>	<b>285,505,372</b>	<b>58,817,365</b>
Reversal of provision for Sindh Workers' Welfare Fund		-	6,757,093	-	-
<b>Net income for the period before taxation</b>		<b>491,927,351</b>	<b>80,937,303</b>	<b>285,505,372</b>	<b>58,817,365</b>
Taxation	12	-	-	-	-
<b>Net income for the period after taxation</b>		<b>491,927,351</b>	<b>80,937,303</b>	<b>285,505,372</b>	<b>58,817,365</b>
<b>Earnings per unit</b>	13				
<b>Allocation of net income for the period</b>					
Net income for the period after taxation		491,927,351	80,937,303		
Income already paid on units redeemed		(13,847,317)	(12,332,097)		
		<u>478,080,034</u>	<u>68,605,206</u>		
<b>Accounting income available for distribution</b>					
- Relating to capital gains		1,501,631	5,446,650		
- Excluding capital gains		476,578,403	63,158,556		
		<u>478,080,034</u>	<u>68,605,206</u>		

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

**For Faysal Asset Management Limited**  
**(Management Company)**

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

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

\_\_\_\_\_  
**Director**



**FAYSAL INCOME & GROWTH FUND  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2022**

	<u>Half year ended December 31,</u>		<u>Quarter ended December 31,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Net income for the period after taxation</b>	491,927,351	80,937,303	285,505,372	58,817,365
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>491,927,351</u>	<u>80,937,303</u>	<u>285,505,372</u>	<u>58,817,365</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

**For Faysal Asset Management Limited  
(Management Company)**

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

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

\_\_\_\_\_  
**Director**

**FAYSAL INCOME & GROWTH FUND  
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	Half year ended December 31, 2022			Half year ended December 31, 2021		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	----- (Rupees) -----			----- (Rupees) -----		
<b>Net assets at the beginning of the period (audited)</b>	4,775,983,037	55,383,968	4,831,367,005	1,057,551,831	43,172,392	1,100,724,223
Issuance of 30,687,992 units (2021: 47,065,415 units)						
- Capital value (at net asset value per unit at the beginning of the period)	3,286,070,202	-	3,286,070,202	5,027,056,976	-	5,027,056,976
- Element of income	149,163,305	-	149,163,305	165,224,557	-	165,224,557
Total proceeds on issuance of units	3,435,233,507	-	3,435,233,507	5,192,281,533	-	5,192,281,533
Redemption of 4,607,062 units (2021: 14,453,566 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(493,324,212)	-	(493,324,212)	(1,543,785,384)	-	(1,543,785,384)
- Element of loss	(3,920,664)	(13,847,317)	(17,767,981)	(14,217,381)	(12,332,097)	(26,549,478)
Total payments on redemption of units	(497,244,876)	(13,847,317)	(511,092,193)	(1,558,002,765)	(12,332,097)	(1,570,334,862)
Total comprehensive income for the period	-	491,927,351	491,927,351	-	80,937,303	80,937,303
<b>Net assets at the end of the period (un-audited)</b>	<b>7,713,971,668</b>	<b>533,464,002</b>	<b>8,247,435,670</b>	<b>4,691,830,599</b>	<b>111,777,598</b>	<b>4,803,608,197</b>
<b>Undistributed income brought forward</b>						
- Realised income		55,675,392			36,749,609	
- Unrealised (loss) / income		(291,424)			6,422,783	
		55,383,968			43,172,392	
<b>Accounting income available for distribution</b>						
- Relating to capital gains	1,501,631			5,446,650		
- Excluding capital gains	476,578,403			63,158,556		
	478,080,034			68,605,206		
Undistributed income carried forward		533,464,002			111,777,598	
<b>Undistributed income carried forward</b>						
- Realised income		533,998,672			104,942,895	
- Unrealised (loss) / income		(534,670)			6,834,703	
		533,464,002			111,777,598	
			<b>(Rupees)</b>			<b>(Rupees)</b>
Net asset value per unit at the beginning of the period			107.08			106.81
Net asset value per unit at the end of the period			115.84			111.93

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

**For Faysal Asset Management Limited  
(Management Company)**

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

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

\_\_\_\_\_  
Director

**FAYSAL INCOME & GROWTH FUND  
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	<u>Half year ended December 31,</u>	
	2022	2021
Note	----- (Rupees) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	491,927,351	80,937,303
<b>Adjustments for:</b>		
Unrealised diminution / (appreciation) on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	5.4 534,670	(6,834,703)
Reversal of provision for Sindh Workers' Welfare Fund	-	(6,757,093)
	<u>492,462,021</u>	<u>67,345,507</u>
<b>(Increase) / decrease in assets</b>		
Investments	(546,278,179)	54,456,601
Deposits, profit and other receivables	(212,661,883)	63,915,013
	(758,940,062)	118,371,614
<b>Increase / (decrease) in liabilities</b>		
Payable to Faysal Asset Management Limited - Management Company	5,735,725	(1,323,456)
Payable to Central Depository Company of Pakistan Limited - Trustee	241,815	242,095
Payable to the Securities and Exchange Commission of Pakistan	(19,828)	(14,365)
Accrued expenses and other liabilities	3,212,980	(1,463,106)
	9,170,692	(2,558,832)
<b>Net cash (used in) / generated from operating activities</b>	<u>(257,307,350)</u>	<u>183,158,289</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance of units	3,435,233,507	5,192,281,533
Payments made against redemption of units	(511,092,193)	(1,570,337,643)
Dividend paid	-	(16,920,317)
<b>Net cash generated from financing activities</b>	<u>2,924,141,314</u>	<u>3,605,023,573</u>
<b>Net increase in cash and cash equivalents during the period</b>	<u>2,666,833,965</u>	<u>3,788,181,862</u>
Cash and cash equivalents at the beginning of the period	4,445,590,680	678,505,956
<b>Cash and cash equivalents at the end of the period</b>	4 <u><u>7,112,424,645</u></u>	<u><u>4,466,687,818</u></u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

**For Faysal Asset Management Limited  
(Management Company)**

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

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

\_\_\_\_\_  
Director

**FAYSAL INCOME & GROWTH FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

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

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). The Fund was required to be registered under the Sindh Trust Act. Accordingly, on April 13, 2022 the above-mentioned Trust Deed had been registered under the Sindh Trust Act.

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

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

**1.4** The objective of the Fund is to provide superior long-term risk adjusted returns by investing in a diverse pool of fixed income securities, including money market instruments. In particular, the aim is to minimize interest rate risk through duration management and default risk portfolio diversification. The investment objective and policies are more fully explained in Fund's Offering Document.

**1.5** The Management Company has been assigned a quality rating of 'AM2++' by VIS Credit Rating Company Limited dated December 30, 2022 (2021: 'AM2+' dated December 31, 2021). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes. Further, Pakistan Credit Rating Agency Limited has assigned a rating of 'A(f)' to the Fund dated October 14, 2022 (June 30, 2022: 'A(f)' dated April 18, 2022).

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

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting' issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

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

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the IAS 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2022.

- 2.2 In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at and for the half year ended December 31, 2022.

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

- 3.1 The accounting policies adopted and all 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, 2022.

- 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, 2022. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund as at and for the year ended June 30, 2022.

#### 3.3 Standards, interpretations and amendments to the published accounting and reporting standards that are effective in the current period

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2022. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

#### 3.4 Standards, interpretations and amendments to the published accounting and reporting standards that are not yet effective

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2023. However, these are not expected to have any significant impact on the Fund's operations and, therefore, have been not detailed in these condensed interim financial statements.

	Note	December 31, 2022 (Un-audited) ----- (Rupees) -----	June 30, 2022 (Audited) -----
<b>4</b>			
<b>BALANCES WITH BANKS</b>			
Balances with banks in savings accounts	4.1	<u>7,112,424,645</u>	<u>4,445,590,680</u>
4.1			
These include a balance of Rs. 4.138 million (June 30, 2022: Rs. 7.132 million) maintained with Faysal Bank Limited (a related party) that carries profit at 11.00% (June 30, 2022: 7.00%) per annum. Other savings accounts of the Fund carry profit rates ranging from 10.00% to 17.45% (June 30, 2022: 5.50% to 16.50%) per annum.			
	Note	December 31, 2022 (Un-audited) ----- (Rupees) -----	June 30, 2022 (Audited) -----
<b>5</b>			
<b>INVESTMENTS</b>			
<b>Financial assets 'at fair value through profit or loss'</b>			
Term finance certificates	5.1	340,795,037	341,347,985
Commercial papers	5.2	46,296,457	-
Sukuk certificates	5.3	500,000,000	-
		<u>887,091,494</u>	<u>341,347,985</u>

## 5.1 Term finance certificates

Name of the security	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2022	Purchases during the period	Sales during the period	As at December 31, 2022	Carrying value as at December 31, 2022	Market value as at December 31, 2022	Unrealised appreciation / (diminution) as at December 31, 2022	Percentage in relation to	
				Number of certificates			Rupees			%		
<b>COMMERCIAL BANKS</b>												
JS Bank Limited (A+, PACRA, non-traded) (Face value of 99,820 per certificate)	Semi-annually	December 29, 2024	6 months KIBOR plus base rate of 1.40%	250	-	-	250	25,074,755	24,913,798	(160,957)	0.30%	2.81%
The Bank of Punjab (AA, PACRA, traded) (Face value of 99,760 per certificate)	Semi-annually	December 23, 2026	6 months KIBOR plus base rate of 1.00%	660	-	-	660	66,104,952	65,841,589	(263,363)	0.80%	7.42%
<b>MICROFINANCE BANKS</b>												
Khushhali Microfinance Bank Limited (A, VIS, non-traded) (Face value of 100,000 per certificate)	Semi-annually	March 19, 2026	6 months KIBOR plus base rate of 2.05%	500	-	-	500	50,150,000	50,039,650	(110,350)	0.61%	5.64%
<b>TECHNOLOGY &amp; COMMUNICATION</b>												
TPL Corp Limited (AA-, PACRA, non-traded) (Face value of 100,000 per certificate)	Quarterly	June 28, 2027	3 months KIBOR plus base rate of 2.50%	2,000	-	-	2,000	200,000,000	200,000,000	-	2.42%	22.55%
<b>Total as at December 31, 2022</b>								<u>341,329,707</u>	<u>340,795,037</u>	<u>(534,670)</u>	<u>4.13%</u>	<u>38.42%</u>
<b>Total as at June 30, 2022</b>								<u>341,639,409</u>	<u>341,347,985</u>	<u>(291,424)</u>	<u>7.07%</u>	<u>100.00%</u>

## 5.2 Commercial papers

Name of the security	Maturity date	Profit rate	As at July 01, 2022	Purchased during the period	Matured / redeemed during the period	As at December 31, 2022	Carrying value as at December 31, 2022	Market value as at December 31, 2022	Unrealised appreciation / (diminution) as at December 31, 2022	Percentage in relation to	
		(%)	Face value (Rupees)			Rupees			%		
Loads Limited ICP-1 (A-1, PACRA)	June 06, 2023	18.97%	-	50	-	50	46,296,457	46,296,457	-	0.56%	5.22%
<b>Total as at December 31, 2022</b>							<u>46,296,457</u>	<u>46,296,457</u>	<u>-</u>	<u>0.56%</u>	<u>5.22%</u>
<b>Total as at June 30, 2022</b>							<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

## 5.3 Sukuk certificates

Name of the security	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2022	Purchases during the period	Sales during the period	As at December 31, 2022	Carrying value as at December 31, 2022	Market value as at December 31, 2022	Unrealised appreciation / (diminution) as at December 31, 2022	Percentage in relation to	
				Number of certificates			Rupees			%		
<b>TECHNOLOGY &amp; COMMUNICATION</b>												
K- Electric Limited PPSTS-11 (A-1+, PACRA) (Face value of Rs 1,000,000 per certificate)	Semi-annually	April 26, 2023	6 months KIBOR plus base rate of 1.45%	-	500	-	500	500,000,000	500,000,000	-	6.06%	56.36%
<b>Total as at December 31, 2022</b>								<u>500,000,000</u>	<u>500,000,000</u>	<u>-</u>	<u>6.06%</u>	<u>56.36%</u>
<b>Total as at June 30, 2022</b>								<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

	Note	December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
		----- (Rupees) -----	
<b>5.4 Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net</b>			
Market value of investments	5.1, 5.2 & 5.3	887,091,494	341,347,985
Less: carrying value of investments	5.1, 5.2 & 5.3	<u>(887,626,164)</u>	<u>(341,639,409)</u>
		<u>(534,670)</u>	<u>(291,424)</u>
<b>6 PAYABLE TO FAYSAL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY</b>			
Remuneration payable	6.1	3,409,321	1,434,210
Sindh Sales Tax payable on remuneration of the Management Company	6.2	443,212	186,448
Selling and marketing expenses payable	6.3	4,579,723	1,188,297
Sales load payable		<u>113,515</u>	<u>1,091</u>
		<u>8,545,771</u>	<u>2,810,046</u>

- 6.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the offering document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the following rates:

From July 1, 2022 to November 30, 2022	From December 31, 2022 to December 31, 2022
0.36% of the average annual net assets of the Fund	0.50% of the average annual net assets of the Fund

From July 1, 2021 to December 02, 2021	From December 03, 2021 to December 21, 2021	From December 22, 2021 to March 8, 2022	From March 9, 2022 to June 30, 2022
1.50% of the average annual net assets of the Fund	0.10% of the average annual net assets of the Fund	0.30% of the average annual net assets of the Fund	0.36% of the average annual net assets of the Fund

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

- 6.2 During the period, an amount of Rs. 1.586 million (December 31, 2021: Rs.0.905 million) was charged on account of sales tax on management fee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (June 30, 2022: 13%).
- 6.3 In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company, based on its own discretion, has charged selling and marketing expenses at the following rates:

From July 1, 2022 to September 26, 2022	From September 27, 2022 to November 30, 2022	From December 1, 2022 to December 31, 2022
0.1% of the average annual net assets of the Fund	0.2% of the average annual net assets of the Fund	0.35% of the average annual net assets of the Fund

From July 1, 2021 to December 2, 2021	From December 3, 2021 to December 21, 2021	From December 22, 2021 to June 30, 2022
0.25% of the average annual net assets of the Fund	0.05% of the average annual net assets of the Fund	0.10% of the average annual net assets of the Fund

	Note	December 31, 2022 (Unaudited)	June 30, 2022 (Audited)
		----- (Rupees) -----	
<b>7 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>			
Remuneration payable	7.1	513,672	298,794
Sindh Sales Tax payable on remuneration of the Trustee	7.2	<u>66,777</u>	<u>39,840</u>
		<u>580,449</u>	<u>338,634</u>

- 7.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provision of the Trust Deed at the rate of 0.075% (June 30, 2022: 0.075%) per annum of average annual net assets of the Fund. Accordingly the Fund has charged trustee fee at the above mentioned rate during the period.
- 7.2 During the period, an amount of Rs. 0.305 million (December 31, 2021: Rs. 0.079 million) was charged on account of sales tax on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011 at the rate of 13% (June 30, 2022: 13%).

	Note	December 31, 2022 (Unaudited)	June 30, 2022 (Audited)
		----- (Rupees) -----	----- (Rupees) -----
<b>8</b>	<b>PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>		
	Annual fee payable	8.1 <u>624,724</u>	<u>644,552</u>

- 8.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan at the rate of 0.02% (June 30, 2022: 0.02%) per annum of the daily net assets of the Fund.

	Note	December 31, 2022 (Un-audited)	June 30, 2022 (Audited)
		----- (Rupees) -----	----- (Rupees) -----
<b>9</b>	<b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
	Provision for Federal Excise Duty on remuneration of the Management Company	9.1 4,050,717	4,050,717
	Auditors' remuneration payable	491,321	664,913
	Legal and professional charges payable	498,083	418,963
	Fees and subscription payable	143,118	27,416
	Printing charges payable	222,149	219,112
	Zakat payable	35,211	35,211
	Withholding and capital gain tax payable	37,610	186,463
	Transaction charges payable	161,699	4,772
	Other liabilities	<u>3,180,639</u>	<u>-</u>
		<u>8,820,547</u>	<u>5,607,567</u>

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 4.051 million is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value of the Fund as at December 31, 2022 would have been higher by Re 0.057 (June 30, 2022: Re 0.090) per unit.



## 10 CONTINGENCIES AND COMMITMENTS

- 10.1 During the year ended June 30, 2021, Faysal Income & Growth Fund (FIGF) had received a show cause notice from the Additional Commissioner (Inland) Revenue (ACIR) in respect of tax year 2017 whereby the ACIR has raised objections on claiming of "Element of income / loss of capital gains (losses) including in prices of units issued less those in units redeemed - net" while arriving at the declared accounting income and has challenged the distribution of 90 percent of income and the Fund's eligibility for exemption from tax. During the current year, the ACIR has raised a tax demand of Rs 18.612 million from FIGF in respect of the tax year 2017. The Management Company had filed an appeal with the Commissioner (Inland) Revenue Appeals (CIRA) against the demand raised by ACIR and has also obtained stay against recovery of impugned tax demand. CIRA passed an order dated February 28, 2022 whereby CIRA remanded back the matter to the authorities for re-adjudication.

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

- 10.2 There were no other contingencies or commitments outstanding as at December 31, 2022 and June 30, 2022.

## 11 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at December 31, 2022 based on the current period results is 0.77% (December 31, 2021: 1.34%) which includes 0.09% (December 31, 2021: 0.14%) 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% prescribed under the NBFC Regulations for a collective investment scheme categorised as an 'Aggressive Fixed Income Scheme'.

## 12 TAXATION

The income of the Fund is exempt from tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90 percent of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2023 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements during the period.

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.

## 13 EARNINGS PER UNIT

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

## 14 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

- 14.1 Connected persons / related parties include Faysal Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes being managed by the Management Company, Faysal Asset Management Limited - Staff Provident Fund, Faysal Asset Management Limited - Staff Gratuity Fund, Faysal Bank Limited, Faysal Bank Limited - Staff Provident Fund, Faysal Bank Limited - Staff Gratuity Fund and other entities under common management and / or directorship and the directors and their close family members and officers of the Management Company and the Trustee, key management personnel, other associated undertakings and any person or company beneficially owning directly or indirectly 10% or more of the net assets of the Fund.
- 14.2 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.
- 14.3 Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations.

- 14.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.
- 14.5** Selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.
- 14.6** The details of transactions carried out by the Fund with connected persons during the period and balances with them as at period / year end are as follows:

<b>Transactions during the period</b>	<b>Half year ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Un-audited)</b>	
	<b>----- (Rupees) -----</b>	
<b>Faysal Asset Management Limited - Management Company</b>		
Remuneration of the Management Company	12,199,611	6,962,130
Sindh Sales Tax on remuneration of the Management Company	1,585,949	905,077
Selling and marketing expenses	5,987,295	1,310,409
Units issued: 83,567 units (December 31, 2021: 10,595,051 units)	9,236,621	1,149,104,252
Units redeemed: 83,567 units (December 31, 2021: 14,121,843 units)	9,260,020	1,534,000,000
<b>Faysal Bank Limited - Group Company</b>		
Profit on balance with bank	281,555	267,795
Bank charges	850	2,599
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee	2,344,101	603,963
Sindh Sales Tax on remuneration of the Trustee	304,733	78,515
Settlement charges	-	10,057
<b>Unit holders with more than 10% unit holding</b>		
Units issued: 26,860,706 units (December 31, 2021: 36,078,290 units)	3,000,000,000	4,000,000,000
Units redeemed: 2,608,118 units (December 31, 2021: Nil units)	288,362,415	-
<b>Amounts / balances outstanding as at period / year end</b>		
	<b>December 31,</b>	<b>June 30,</b>
	<b>2022</b>	<b>2022</b>
	<b>(Un-audited)</b>	<b>(Audited)</b>
	<b>----- (Rupees) -----</b>	
<b>Faysal Asset Management Limited - Management Company</b>		
Remuneration payable	3,409,321	1,434,210
Sindh Sales Tax payable on remuneration of the Management Company	443,212	186,448
Selling and marketing expenses payable	4,579,723	1,188,297
Sales load payable	113,515	1,091
<b>Faysal Bank Limited - Group Company</b>		
Balance with bank	4,138,195	7,131,568
Units in issue: 2,413,740 units (June 30, 2022: 2,413,740 units)	279,607,642	258,463,279
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	513,672	298,794
Sindh Sales Tax payable on remuneration of the Trustee	66,777	39,840
Security deposit	100,000	100,000
<b>Unit holders with more than 10% unit holding</b>		
Units in issue: 62,575,963 units (June 30, 2022: 38,323,375 units)	7,248,799,554	4,103,666,972

## **15 FAIR VALUE MEASUREMENT**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

Financial assets which are 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 liabilities is considered not to be significantly different from the respective book values.

### 15.1 Fair value hierarchy

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

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

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

As at December 31, 2022 and June 30, 2022, the Fund held the following financial instruments measured at fair value:

<b>(Un-audited)</b>			
<b>As at December 31, 2022</b>			
Level 1	Level 2	Level 3	Total
----- (Rupees) -----			
<b>Financial assets 'at fair value through profit or loss'</b>			
Term finance certificates	-	340,795,037	-
Commercial papers *	-	46,296,457	-
Sukuk certificates	-	500,000,000	-
	887,091,494		887,091,494
<b>(Audited)</b>			
<b>As at June 30, 2022</b>			
Level 1	Level 2	Level 3	Total
----- (Rupees) -----			
<b>Financial assets 'at fair value through profit or loss'</b>			
Term finance certificates	-	341,347,985	-
			341,347,985

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

### 16 GENERAL

16.1 Figures have been rounded off to the nearest rupee, unless otherwise stated.

### 17 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 20, 2023 by the Board of Directors of the Management Company.

**For Faysal Asset Management Limited  
(Management Company)**

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

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

\_\_\_\_\_  
Director

Head Office

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