

**NBP FUNDS**  
Managing Your Savings

اعتماد  
Aitemaad



Islamic Savings

اسلامک سیونگز

**NBP Fund Management Limited**



# NBP ISLAMIC SAVINGS FUND

**QUARTERLY** REPORT  
SEPTEMBER 30, 2023

**AM1**  
Rated by PACRA

# 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. Saad Amanullah Khan	Director
Mr. Ruhail Muhammad	Director

### Company Secretary & COO

Mr. Muhammad Murtaza Ali

### Chief Financial Officer

Mr. Khalid Mehmood

### Audit & Risk Committee

Mr. Ruhail Muhammad	Chairman
Ms. Mehnaz Salar	Member
Mr. Imran Zaffar	Member
Mr. Saad Amanullah Khan	Member

### Human Resource & Remuneration Committee

Mr. Khalid Mansoor	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
Mr. Ali Saigol	Member
Mr. Tauqeer Mazhar	Member

### Strategy & Business Planning Committee

Mr. Saad Amanullah Khan	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
Mr. Tauqeer Mazhar	Member
Mr. Ali Saigol	Member
Mr. Imran Zaffar	Member
Mr. Khalid Mansoor	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	JS Bank Limited
Allied Bank Limited	MCB Bank Limited
Bank Alfalah Limited	Meezan Bank Limited
Bank Al Habib Limited	National Bank of Pakistan
Bankislami Pakistan Limited	Silk Bank Limited
Dubai Islamic Bank Pakistan Limited	Soneri Bank Limited
Habib Bank Limited	United Bank Limited
Habib Metropolitan Bank Limited	Faysal Bank Limited

## **Auditors**

Grant Thornton Anjum Rahman.  
1st & 3rd Floor,  
Modern Motors House, Beaumont Road,  
Karachi, 75530

## **Legal Advisor**

Akhund Forbes  
D-21, Block, 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.nbpfunds.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.  
Phone: 051-2514987  
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 Condensed Interim financial statements of **NBP Islamic Savings Fund (NBP-ISF)** for the quarter ended September 30, 2023.

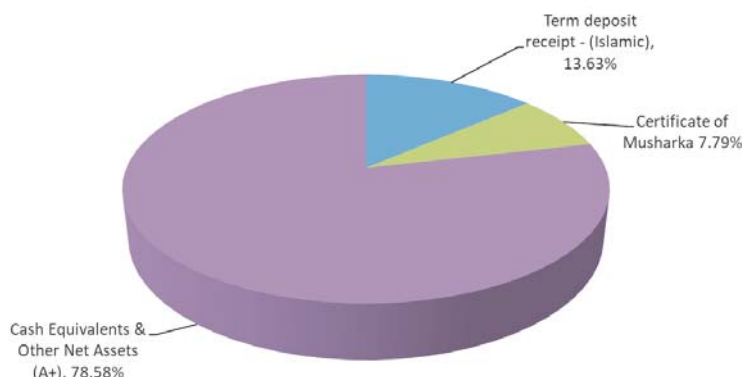
### Fund's Performance

During the quarter, two Monetary Policy Committee meetings were held and SBP maintained the policy rate at 22%. The stress on external accounts and PKR continued as fiscal discipline remained weak, though PKR depreciation was eventually brought under control with administrative measures. Inflation as measured by the CPI averaged at 29% for the quarter. With the recent surge in oil prices and expected hike in gas tariffs, the inflation is expected to remain elevated in the near term, though a decline is expected from next half as high base effect kicks in. The upcoming debt repayments and weak investment inflows will exert pressure on FX reserves. The net liquid foreign exchange reserves with SBP as at 28-Sep-23 stand at USD 7.62 billion (down by USD 543.8million compared to July 2023); this signifies grave challenges & risks to financial stability.

NBP-ISF is categorized as a Shariah Compliant Income Fund and has been awarded stability rating of 'AA- (f)' by PACRA.

The size of NBP Islamic Savings Fund has increased from Rs. 3,690 million to Rs. 4,220 million during the period (i.e., a growth of 14%). The unit price of the Fund has increased from Rs. 9.5870 on June 30, 2023 to Rs. 10.0138 on September 30, 2023, thus showing return of 17.7% p.a. as compared to its benchmark return of 7.6% p.a. for the same period. The performance of the Fund is net of management fee and other expenses.

The Fund has earned a total income of Rs. 200.74 million during the period. After deducting total expenses of Rs. 27.47 million, the net income is Rs. 173.27 million. The asset allocation of NBP-ISF as on September 30, 2023 is as follows:



### 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: October 30, 2023**  
**Place: Karachi.**

## ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 30 ستمبر 2023ء کو ختم ہونے والی سہ ماہی کے لئے NBP اسلامک سیونگز فنڈ (NBP-ISF) کے غیر جانچ شدہ کنٹریڈیبٹوری مالیاتی گوشوارے پیش کرتے ہیں۔

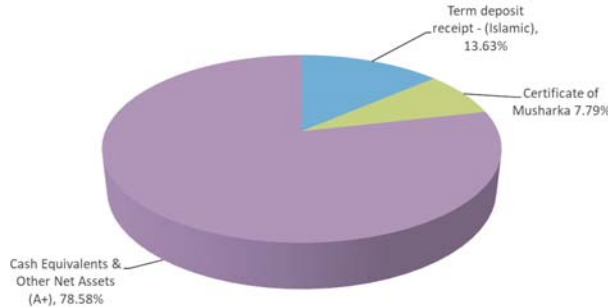
### فنڈ کی کارکردگی

سہ ماہی کے دوران، مانیٹری پالیسی کمیٹی کے دو اجلاس منعقد ہوئے اور اسٹیٹ بینک نے پالیسی شرح کو 22% پر برقرار رکھا۔ بیرونی کھاتوں اور پاکستانی روپیہ پر دباؤ جاری رہا کیونکہ مالی نظم و ضبط کمزور رہا، حالانکہ پاکستانی روپیہ کی قدر میں کمی کو بالآخر انتظامی اقدامات سے قابو میں لایا گیا۔ CPI کی طرف سے پیش کردہ مہنگائی اس سہ ماہی کے لئے اوسطاً 29% رہی۔ تیل کی قیمتوں میں حالیہ اضافہ اور گیس کے نرخوں میں متوقع اضافہ کے ساتھ، قریب مدت میں مہنگائی کے بلند رہنے کی توقع ہے، حالانکہ اگلی ششماہی سے کمی کی توقع ہے کیونکہ زیادہ بیس کا اثر شروع ہوگا۔ آئندہ قرضوں کی ادائیگی اور کم سرمایہ کاری بہاؤ FX ذخائر پر دباؤ ڈالیں گے۔ 28 ستمبر 23 کو SBP کے ہاں خالص لیویڈرز مبادلہ کے ذخائر 7.62 بلین امریکی ڈالر (جولائی 2023 کے مقابلے میں 543.8 بلین امریکی ڈالر کی کمی) ہیں۔ یہ مالیاتی استحکام کے لیے سنگین مشکلات اور خطرات کی نشاندہی کرتا ہے۔

NBP-ISF کی شریعہ کھلائیٹ اکم فنڈ کے طور پر درجہ بندی کی گئی ہے اور PACRA کی طرف سے 'AA-(f)' کی مستحکم ریٹنگ دی گئی ہے

NBP اسلامک سیونگز فنڈ کا ساٹھ ماہی مدت کے دوران 3,690 ملین روپے سے بڑھ کر 4,220 ملین روپے ہو گیا ہے (یعنی 14% کا اضافہ ہوا)۔ مدت کے دوران، فنڈ کی یونٹ قیمت 30 جون 2023 کو 9.5870 روپے سے بڑھ کر 30 ستمبر 2023 کو 10.0138 روپے تک پہنچ گئی ہے، لہذا اسی مدت کے دوران 7.6% سالانہ نیچ مارک منافع کے مقابلے میں 17.7% سالانہ منافع درج کروایا۔ فنڈ کی یہ کارکردگی مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ نے موجودہ مدت کے دوران 200.74 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 27.47 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 173.27 ملین روپے ہے۔ 30 ستمبر 2023 کو NBP-ISF کی ایسٹ ایلوکیشن درج ذیل ہے:



### اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ کمیٹی 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 مینجمنٹ لمیٹڈ**

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 30 اکتوبر 2023

مقام: کراچی

## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2023

	Un-Audited September 30, 2023	Audited June 30, 2023
Note	(Rupees in '000)	
<b>ASSETS</b>		
Bank balances	4 3,330,202	2,723,109
Investments	5 903,577	1,036,936
Profit accrued	63,848	68,975
Deposits, prepayments and other receivables	1,537	1,614
<b>Total assets</b>	<b>4,299,164</b>	<b>3,830,634</b>
<b>LIABILITIES</b>		
Payable to NBP Fund Management Limited - Management Company	37,462	18,923
Payable to Central Depository Company of Pakistan Limited - Trustee	288	271
Payable to the Securities and Exchange Commission of Pakistan	8 254	581
Payable against redemption of units	32,292	59,612
Accrued expenses and other liabilities	8,870	61,384
<b>Total liabilities</b>	<b>79,166</b>	<b>140,771</b>
<b>Net Assets</b>	<b>4,219,998</b>	<b>3,689,863</b>
<b>Unit Holders' Funds (as per statement attached)</b>	<b>4,219,998</b>	<b>3,689,863</b>
<b>Contingencies and commitments</b>	6	
	<b>Number of units</b>	
<b>Number of units in issue</b>	<b>421,419,397</b>	<b>384,883,483</b>
	<b>Rupees                      Rupees</b>	
<b>Net asset value per unit</b>	<b>10.0138</b>	<b>9.5870</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 QUARTER ENDED SEPTEMBER 30, 2023

	Quarter Ended September 30, 2023	Quarter Ended September 30, 2022
Note	(Rupees in '000)	
<b>INCOME</b>		
Income from sukuk, ijarah bonds and commercial paper	7,606	6,653
Income from term deposits receipts	30,644	-
Profit on bank deposits	144,319	52,419
Income from musharaka	18,174	11,353
<b>Total Income</b>	<b>200,743</b>	<b>70,425</b>
<b>EXPENSES</b>		
Remuneration of NBP Fund Management Limited	14,918	5,169
Sindh Sales Tax on remuneration of the Management Company	1,939	672
Reimbursement of operational expenses to the Management Company	1,495	602
Reimbursement of selling and marketing expenses - Management Company	7,057	4,092
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	747	361
Sindh Sales Tax on remuneration of the Trustee	97	47
Annual fee to the Securities and Exchange Commission of Pakistan	747	96
Settlement and bank charges	106	114
Annual listing fee	7	7
Auditors' remuneration	131	183
Printing charges	17	13
Fund rating fee	101	125
Shariah Advisor Fee	87	78
Legal and professional charges	29	100
<b>Total Expenses</b>	<b>27,478</b>	<b>11,659</b>
<b>Net income for the period before taxation</b>	<b>173,265</b>	<b>58,766</b>
Taxation	-	-
<b>Net income for the period after taxation</b>	<b>173,265</b>	<b>58,766</b>
Allocation of Net income for the period:		
Net income for the period after taxation	173,265	58,766
Income already paid on units redeemed	(16,036)	(4,266)
	<b>157,229</b>	<b>54,500</b>
Accounting income available for distribution:		
- Relating to Capital Gains	-	-
- Excluding Capital Gains	157,229	54,500
	<b>157,229</b>	<b>54,500</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 COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Quarter Ended September 30, 2023	Quarter Ended September 30, 2022
	(Rupees in '000)	
Net income for the period after taxation	173,265	58,766
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>173,265</b>	<b>58,766</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 QUARTER ENDED SEPTEMBER 30, 2023

	Quarter Ended September 30, 2023			Quarter Ended September 30, 2022		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
	(Rupees in '000)					
Net assets at the beginning of the period	3,612,292	77,571	3,689,863	1,781,395	64,098	1,845,493
Issuance of 196,184,593 units (2022: 51,585,991 units)						
- Capital Value	1,880,822	-	1,880,822	492,703	-	492,703
- Element of income	33,608	-	33,608	8,637	-	8,637
Total proceeds on issuance of units	1,914,430	-	1,914,430	501,340		501,340
Redemption of 159,648,678 units (2022: 36,097,141 units)						
- Capital Value	(1,530,552)	-	(1,530,552)	(344,767)	-	(344,767)
- Element of loss	(10,972)	(16,036)	(27,008)	(1,041)	(4,266)	(5,307)
Total payments on redemption of units	(1,557,560)	(16,036)	(1,557,560)	(345,808)	(4,266)	(350,074)
Total comprehensive income for the period	-	173,265	173,265	-	58,766	58,766
Net assets at the end of the period	3,969,162	234,800	4,219,998	1,936,927	118,598	2,055,525
<b>Accumulated income brought forward</b>						
- Realised income		77,571			64,098	
- Unrealised income		-			-	
		77,571			64,098	
Accounting income available for distribution for the period:						
- Relating to Capital Gains		-			-	
- Excluding Capital Gains		157,229			54,500	
		157,229			54,500	
Undistributed carried forward		234,800			118,598	
<b>Undistributed income comprising of :</b>						
- Realised income		234,800			118,598	
- Unrealised income		-			-	
		234,800			118,598	
Net Asset Value per unit at beginning of the period			9.5870			9.5511
Net Asset Value per unit at period end			10.0138			9.8486

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 QUARTER ENDED SEPTEMBER 30, 2023

	Quarter Ended September 30, 2023	Quarter Ended September 30, 2022
Note	(Rupees in '000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	173,265	58,766
<b>Adjustments</b>	-	-
	<u>173,265</u>	<u>58,766</u>
<b>Decrease in assets</b>		
Investments	133,359	43,554
Profit receivable	5,127	692
Advances, deposits, prepayments and other receivables	77	104
	<u>138,563</u>	<u>44,350</u>
<b>(Decrease) in liabilities</b>		
Payable to Management Company	18,539	2,202
Payable to Trustee	17	(9)
Payable to Securities and Exchange Commission of Pakistan	(327)	(333)
Accrued expenses and other liabilities	(52,514)	(21,033)
	<u>(34,285)</u>	<u>(19,173)</u>
<b>Net cash generated from operating activities</b>	<u>277,543</u>	<u>83,943</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units	1,914,430	501,340
Payments on redemption of units	(1,584,880)	(357,039)
<b>Net cash generated from / (used in) financing activities</b>	<u>329,550</u>	<u>144,301</u>
<b>Net increase in cash and cash equivalents during the period</b>	<u>607,093</u>	<u>228,244</u>
Cash and cash equivalents at the beginning of the period	2,723,109	1,309,827
<b>Cash and cash equivalents at the end of the period</b>	<u>4</u> <u>3,330,202</u>	<u>1,538,071</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

## NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

### 1 LEGAL STATUS AND NATURE OF BUSINESS

NBP Islamic 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 approved by the Securities and Exchange Commission of Pakistan (SECP) on August 17, 2007 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules).

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

The Fund is an open-ended mutual fund and classified as shariah compliant "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.

Management Company has obtained approval of SECP, pursuant to which the category of the Fund was changed from shariah compliant aggressive fixed income scheme to 'shariah compliant income scheme' and the name of the Fund was 'NAFA Islamic Income Fund' with effect from March 14, 2017.

During the year ended June 30, 2021 the Trust Act, 1882 was repealed due to promulgation of Provincial Trust Act namely " Sindh Trust 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 18, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

The objective of the Fund is to provide preservation of capital and earn a reasonable rate of return by investing in Shariah compliant securities, having a good credit rating and liquidity.

The Pakistan Credit Rating Agency Limited (PACRA) has maintained an asset manager rating of 'AM1' to the Management Company, dated June 22, 2023, and has assigned stability rating of 'AA-(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 PRESENTATION

#### 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 as 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 VIII A of the repealed Companies Ordinance, 1984; and
- the 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 provisions of and directives issued under the Companies Act, 2017, part VIII A 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 VIII A 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, 2023.

In compliance with schedule V of the NBFC Regulations the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at and for the period ended September 30, 2023.

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, 2023.

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 expenses and other factors. 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 audited financial statements as at and for the year ended June 30, 2023. The Fund's financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements as at and for the year ended June 30, 2023.

4	BANK BALANCES	Note	(Un-Audited)	(Audited)
			September 30, 2023	June 30, 2023
			----- (Rupees in '000) -----	
	In current accounts		24,076	62,310
	In savings accounts	4.1	3,306,126	2,660,799
			<u>3,330,202</u>	<u>2,723,109</u>

4.1 These saving accounts carry mark-up at rates ranging from 18% to 21.15% per annum (June 2023: 10% to 21.25% per annum).

5	INVESTMENTS	Note	(Un-Audited)	(Audited)
			September 30, 2023	June 30, 2023
			----- (Rupees in '000) -----	
	<b>At fair value through profit or loss</b>			
	Certificate of musharka	5.1	328,577	311,936
	Sukuks	5.2	-	150,000
	Term Deposit Receipts	5.3	575,000	575,000
			<u>903,577</u>	<u>1,036,936</u>

5.1 This represents Certificate of musharka with First Habib Modaraba on July 26, 2023. This carry profit at the rate of 22.25% and will mature on October 26, 2023.

## 5.2 Sukuks

Description	Number of certificates					Investment as a percentage of	
	As at July 01, 2023	Purchased during the year	Sold / matured during the year	As at September 30, 2023	Market value as at September 30, 2023	Net assets	Market value of total investment

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

K-Electric	150	-	150	-	-	-
<b>Total as at September 30, 2023.</b>				<b>-</b>	<b>-</b>	<b>-</b>
<b>Carrying value before mark to market as at September 30, 2023.</b>				<b>-</b>		

## 5.3 Term deposit receipts

Name of the investee company	Number of certificates						
	As at July 01, 2023	Purchased during the year	Matured during the year	As at September 30, 2023	Market value as at September 30, 2023	Carrying value as a % of net asset	Carrying value as a % of total investment

Faysal Bank Limited	575,000	-	575,000	-	-	-	
Faysal Bank Limited		575,000	575,000	-	-	-	
Faysal Bank Limited	-	575,000	575,000	-	-	-	
Faysal Bank Limited	-	575,000		575,000	575,000	13.63%	63.64%
<b>Total as at September 30, 2023.</b>				<b>575,000</b>	<b>575,000</b>	<b>13.63%</b>	<b>63.64%</b>
<b>Carrying value before mark to market as at September 30, 2023.</b>				<b>575,000</b>			

## 6 CONTINGENCIES AND COMMITMENTS

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

## 7 REIMBURSEMENT OF 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 0.70% per annum of the net assets of the Fund.

## 8 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

As per NBFC Regulation 62(1) w.e.f. July 01, 2023, the Asset Management Company, within fifteen days of the close of every calendar month of the Collective Investment Scheme, shall pay the Commission non-refundable fee which is 0.075% of average annual net assets of the CIS.

## 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 accumulated losses and capital gains, whether realised or unrealised, is distributed amongst the unitholders as cash dividend. 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, 2024 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 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 2.48% (September 30, 2022: 2.42%) which includes 0.28% (September 30, 2022: 0.17%) representing Government Levy, and the SECP Fee. The prescribed limit for the ratio is 2.5% (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as a "Shariah Compliant Income" scheme.

## 11 DETAILS OF NON-COMPLIANT INVESTMENTS

The Securities and Exchange Commission of Pakistan vide Circular no. 7 of 2009 dated March 6, 2009, required all Asset Management Companies to categorize funds under their management on the basis of criteria laid down in the Circular. The Board has approved the category of the fund as 'income scheme'.

The SECP vide Circular no. 16 dated July 07, 2010, prescribed specific disclosures for the scheme holding investments that are non-compliant either with the minimum investment criteria specified for the category assigned to such schemes or with investment requirements of their constitutive documents.

Following is the detail of non-compliant investments:

Name of Non-compliant investment	Non-compliance of Clause	Type of Investment	Value of Investment before Provision	Provision held, if any	Value of Investment after Provision	% of net assets	% of gross assets
New Allied Electronics Industries (Private) Limited - Sukuk 1	Rating is below investment grade as prescribed in clause 9(v) of the Annexure of Circular 7 of 2009		110,000	(110,000)	-	-	-
New Allied Electronics Industries (Private) Limited - Sukuk 2	Rating is below investment grade as prescribed in clause 9(v) of the Annexure of Circular 7 of 2009		4,905	(4,905)	-	-	-
Total carrying value			<u>114,905</u>	<u>(114,905)</u>			

11.1 At the time of purchase, these sukuks were in compliance with the aforementioned Circular. However, they either subsequently defaulted or were downgraded to non investment grade.

## 12 TRANSACTIONS WITH CONNECTED PERSONS

12.1 Connected persons and related parties include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan being the Parent



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

- 12.2** The transactions with connected persons and related parties are carried at agreed terms.
- 12.3** Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations.
- 12.4** Remuneration payable to the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

----- Un-audited -----

Quarter Ended September 30, 2023	Quarter Ended September 30, 2022
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- 12.5** Details of the transactions with connected persons are as follows:

(Rupees in '000)

**NBP Fund Management Limited - Management Company**

Remuneration of the Management Company	14,918	5,169
Sindh Sales Tax on Management Company's remuneration	1,939	672
Reimbursement of operational expenses	1,495	602
Sales and Transfer Load	18,268	2,475
Reimbursement of selling and marketing expenses	7,057	4,092
Units issued / transferred in 719,883 units (2022: 95,898 units)	6,979	928
Units redeemed / transferred out 1,048,820 units (2022: Nil units)	10,282	-
ADC charges and Sindh sales tax on ADC charges	842	419

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

Remuneration of the Trustee	747	361
Sindh Sales Tax on Remuneration of the Trustee	97	47
Settlement Charges	11	5

**Employees of the Management Company**

Units issued / transferred in 553,453 units (2022: 222,921 units)	5,394	2,148
Units redeemed / transferred out 569,468 units (2022: 138,352 units)	5,585	1,346

**K-Electric (Common Directorship)\*\***

Purchase of K-electric sukuk	-	155,000
Income on sukuk certificates	-	6,469

**Portfolio Managed by NBP Funds**

Units issued / transferred in 2,926,116 units (2022: Nil units)	28,000	-
Units redeemed / transferred out 7,010,394 units (2022: Nil units)	67,521	-

**BankIslami Pakistan Limited ( Common Directorship with the Management Company)\***

Profit on savings accounts	-	4,041
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	(Un-Audited)	(Audited)
	As at September 30, 2023	As at June 30, 2023
<b>12.6 Amounts outstanding as at quarter end</b>	(Rupees in '000)	
<b>NBP Fund Management Limited - Management Company</b>		
Remuneration of the Management Company	5,071	4,711
Sindh Sales Tax payable on remuneration of the Management Company	659	612
Sales load	18,642	2,474
Sindh Sales Tax and Federal Excise Duty on sales load	3,044	942
Reimbursement of operational expenses	1,498	1,433
Reimbursement of selling and marketing expenses	7,057	8,101
Investment held in the Fund 670,384 units: (June 30, 2023: 999,321 units)	6,713	9,580
ADC charges and Sindh sales tax on ADC charges	1,491	650
<b>Central Depository Company of Pakistan Limited</b>		
Remuneration payable	255	240
Sindh Sales Tax payable	33	31
Security deposits	100	100
Settlement Charges	47	36
<b>National Bank of Pakistan - Parent of the Management Company</b>		
Balance in account	9,422	28,077
Profit receivable	158	11
<b>Employees of Management Company</b>		
Investment held by the executives in the Fund 691,371 units:( June 30, 2023: 700,884 units)	6,923	6,719
<b>K-Electric (Common Directorship)**</b>		
Investment in Sukuk Certificate	-	150,000
Profit accrued on Sukuk Certificate	-	9,406
<b>Dr. Amjad Waheed - Chief Executive Officer (CEO)</b>		
Investment held in the Fund: 474 units (2023: 474 units)	5	5
<b>Portfolio Managed by NBP Funds</b>		
Investment held in the Fund: Nil units (2023: 4,084,279 units)	-	39,156

\* Current year figure has not been presented as the person is not classified as a related party / connected person of the Fund as at september 30, 2023.

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

## 13 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 30,2023.

## 14 GENERAL

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

14.2 Corresponding figures have been rearranged or reclassified, where necessary, for the purposes of better presentation.

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@nbpffunds.com](mailto:info@nbpffunds.com)

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

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