

**NBP FUNDS**

Managing Your Savings

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Islamic Savings

اسلامک سیونگز

**NBP Fund Management Limited**



# NBP RIBA FREE SAVINGS FUND

**AM1**

Rated by PACRA

**QUARTERLY** REPORT  
SEPTEMBER 30, 2023

# **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	Habib Metropolitan Bank Limited
Allied Bank Limited	JS Bank Limited
Bank Alfalah Limited	MCB Bank Limited
Bank Al Habib Limited	Meezan Bank Limited
Bankislami Pakistan Limited	National Bank of Pakistan
Dubai Islamic Bank Pakistan Limited	Silk Bank Limited
Faysal Bank Limited	Soneri Bank Limited
Habib Bank Limited	United Bank Limited

## **Auditors**

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

## **Legal Advisor**

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

## **Head Office:**

7th Floor Clifton Diamond Building, Block No. 4,  
Scheme No. 5, Clifton Karachi.  
UAN: 021 (111-111-632),  
(Toll Free): 0800-20002,  
Fax: (021) 35825329  
Website: [www.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 Condensed Interim financial statements of **NBP Riba Free Savings Fund (NRFSF)** for the quarter ended September 30, 2023.

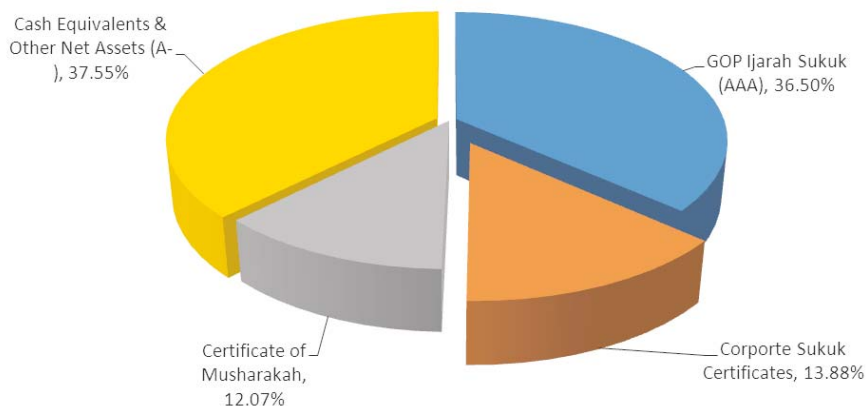
### Fund's Performance

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 stood at USD 7.62 billion (down by USD 543.8million compared to July 2023). This signifies grave challenges & risks to financial stability. The primary market for Corporate Sukuks remained under-supplied against the growing demand. In the secondary market, the trading activity in Corporate Sukuks was slow with a cumulative traded value of Rs. 1.05 billion.

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

The size of NBP Riba Free Savings Fund has decreased from Rs. 1,591 million to Rs. 1,442 million during the period (i.e., a drop of 9%). The unit price of the Fund has increased from Rs. 10.3201 on June 30, 2023 to Rs. 10.8143 on September 30, 2023, thus showing a return of 19.0% p.a. as compared to the benchmark return of 7.6% p.a. for the same period. The performance of the Fund is net of management fee and all other expenses.

The Fund has earned a total income of Rs. 78.948 million during the period. After deducting total expenses of Rs. 9.877 million, the net income is Rs. 69.071 million. The asset allocation of NRFSF 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 Officer**

**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 ریفارمی سیونگز فنڈ (NRFSF) کے غیر جانچ شدہ کنڈینسڈ عبوری مالیاتی گوشوارے پیش کرتے ہیں۔

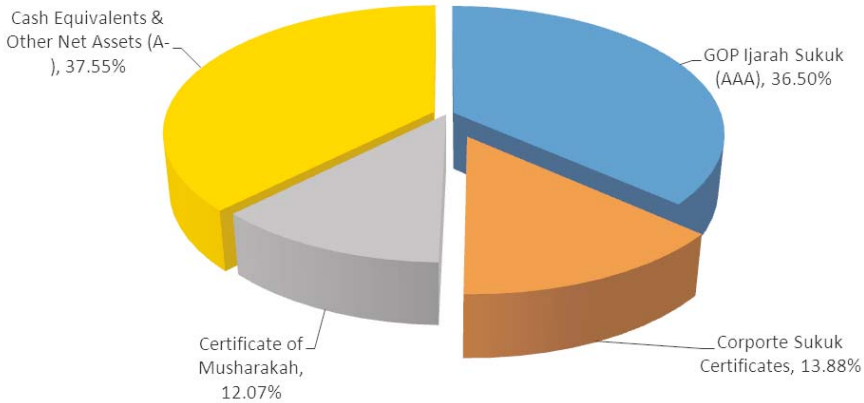
### تیزی کی کارکردگی

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 بین الاقوامی 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 لیکویڈز ربادلہ 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۔ پرائمری مارکیٹ میں کارپوریٹ سکوک کے لیے زیادہ طلب کے مقابلے میں رسد کم رہی۔ ثانوی مارکیٹ میں، کارپوریٹ سکوک میں تجارتی سرگرمیاں سست رہیں جہاں 1.05 بلین روپے کی مجموعی تجارت ہوئی۔

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

NBP ریفارمی سیونگز فنڈ کا سائز اس مدت کے دوران 1,591 ملین روپے سے کم ہو کر 1,442 ملین روپے ہو گیا ہے یعنی 9% کی کمی ہوئی ہے۔ اس مدت کے دوران، فنڈ کے پونٹ کی قیمت 30 جون 2023 کو 10.3201 روپے سے بڑھ کر 30 ستمبر 2023 کو 10.8143 روپے تک پہنچ چکی ہے، لہذا اسی مدت کے لئے اپنے بیچ مارک منافع 7.6% کے مقابلے میں 19.0% منافع درج کرایا۔ فنڈ کا منافع مینجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ نے اس مدت کے دوران 78.948 ملین روپے کی مجموعی آمدنی کمائی ہے۔ 9.877 ملین روپے کے اخراجات منہا کرنے کے بعد خالص آمدنی 69.071 ملین روپے رہی۔ 30 ستمبر 2023 کو NRFSF کی ایسٹ ایلوکیشن حسب ذیل کے مطابق ہے۔







## اظہار تشکر

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

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 30 اکتوبر 2023

مقام: کراچی

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

	Note	September 30, 2023	June 30, 2023
		Rupees in '000	
<b>ASSETS</b>			
Balances with banks	4	705,895	890,564
Investments	5	900,218	738,376
Profit receivable		63,104	27,105
Deposits, prepayments and other receivables		381	515
Receivable against issue of units		638	16
<b>Total assets</b>		<b>1,670,236</b>	<b>1,656,576</b>
<b>LIABILITIES</b>			
Payable to the Management Company		16,731	17,306
Payable to the Central Depository Company of Pakistan Limited -Trustee		100	110
Payable to the Securities and Exchange Commission of Pakistan	8	89	416
Payable against redemption of units		780	9,927
Payable against purchase of Investment		208,600	-
Accrued expenses and other liabilities		2,426	37,731
<b>Total Liabilities</b>		<b>228,726</b>	<b>65,490</b>
<b>NET ASSETS</b>		<b>1,441,510</b>	<b>1,591,086</b>
<b>UNITHOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>1,441,510</b>	<b>1,591,086</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	6	<b>Number of units</b>	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>133,296,050</b>	<b>154,173,663</b>
		<b>Rupees</b>	
<b>NET ASSET VALUE PER UNIT</b>		<b>10.8143</b>	<b>10.3201</b>

The annexed notes 1 to 13 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>		
Return / profit on;		
- bank balances and term deposits	35,789	70,410
- government securities	11,070	9,024
- commercial papers	-	184
- sukuk	14,795	17,285
- Term deposits receipts	6,856	-
- certificate of mosharakah	9,304	129
Capital (Loss) on sale of investments - net	-	(495)
Unrealised appreciation / (diminution) in the value of investments at fair value "through profit or loss" - net	1,134	(1,287)
<b>Total income</b>	<b>78,948</b>	<b>95,250</b>
<b>EXPENSES</b>		
Remuneration of the Management Company	4,399	5,290
Sindh Sale Tax on Management Company's remuneration	572	688
Reimbursement of allocated expenses	557	840
Remuneration of the Central Depository Company of Pakistan Ltd. - Trustee	279	504
Sindh Sale Tax on remuneration of trustee	36	65
Reimbursement of selling and marketing expenses	3,165	6,381
Annual fee - Securities and Exchange Commission of Pakistan	279	134
Auditors' remuneration	194	266
Listing fee	7	7
Rating fee	158	143
Printing charges	15	18
Legal fee	30	38
Securities transaction cost	24	48
Shariah advisor fee	51	92
Settlement & Bank charges	111	125
<b>Total expenses</b>	<b>9,877</b>	<b>14,639</b>
<b>Net income for the period before taxation</b>	<b>69,071</b>	<b>80,611</b>
Taxation	-	-
<b>Net income for the period after taxation</b>	<b>69,071</b>	<b>80,611</b>
<b>Earning per unit</b>	-	-
<b>Allocation of Net income for the period:</b>		
Net income for the year after taxation	69,071	80,611
Income already paid on units redeemed	(3,936)	(5,815)
<b>Accounting income available for distribution:</b>	<b>65,135</b>	<b>74,796</b>
- Relating to Capital Gains	1,134	-
- Excluding Capital Gains	64,001	74,796
	<b>65,135</b>	<b>74,796</b>

The annexed notes 1 to 13 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 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 available for distribution:	69,071	80,611
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the period</b>	<b>69,071</b>	<b>80,611</b>

The annexed notes 1 to 13 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 STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Quarter ended September 30th					
	2023			2022		
	(Rupees in '000)					
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
Net assets at the beginning of the period	1,529,602	61,484	1,591,086	2,739,798	53,456	2,793,254
Issuance of units 5,005,662 (2022: 12,864,856 units)						
- Capital value	51,659	-	51,659	132,080	-	132,080
- Element of income	1,006	-	1,006	2,213	-	2,213
Total proceeds on issuance of units	52,665	-	52,665	134,293	-	134,293
Redemption of units 25,883,275 (2022: 4,1394,158 units)						
- Capital value	(267,118)	-	(267,118)	(424,981)	-	(424,981)
- Element of loss	(258)	(3,936)	(4,194)	(189)	(5,815)	(6,004)
Total payments on redemption of units	(267,376)	(3,936)	(271,312)	(425,170)	(5,815)	(430,985)
Total comprehensive income for the period	-	69,071	69,071	-	80,611	80,611
<b>Net assets at the end of the period</b>	<b>1,314,891</b>	<b>126,619</b>	<b>1,441,510</b>	<b>2,448,921</b>	<b>128,252</b>	<b>2,577,173</b>
Undistributed income brought forward						
- Realised		64,355			53,231	
- Unrealised		(2,871)			225	
		61,484			53,456	
Accounting income available for distribution						
- Relating to capital gain		1,134			-	
- Excluding capital gain		64,001			74,796	
		65,135			74,796	
<b>Undistributed income carried forward</b>		<b>126,619</b>			<b>128,252</b>	
Undistributed income carried forward						
- Realised		125,485			129,539	
- Unrealised		1,134			(1,287)	
		126,619			128,252	
			- (Rupees) -		- (Rupees) -	
Net assets value per unit at beginning of the period			10.3201			10.2667
Net assets value per unit at end of the period			10.8143			10.5821

The annexed notes 1 to 13 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
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	69,071	80,611
<b>Adjustments</b>		
Unrealised (appreciation) / diminution in the value of investments 'at fair value through profit or loss' - net	(1,134)	1,287
	<u>67,937</u>	<u>81,898</u>
<b>(Increase) / decrease in assets</b>		
Investments	(160,708)	(22,698)
Deposits, prepayments and other receivables	134	124
Profit receivable	(35,999)	(13,367)
	<u>(196,573)</u>	<u>(35,941)</u>
<b>Increase / (decrease) in liabilities</b>		
Payable to the Management Company	(575)	(650)
Payable to the Trustee	(10)	(14)
Payable to Securities and Exchange Commission of Pakistan	(327)	(569)
Payable against purchase of Investment	208,600	-
Accrued expenses and other liabilities	(35,305)	(32,539)
	<u>172,383</u>	<u>(33,772)</u>
<b>Net cash generated from operating activities</b>	<u>43,747</u>	<u>12,185</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Receipts from issue of units	52,043	131,485
Payments on redemption of units	(280,459)	(444,083)
<b>Net cash (used in) financing activities</b>	<u>(228,416)</u>	<u>(312,598)</u>
<b>Net (decrease) in cash and cash equivalents during the period</b>	<u>(184,669)</u>	<u>(300,413)</u>
Cash and cash equivalents at the beginning of the period	890,564	1,954,436
<b>Cash and cash equivalents at the end of the period</b>	<u>705,895</u>	<u>1,654,023</u>

The annexed notes 1 to 13 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 Riba Free Savings Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on June 18, 2010, in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules).

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

The Fund is an open-ended mutual fund categorised as "Shariah Compliant Income scheme" and its units are listed on Pakistan Stock Exchange Limited. Units of the Fund are offered for public subscription on a continuous basis. The units of the Fund are transferable and can be redeemed by surrendering them to the Fund.

The objective of the Fund is to provide preservation of capital and earn a reasonable rate of return along with a high degree of liquidity by investing in Shariah compliant banks and money market / debt securities.

The Pakistan Credit Rating Agency (PACRA) has reaffirmed an asset manager rating of the Management Company of AM1 on June 22, 2023 (2021: AM1 on June 23, 2022). The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes. Furthermore, the Pakistan Credit Rating Agency Limited (PACRA) has maintained the stability rating of the Fund to A+(f) on April 14, 2023 (2022: A+(f) on April 19, 2022).

Title of the assets of the Fund is held in the name of CDC as 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 Financial Reporting Standards (IFRS Standards) 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 Regulation) Rules, 2003 (the NBFC Rules), 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 from IFRS Standards, 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, 2023.

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 September 30, 2023.

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

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2023.

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, 2023. 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, 2023.

4	<b>BALANCES WITH BANKS</b>	<b>Un-Audited September 30, 2023</b>	<b>Audited June 30, 2023</b>
	<b>Note</b>	<b>Rupees in '000</b>	
Current accounts		9,118	16,947
Savings accounts	4.1	696,777	873,617
		705,895	890,564

- 4.1 These savings accounts carry profit at rates ranging from 10% to 21% per annum (June 2022: 10% to 20.5% per annum)



	Note	Un-Audited September 30, 2023	Audited June 30, 2023
Rupees in '000			
<b>5 INVESTMENTS</b>			
Government securities - Ijarah sukuku	5.1	526,180	223,556
Corporate sukuk certificates	5.2	200,040	200,040
Certificate of Mosharakah	5.3	173,998	164,780
Term deposit receipts		-	150,000
		<u>900,218</u>	<u>738,376</u>

5.1 Government securities - Ijarah sukuku

Name of Security	Issue date	Maturity date	Number of certificates				Market value as at September 30, 2023	Investment as a percentage of	
			As at July 01, 2023	Purchased during the year	Sold / matured during the year	As at September 30, 2023		Net assets	Market value of total investments
Rupees in '000'								----- % -----	
GOP Ijarah sukuk - II	May 29, 2020	May 29, 2025	45,000	-	-	45,000	223,650	0.16	0.25
GOPIS 1y VRR	Apr 17, 2023	Apr 17, 2024	-	20,000	-	20,000	101,170	0.07	0.11
GIS VRR-37	Aug 07, 2023	Aug 07, 2024	-	40,000	-	40,000	201,360	0.14	0.22
							<u>526,180</u>		
Carrying value before mark to market as at September 30, 2023							<u>525,046</u>		
Total as at June 30, 2023							<u>223,556</u>		

5.2 Corporate of Sukuk certificates

Name of Security	Issue date	Maturity date	Number of certificates				Market value as at September 30, 2023	Investment as a percentage of	
			As at July 01, 2023	Purchased during the year	Sold / matured during the year	As at September 30, 2023		Net assets	Market value of total investments
Rupees in '000'								----- % -----	
Pak Energy Sukuk - II	May 21, 2020	20-May-2030	40,000	-	-	40,000	200,040	0.14	0.22
							<u>200,040</u>		
Carrying value before mark to market as at September 30, 2023							<u>200,040</u>		
Total as at June 30, 2023							<u>200,040</u>		

5.3 Certificates of Musharakah

Name of Security	Issue date	Maturity date	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	Investment as a percentage of	
								Net assets	Market value of total investments
-----Rupees in '000'-----								----- % -----	
FIRST HABIB MODARABA	20-Jun-2023	20-Sep-2023	164,780	-	164,780	-	-	-	-
FIRST HABIB MODARABA	20-Sep-2023	20-Dec-2023	173,998	-	-	173,998	173,998	0.12	0.19
							<u>173,998</u>		
Carrying value before mark to market as at September 30, 2023							<u>173,998</u>		
Total as at June 30, 2023							<u>164,780</u>		

## 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 0.80% 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 this CIS.

## 9 TAXATION

The income of the Fund is exempt from income 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 accumulated losses and capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, 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 ended June 30, 2024 to the unit holders in the manner as explained above, therefore, no provision for taxation has been made in these condensed 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 2.66% (September 30, 2022: 2.18%) which includes 0.24% (September 30, 2022: 0.13%) representing Government Levy, 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 an "Shariah Compliant Income" scheme.

## 11 TRANSACTIONS WITH CONNECTED PERSONS

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 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.

11.1 The transactions with connected persons and related parties are carried out at agreed terms

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

11.3 Remuneration of the Trustee is determined in accordance with the provisions of the Trust Deed.

11.4	Details of the transactions with connected persons are as follows:	Un-audited	
		Quarter Ended Sep 30,2023	Quarter Ended Sep 30,2022
		---Rupees in '000---	
	<b>NBP Fund Management Limited - Management Company</b>		
	Remuneration for the period	4,399	5,290
	Sindh Sales Tax on Management Company's remuneration	572	688
	Reimbursement of selling and marketing expenses	3,165	6,381
	Reimbursement of allocated expenses	557	840
	Sale Load for the period	31	204
	ADC charges including Sindh sale tax	251	75
	<b>Central Depository Company of Pakistan Limited - Trustee</b>		
	Remuneration for the period	279	504
	Sindh Sale Tax on remuneration of trustee	36	65
	<b>Employees of the Management Company</b>		
	Issue of units 304,861 units (2022: 383,796 units)	3,211	3,994
	Redemption of 508,132 units (2022: 472,250 units)	5,328	4,910
	<b>Bank Islami Pakistan Limited - Common Directorship*</b>		
	Income on saving accounts	-	22,307
	<b>National Clearing Company Limited (NCCPL)*</b>		
	NCCPL Charges	-	78
	<b>K-Electric - Common Directorship*</b>		
	Purchase of Sukuk	-	270,000
	Profit on Sukuk	-	9,024

\*Current period figures have not been presented as the person is not a connected party / related person of the Fund as at September 30, 2023.

11.5	Amounts outstanding as at period end	Un-Audited	Audited
		Sep 30, 2023	June 30, 2023
		Rupees in '000	
	<b>NBP Fund Management Limited (Management Company)</b>		
	Remuneration of the Management Company	1,416	1,522
	Sindh Sales Tax on remuneration of the Management Company	185	198
	Federal excise duty on remuneration of the Management Company	10,657	10,657
	Federal excise duty on sales load	334	334
	Sales and transfer load payable	106	75
	Sindh Sales Tax on sales load	14	10
	Reimbursement of allocated expenses payable	558	607
	Reimbursement of selling and marketing expenses payable	3,165	3,837
	ADC charges payable including Sindh sale tax	296	66
	<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
	Remuneration of the Trustee	89	97
	Sindh sales tax on remuneration of the Trustee	11	13
	CDS charges	42	40
	Security deposit	200	200
	<b>National Bank of Pakistan (Parent of the Management Company)</b>		
	Bank balance	802	882
	Profit accrued on bank balances	33	33

	Un-Audited Sep 30, 2023	Audited June 30, 2023
	Rupees in '000	
<b>Employees of the Management Company</b>		
Investment held in the fund 152,033 Units (30, June 2023: 355,331 units)	1,644	3,667
<b>Portfolios Managed by the Management Company</b>		
Investment held in the fund 235 units (30, June 2023: 235 units)	3	2
<b>Mr. Khalid Mehmood - Chief Finance Officer</b>		
Investment held in the fund: 72 units (30, June 2023: 72 units)	1	1

## 12 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.

## 13 GENERAL

- 13.1** Figures have been rounded off to the nearest thousand Rupees.
- 13.2** 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

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