



# **ANNUAL REPORT 2022**

---

## Contents

<b>Vision and Mission Statement -----</b>	<b>02</b>
<b>Corporate Information -----</b>	<b>03</b>
<b>Directors' Report -----</b>	<b>04</b>
<b>Statement of Compliance -----</b>	<b>13</b>
<b>Auditors Review Report on Statement of Compliance -----</b>	<b>20</b>
<b>Auditors' Report to the Members -----</b>	<b>21</b>
<b>Balance Sheet -----</b>	<b>24</b>
<b>Profit and Loss Account -----</b>	<b>25</b>
<b>Statement of Comprehensive Income -----</b>	<b>26</b>
<b>Statement of Changes in Equity -----</b>	<b>27</b>
<b>Cash Flow Statement -----</b>	<b>28</b>
<b>Notes to the Financial Statements -----</b>	<b>29</b>

## **Vision and Mission Statement**

### **Vision**

---

To promote savings and investments in Pakistan, by making NBP Funds a household name.

### **Mission**

---

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

## Corporate Information

<b>Board of Directors</b>	<b>Audit &amp; Risk Committee</b>
Mr. Shaikh Muhammad Abdul Wahid Sethi, Chairman Dr. Amjad Waheed, Chief Executive Ms. Mehnaz Salar Mr. Tauqeer Mazhar Mr. Ali Saigol Mr. Imran Zaffar Mr. Khalid Mansoor Mr. Humayun Bashir Mr. Saad Amanullah Khan	Mr. Saad Amanullah Khan, Chairman Ms. Mehnaz Salar Mr. Imran Zaffar Mr. Humayun Bashir
<b>Human Resource Committee</b>	<b>Strategic &amp; Business Planning Committee</b>
Mr. Khalid Mansoor, Chairman Mr. Shaikh Muhammad Abdul Wahid Sethi Mr. Saad Amanullah Khan Mr. Ali Saigol Mr. Humayun Bashir	Mr. Humayun Bashir, Chairman Mr. Tauqeer Mazhar Mr. Ali Saigol Mr. Imran Zaffar Mr. Saad Amanullah Khan

### COO & Company Secretary

Mr. Muhammad Murtaza Ali

### Chief Financial Officer

Mr. Khalid Mehmood

### Auditors

M/s. Yousuf Adil  
Chartered Accountants

### Legal Advisor

Akhund Forbes

### Bankers

National Bank of Pakistan  
MCB Bank Limited  
Bank Islami Pakistan Limited  
Bank Al-Habib Limited

### Registered & Principal Office

7th Floor, Clifton Diamond Building, Block No.4  
Scheme No.5, Clifton Karachi. Helpline (Toll Free): 0800-20001  
UAN: 111-111-632 Fax No: 021-35825335  
E-mail: info@nbpffunds.com | Website: www.nbpffunds.com

## **DIRECTORS' REPORT**

The Board of Directors of NBP Fund Management Limited (NBP Funds) is pleased to present the Seventeenth Annual Report of the Company for the year ended June 30, 2022.

### **Economy & Market Review**

After sharp economic rebound in FY21, where rebased GDP growth clocked in at 5.74%, strong momentum in economic activity continued during FY22. As per FY22 Economic Survey, GDP growth rate is estimated at 5.97%, led by 7.2% growth in industrial output, 6.2% increase in services sector, & 4.4% rise in agriculture sector. However, due to robust economic growth and record high international commodity prices, the current account deficit (CAD) rose sharply during the year and closed at USD 17.3 billion. Record high CAD coupled with elevated contractual debt repayments led to 43% erosion in SBP held foreign exchange reserves from USD 17.3 billion to USD 9.8 billion, and put immense pressure on PKR which depreciated by around 30% during FY22. Due to the elevated commodity prices, and necessary fuel & power price rationalization, there was an across the board surge in prices (food prices, fuel prices, power prices and other consumer discretionary items). Consequently, average inflation as measured by CPI shot up considerably during FY22 and clocked in at around 12.1%. To compress both the external imbalances and the rampant inflation, the State Bank of Pakistan raised Policy Rate aggressively by a cumulative 6.75% during the year.

After robust performance of 37.6% last year, the equity market (KSE-100 Index) showed a dismal negative performance of 12.3%, declining by around 5,815 points during FY2022. Throughout the year, the market remained quite volatile amid thin volumes, traded within a range and showing lack of investor's interest.

FY23 will prove to be a challenging period for economy, and especially the common man. Inflation is slated to cross 20% mark for the first time since 1970s, whereas GDP growth is expected to decelerate to 2% amidst devastating floods. Interest rates are likely to remain elevated during FY23 with breather expected towards end of the year, while decline in commodity prices will provide a much-needed respite to the economy. Given the prevailing challenging political and economic scenario, stock market performance will likely remain sideways.

### **Performance Review**

The assets under management (AUM) of NBP Funds have increased from Rs. 180.6 billion as on June 30, 2021 to Rs. 192.5 billion as on June 30, 2022, a growth of 6.6%, while the average size of assets under management has increased from Rs. 176.1 billion in FY 2020-21 to Rs.185.4 billion in FY 2021-22, a growth of 5.3%.

Presently the AUM, the concentration is in money market and income funds is about 73% as compared to equity related funds 13%. Remaining 14% is invested in other categories of funds and portfolios. Due to dismal performance of the stock market during FY 2021-22, the weightage of equity related funds in overall AUM has reduced to 13% as of June 30, 2022.

The Company posted a net profit of Rs.238.22 million in FY 2021-22 in comparison to last year's profit of Rs. 259.97 million, a decline of 8%. The Federal Government enforced "Super Tax on High Earning Persons" through Finance Act, 2022-23 with retrospective application for FY ended June 30, 2022. Accordingly, a provision of Super Tax @ 4% on earnings has been accounted for in the financial statements. The comparative financial performance of the Company for the last six years is as follow:

### Financial Performance of NBP Funds

*Rupees in '000'*

Particulars	June, 2022	June, 2021	June, 2020	June, 2019	June, 2018	June, 2017
Gross income	1,182,845	1,244,012	1,103,475	1,461,168	1,445,359	1,440,438
Expenses (including financial charges)	839,237	885,080	828,907	1,172,225	965,082	917,296
Profit/ (loss) before tax	343,607	358,932	274,567	288,944	480,277	523,142
Profit/ (loss) after tax	238,221	259,972	185,112	190,225	340,729	371,287
Earnings/ (loss) per share	9.53	10.40	7.40	7.61	13.63	14.85

### Future Prospects

The management has a growth plan in terms of number of sales staffs in view of the overall macro-economic & fiscal situation of the country, and lack of investors' interest in equity related funds due to dismal performance of the stock market. The Company has entered into a fresh distribution arrangement with National Bank of Pakistan (NBP) for NBP referred sales through selected branches. To cater the investors' need for consistent return with a low volatility, the Company is contemplating to expand its product slate by launching three more funds having fixed income plans in the near future.

The company's significant efforts in the area of digitalization, which started from last year, has finally started to showing some results in terms of "Digital on-boarding" of investors, and their growing reliance on digital mode of transactions with utmost ease. In addition to launching "NBP Funds UPI Debit Card" last year, the Company also has launched a digital payment application namely; NPay in FY 2021-22; a unique service in the mutual fund industry.

The Company will follow a strategy of prudent growth in FY 2022-23 by emphasizing on four dimensions (i) increasing retail sales staff's productivity & performance; (ii) increasing the investors base; (iii) better investment retention strategy; and (iv) Up sell and cross sell of attractive products. The Company has been maintaining due emphasis on enhanced Risk Profiling of investors and need of adequate training and equipping retail staff with relevant knowledge on products & professional selling skills. It is also giving special attention on keeping its retail staff updated on the best practices of selling mutual funds, and compliance of relevant SECP and internal rules and regulations.

### Management Quality Rating

The Pakistan Credit Rating Agency Limited (PACRA) has maintained highest Asset Management Quality rating of 'AM 1' for the Company.

## **Auditors**

The present auditors, M/s. Yousuf Adil & Co., Chartered Accountants have retired. In their place, M/s. A. F. Ferguson & Co. Chartered Accountants have offered themselves for appointment for the financial year ending June 30, 2023. The audit committee recommends the appointment of M/s. A. F. Ferguson & Co. Chartered Accountants for the financial year ending June 30, 2023 as present auditor will be completing five years of consecutive audit of parent entity National Bank of Pakistan for the year ending December 31, 2022 and cannot be appointed for subsequent term as per applicable law.

## **Pattern of Shareholding**

The pattern of share-holding as on June 30, 2022 has been disclosed in the note 20 of the financial statements.

## **Distribution**

During the FY 2021-22, the shareholders of the Company have approved a cash distribution @ 52% (Rs.5.2 per share) for the year ended June 30, 2021.

The Board of the Company has recommended a cash distribution @ 47.6% (Rs. 4.76 per share) for the year ended June 30, 2022.

## **Directors' Statement in Compliance with Public Sector Companies (Corporate Governance)**

### **Rules**

The following specific statements are being given to comply with the requirements of Public Sector Companies (Corporate Governance) Rules:

1. The financial statements, prepared by the management of the Company, present fairly the state of affairs of the Company, the result of its operations, cash flows and changes in equity.
2. Proper books of account of the Company have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon Company's ability to continue as a going concern.
7. There has been no material departure from the best practices of Corporate Governance.
8. Outstanding statutory payments on account of taxes, duties, levies and charges, if any, have been fully disclosed in the financial statements



9. The Board of Directors of the Company held five meetings during the current financial year. The attendance of all directors is appended below:

#### ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 81st, 82nd, 83rd, 84th, and 85th Board Meetings were held on July 07, 2021, September 16, 2021, October 29, 2021, February 23, 2022 and April 27, 2022, respectively. Information in respect of attendance by directors in the meetings is given below:

Name of the Director	Number of meetings			Meetings not attended
	Held	Attended	Leave granted	
Shaikh Muhammad Abdul Wahid Sethi	5	5	-	
Tauqeer Mazhar *	4	4	-	
Mehnaz Salar	5	5	-	
Ali Saigol	5	5	-	
Imran Zaffar	5	4	1	85th BOD Meeting
Khalid Mansoor	5	4	1	82nd BOD Meeting
Saad Amanullah Khan	5	5	-	
Humayun Bashir	5	5	-	
Amjad Waheed	5	5	-	

\* Syed Hasan Irtiza Kazmi resigned from the Board with effect from June 25, 2021 and Mr. Tauqeer Mazhar opted as Director on the Board with effect from August 04, 2021

#### Directors' Remuneration

The remuneration package of the Directors during the FY 2021-22 is tabulated below:

Name of the Director	Category	Meeting fee	Managerial remuneration	Performance bonus	Utilities	Medical
Shaikh Muhammad Abdul Wahid Sethi	Non-Executive	900,000	-	-	-	-
Tauqeer Mazhar	Non-Executive	700,000	-	-	-	-
Mehnaz Salar	Non-Executive	900,000	-	-	-	-
Ali Saigol	Non-Executive	1,200,000	-	-	-	-
Imran Zaffar	Non-Executive	1,000,000	-	-	-	-
Khalid Mansoor	Non-Executive	600,000	-	-	-	-
Saad Amanullah Khan	Non-Executive	1,600,000	-	-	-	-
Humayun Bashir	Non-Executive	1,600,000	-	-	-	-
Amjad Waheed	Executive	-	49,940,400	17,946,615	704,911	457,699
		<b>8,500,000</b>	<b>49,940,400</b>	<b>17,946,615</b>	<b>704,911</b>	<b>457,699</b>



Non-Executive Directors (including independent Directors) are entitled for remuneration for attending board meetings or any of its sub-committee meetings at Rs. 100,000 per meeting per director.

### **Acknowledgement**

The Board takes this opportunity to thank its valued shareholders for their confidence and patronage. It also offers its sincere gratitude to the Securities & Exchange Commission of Pakistan and State Bank of Pakistan for their guidance.

The Board also wishes to place on record its appreciation for the hard work, dedication and commitment shown by the staff.

On behalf of the Board of Directors



Chief Executive



Director

Date: September 27, 2022

## ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ (NBP فنڈز) کے بورڈ آف ڈائریکٹرز کیپٹی کی ستارہویں سالانہ رپورٹ برائے سال ختمہ 30 جون 2022ء پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

### معیشت اور مارکیٹ کا جائزہ

مالی سال 21 میں تیز معاشی بحالی کے بعد، جہاں جی ڈی پی کی شرح نمو 5.74 فیصد رہی، مالی سال 22 کے دوران معاشی سرگرمیوں میں نمایاں تیزی جاری رہی۔ مالی سال 22 کے اقتصادی سروے کے مطابق، جی ڈی پی کی شرح نمو کا تخمینہ 5.97% لگایا گیا ہے، جو کہ صنعتی پیداوار میں 7.2%، خدمات کے شعبے میں 6.2% اضافہ، اور زرعی شعبے میں 4.4% اضافہ کی بناء پر خاطر خواہ اقتصادی نمو اور بین الاقوامی اشیاء کی ریکارڈ بلند قیمتوں کی وجہ سے، سال کے دوران کرنٹ اکاؤنٹ خسارہ (CAD) تیزی سے بڑھ کر 17.3 بلین امریکی ڈالر ہو گیا۔ ریکارڈ بلند CAD کے ساتھ ساتھ معاہدہ شدہ قرضوں کی ادائیگیوں کی بناء پر SBP زرمبادلہ کے ذخائر میں 43% کی کمی واقع ہوئی جو کہ 17.3 بلین امریکی ڈالر سے 9.8 بلین امریکی ڈالر ہو گئے، جس نے پاکستانی روپیہ پر بہت زیادہ دباؤ ڈالا جس کی قدر مالی سال 22 کے دوران تقریباً 30% تک گر گئی۔ اشیاء کی قیمتوں اور تیل و بجلی کی قیمتوں میں اضافہ کے باعث کھانے پینے اور دیگر تمام اشیاء کی قیمتوں میں اضافہ ہوا۔ نتیجتاً اوسط افراط زر میں 12.1% اضافہ ہوا۔ بڑھتے ہوئے مالیاتی عدم توازن اور افراط زر کو روکنے کے لیے اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ میں 6.75% کا اضافہ سال کے دوران کیا۔

گزشتہ سال 37.6% کی زبردست کارکردگی کے بعد، KSE-100 انڈیکس اسٹاک مارکیٹ نے منفی 12.3% کی مایوس کن کارکردگی کا مظاہرہ کیا، جو کہ 5,815 پوائنٹس کی کمی ہے۔ گزشتہ سال کے دوران اسٹاک مارکیٹ اتار چڑھاؤ کا شکار رہی اور ایک مخصوص رینج میں سودے ہوئے جو کہ سرمایہ کاروں کی عدم دلچسپی کا اظہار کرتی ہے۔

سال 2023 ممکنہ طور پر معیشت کیلئے ایک مشکل سال ہو گا خاص طور پر عام آدمی کے لئے۔ افراط زر کا تخمینہ 20% ہے جو کہ 1970 کے بعد پہلی دفعہ ہو گا۔ جبکہ جی ڈی پی کی شرح سیلاب کی تباہ کاری کی بناء پر 2% تک محدود رہنے کا امکان ہے۔ شرح سود میں سال 2023 میں اضافہ کا امکان ہے جو کہ سال کے آخر میں مناسب سطح پر پہنچ سکتا ہے، جبکہ اشیاء کی قیمتوں میں کمی معیشت میں ضروری معاونت کا باعث بنے گی۔ موجودہ مشکل سیاسی اور معاشی حالات کے پیش نظر، اسٹاک مارکیٹ ممکنہ طور پر ایک محدود کارکردگی کا مظاہرہ کرے گی۔

### کارکردگی کا جائزہ

NBP فنڈز کے زیر انتظام اثاثے (AUM) 30 جون 2021 کو 180.6 بلین روپے سے بڑھ کر 30 جون 2022 کو 192.5 بلین روپے ہو گئے، یعنی 6.6% کی نمو، جبکہ زیر انتظام اثاثوں کا اوسط (AUM) سا زرمالی سال 2020-21 میں 176.1 بلین روپے سے بڑھ کر مالی سال 2021-22 میں 185.4 بلین روپے ہو گیا، یعنی 5.3% کی نمو ہوئی۔

موجودہ AUM، کارکنانہ مارکیٹ اور آگم فنڈز میں ایکویٹی فنڈز کے 13% کے مقابلہ میں تقریباً 73% ہے۔ بقیہ 14% کی سرمایہ کاری دیگر اقسام اور پورٹ فولیوز میں کی گئی ہے۔ مالی سال 2021-22 کے دوران اسٹاک مارکیٹ کی مایوس کن کارکردگی کی وجہ سے، مجموعی طور پر AUM میں ایکویٹی سے متعلق فنڈز کا حجم 30 جون 2022 کو کم ہو کر 13% ہو گیا ہے۔

کمپنی نے مالی سال 2021-22 میں 238.22 بلین روپے کا خالص منافع حاصل کیا جو پچھلے سال 259.97 بلین روپے کے منافع کے مقابلے میں، 8 فیصد کم ہے۔ وفاقی حکومت نے 30 جون 2022 کو ختم ہونے والے مالی سال کے لیے سابقہ مطلق کے ساتھ فنانس ایکٹ، 2022-23 کے ذریعے "زیادہ آمدنی والے افراد پر پے ٹیکس" نافذ کیا۔ اس کے مطابق، آمدنی پر 4 فیصد کی شرح سے پے ٹیکس کی فراہمی کو مالیاتی شوارے میں شریک کیا گیا ہے۔ کمپنی کی گزشتہ چھ سالوں کی تقابلی مالی کارکردگی حسب ذیل ہے:

(Rupees in '000) NBP فنڈز کی مالی کارکردگی

پارٹیکلز	جون 2022	جون 2021	جون 2020	جون 2019	جون 2018	جون 2017
مجموعی آمدنی	1,182,845	1,244,012	1,103,475	1,461,168	1,445,359	1,440,438
اخراجات (بشمول مالی چارجز)	839,237	885,080	828,907	1,172,225	965,082	917,296
ٹیکس سے پہلے منافع / (نقصان)	343,607	358,932	274,567	288,944	480,277	523,142
ٹیکس کے بعد منافع / (نقصان)	238,221	259,972	185,112	190,225	340,729	371,287
نی شیئر آمدنی / (نقصان)	9.53	10.40	7.40	7.61	13.63	14.85

### مستقبل کے امکانات

اسٹاک مارکیٹ کی مایوس کن کارکردگی کی وجہ سے ملک کی مجموعی میکرو اکنامک اور مالیاتی صورتحال، اور ایکویٹی فنڈز میں سرمایہ کاروں کی عدم دلچسپی کے پیش نظر مینجمنٹ سبزا اسٹاف کی محتاط نمو کا منصوبہ رکھتی ہے۔

کمپنی نے نیشنل بینک آف پاکستان (NBP) کے ساتھ منتخب برانچوں کے ذریعے NBP کی ریفنڈ کردہ سبز کے لیے ایک نیا ڈسٹریبیوشن انتظام کیا ہے۔ کم اتار چڑھاؤ کے ساتھ مستقل منافع کے لئے سرمایہ کاروں کی ضرورت کو پورا کرنے خاطر، کمپنی مستقبل قریب میں مقررہ آمدنی کے منصوبوں کے ساتھ مزید تین فنڈز شروع کر کے اپنی پروڈکٹ سلیٹ کو بڑھانے پر غور کر رہی ہے۔

گزشتہ سال سے شروع ہونے والی ڈیجیٹلائزیشن کے شعبے میں کمپنی کی نمایاں کوششوں نے بالآخر سرمایہ کاروں کی "ڈیجیٹل آن بورڈنگ" اور انتہائی آسانی کے ساتھ لین دین کے ڈیجیٹل موڈ پران کے بڑھتے ہوئے انحصار کے لحاظ سے خاطر خواہ نتائج دکھانا شروع کر دیئے ہیں۔ پچھلے سال "NBP فنڈز UPI ڈیٹ کارڈ" شروع کرنے کے علاوہ، کمپنی نے ایک ڈیجیٹل ادائیگی کی اپیلیکیشن NPay کے نام سے مالی سال 2021-22 میں شروع کی جو میوچل فنڈ انڈسٹری میں ایک منفرد سروس کی حیثیت رکھتی ہے۔

کمپنی مالی سال 2022-23 میں چار طرفہ (i) ٹریل سبز کے عملے کی پیداواریت اور کارکردگی میں اضافہ (ii) سرمایہ کاروں کی تعداد میں اضافہ؛ (iii) سرمایہ کاری کو برقرار رکھنے کی بہتر حکمت عملی؛ اور (iv) پرکشش مصنوعات کی اضافی اور مختلف انواع کے مصنوعات کی فروخت کرتے ہوئے محتاط نمو کی حکمت عملی پر عمل کرے گی۔ کمپنی سرمایہ کاروں کی رسک پروفائلنگ میں اضافہ اور مناسب تربیت کی ضرورت اور ٹریل اسٹاف کو مصنوعات اور فروخت کی پیشہ ورانہ مہارتوں سے متعلقہ معلومات سے آراستہ کرنے پر خاطر خواہ توجہ دے رہی ہے۔ یہ اسٹےپ ٹریل اسٹاف کو میوچل فنڈز کی فروخت کے بہترین طریقوں، اور متعلقہ SECP اندرونی قواعد و ضوابط کی تعمیل پر بھی خصوصی توجہ دے رہی ہے۔

### منجھٹ کو الٹی ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے کمپنی کے لیے 'AM1' کی اعلیٰ ترین اثاثہ جات منجھٹ کو الٹی ریٹنگ برقرار رکھی ہے۔

### آڈیٹرز

موجودہ آڈیٹرز، میسرز یوسف عادل اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے ہیں۔ ان کی جگہ میسرز اے۔ ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے 30 جون 2023 کو ختم ہونے والے مالی سال کے لیے خود کو تقرر کر کے لیے پیش کیا ہے۔ آڈٹ کمپنی نے 30 جون 2023 کو ختم ہونے والے مالی سال کے لیے میسرز اے۔ ایف فرگوسن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی تقرری کی سفارش کی ہے۔ کیونکہ موجودہ آڈیٹرز 31 دسمبر 2022 کو ختم ہونے والے سال کے لیے اپنی ادارے نیشنل بینک آف پاکستان کے مسلسل پانچ سال کے آڈٹ کو مکمل کر لیں گے اور یوں قابل اطلاق قانون کے مطابق بعد کی مدت کے لیے ان کا تقرر نہیں کیا جاسکتا۔

### شیئر ہولڈنگ کا نمونہ

30 جون 2022 کو شیئر ہولڈنگ کے پٹرن کا انکشاف مالیاتی گوشوارے کے نوٹ 20 میں کیا گیا ہے۔

### آمدنی کی تقسیم

مالی سال 2021-22 کے دوران، کمپنی کے شیئر ہولڈرز نے 30 جون 2021 کو ختم ہونے والے سال کے لئے نقد منافع بخر 52 فیصد (5.2 روپے فی شیئر) تقسیم کرنے کی منظوری دی ہے۔

کمپنی کے بورڈ نے 30 جون 2022 کو ختم ہونے والے سال کے لئے نقد منافع بخر 47.6 فیصد (4.76 روپے فی شیئر) تقسیم کرنے کی سفارش کی ہے۔

### پبلک سیکورٹیز (کارپوریٹ گورننس) رولز کی بیرونی میں ڈائریکٹرز اسٹیٹمنٹ

پبلک سیکورٹیز (کارپوریٹ گورننس) رولز کے تقاضوں کی بیرونی میں مخصوص بیانات درج ذیل ہیں:

1. منجھٹ کمپنی کی طرف سے تیار کردہ، مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، کیش فلواور پونٹ ہولڈرز فنڈز میں تبدیلی کی منصفانہ عکاسی کرتے ہیں۔
2. فنڈ کے اکاؤنٹس کے کھاتے درست انداز میں رکھے ہوئے ہیں۔
3. مالی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل بیرونی کی گئی ہے۔ شمار یاتی تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔
4. ان مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے بین الاقوامی معیاروں، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، کی بیرونی کی گئی ہے۔
5. انٹرنل کنٹرول کا نظام مستحکم اور موثر طریقے سے نافذ ہے اور اس کی مسلسل نگرانی کی جاتی ہے۔
6. فنڈ کی دواں دواں رہنمائی کی صلاحیت کے بارے میں کوئی شکوک و شبہات نہیں ہیں۔
7. کارپوریٹ گورننس کی اعلیٰ ترین روایات سے کوئی پہلو تہی نہیں کی گئی۔

8\* ٹیکسوں، ڈیوٹیوں، محصولات اور چارجز کی مد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کر دی گئی ہیں۔

9\* رواں مالی سال کے دوران کمپنی کے بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے۔ تمام ڈائریکٹرز کی حاضری درج ذیل ہے:

ڈائریکٹرز کے نام	اجلاسوں کی تعداد			جن اجلاسوں میں غیر حاضر رہے
	منعقدہ	شرکت	رخصت دی گئی	
شیخ محمد عبدالوحید سیٹھی	5	5	-	
توقیر مظہر *	4	4	-	
مہناز سالار	5	5	-	
علی سہگل	5	5	-	
عمران ظفر	5	4	1	85 واں BOD اجلاس
خالد منصور	5	4	1	82 واں BOD اجلاس
سعد امان اللہ خان	5	5	-	
ہمایوں بشیر	5	5	-	
احمد وحید	5	5	-	

\* سید حسن الرضی کاظمی 25 جون 2021 کو بورڈ سے مستعفی ہو گئے اور 04 اگست 2021 کو جناب توقیر مظہر بطور ڈائریکٹر بورڈ پر مقرر کئے گئے۔

#### ڈائریکٹرز کا مشاہرہ

مالی سال 2021-22 کے دوران ڈائریکٹرز کا معاوضہ نتیجہ حسب ذیل ہے:


ڈائریکٹرز کے نام	کمپنی	اجلاس فیس	مینیجریل معاوضہ	کارکردگی بونس	پینشن	میڈیکل
شیخ محمد عبدالوحید سیٹھی	نان ایگزیکٹو	900,000	-	-	-	-
توقیر مظہر *	نان ایگزیکٹو	700,000	-	-	-	-
مہناز سالار	نان ایگزیکٹو	900,000	-	-	-	-
علی سہگل	نان ایگزیکٹو	1,200,000	-	-	-	-
عمران ظفر	نان ایگزیکٹو	1,000,000	-	-	-	-
خالد منصور	نان ایگزیکٹو	600,000	-	-	-	-
سعد امان اللہ خان	نان ایگزیکٹو	1,600,000	-	-	-	-
ہمایوں بشیر	نان ایگزیکٹو	1,600,000	-	-	-	-
احمد وحید	ایگزیکٹو	-	49,940,400	17,946,615	704,911	457,699
		8,500,000	49,940,400	17,946,615	704,911	457,699

نان ایگزیکٹو ڈائریکٹرز (بشمول غیر جانبدار ڈائریکٹرز) بورڈ کے اجلاسوں یا آسکی ذیلی کمیٹیوں کے کسی اجلاسوں میں شرکت کا 100,000 روپے فی اجلاس فی ڈائریکٹر معاوضہ حاصل کرنے کے اہل ہیں۔

#### 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 تخلص رویہ کا بھی اعتراف کرتا ہے۔

بورڈ اپنے اسٹاف کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

  
ڈائریکٹر

منجانب بورڈ آف ڈائریکٹرز

17/11/2022  
چیف ایگزیکٹو

تاریخ: 27 ستمبر 2022ء

مقام: کراچی

# Statement of Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 for the year ended June 30, 2022

Name of company: NBP Fund Management Limited

Name of the line ministry: Ministry of Finance, Government of Pakistan

For the year ended: June 30, 2022

This statement presents the overview of the compliance with the Public Sector Companies (Corporate Governance) Rules, 2013 (“the Rules”) and the Listed Companies (Code of Corporate Governance) Regulations, 2019 (“the Regulations”) issued by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of establishing a framework of good governance, whereby an Asset Management Company in the public sector is managed in compliance with the best practices of the Rules and Regulations.

The company has complied with the provisions of the Rules and Regulations in the following manner:

S. No.	Provision of the Rules and Regulations	Y	N	N/A																									
		Tick the relevant box																											
1.	The independent directors meet the criteria of independence, as defined in the Rules.	✓																											
2.	<p>The Board has at least one-third of its total members as independent Directors. As at June 30, 2022 the composition of Board* was as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Category</th> <th>Names</th> <th>Date of Appointment</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Independent Directors</td> <td>Mr. Khalid Mansoor</td> <td>06-Nov-2019</td> </tr> <tr> <td>Mr. Humayun Bashir</td> <td>06-Nov-2019</td> </tr> <tr> <td>Mr. Saad Amanullah Khan</td> <td>06-Nov-2019</td> </tr> <tr> <td>Executive Directors</td> <td>Dr. Amjad Waheed – CEO</td> <td>29-Sep-2005</td> </tr> <tr> <td rowspan="4">Non-Executive Directors</td> <td>Mr. Shaikh Muhammad</td> <td>06-Nov-2019</td> </tr> <tr> <td>Abdul Wahid Sethi</td> <td>04-Aug-2021</td> </tr> <tr> <td>Mr. Tauqeer Mazhar*</td> <td>06-Nov-2019</td> </tr> <tr> <td>Mr. Imran Zaffar</td> <td>06-Nov-2019</td> </tr> <tr> <td>Female Director</td> <td>Ms. Mehnaz Salar</td> <td>03-Feb-2021</td> </tr> </tbody> </table> <p>* Syed Hasan Irtiza Kazmi, non-executive director of the company, resigned from the Board on June 25, 2021. Mr. Tauqeer Mazhar was appointed by the Board on August 04, 2021 to fill the casual vacancy.</p>	Category	Names	Date of Appointment	Independent Directors	Mr. Khalid Mansoor	06-Nov-2019	Mr. Humayun Bashir	06-Nov-2019	Mr. Saad Amanullah Khan	06-Nov-2019	Executive Directors	Dr. Amjad Waheed – CEO	29-Sep-2005	Non-Executive Directors	Mr. Shaikh Muhammad	06-Nov-2019	Abdul Wahid Sethi	04-Aug-2021	Mr. Tauqeer Mazhar*	06-Nov-2019	Mr. Imran Zaffar	06-Nov-2019	Female Director	Ms. Mehnaz Salar	03-Feb-2021	✓		
Category	Names	Date of Appointment																											
Independent Directors	Mr. Khalid Mansoor	06-Nov-2019																											
	Mr. Humayun Bashir	06-Nov-2019																											
	Mr. Saad Amanullah Khan	06-Nov-2019																											
Executive Directors	Dr. Amjad Waheed – CEO	29-Sep-2005																											
Non-Executive Directors	Mr. Shaikh Muhammad	06-Nov-2019																											
	Abdul Wahid Sethi	04-Aug-2021																											
	Mr. Tauqeer Mazhar*	06-Nov-2019																											
	Mr. Imran Zaffar	06-Nov-2019																											
Female Director	Ms. Mehnaz Salar	03-Feb-2021																											
3.	The directors have confirmed that none of them is serving as a director of more than five public sector companies and / or listed companies simultaneously, except their subsidiaries.	✓																											

4.	The appointing authorities have applied the fit and proper criteria given in the Annexure to the Rules in making nominations of the persons for election as Board members under the provisions of the Act.	✓		
5.	The chairman of the Board is working separately from the chief executive of the Company.	✓		
6.	The chairman has been elected by the Board of directors except where Chairman of the Board has been appointed by the Government.	✓		
7.	The Board has evaluated the candidates for the position of the chief executive on the basis of the fit and proper criteria as well as the guidelines specified by the Commission. (Not applicable where the chief executive has been nominated by the Government)	✓		
8.	(a) The company has prepared a “Code of Conduct” to ensure that professional standards and corporate values are in place. (b) The Board has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures, including posting the same on the company’s website. (www.nbpffunds.com) (c) The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical practices.	✓ ✓ ✓		
9.	The Board has established a system of sound internal control, to ensure compliance with the fundamental principles of probity and propriety; objectivity, integrity and honesty; and relationship with the stakeholders, in the manner prescribed in the Rules.	✓		
10.	The Board has developed and enforced an appropriate conflict of interest policy to lay down circumstances or considerations when a person may be deemed to have actual or potential conflict of interests, and the procedure for disclosing such interest.	✓		
11.	The Board has developed and implemented whistle blowing and anti-corruption policies to minimize actual or perceived corruption in the Company.	✓		
12.	The Board has ensured equality of opportunity by establishing open and fair procedures for making appointments and for determining terms and conditions of service.	✓		
13.	The Board has ensured compliance with the law as well as the company’s internal rules and procedures relating to public procurement, tender regulations, and purchasing and technical standards, when dealing with suppliers of goods and services.			✓
14.	The Board has developed a vision or mission statement and corporate strategy of the company.	✓		
15.	The Board has developed significant policies of the company and a complete record of particulars of significant policies along with the dates on which they were approved or amended, has been maintained.	✓		



16.	The Board has quantified the outlay of any action in respect of any service delivered or goods sold by the Company as a public service obligation, and has submitted its request for appropriate compensation to the Government for consideration.			✓
17.	The Board has ensured compliance with policy directions requirements received from the Government.	✓		
18.	(a) The Board has met at least four times during the year. (b) Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. (c) The minutes of the meetings were appropriately recorded and circulated.	✓ ✓ ✓		
19.	The Board has monitored and assessed the performance of senior management on annual basis and held them accountable for accomplishing objectives, goals and key performance indicators set for this purpose.	✓		
20.	The Board has reviewed and approved the related party transactions placed before it after recommendations of the audit committee. A party wise record of transactions entered into with the related parties during the year has been maintained by the Company	✓		
21.	(a) The Board has approved the statement of profit and loss account (formerly profit or loss account) for and statement of financial position (formerly balance sheet) as at, the end of, the first, second and third quarter of the year, within one month of close of respective quarters, as well as the financial year end.	✓		
	(b) In case of listed Public Sector Company, the Board has prepared half yearly accounts and undertaken limited scope review by the auditors.  (c) The Board has placed the annual financial statements on the company's website.			The requirement is not applicable to the company being unlisted, however the company has practice of having its half yearly accounts reviewed by the statutory auditors
22.	All the Board members underwent an orientation course arranged by the company to apprise them of the material developments and information as specified in the Rules.	✓		
23.	(a) The Board has formed the requisite committees, as specified in the Rules.	✓		
	(b) The committees were provided with written term of reference defining their duties, authority and composition.	✓		
	(c) The minutes of the meetings of the committees were circulated to all the Board members.	✓		
	(d) The committees were chaired by the following non-executive directors:	✓		


	<table border="1"> <thead> <tr> <th>Committee</th> <th>Number of members</th> <th>Name of Chair</th> </tr> </thead> <tbody> <tr> <td>Audit &amp; Risk Management Committee</td> <td>4</td> <td>Mr. Saad Amanullah Khan</td> </tr> <tr> <td>Human Resources Committee</td> <td>5</td> <td>Mr. Khalid Mansoor</td> </tr> <tr> <td>Strategy and Business Planning Committee</td> <td>5</td> <td>Mr. Humayun Bashir</td> </tr> </tbody> </table>	Committee	Number of members	Name of Chair	Audit & Risk Management Committee	4	Mr. Saad Amanullah Khan	Human Resources Committee	5	Mr. Khalid Mansoor	Strategy and Business Planning Committee	5	Mr. Humayun Bashir	The Company is exempted by SECP through letter CLD/CCD/CG/Exemptions/2014 dated 14 October 2014, from the formation of the Procurement committee and Nomination committee.					
Committee	Number of members	Name of Chair																	
Audit & Risk Management Committee	4	Mr. Saad Amanullah Khan																	
Human Resources Committee	5	Mr. Khalid Mansoor																	
Strategy and Business Planning Committee	5	Mr. Humayun Bashir																	
24.	<p>The Board has formed an audit committee, with defined and written terms of reference, and having the following members:</p> <table border="1"> <thead> <tr> <th>Name of members</th> <th>Category</th> <th>Professional Background</th> </tr> </thead> <tbody> <tr> <td>Mr. Saad Amanullah Khan</td> <td>Independent Director</td> <td>Advisor</td> </tr> <tr> <td>Ms. Mehnaz Salar</td> <td>Non-Executive Director</td> <td>Banker</td> </tr> <tr> <td>Mr. Humayun Bashir</td> <td>Non-Executive Director</td> <td>Advisor</td> </tr> <tr> <td>Mr. Imran Zaffar</td> <td>Non-Executive Director</td> <td>Advisor</td> </tr> </tbody> </table> <p>The chief executive and chairman of the Board are not members of the audit committee.</p>	Name of members	Category	Professional Background	Mr. Saad Amanullah Khan	Independent Director	Advisor	Ms. Mehnaz Salar	Non-Executive Director	Banker	Mr. Humayun Bashir	Non-Executive Director	Advisor	Mr. Imran Zaffar	Non-Executive Director	Advisor	✓		
Name of members	Category	Professional Background																	
Mr. Saad Amanullah Khan	Independent Director	Advisor																	
Ms. Mehnaz Salar	Non-Executive Director	Banker																	
Mr. Humayun Bashir	Non-Executive Director	Advisor																	
Mr. Imran Zaffar	Non-Executive Director	Advisor																	
25.	The Board has approved appointment of Chief Financial Officer, Company Secretary and Chief Internal Auditor with their remuneration and terms and conditions of employment.	✓																	
26.	The Chief Financial Officer and the Company Secretary have requisite qualification prescribed in the Rules.	✓																	
27.	The company has adopted International Financial Reporting Standards notified by the Commission in terms of sub-section (1) of section 225 of the Act.	✓																	
28.	The directors' report for the year has been prepared in compliance with the requirements of the Act and the Rules and fully describes the salient matters required to be disclosed.	✓																	
29.	The directors, CEO and executives, or their relatives, are not, directly or indirectly, concerned or interested in any contract or arrangement entered into by or on behalf of the company except those disclosed to the company.	✓																	
30.	(a) A formal and transparent procedure for fixing the remuneration packages of individual directors has been set in place and no director is involved in deciding his own remuneration.	✓																	
	(b) The annual report of the company contains criteria and details of remuneration of each director.	✓																	

31.	The financial statements of the company were duly endorsed by the chief executive and chief financial officer before consideration and approval of the audit committee and the Board.	✓		
32.	(a) The chief financial officer, the chief internal auditor, and a representative of the external auditors attended all meetings of the audit committee at which issues relating to accounts and audit were discussed.	✓		
	(b) The audit committee met the external auditors, at least once a year, without the presence of the chief financial officer, the chief internal auditor and other executives.	✓		
	(c) The audit committee met the chief internal auditor and other members of the internal audit function, at least once a year, without the presence of chief financial officer and the external auditors.	✓		
33.	(a) The Board has set up an effective internal audit function, which has an audit charter, duly approved by the audit committee.	✓		
	(b) The chief internal auditor has requisite qualification and experience prescribed in the Rules.	✓		
	(c) The internal audit reports have been provided to the external auditors for their review.	✓		
34.	The external auditors of the company have confirmed that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as applicable in Pakistan.	✓		
35.	The auditors have confirmed that they have observed applicable guidelines issued by IFAC with regard to provision of non-audit services.	✓		

**Certain additional disclosures, required under the Listed Companies (Code of Corporate Governance) Regulations, 2019 (The Regulations)**

36.	As at June 30, 2022, the total number of Board members was 09 as follows  a) Male 08 b) Female 01																																						
37.	The Board has formed Committees comprising members given below																																						
	<table border="1"> <thead> <tr> <th>Name of Committee</th> <th>Name of Member</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td rowspan="5">Human Resource Committee</td> <td>Mr. Khalid Mansoor</td> <td>Chairman</td> </tr> <tr> <td>Mr. Shaikh Muhammad Abdul Wahid Sethi</td> <td>Member</td> </tr> <tr> <td>Mr. Saad Amanullah Khan</td> <td>Member</td> </tr> <tr> <td>Mr. Humayun Bashir</td> <td>Member</td> </tr> <tr> <td>Mr. Ali Saigol</td> <td>Member</td> </tr> <tr> <td rowspan="4">Strategy and Business Planning Committee</td> <td>Mr. Humayun Bashir</td> <td>Chairman</td> </tr> <tr> <td>Mr. Saad Amanullah Khan</td> <td>Member</td> </tr> <tr> <td>Mr. Imran Zaffar</td> <td>Member</td> </tr> <tr> <td>Mr. Tauqeer Mazhar</td> <td>Member</td> </tr> <tr> <td></td> <td>Ali Saigol</td> <td>Member</td> </tr> <tr> <td rowspan="4">Audit &amp; Risk Management Committee</td> <td>Mr. Saad Amanullah Khan</td> <td>Chairman</td> </tr> <tr> <td>Ms. Mehnaz Salar</td> <td>Member</td> </tr> <tr> <td>Mr. Humayun Bashir</td> <td>Member</td> </tr> <tr> <td>Mr. Imran Zaffar</td> <td>Member</td> </tr> </tbody> </table>	Name of Committee	Name of Member	Status	Human Resource Committee	Mr. Khalid Mansoor	Chairman	Mr. Shaikh Muhammad Abdul Wahid Sethi	Member	Mr. Saad Amanullah Khan	Member	Mr. Humayun Bashir	Member	Mr. Ali Saigol	Member	Strategy and Business Planning Committee	Mr. Humayun Bashir	Chairman	Mr. Saad Amanullah Khan	Member	Mr. Imran Zaffar	Member	Mr. Tauqeer Mazhar	Member		Ali Saigol	Member	Audit & Risk Management Committee	Mr. Saad Amanullah Khan	Chairman	Ms. Mehnaz Salar	Member	Mr. Humayun Bashir	Member	Mr. Imran Zaffar	Member			
Name of Committee	Name of Member	Status																																					
Human Resource Committee	Mr. Khalid Mansoor	Chairman																																					
	Mr. Shaikh Muhammad Abdul Wahid Sethi	Member																																					
	Mr. Saad Amanullah Khan	Member																																					
	Mr. Humayun Bashir	Member																																					
	Mr. Ali Saigol	Member																																					
Strategy and Business Planning Committee	Mr. Humayun Bashir	Chairman																																					
	Mr. Saad Amanullah Khan	Member																																					
	Mr. Imran Zaffar	Member																																					
	Mr. Tauqeer Mazhar	Member																																					
	Ali Saigol	Member																																					
Audit & Risk Management Committee	Mr. Saad Amanullah Khan	Chairman																																					
	Ms. Mehnaz Salar	Member																																					
	Mr. Humayun Bashir	Member																																					
	Mr. Imran Zaffar	Member																																					
	The terms of reference of the aforesaid Committee have been formed, documented and advised to the Committee for compliance.																																						
38.	The frequency of meeting (Yearly) of the Board Committees was as follows;																																						
	<table border="1"> <thead> <tr> <th>Board Sub-Committee</th> <th>Frequency</th> </tr> </thead> <tbody> <tr> <td>Human Resource Committee</td> <td>3</td> </tr> <tr> <td>Strategy and Business Planning Committee</td> <td>3</td> </tr> <tr> <td>Audit &amp; Risk Management Committee</td> <td>4</td> </tr> </tbody> </table>	Board Sub-Committee	Frequency	Human Resource Committee	3	Strategy and Business Planning Committee	3	Audit & Risk Management Committee	4																														
Board Sub-Committee	Frequency																																						
Human Resource Committee	3																																						
Strategy and Business Planning Committee	3																																						
Audit & Risk Management Committee	4																																						
39.	The external auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and are registered with Audit Oversight Board of Pakistan, that the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Chief Internal Auditor, Company Secretary or Board member of the Company.																																						

40.	All the meetings of the Board were presided over by the Chairman.	✓		
41.	All the powers of the BOD were duly exercised and decisions on material transactions were taken by BOD.	✓		
42.	We confirm that all requirements of regulation 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.	✓		

  
**DR. AMJAD WAHEED**  
**CHIEF EXECUTIVE OFFICER**

  
**SAAD AMANULLAH KHAN**  
**DIRECTOR**

Dated: September 27, 2022

# INDEPENDENT AUDITOR'S REVIEW REPORT

## To the members of NBP Fund Management Limited

### Review report on the Statement of Compliance contained in Public Sector Companies (Corporate Governance) Rules, 2013 and Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 (both herein referred to as 'Rules') prepared by the Board of Directors of NBP Fund Management Limited (the Company) for the year ended June 30, 2022 in accordance with the requirements of Rule 24 of the Public Sector Companies (Corporate Governance) Rules, 2013 (the Rules) and Regulation 36 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) respectively.

The responsibility for compliance with the Rules and Regulations is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Rules and report if it does not and to highlight any non-compliance with the requirements of the Rules. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Rules.

As a part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Rules and Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in Rules and Regulations as applicable to the Company for the year ended June 30, 2022.

  
Chartered Accountants

**Place:** Karachi

**Date:** September 28, 2022

**UDIN:** CR202210091KrHknJhoA

# INDEPENDENT AUDITOR'S REPORT

To the members of NBP Fund Management Limited

## Report on the Audit of the Financial Statements

### Opinion

We have audited the annexed financial statements of NBP Fund Management Limited (the Company), which comprise the statement of financial position as at June 30, 2022, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2022 and of the profit, comprehensive income, the changes in equity and its cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have not been provided with any such information and therefore we have nothing to report in this regard.

### Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

- c) investments made, expenditures incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Nadeem Yousuf Adil.

*Nadeem Yousuf Adil*

**Chartered Accountants**

**Place:** Karachi

**Date:** September 28, 2022

**UDIN:** AR202210091tyklJ6Y7L

**NBP FUND MANAGEMENT LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2022**

	2022	2021
Note	----- Rupees -----	
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property and equipment	6 406,246,156	453,993,519
Intangible assets	7 164,452,986	188,524,228
Right of use assets	8 420,091,968	248,445,142
Long term investments	9 265,000	-
Long term loan to employees	10 10,139,730	15,491,826
Long term deposits	11 53,460,273	74,344,498
Long term prepayment	381,856	258,994
Deferred tax asset	12 84,179,193	61,947,009
<b>Total non-current assets</b>	<b>1,139,217,162</b>	<b>1,043,005,216</b>
<b>Current assets</b>		
Due from funds under management and discretionary portfolio advisory clients	13 877,138,802	925,664,366
Advances	14 12,594,542	19,854,506
Other receivables	15 11,032,793	10,221,973
Current maturity of long term loan to employees	10 11,212,015	11,274,954
Current portion of long term deposits	11 30,625,610	-
Short term prepayments	16 22,094,907	16,028,370
Short term investments	17 719,631,037	484,686,026
Advance tax - net of provision	18 56,399,405	96,841,954
Cash and bank balances	19 17,283,339	40,526,952
<b>Total current assets</b>	<b>1,758,012,450</b>	<b>1,605,099,101</b>
<b>Total assets</b>	<b>2,897,229,612</b>	<b>2,648,104,317</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity and reserves</b>		
Authorized share capital	20 300,000,000	300,000,000
Issued, subscribed and paid-up share capital	20 250,000,000	250,000,000
Unappropriated profits	1,111,727,073	1,006,711,801
<b>Total equity and reserves</b>	<b>1,361,727,073</b>	<b>1,256,711,801</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Liabilities against assets subject to diminishing musharka	21 62,577,903	94,867,297
Lease liabilities against right of use assets	22 304,315,537	152,885,210
Deferred liabilities	23 319,081,078	286,276,824
<b>Total non-current liabilities</b>	<b>685,974,518</b>	<b>534,029,331</b>
<b>Current liabilities</b>		
Current maturity of liabilities against assets subject to diminishing musharka	21 65,131,123	71,572,403
Current maturity of lease liabilities against right of use assets	22 105,997,707	87,666,912
Trade and other payables	24 564,099,175	630,623,855
Dividend payable	114,300,016	67,500,015
<b>Total current liabilities</b>	<b>849,528,021</b>	<b>857,363,185</b>
<b>Total liabilities</b>	<b>1,535,502,539</b>	<b>1,391,392,516</b>
<b>Total equity and liabilities</b>	<b>2,897,229,612</b>	<b>2,648,104,317</b>
<b>CONTINGENCIES AND COMMITMENTS</b>		
25		

The annexed notes from 1 to 47 form an intergral part of these financial statements.


  
**CHIEF EXECUTIVE OFFICER**

  
**DIRECTOR**

**NBP FUND MANAGEMENT LIMITED  
STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED JUNE 30, 2022**

	2022	2021
Note	----- Rupees -----	
<b>Income</b>		
Management fee and discretionary portfolio advisory fee	26 <b>1,099,185,794</b>	1,029,414,577
Sales load attributable to management Company	27 <b>74,320,672</b>	140,593,949
Debit Card Fee	28 <b>7,090,655</b>	5,070,929
Investment advisory fee	29 <b>1,787,231</b>	1,844,533
Other income	30 <b>27,753,120</b>	17,597,981
	<b>1,210,137,472</b>	1,194,521,969
<b>(Loss) / gain from investments at fair value through profit or loss</b>		
(Loss) / gain on redemption of investments in mutual funds	<b>(16,813,625)</b>	12,698,739
Dividend income	<b>12,217,326</b>	9,435,904
Unrealized (loss) / gain on remeasurement of investments	<b>(22,695,936)</b>	27,355,632
	<b>(27,292,235)</b>	49,490,275
<b>Total income</b>	<b>1,182,845,237</b>	1,244,012,244
<b>Operating expenses</b>		
Administrative expenses	31 <b>(745,211,648)</b>	(791,294,089)
Selling and marketing expenses	32 <b>(30,882,267)</b>	(30,729,275)
Financial charges	33 <b>(56,125,032)</b>	(55,536,564)
<b>Total expenses</b>	<b>(832,218,947)</b>	(877,559,928)
<b>Operating profit</b>	<b>350,626,290</b>	366,452,316
Other charges	34 <b>(7,019,125)</b>	(7,520,023)
<b>Profit before taxation for the year</b>	<b>343,607,165</b>	358,932,293
Taxation	35 <b>(105,385,853)</b>	(98,960,149)
<b>Profit after taxation for the year</b>	<b>238,221,312</b>	259,972,144
<b>Earnings per share - basic and diluted</b>	36 <b>9.53</b>	10.40

The annexed notes from 1 to 47 form an interegral part of these financial statements.

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

**NBP FUND MANAGEMENT LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2022**

	2022	2021
Note	----- Rupees -----	-----
Profit after taxation for the year	<b>238,221,312</b>	259,972,144
<b><i>Other comprehensive loss for the year</i></b>		
<b>Items that will not be subsequently reclassified to profit or loss</b>		
Remeasurement loss on defined benefit plan	23.1.4 (4,785,135)	(8,903,654)
Income tax effect	1,579,095	2,582,060
	<b>(3,206,040)</b>	(6,321,594)
<b>Total comprehensive income for the year</b>	<b>235,015,272</b>	<b>253,650,550</b>

The annexed notes from 1 to 47 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR

**NBP FUND MANAGEMENT LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2022**

	Issued, subscribed and paid-up share capital	Revenue reserves	Total Equity
----- Rupees -----			
Balance as at July 01, 2020	250,000,000	845,561,251	1,095,561,251
<i>Transaction with owners</i>			
Final dividend at Rs. 3.7 per share for the year ended June 30, 2020	-	(92,500,000)	(92,500,000)
<b>Comprehensive income for the year</b>			
Profit after taxation	-	259,972,144	259,972,144
Other comprehensive income for the year ended June 30, 2021, net of tax	-	(6,321,594)	(6,321,594)
Total comprehensive income for the year ended June 30, 2021	-	253,650,550	253,650,550
Balance as at June 30, 2021	250,000,000	1,006,711,801	1,256,711,801
<i>Transaction with owners</i>			
Final dividend at Rs. 5.2 per share for the year ended June 30, 2021	-	(130,000,000)	(130,000,000)
<b>Comprehensive income for the year</b>			
Profit after taxation	-	238,221,312	238,221,312
Other comprehensive income for the year ended June 30, 2022, net of tax	-	(3,206,040)	(3,206,040)
Total comprehensive income for the year ended June 30, 2022	-	235,015,272	235,015,272
<b>Balance as at June 30, 2022</b>	<b>250,000,000</b>	<b>1,111,727,073</b>	<b>1,361,727,073</b>

The annexed notes from 1 to 47 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR

**NBP FUND MANAGEMENT LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	2022	2021
	----- Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation for the year	343,607,165	358,932,293
<b>Adjustments for non cash and other items:</b>		
Sindh Workers' Welfare Fund	34 7,019,125	7,325,148
Loss / (gain) on redemption of investments in mutual funds	16,813,625	(12,698,739)
Unrealized loss / (gain) on remeasurement of investments	22,695,936	(27,355,632)
Dividend income	(12,217,326)	(9,435,904)
Gain on disposal of property and equipment	30 (13,462,896)	(2,318,501)
Depreciation on property and equipment	6.1 131,350,148	125,422,667
Depreciation on right of use assets	8 132,591,951	118,387,476
Amortization of deferred income	23.2 (5,604,681)	(10,445,097)
Amortization of intangible assets	7.1 41,977,866	33,639,194
Provision for gratuity	23.1.3 63,365,488	51,343,568
Financial charges	33 56,125,032	55,536,564
Mark-up income on loans	(2,386,909)	(1,445,622)
Mark-up income on bank deposits	(6,178,347)	(2,810,690)
	432,089,012	325,144,432
<b>Operating cash flows before working capital changes</b>	775,696,177	684,076,725
<b>Movement in working capital</b>		
Advances	7,259,964	9,122,156
Other receivables	(810,820)	(3,308,006)
Prepayments	(6,189,399)	6,676,317
Due from funds under management and discretionary portfolio advisory clients	48,525,564	(86,416,620)
Trade and other payables	(66,524,680)	68,703,638
	(17,739,371)	(5,222,515)
<b>Cash generated from operations</b>	757,956,806	678,854,210
Mark-up income on bank deposits received	6,178,347	2,851,848
Mark-up income on loans received	2,386,909	1,445,622
Financial charges	33 (56,125,032)	(55,536,564)
Gratuity paid	23.1.2 (41,197,445)	(1,595,157)
Taxes paid	(92,921,541)	(73,504,653)
	(181,678,762)	(126,338,904)
<b>Net cash generated from operating activities</b>	576,278,044	552,515,306
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions in property and equipment	6 (67,655,449)	(70,311,060)
Addition in intangible assets	7.1 (6,606,624)	(28,050,794)
Addition in capital work in progress	7.2 (11,300,000)	(36,000,000)
Proceeds from disposal of property and equipment	6.3 50,865,260	10,646,965
Proceeds against deferred income	23.2 12,392,875	5,992,500
Loan to employees recovered / (disbursed) - net	10 5,415,035	(11,005,228)
Dividend income received	12,217,326	9,435,904
Short term Investments (made) / redeemed - net	(286,671,898)	(154,370,830)
Long term Investment (made) / redeemed - net	(265,000)	-
Long term deposit paid	(9,741,385)	(10,851,064)
<b>Net cash used in investing activities</b>	(301,349,860)	(284,513,607)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of liabilities against subject to diminishing musharka	(80,317,791)	(77,313,531)
Payment of lease liability against right of use assets paid	(134,654,007)	(104,476,819)
Dividend paid	(83,199,999)	(60,387,500)
<b>Net cash used in financing activities</b>	(298,171,797)	(242,177,850)
<b>Net (decrease) / increase in cash and cash equivalent</b>	(23,243,613)	25,823,849
Cash and cash equivalent at beginning of the year	40,526,952	14,703,103
<b>Cash and cash equivalent at end of the year</b>	19 17,283,339	40,526,952

The annexed notes from 1 to 47 form an interegral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



**NBP FUND MANAGEMENT LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**1 STATUS AND NATURE OF BUSINESS**

- 1.1 NBP Fund Management Limited, (the Company), was incorporated in Pakistan as a public limited company on August 24, 2005 under Companies Act, 2017 (repealed Companies Ordinance, 1984) and obtained certificate for commencement of business on December 19, 2005. With effect from March 20, 2018 the name of the Company has changed from NBP Fullerton Asset Management Limited to NBP Fund Management Limited (NBP Funds). The main sponsors of the Company are National Bank of Pakistan (NBP) and Baltoro Growth Fund.

Baltoro Growth Fund (BGF) has acquired shareholding of NBP Fund Management Limited (NBP Funds) which was previously held by Alexandra Fund Management Private Limited on October 08, 2018.

Baltoro Growth Fund ("BGF" or the "Fund") is a Mauritius based private equity fund which was set up to make private investments. The Fund was incorporated on 28th December 2015, under the Laws of Republic of Mauritius.

The Company is mainly involved in the business of asset management and investment advisory services. The Company has been issued licenses by the Securities and Exchange Commission of Pakistan (SECP) to carry on business of asset management services and investment advisory services as a Non-Banking Finance Company (NBFC) under section 282C of the repealed Companies Ordinance, 1984 (now Companies Act 2017) and under the Non-Banking Finance Companies and Notified Entities Regulations, 2008. The principal / registered office of the Company is situated at 7th Floor, Clifton Diamond Building, Block-4, Scheme-5, Clifton, Karachi, Pakistan.

The Company is a subsidiary of National Bank of Pakistan which holds 54% (2020: 54%) shares of the Company as at the year end.

The Pakistan Credit Rating Agency Limited has assigned management quality rating AM1 (2021: AM1) to NBP Fund Management Limited.

The Company's licenses to carry out assets management services and investment advisory services have been renewed by SECP on December 13, 2019 and April 7, 2022, respectively for a further period of three years.

The geographical location of regional offices and saving centers are as follows;

**Regional Offices**

<b>City</b>	<b>Address</b>
Islamabad	1st Floor, Ranjha Arcade, Main Double Road, Gulberg Greens, Islamabad.
Lahore	7-Noon Avenue, Canal Bank, Muslim Town, Lahore.
Peshawar	2nd Floor, National Bank Building, University Road, Opposite Gul Haji Plaza, Peshawar.
Multan	1st Floor, Khan Center Abdali road Multan cantt, Multan.
Karachi	6th Floor, Clifton diamond building, Block No. 4, Scheme No. 5, Clifton, Karachi.

**Saving Centers**

<b>City</b>	<b>Address</b>
Islamabad	Plot No. 395-396, Industrial Area I-9/3, Islamabad.
Rawalpindi	Office No 5, Ground Floor, Plot No 99-F, Sama Arcade 3, Spring North, Phase 7, Bahria Town, Rawalpindi.
Karachi	Shop No. 1, Plot No.34-C, Street No. 10, Badar Commercial, Phase-V Extn, DHA, Karachi.

<b>City</b>	<b>Address</b>
Karachi	Ground floor, Ruffi Lake Drive Gulistan-e-Jauhar, Block - 18, Karachi.
Rawalpindi	Shop # 55/T-5, Haider Road, Saddar, Rawalpindi.
Karachi	Shop No. 12-A, Rahat Residency, Plot No. 34-C, Rahat Commercial Area, Lane-3, Phase VI, DHA Karachi.
Karachi	Shop No. 1, Ground Floor, Islamic Plaza, Plot No. SB-2, Block 13-B, KDA Scheme 24, Gulshan-e-Iqbal, Karachi.
Lahore	926-C Maulana Shaukat Ali Road, Faisal Town, Lahore.
Lahore	21-E Main Market Gulberg II, Lahore.
Rawalpindi	Shop No. DT 183-184, Chirah Road, Sadiqabad, Muslim Town, Rawalpindi.
Faisalabad	P-74 1st Floor, Liaqat Road, Faisalabad.
Sialkot	Office # B1-16-S, Paris Road, Sialkot.
Lahore	Shop # 1 Plaza 65, Commercial Area Cavalry Ground, Lahore.
Gujranwala	Building 94, 96 Street# 2 Mohallah Bhatia Nagar GT Road, Gujranwala.
Azad Jammu & Kashmir	Al Manzar building, Allama Iqbal road, Plot #2, Nangi Mirpur Azad Jammu & Kashmir.
Karachi	Shop No.10, Silver Line Apartments, Mian Jamal Uddin Afghani Road, Plot No 15/5, Block Muslim Cooperative Housing Society, Karachi.
Hyderabad	Address: Shop No.2, B1-61, Railway Employees Cooperative Housing Society (RECHS), Main Autobahn Road, Unit# 02, Latifabad, Hyderabad.
Lahore	Plot # 114, Main Boulevard, DHA Phase 6-C, Lahore.
Rawalpindi	13/4, Awan Plaza, Bilal Shaheed Chowk Chaklala Scheme - III, Rawalpindi.
Karachi	Shop # 2 & 3, Famous Tower Plot # B-153, Block – H, North Nazimabad Karachi.
Lahore	H# No.992, Tufail Road Sadar Bazar, Lahore.
Karachi	Shop No.6, Marine Faisal Building, Plot# 6/10-A, Block-6, PECHS, Karachi.
Peshawar	Arbab Plaza, Jamrud Road, Peshawar
Abbotabad	Office No. 1-5, First floor, Silk Plaza, Supply Bazar, Main Manshera Road, Abbotabad
Kasur	Shop# B11-10R-22-C/ Rh+Shop, Main Shahbaz Khan Road, Meelad Gate, Kasur
Wah Cantt	Shop# 14/37 A-B, SUY No.37, Civic Center, Aslam Market, Wah Cantt
Mardan	1st floor, Shaheen Shopping Mall - 3, Mardan
Sargodha	Shop No.17-18, Zam Zama Center, Kacheri Road, Sargodha

In accordance with the requirements of Rule 9 of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, the Company has obtained insurance coverage from EFU General Insurance Limited against any loss that may be incurred as a result of employees' fraud or gross negligence. The Insurance Company has a credit rating of AA++(IFS) by VIS Credit Rating Company Limited on March 31, 2022.

1.2 As at June 30, 2022 the Company is managing the following open end collective investments schemes.

Open-end Collective Investment Schemes	Net Assets under Management of the Company	
	2022	2021
	----- Rupees -----	
NBP Income Opportunity Fund	7,374,542,831	7,953,619,787
NBP Savings Fund	1,728,355,080	1,532,005,036
NBP Islamic Savings Fund	1,845,491,721	2,156,431,689
NBP Islamic Sarmaya Izafa Fund	3,102,338,288	5,611,416,179
NBP Balanced Fund	818,824,455	1,607,673,343
NBP Stock Fund	13,667,616,043	20,693,872,824
NBP Financial Sector Income Fund	39,200,105,966	40,637,597,688
NBP Government Securities Liquid Fund	1,219,222,359	1,439,183,616
NBP Sarmaya Izafa Fund	785,588,480	1,454,046,662
NBP Mahana Amdani Fund	4,054,295,763	5,287,321,518
NBP Riba Free Savings Fund	2,793,254,494	4,326,998,236
NBP Money Market Fund	51,107,050,632	21,623,100,292
NBP Government Securities Savings Fund	138,324,357	212,537,396
NBP Islamic Stock Fund	5,188,044,367	8,203,222,411
NBP Active Allocation Riba Free Savings Fund	-	88,432,824
NBP Islamic Active Allocation Equity Fund	366,509,804	580,205,823
NBP Islamic Energy Fund	716,550,266	865,440,316
NBP Islamic Money Market Fund	6,086,938,429	4,822,642,145
NBP Financial Sector Fund	372,495,725	445,185,416
NBP Islamic Mahana Amdani Fund	10,364,975,540	15,084,806,157
NBP Islamic Regular Income Fund	122,550,174	147,667,086
<b>NAFA Islamic Active Allocation Fund-I</b>		
NAFA Islamic Active Allocation Plan-I	16,535,672	17,506,706
NAFA Islamic Active Allocation Plan-II	16,123,059	24,257,640
NAFA Islamic Active Allocation Plan-III	100,753,353	138,256,952
NAFA Islamic Active Allocation Plan-IV	122,136,750	137,276,884
NAFA Islamic Active Allocation Plan-V	53,378,136	78,282,683
<b>NAFA Islamic Active Allocation Fund-II</b>		
NAFA Islamic Active Allocation Plan-VI	11,798,061	47,947,192
NAFA Islamic Active Allocation Plan-VII	22,851,863	27,104,902
NAFA Islamic Active Allocation Plan-VIII	40,531,041	57,045,775
Nafa Islamic Capital Preservation Plan-I	79,663,294	130,333,754
Nafa Islamic Capital Preservation Plan-II	38,562,631	91,699,368
<b>NAFA Islamic Active Allocation Fund-III</b>		
Nafa Islamic Capital Preservation Plan-III	43,220,964	78,922,271
Nafa Islamic Capital Preservation Plan-IV	24,661,321	47,498,767
NBP Islamic Capital Preservation Plan-V	28,475,544	53,951,751
NBP Islamic Capital Preservation Plan-VI	181,140,296	-
<b>NBP Government Securities Fund-I</b>		
NBP Government Securities Plan-I	-	192,327,769
NAFA Pension Fund	3,517,273,335	3,063,009,267
NAFA Islamic Pension Fund	3,687,355,472	3,417,072,740
NBP Islamic Daily Dividend Fund	11,193,666,536	13,295,158,456
NBP Pakistan Growth Exchange Traded Fund	51,991,546	61,628,775
NBP Islamic Income Fund	7,533,210,462	3,246,656,544
Investment of underlying Funds in NBP Funds	(5,918,087,916)	(3,127,416,549)
	<b>171,898,316,194</b>	<b>165,851,928,091</b>

## **2 SUMMARY OF SIGNIFICANT EVENTS AND TRANSACTIONS**

- 2.1** To increase the Company's physical reach across Pakistan, the Company during the year, has further expanded the network of its branches and new branches in the cities of Peshawar, Kasur, Mardan, Sargodha, Wah Cantt and Abbotabad to enhance the business of the Company.
- 2.2** During the year the Company launched a new plan, NBP Islamic Capital Preservation Plan-VI, under its existing fund, NAFA Islamic Active Allocation Fund-III, in addition to the three plans already operating under the fund.
- 2.3** During the year, the Company revoked NBP Active Allocation Riba Free Savings Fund (a Shariah compliant capital protected scheme) and NBP Government Securities Plan-I, by exercising rights given to the Company under regulation 45A(1)(d) of NBFC and NE Regulations, 2008 as net assets of the respective schemes fell below Rs. 100 million and continuation of the schemes were commercially not viable. Accordingly distribution was made to the unit holders of the schemes in proportion of their respective interests in the net assets of the schemes.

## **3 BASIS OF PREPARATION**

### **3.1 Statement of compliance**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan are as follows;

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Provisions of and directives issued under the Companies Act, 2017, along with the amendments issued from time to time;
- Non-Banking Finance Companies (Establishment and regulations) Rules, 2003 (the NBFC Rules) along with the amendments issued from time to time; and
- Non-Banking Finance Companies and Notified Entities regulations, 2008 (the NBFC Regulations) along with the amendments issued from time to time; and

Where provisions of and directives issued under the Companies Act, 2017, Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) have been followed.

### **3.2 Exemption from consolidation of mutual funds by the asset management company**

The SECP vide SRO 56 (I) / 2016 dated January 28, 2016 has directed that the requirements of consolidation under section 237 of the repealed Companies Ordinance, 1984 (now section 228 of the Companies Act, 2017) and IFRS 10 Consolidated Financial Statements are not applicable in case of investments made by companies in mutual funds established under trust schemes. Accordingly, the Company has not consolidated the financial position and results of operations of mutual funds managed by it in these financial statements.

### **3.3 Basis of measurement**

These financial statements have been prepared on accrual basis.

These financial statements have been prepared under the historical cost convention except for investments which are recorded at fair value (see note 4.4.1), defined benefit obligation and lease liabilities against right of use assets which are measured at present value.

### **3.4 Functional and presentation currency**

These financial statements are presented in Pakistani Rupees, which is the Company's functional and presentational currency.

### 3.5 Use of critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, income and expenses. It also requires the management to exercise its judgment in the application of the Company's accounting policies. The estimates, judgments and associated assumptions are based on management's experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both the current and future periods. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in the application of accounting policies are as follows:

- (a) Residual values, useful lives and depreciation rates of property and equipment (note 4.1 and 6)
- (b) Useful lives of intangible assets (note 4.2 and 7.1)
- (c) Residual values, useful lives and depreciation rates of right of use assets (note 4.3 and 8.2)
- (d) Investments, its classification, valuation and impairment (note 4.4 and 16)
- (e) Impairment of non-financial asset (note 4.6)
- (f) Assumption and estimation in recognition of current tax and deferred taxation (note 4.7)
- (g) Employee defined benefits (note 4.9)

## 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are set forth below. These policies are the same as those applied in the preparation of the annual "published" audited financial statements of the Company for the year ended June 30, 2021.

### 4.1 Property and equipment

#### *Owned*

Property and equipment is stated at cost less accumulated depreciation and impairment, if any. Depreciation is charged to statement of profit or loss over the estimated useful life of the asset on a systematic basis applying the straight line method at the rates specified in note 6 to the financial statements. Depreciation is charged on additions from the date the asset is available for use up to the date of disposal.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Property and equipment is derecognized when disposed or when no future economic benefits are expected from its use or disposed off. Gain or loss on disposal is recognized in statement of profit or loss as and when incurred.

Residual values and useful lives are reviewed at each reporting date and adjusted prospectively, if appropriate.

All repair and maintenance costs that do not meet the recognition criteria are charged to statement of profit or loss during the year in which they are incurred.

#### *Diminishing Musharka*

Assets acquired under diminishing musharka are stated at cost less accumulated depreciation at the rates and basis applicable to the Company's owned assets. The outstanding obligation under diminishing musharka less finance charges allocated to future periods is shown as liability. The finance charges are calculated at the interest rates implicit in the arrangement and are taken to statement of profit or loss.

### 4.2 Intangible assets

Intangible assets are reported at cost less accumulated amortization and accumulated impairment losses (if any). Amortization is charged on a straight-line basis over its estimated useful life as stated in note 7.1. The estimated useful life and amortization method are reviewed at the end of each reporting period with the effect of any changes in estimate being accounted for on a prospective basis.

### **Capital work-in-progress**

Items of capital work-in-progress are stated at cost less any recognised impairment loss. These assets are recognised when they meet the criteria of internally developed intangible assets.

#### **4.3 Right of use assets and lease liability**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### **Right of use assets**

At the commencement date of the lease, the right of use assets is initially measured at the present value of lease liability using incremental borrowing rate. Subsequently, right of use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. Right of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

##### **Lease liability**

At the commencement date of the lease, the Company recognises lease liability measured at the present value of the consideration (lease payments) to be made over the lease term and is adjusted for lease prepayments. The lease payments are discounted using the interest rate implicit in the lease, unless it is not readily determinable, in which case the lessee may use the incremental rate of borrowing. After the commencement date, the carrying amount of lease liability is increased to reflect the accretion of interest and reduced for the lease payments made.

#### **4.4 Financial instruments**

##### **4.4.1 Financial Assets**

Classification, initial recognition and measurement. Consequent to the adoption of IFRS 9, financial assets are classified as financial assets at Amortised Cost, Fair Value through Other Comprehensive Income (FVOCI) or Fair Value through Profit or Loss (FVPL). The management determines the classification of financial assets at initial recognition based on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

A financial asset is measured at amortised cost if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- a) a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through profit or loss if it is not measured at amortised cost or at fair value through other comprehensive income.

All financial assets are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets at amortised cost are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment losses are recognised in profit or loss. Financial assets carried at FVOCI are initially and subsequently measured at fair value, with gains and losses arising from changes in fair value recognised in other comprehensive income / (loss). Financial assets carried at FVPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss and other comprehensive income, in profit or loss for the period. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVPL are included in the statement of profit or loss and other comprehensive income in the period in which they arise.

#### 4.4.2 Financial liabilities

The Company recognises a financial liability in its statement of financial position when, and only when, it becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures a financial liability at its fair value minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability. Subsequently, financial liabilities are stated at amortised cost.

#### 4.4.3 Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired,

or the Company has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Company has:

- (a) Transferred substantially all of the risks and rewards of the asset or;
- (b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

#### 4.5 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

#### 4.6 Impairment

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. When there is an objective evidence that an impairment loss has been incurred, the amount of loss is measured as follows:

##### Financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

##### Non-financial assets

The Company assesses at each reporting date whether there is any indication that non-financial assets except deferred tax assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in statement of profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in statement of profit or loss.



#### **4.7 Taxation**

##### **Current Tax**

The charge of current tax is based on taxable income at the applicable rate of taxation after taking into account available tax credits and rebates. Income for the purpose of computing current taxation is determined under the provisions of income tax Ordinance, 2001.

##### **Deferred Tax**

Deferred taxation is recognized using the balance sheet liability method on all temporary differences arising between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax asset is recognised only to the extent it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on the tax rates that have been enacted or substantially enacted by the end of the reporting period.

#### **4.8 Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at cost. These include cash and cheques in hand, balances with banks in current and savings accounts and short term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

#### **4.9 Employees benefits**

##### ***Defined contribution plan***

The Company operates a provident fund scheme for its permanent employees. Equal monthly contributions are made, both by the Company and its employees, to the fund at the rate of 10 percent of basic salary.

##### ***Defined benefit plan***

The Company operates an unfunded gratuity scheme for its permanent employees with five or more years of service with the Company. Provision is made in accordance with actuarial recommendations using the projected unit credit method and are charged to statement of profit or loss account. Actuarial gains and losses are recognized in other comprehensive income when they occur.

#### **4.10 Revenue recognition**

- Remuneration from investment advisory services, asset management services, services for management of discretionary participation fund and consultancy services are recognized when performance obligation is satisfied by applying predefined remuneration percentage on daily net assets value of the respective fund.
- Performance based remuneration for investment advisory services and management of discretionary portfolio are accrued once the terms of contract are honored and the Company achieves the performance condition at the end of the year.
- Sales load income is recognized on sales of units by the open end fund.
- Debit Card income is recognized on sale of debit cards by the open end fund and on delivery of digital funds transfer services to unit holders
- Dividend income is recorded when the right to receive dividend is established.
- Return on bank deposits and commission income is recognized when the right to receive is established.
- Other income is recognized on accrual basis as and when the required services are delivered.

The core principle of IFRS 15 is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in five steps as follows:

- Identify the contract with customer.
- Identify the performance obligation in the contract.
- Determine transaction price.
- Allocate the transaction price to the performance obligation in the contract.
- Recognize the revenue when (or as) the entity satisfies a performance obligation.

#### 4.11 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

#### 4.12 Foreign currencies

Transactions in foreign currencies are accounted for in Pakistani Rupees at the rates prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupees at the rates of exchange prevailing at the statement of financial position date. Exchange gains or losses are included in income. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. Exchange gain or losses are included in statement of profit or loss account.

#### 4.13 Earnings per share

The Company presents basic and diluted earnings / loss per share for its shareholders. Basic earnings / loss per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings/loss per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

### 5 STANDARDS, AMENDMENTS AND INTERPRETATIONS TO APPROVED ACCOUNTING STANDARDS

#### 5.1 Amendments to accounting standards that are effective for the year ended June 30, 2022

The following standards, amendments and interpretations are effective for the year ended June 30, 2022. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	<b>Effective from Accounting period beginning on or after</b>
- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021
- Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021	April 01, 2021

#### 5.2 New accounting standards, amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	<b>Effective from Accounting period beginning on or after</b>
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2022
Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)	January 01, 2022
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023
Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

**NBP FUND MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

Description	2021										Rate of depreciation %	
	Cost		Accumulated depreciation				Written down value as at June 30, 2021	Rate of depreciation				
	As at July 01, 2020	Additions / (Disposals)	As at June 30, 2021	As at July 01, 2020	Charge/ (reversal on disposal) for the year	As at June 30, 2021						
Rupees										%		
<b>Owned assets</b>												
Office equipment	51,995,341	5,788,474 (1,780,612)	56,003,203	16,191,669	5,003,287 (862,067)	20,332,889	35,670,314	10				
Computer equipment	135,661,869	32,364,215 (1,200,566)	166,825,518	86,960,903	28,637,776 (983,013)	114,615,666	52,209,852	33				
Furniture and fittings	241,575,217	32,060,569 (2,239,277)	271,396,509	81,471,082	24,278,320 (1,222,428)	104,526,974	166,869,535	10				
Vehicles	57,408,646	97,802 (19,173,000)	38,333,448	36,204,990	8,883,489 (16,547,876)	28,540,603	9,792,845	20				
Total	486,641,073	70,311,060 (24,393,455)	532,558,678	220,828,644	66,802,872 (19,615,384)	268,016,132	264,542,546					
<b>Diminishing Musharka</b>												
Office equipment	9,627,768	-	9,627,768	1,930,833	962,777	2,893,610	6,734,158	10				
Vehicles	248,545,062	53,333,000 (9,730,000)	292,148,062	57,953,836	57,657,018 (6,179,607)	109,431,247	182,716,815	20				
Total	258,172,830	53,333,000 (9,730,000)	301,775,830	59,884,669	58,619,795 (6,179,607)	112,324,857	189,450,973					
Grant total	744,813,903	123,644,060 (34,123,455)	834,334,508	280,713,313	125,422,667 (25,794,991)	380,340,989	453,993,519					
<b>6.1 Depreciation for the year has been allocated as follows:</b>												
Administrative expenses						31	82,623,768	70,463,085				
Sales and marketing expenses						32	48,726,395	54,959,582				
							131,350,163	125,422,667				
<b>6.2</b>												
Property and equipment include assets having cost of Rs. 129.1 million (2021: Rs. 101.2 million) which were fully depreciated as at June 30, 2022.												

**NBP FUND MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**6.3 Details of operating assets disposed off during the year**

Description	Quantity	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain / (Loss)	Mode of disposal	Particulars of purchasers	Relationship
Rupees									
Cabinet	36	251,872	125,730	126,142	35,231	(90,911)	Negotiation	Azhar Shahzad	Third Party
Cabinet	1	10,850	10,849	1	1	-	Negotiation	Khorab & Lovise Traders	Third Party
Cabinet	17	152,666	129,594	23,072	6,168	(16,904)	Negotiation	MHF Trading Company	Third Party
Cabinet	1	10,850	10,850	-	3,000	3,000	Negotiation	Umer Furniture	Third Party
Chairs	126	593,487	167,182	426,305	119,641	(306,664)	Negotiation	Azhar Shahzad	Third Party
Chairs	4	12,801	3,342	9,459	4,656	(4,803)	Negotiation	Data Hajveri	Third Party
Chairs	3	15,631	5,178	10,453	7,090	(3,363)	Negotiation	Decent Furniutre	Third Party
Chairs	3	13,000	1,540	11,460	4,162	(7,298)	Negotiation	Khurram Sofa Centre	Third Party
Chairs	3	20,182	5,786	14,396	4,500	(9,896)	Negotiation	Liquat Ali	Third Party
Chairs	3	10,659	2,772	7,887	2,200	(5,687)	Negotiation	Muhammad Soomar	Third Party
Chairs	3	10,657	2,772	7,885	2,500	(5,385)	Negotiation	Nasir Hussain	Third Party
Chairs	3	16,209	4,640	11,569	5,259	(6,310)	Negotiation	Raheemyar Khan Furniture	Third Party
Chairs	65	335,040	134,220	200,820	19,627	(181,193)	Negotiation	Khorab & Lovise Traders	Third Party
Chairs	3	3,601	1,104	2,497	4,000	1,503	Negotiation	Madina Poshish Works	Third Party
Chairs	166	735,982	324,977	411,005	108,782	(302,223)	Negotiation	MHF Trading Company	Third Party
Chairs	10	33,529	12,358	21,171	6,000	(15,171)	Negotiation	Mustafa Furniture House	Third Party
Chairs	3	12,500	3,801	8,699	4,100	(4,599)	Negotiation	Safdar Hussain & Brothers Furniture	Third Party
Chairs	22	62,336	35,920	26,416	5,002	(21,414)	Negotiation	Taimoor Khan	Third Party
Chairs	3	10,659	2,772	7,887	2,500	(5,387)	Negotiation	Waseem	Third Party
Chairs	5	27,589	7,655	19,934	4,900	(15,034)	Negotiation	Zohaib	Third Party
Desktop Computer	26	740,910	740,885	25	3,438	3,413	Negotiation	Ideal Office Furniture	Third Party
Electrical Fixtures	19	188,866	86,455	102,411	29,045	(73,366)	Negotiation	Azhar Shahzad	Third Party
General Equipment	43	9,041	4,969	4,072	1,201	(2,871)	Negotiation	Azhar Shahzad	Third Party
General Equipment	5	209,632	161,788	47,844	118,500	70,656	Negotiation	Ideal Office Furniture	Third Party
General Equipment	3	3	-	3	3	-	Negotiation	MHF Trading Company	Third Party
General Equipment	1	1	-	1	650	649	Negotiation	New Karachi Furniture Works	Third Party
General Equipment	2	23,900	23,898	2	1,916	1,914	Negotiation	Taimoor Khan	Third Party
Interior Fixture	2	16,680	4,814	11,866	3,334	(8,532)	Negotiation	Azhar Shahzad	Third Party
Laptop	1	82,000	42,103	39,897	71,853	31,956	Insurance Policy	Admajeer Insurance Company Ltd	Third Party
Laptop	1	45,550	45,549	1	26,000	25,999	Company Policy	Zia Ur Rehman	Employee
Laptop	1	33,962	33,961	1	17,000	16,999	Company Policy	Fakhar Zafar	Employee
Laptop	1	33,962	33,961	1	18,500	18,499	Company Policy	Haseeb Ali	Employee
Laptop	1	40,314	28,775	11,539	16,500	4,961	Company Policy	Hasnain Zia	Employee
Laptop	8	239,938	239,930	8	16	8	Negotiation	Ideal Office Furniture	Third Party
Laptop	1	43,456	43,455	1	21,500	21,499	Company Policy	Ijaz Amir	Employee
Laptop	1	55,675	55,674	1	26,000	25,999	Company Policy	Karim Nawaz Khan	Employee
Laptop	1	185,864	73,262	112,602	25,000	(87,602)	Company Policy	Muhammad Ali Bhabha	Employee
Laptop	1	43,456	43,455	1	21,500	21,499	Company Policy	Muhammad Amir	Employee
Laptop	1	138,219	125,340	12,879	70,000	57,121	Company Policy	Shahbaz Umer	Employee
Laptop	1	85,183	85,182	1	35,000	34,999	Company Policy	Shahzad Mithani	Employee
Laptop	1	40,314	26,594	13,720	18,500	4,780	Company Policy	Syed Asrar Haider	Employee
Laptop	1	43,456	43,455	1	21,500	21,499	Company Policy	Syed Haseeb Ahsan	Employee
Laptop	1	43,456	43,455	1	22,500	22,499	Company Policy	Syed Muhammad Abdullah	Employee
Laptop	1	43,456	43,455	1	22,500	22,499	Company Policy	Syed Muhammad Waseem	Employee
Laptop	1	43,456	43,455	1	23,000	22,999	Company Policy	Waseem Akhtar	Employee
Laptop	1	33,962	33,961	1	18,500	18,499	Company Policy	Zeeshan Khalid	Employee
Laptop	1	71,204	66,567	4,637	33,000	28,363	Company Policy	Muhammad Wajahat Khan Ghaznavi	Employee
Laptop	1	63,470	63,469	1	34,500	34,499	Company Policy	Syed Zeeshan Hussain	Employee
Laptop	1	33,962	33,961	1	16,595	16,594	Company Policy	Muhammad Ahsan Hanif	Employee
Network Equipment	4	182,650	182,646	4	8	4	Negotiation	Ideal Office Furniture	Third Party
PABX Machine	2	472,000	471,999	1	200,000	199,999	Negotiation	Network Solutions	Third Party
Printer	8	122,597	111,766	10,831	27,965	17,134	Negotiation	Ideal Office Furniture	Third Party
Printer	1	109,250	109,249	1	8,757	8,756	Negotiation	Taimoor Khan	Third Party
Scanner	20	201,785	201,765	20	52	32	Negotiation	Ideal Office Furniture	Third Party
Scanner	1	10,132	10,030	102	812	710	Negotiation	Taimoor Khan	Third Party
Side Rack	11	59,512	16,466	43,046	11,992	(31,054)	Negotiation	Azhar Shahzad	Third Party
Side Rack	1	7,600	1,985	5,615	2,764	(2,851)	Negotiation	Data Hajveri	Third Party
Side Rack	1	4,379	1,446	2,933	1,988	(945)	Negotiation	Decent Furniutre	Third Party
Side Rack	1	7,000	1,974	5,026	1,838	(3,188)	Negotiation	Khurram Sofa Centre	Third Party
Side Rack	1	6,868	1,955	4,913	2,233	(2,680)	Negotiation	Raheemyar Khan Furniture	Third Party
Side Rack	6	52,620	16,170	36,450	3,558	(32,892)	Negotiation	Khorab & Lovise Traders	Third Party
Side Rack	1	7,000	2,153	4,847	2,000	(2,847)	Negotiation	Madina Poshish Works	Third Party
Side Rack	5	32,348	9,195	23,153	6,113	(17,040)	Negotiation	MHF Trading Company	Third Party
Side Rack	2	5,600	2,346	3,254	1,500	(1,754)	Negotiation	Mustafa Furniture House	Third Party
Side Rack	1	7,000	2,153	4,847	2,700	(2,147)	Negotiation	New Karachi Furniture Works	Third Party
Side Rack	1	8,500	2,596	5,904	500	(5,404)	Negotiation	Safdar Hussain & Brothers Furniture	Third Party
Side Rack	7	19,677	9,287	10,390	1,576	(8,814)	Negotiation	Taimoor Khan	Third Party
Side Rack	1	4,800	574	4,226	600	(3,626)	Negotiation	Zohaib	Third Party
Table	36	594,571	340,161	254,410	72,706	(181,704)	Negotiation	Azhar Shahzad	Third Party
Table	1	12,600	3,297	9,303	4,580	(4,723)	Negotiation	Data Hajveri	Third Party
Table	1	13,052	4,319	8,733	5,922	(2,811)	Negotiation	Decent Furniutre	Third Party
Table	1	14,790	4,234	10,556	10,000	(556)	Negotiation	Liquat Ali	Third Party
Table	1	19,372	5,052	14,320	4,000	(10,320)	Negotiation	Muhammad Soomar	Third Party
Table	1	19,372	5,052	14,320	5,500	(8,820)	Negotiation	Nasir Hussain	Third Party
Table	1	14,505	4,146	10,359	4,708	(5,651)	Negotiation	Raheemyar Khan Furniture	Third Party
Table	19	288,134	147,131	141,003	13,813	(127,190)	Negotiation	Khorab & Lovise Traders	Third Party
Table	1	12,700	3,919	8,781	1,999	(6,782)	Negotiation	Madina Poshish Works	Third Party
Table	49	934,022	447,005	487,017	128,933	(358,084)	Negotiation	MHF Trading Company	Third Party
Table	4	41,591	28,571	13,020	8,000	(5,020)	Negotiation	Mustafa Furniture House	Third Party
Table	6	86,590	83,852	2,738	6,937	4,199	Negotiation	Taimoor Khan	Third Party
Table	1	19,372	5,052	14,320	6,000	(8,320)	Negotiation	Waseem	Third Party
Table	1	12,042	3,817	8,225	4,000	(4,225)	Negotiation	Zohaib	Third Party
Tablet	1	18,575	14,314	4,261	18,575	14,314	Company Policy	Aisha Rehman	Employee

Tablet	1	22,000	12,731	9,269	22,000	12,731	Company Policy	Aqsa Mahmood	Employee
Tablet	1	24,499	14,131	10,368	24,500	14,132	Company Policy	Abdul Hadi Chaudhry	Employee
Tablet	1	15,152	15,151	1	14,500	14,499	Company Policy	Abdul Wahab	Employee
Tablet	1	14,546	14,545	1	13,446	13,445	Company Policy	Ghazanfar Ali Samoo	Employee
Tablet	1	14,660	14,659	1	14,660	14,659	Company Policy	Ghulam Mustafa	Employee
Tablet	1	22,000	13,905	8,095	22,000	13,905	Company Policy	Khurram Safdar	Employee
Tablet	1	14,659	14,658	1	14,500	14,499	Company Policy	Majid Masud Khan	Employee
Tablet	1	14,545	14,544	1	14,500	14,499	Company Policy	Mehran Gul	Employee
Tablet	1	17,224	14,670	2,554	16,624	14,070	Company Policy	Mehtab Anwar	Employee
Tablet	1	18,575	15,305	3,270	18,575	15,305	Company Policy	Moona	Employee
Tablet	1	17,224	14,670	2,554	17,224	14,670	Company Policy	Muhammad Ali	Employee
Tablet	1	18,575	15,305	3,270	22,129	18,859	Company Policy	Muhammad Rehan Ali	Employee
Tablet	1	15,152	15,151	1	14,552	14,551	Company Policy	Nayab Fatima	Employee
Tablet	1	15,152	15,151	1	15,152	15,151	Company Policy	Nazish Nazeer	Employee
Tablet	1	14,660	14,659	1	14,160	14,159	Company Policy	Omair Bilal	Employee
Tablet	1	15,183	15,182	1	15,183	15,182	Company Policy	Rabeea Bakht Ali	Employee
Tablet	335	5,369,797	5,106,532	263,265	167,500	(95,765)	Company Policy	RJ Communication	Employee
Tablet	1	24,499	14,131	10,368	24,500	14,132	Company Policy	Shoab Ashraf	Employee
Tablet	1	15,183	15,182	1	14,500	14,499	Company Policy	Umm-e-Roman Muhammad Boota	Employee
Tablet	1	15,183	15,182	1	14,500	14,499	Company Policy	Wajahat Zeeshan	Employee
Tablet	1	14,660	14,659	1	14,660	14,659	Company Policy	Ghulam Mustafa	Employee
Tablet	1	16,699	14,350	2,349	14,500	12,151	Company Policy	Muhammad Arslan Aslam	Employee
Tablet	1	22,000	15,736	6,264	22,000	15,736	Company Policy	Muhammad Bilal Sandhu	Employee
Tablet	1	18,575	16,851	1,724	18,575	16,851	Company Policy	Muhammad Ibraheem	Employee
Tablet	1	17,037	17,036	1	17,037	17,036	Company Policy	Syed Adnan Hussain	Employee
Tablet	1	17,037	17,036	1	14,500	14,499	Company Policy	Taskin Aman	Employee
Telephone Set	43	11,169	4,745	6,424	1,850	(4,574)	Negotiation	Azhar Shahzad	Third Party
Telephone Set	1	1	-	1	1	-	Negotiation	Madina Poshish Works	Third Party
Telephone Set	1	1	-	1	1	-	Negotiation	MHF Trading Company	Third Party
Telephone Set	1	1	-	1	650	649	Negotiation	New Karachi Furniture Works	Third Party
UPS	8	79,126	79,120	6	21	15	Negotiation	Ideal Office Furniture	Third Party
UPS	1	11,023	11,023	-	1	1	Negotiation	Khorab & Lovise Traders	Third Party
Vehicle	1	1,250,000	1,032,197	217,803	250,000	32,197	Company Policy	Asim Yousuf Khatri	Employee
Vehicle	1	1,300,000	1,050,000	250,000	250,000	-	Company Policy	Ijaz Amir	Employee
Vehicle	1	1,265,000	1,012,013	252,987	253,000	13	Company Policy	Adnan Ghouri	Employee
Vehicle	1	5,600,000	2,517,443	3,082,557	5,600,000	2,517,443	Company Policy	Ahmed Hamza - Third Party	Employee
Vehicle	1	1,129,000	1,056,014	72,986	225,800	152,814	Company Policy	Asadullah Khan	Employee
Vehicle	1	1,753,000	1,402,400	350,600	350,600	-	Company Policy	Asim Ahmed Khan	Employee
Vehicle	1	2,700,000	2,200,600	499,400	499,400	-	Company Policy	Asim Nisar Rana	Employee
Vehicle	1	1,518,000	492,900	1,025,100	1,390,000	364,900	Company Policy	Ather Shafique - Third Party	Employee
Vehicle	1	1,745,000	695,454	1,049,546	1,655,000	605,454	Company Policy	Babar Khan	Employee
Vehicle	1	1,855,000	895,909	959,091	1,810,000	850,909	Company Policy	Babar Khursheed Khan	Employee
Vehicle	1	1,900,000	1,650,000	250,000	250,000	-	Company Policy	Ch. Rashid Mehmood	Employee
Vehicle	1	1,300,000	1,050,000	250,000	250,000	-	Company Policy	Fayez Mufti	Employee
Vehicle	1	1,300,000	1,050,000	250,000	250,000	-	Company Policy	Haseeb Ahsan	Employee
Vehicle	1	1,745,000	352,825	1,392,175	1,575,000	182,825	Company Policy	Haseeb Ali	Employee
Vehicle	1	2,513,000	2,040,400	472,600	472,600	-	Company Policy	Hassan Raza	Employee
Vehicle	1	1,300,000	801,367	498,633	1,550,000	1,051,367	Company Policy	Karim Nawaz Khan	Employee
Vehicle	1	1,400,000	1,150,000	250,000	250,000	-	Company Policy	Kashif Javed	Employee
Vehicle	2	4,450,000	3,549,822	900,178	900,178	-	Company Policy	Khalid Mehmood	Employee
Vehicle	1	1,721,200	84,881	1,636,319	2,000,000	363,681	Company Policy	Muhammad Ahmed Hassan	Employee
Vehicle	1	1,234,000	724,851	509,149	919,186	410,037	Company Policy	Muhammad Ahsan Hanif	Employee
Vehicle	1	1,853,000	1,189,987	663,013	741,200	78,187	Company Policy	Muhammad Ali Bhabha	Employee
Vehicle	1	1,795,000	342,278	1,452,722	1,560,000	107,278	Company Policy	Muhammad Amir	Employee
Vehicle	1	3,150,000	2,520,000	630,000	630,000	-	Company Policy	Muhammad Imran	Employee
Vehicle	1	749,724	749,723	1	807,000	806,999	Company Policy	Muhammad Irfan Khan	Employee
Vehicle	1	2,000,000	749,963	1,250,037	1,932,412	682,375	Company Policy	Muhammad Siddiq Mughal	Employee
Vehicle	1	1,830,000	852,666	977,334	1,645,000	667,666	Company Policy	Muhammad Taimoor Khan	Employee
Vehicle	1	1,678,000	1,370,907	307,093	335,600	28,507	Company Policy	Raja Wasif Ullah	Employee
Vehicle	1	1,700,000	1,362,400	337,600	337,600	-	Company Policy	Saadat Saeed	Employee
Vehicle	1	3,909,000	1,757,266	2,151,734	3,386,032	1,234,298	Company Policy	Sajjad Anwar	Employee
Vehicle	1	3,900,000	3,107,200	792,800	792,800	-	Company Policy	Samiuddin Ahmed	Employee
Vehicle	1	4,500,000	2,179,726	2,320,274	3,845,333	1,525,059	Company Policy	Shahbaz Umer	Employee
Vehicle	1	2,900,000	2,397,400	502,600	502,600	-	Company Policy	Shahzad Akber Mithani	Employee
Vehicle	1	1,688,000	1,350,400	337,600	337,600	-	Company Policy	Shahzad M. Yousuf	Employee
Vehicle	1	1,200,000	952,000	248,000	248,000	-	Company Policy	Sharjeel Saleem	Employee
Vehicle	1	1,400,000	1,146,000	254,000	254,000	-	Company Policy	Shoab Ahmed	Employee
Vehicle	1	1,691,000	507,687	1,183,313	1,860,000	676,687	Company Policy	Syed Haseen Ahmed Shah	Employee
Vehicle	1	1,270,000	846,912	423,088	1,350,000	926,912	Company Policy	Syed Khawar Hussain Zaidi	Employee
Vehicle	1	1,600,000	1,321,800	278,200	278,200	-	Company Policy	Syed Muhammad Raza Abbas	Employee
Vehicle	1	1,300,000	1,050,000	250,000	250,000	-	Company Policy	Syed Muhammad Waseem	Employee
Vehicle	1	1,340,000	771,691	568,309	1,415,000	846,691	Company Policy	Syed Sharoa Mazhar	Employee
Vehicle	1	1,300,000	1,050,000	250,000	250,000	-	Company Policy	Syed Waseem Sultan	Employee
Vehicle	1	1,550,000	1,296,000	254,000	254,000	-	Company Policy	Syed Zeeshan Hussain	Employee
Vehicle	1	1,750,000	847,673	902,327	1,072,399	170,072	Company Policy	Tahira Khanum	Employee
Vehicle	1	4,675,000	981,109	3,693,891	3,841,720	147,829	Company Policy	Shahid Javed	Employee
Total		<b>104,008,775</b>	<b>66,606,411</b>	<b>37,402,364</b>	<b>50,865,260</b>	<b>13,462,896</b>			
2021	Total	34,123,455	25,794,991	8,328,464	10,646,965	2,318,501			

**NBP FUND MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**7 INTANGIBLE ASSETS**

	2022	2021
	----- Rupees -----	
Intangible assets in use	105,834,106	99,112,528
Capital work in progress	58,618,880	89,411,700
	<u>164,452,986</u>	<u>188,524,228</u>

**7.1 Intangible assets**

2022	Cost			Accumulated amortization		Written down value as at June 30, 2022	Rate of amortization %
	As at July 01, 2021	Additions	Transfers from CWIP (Note 7.2)	As at July 01, 2021	Charge for the year		
Software	111,826,534	500,000	42,092,820	40,517,434	24,426,404	64,943,838	20 - 33
License fee	51,124,760	6,106,624	-	23,321,332	17,551,461	40,872,794	33
	<u>162,951,294</u>	<u>6,606,624</u>	<u>42,092,820</u>	<u>63,838,766</u>	<u>41,977,866</u>	<u>105,816,632</u>	
						<u>105,834,106</u>	

2021	COST			ACCUMULATED AMORTIZATION		Written down value as at June 30, 2021	Rate of amortization %
	As at July 01, 2020	Additions	Transfers from CWIP (Note 7.2)	As at July 01, 2020	Charge for the year		
Software	85,475,464	7,212,770	19,138,300	20,023,223	20,494,211	40,517,434	20 - 33
License fee	30,286,736	20,838,024	-	10,176,349	13,144,983	23,321,332	33
	<u>115,762,200</u>	<u>28,050,794</u>	<u>19,138,300</u>	<u>30,199,572</u>	<u>33,639,194</u>	<u>63,838,766</u>	
						<u>99,112,528</u>	

**7.1.1 Amortization for the year has been allocated as follows:**

	2022	2021
	----- Rupees -----	
Administrative expenses	24,172,365	19,370,657
Sales and marketing expenses	<u>17,805,504</u>	<u>14,268,537</u>
	<u>41,977,869</u>	<u>33,639,194</u>

**7.1.2** Intangible assets include fully amortized assets amounting to Rs. 40.9 million (2021: Rs. 6.08 million).



**NBP FUND MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Note	2022 ----- Rupees -----	2021
<b>7.2 Capital work in progress (CWIP)</b>			
Balance at the beginning of the year		89,411,700	72,550,000
Additions during the year		11,300,000	36,000,000
Total cost capitalized		100,711,700	108,550,000
Transfer to intangible assets	7.1	(42,092,820)	(19,138,300)
Balance at the end of the year		58,618,880	89,411,700

**7.3** The Company has accounted for the internally developed software on the basis of stage of completion method.

	Note	2022 ----- Rupees -----	2021
<b>8 RIGHT OF USE ASSETS</b>			
Balance at the beginning of the year		248,445,142	313,120,807
Additions during the year		305,288,666	53,711,811
Reversed during the year		(1,049,889)	-
Depreciation for the year	8.1	(132,591,951)	(118,387,476)
Balance at the end of the year		420,091,968	248,445,142

**8.1** Depreciation for the year on right of use assets has been allocated as follows:

	Note	2022 ----- Rupees -----	2021
Administrative expenses	31	62,414,855	59,652,569
Sales and marketing expenses	32	70,177,096	58,734,907
		132,591,951	118,387,476

**8.2 Disclosure relating to right of use assets**

2022	Number of right of use assets leased	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases with termination option
Branches and Head office	70	1 - 5 years	3 years	70	70

2021	Number of right of use assets leased	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases with termination option
Branches and Head office	64	1 - 5 years	3 years	64	64

	Note	2022 ----- Rupees -----	2021
<b>9 LONG TERM INVESTMENTS</b>			
Shares of Mutual Funds Association of Pakistan at fair value through profit or loss	9.1	265,000	-

**9.1** The amount represent investment in unlisted equity securities of Mutual Funds Association of Pakistan (MUFAP) made by the association members securing funds to meet the expenditures and paid up capital arrangement of MUFAP. These shares are held in company's name in form of CDC securities as at year end.

	Note	2022 ----- Rupees -----	2021 ----- Rupees -----
<b>10 LONG TERM LOAN TO EMPLOYEES</b>			
<b>Secured - considered good</b>			
Due from executive employees		15,322,509	20,325,274
Due from non-executive employees		6,029,236	6,441,506
	10.1	<u>21,351,745</u>	<u>26,766,780</u>
Current portion shown in current assets		<u>(11,212,015)</u>	<u>(11,274,954)</u>
		<u>10,139,730</u>	<u>15,491,826</u>

#### 10.1 Movement of long term loan to employees

Balance at the beginning of the year	26,766,780	15,761,552
Disbursements during the year	10,848,924	27,903,791
Receipts during the year	<u>(16,263,959)</u>	<u>(16,898,563)</u>
Balance at the end of the year	<u>21,351,745</u>	<u>26,766,780</u>

- 10.2** These loans are given to executives and non-executive employees as house, car and personal loans in accordance with the service rules of the Company. House loans are repayable in a maximum of 300 monthly installments and carry mark-up at the rate of 6-Months KIBOR per annum. Whereas car loans and personal loans are repayable in a maximum of 84 and 36 monthly installments and carry mark-up at the rate of 6-Months KIBOR and 6-Months KIBOR respectively. House loans are secured by way of equitable mortgage on property and car loans are secured by registration of vehicle in the name of the Company. Personal loans are secured against provident fund balances of employees.

	2022 ----- Rupees -----	2021 ----- Rupees -----
<b>11 LONG TERM DEPOSITS</b>		
<b>Security deposits against:</b>		
Rent	21,799,484	19,934,484
Lease	59,663,175	51,786,790
Others	2,623,224	2,623,224
	<u>84,085,883</u>	<u>74,344,498</u>
Current portion shown in current assets	<u>(30,625,610)</u>	-
	<u>53,460,273</u>	<u>74,344,498</u>

#### 12 DEFERRED TAX ASSET

##### Deferred tax asset arising on deductible temporary differences

Provision for gratuity	100,632,859	80,618,515
Deferred income	4,663,896	2,401,764
Liabilities against assets subject to diminishing musharka	42,143,979	48,267,513
Liabilities against right of use assets	135,403,371	69,760,115
	<u>282,844,105</u>	<u>201,047,907</u>

##### Deferred tax liabilities arising on taxable temporary differences

Property and equipment	(60,034,563)	(67,051,807)
Right of use assets	(138,630,349)	(72,049,091)
	<u>(198,664,912)</u>	<u>(139,100,898)</u>
	<u>84,179,193</u>	<u>61,947,009</u>

- 12.1** The Company expects future taxable profits and on the basis of future projections, the recognised deferred tax asset is to be utilised. Deferred tax arising due to temporary difference on investments is not recognised due to investment hold on short term basis.

	Note	2022 ----- Rupees -----	2021 -----
<b>13 DUE FROM FUNDS UNDER MANAGEMENT AND DISCRETIONARY PORTFOLIO ADVISORY CLIENTS</b>			
Management fee receivable from funds inclusive of Sindh Sales Tax and Federal Excise Duty	13.1.1	<b>386,296,183</b>	396,423,815
Sales load receivable	13.1.1	<b>127,133,339</b>	145,347,232
Debit card fee receivable	13.1.1	<b>5,351,024</b>	2,163,414
Other receivable	13.1.1	<b>2,150,938</b>	3,672,219
Receivable from discretionary portfolio advisory clients		<b>36,634,453</b>	22,638,283
Preliminary and flotation costs	13.1.1	<b>253,448</b>	1,934,115
Reimbursement of marketing and selling expenses	13.1.1 & 13.1.2	<b>250,757,110</b>	287,031,895
Reimbursement of accounting and operational services	13.1.1 & 13.1.3	<b>56,659,947</b>	54,804,668
Administrative fee		<b>3,221,125</b>	4,688,994
Shariah advisory fee		<b>8,681,235</b>	6,959,731
		<b>877,138,802</b>	925,664,366

13.1 Aging analysis with respect to above mentioned balances is as follows:

**Past due**

0-1 months	<b>151,333,561</b>	179,675,086
1-6 months	<b>361,304,894</b>	378,286,985
6-12 months	<b>2,404,386</b>	5,606,334
above 1 year	<b>362,095,961</b>	362,095,961
	<b>877,138,802</b>	925,664,366

13.2 Due form funds under management and discretionary portfolio advisory clients are assessed to have low credit risk of default since these balances are secured by the Central Depository Company Limited (CDC) being the trustee of the funds. Accordingly, management of the Company estimates that loss allowance on the balances at the end of the reporting period at an amount equal to 12 month Expected Credit Loss (ECL). Taking into account the historical default experience and the current credit ratings of the banks, the management of the Company have assessed that there is no impairment, and therefore have not recorded any loss allowances on these balances.

**NBP FUND MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

13.1.1 Following is the fund-wise break-up (inclusive GST and FED)

2022	Nature of relationship	Maximum Aggregate amount outstanding during the year	Management fee receivable	Sales load receivable	Debit card fee receivable	Other receivable	Preliminary and flotation costs	Reimbursement of marketing and selling expenses	Reimbursement of accounting and operational services	Total
Rupees										
	<b>Open-End Collective Investment Schemes</b>									
NBP Income Opportunity Fund	Fund under Management	84,854,186	45,710,823	2,206,970	435,911	-	-	14,809,203	2,644,500	65,807,407
NBP Savings Fund	Fund under Management	9,297,477	4,446,023	415,764	44,758	-	-	3,091,078	482,896	8,480,519
NBP Islamic Savings Fund	Fund under Management	13,879,690	6,096,271	1,600,927	227,103	-	-	4,502,793	662,176	13,091,270
NBP Islamic Sarmaya Izafa Fund	Fund under Management	123,072,103	24,219,997	18,869,626	123,988	-	-	11,197,702	1,722,726	56,134,049
NBP Balanced Fund	Fund under Management	27,355,163	13,498,736	922,259	2,260	-	-	2,793,883	429,829	17,646,967
NBP Stock Fund	Fund under Management	247,857,295	64,401,860	4,573,560	51,279	-	-	58,463,781	7,543,713	135,034,193
NBP Government Securities Liquid Fund	Fund under Management	49,611,288	45,971,960	163,527	10,398	-	-	1,205,089	301,271	47,652,245
NBP Mahana Amdani Fund	Fund under Management	39,852,344	11,262,233	2,622,603	1,041,833	-	-	12,463,288	1,394,843	29,072,428
NBP Sarmaya Izafa Fund	Fund under Management	34,735,826	17,518,038	4,599,910	18,332	-	-	2,834,672	436,103	25,407,055
NBP Riba Free Savings Fund	Fund under Management	27,629,127	12,666,784	599,959	100,006	-	-	6,864,059	904,165	21,134,973
NBP Financial Sector Income Fund	Fund under Management	97,872,142	22,439,535	9,094,591	691,877	168,500	-	36,973,413	11,241,945	80,609,851
NBP Money Market Fund	Fund under Management	78,731,331	50,107,324	6,085,716	183,914	-	-	10,713,885	11,640,492	78,731,331
NAFA Pension Fund	Fund under Management	19,887,497	5,991,274	2,814,015	-	225,000	-	6,572,430	1,062,368	16,665,087
NAFA Islamic Principal Protected Fund-I	Fund under Management	21,877,884	4,610,452	7,543,370	-	225,000	-	8,230,935	1,219,945	21,829,702
NAFA Islamic Principal Protected Fund-II	Fund under Management	17,306,958	11,370,447	5,514,629	-	420,806	-	-	1,076	17,306,958
NAFA Government Securities Savings Fund	Fund under Management	6,093,152	1,891,684	3,609,696	16,910	45,000	-	261,604	46,714	5,871,608
NAFA Islamic Principal Protected Fund-III	Fund under Management	11,171,182	8,152,118	2,899,054	-	120,000	-	-	57,252	11,171,172
NAFA Islamic Principal Preservation Fund	Fund under Management	8,339,922	3,024,240	5,258,430	-	20,000	-	-	2,842,248	8,339,922
NBP Islamic Stock Fund	Fund under Management	92,710,600	18,032,037	6,670,925	74,570	20,000	-	22,027,419	2,842,248	49,667,199
NBP Active Allocation Riba Free Savings Fund	Fund under Management	968,985	612,372	-	-	-	-	12	14	612,398
NBP Islamic Active Allocation Equity Fund	Fund under Management	7,447,860	2,075,648	-	-	-	-	1,496,160	193,053	3,764,861
NBP Islamic Energy Fund	Fund under Management	11,014,299	1,568,581	2,077,608	4,785	16,103	-	3,723,925	363,309	7,754,311
NBP Financial Sector Fund	Fund under Management	4,538,480	549,472	31,209	79	-	-	2,235,477	218,121	3,034,358
NBP Islamic Money Market Fund	Fund under Management	15,162,020	733,899	1,836,019	167,113	151,100	-	7,796,988	1,949,748	12,636,867
NAFA Islamic Active Allocation Plan-I	Fund under Management	3,109,705	78,042	3,001,958	-	25,000	-	-	4,705	3,109,705
NAFA Islamic Active Allocation Plan-II	Fund under Management	2,768,418	40,267	2,697,614	-	25,000	-	-	5,537	2,768,418
NAFA Islamic Active Allocation Plan-III	Fund under Management	3,093,493	12,114	2,983,253	-	25,100	-	-	27,593	3,058,060
NAFA Islamic Active Allocation Plan-IV	Fund under Management	82,169	11,799	-	-	15,000	-	-	32,005	58,804
NAFA Islamic Active Allocation Plan-V	Fund under Management	56,805	5,691	-	-	20,000	-	-	39,841	39,841
NAFA Islamic Active Allocation Plan-VI	Fund under Management	521,788	691	441,515	-	20,000	-	-	47,425	509,631
NAFA Islamic Active Allocation Plan-VII	Fund under Management	380,874	1,623	343,103	-	15,100	-	-	15,658	375,484
NAFA Islamic Active Allocation Plan-VIII	Fund under Management	70,536	4,266	-	-	15,100	-	-	51,170	70,536
NAFA Active Allocation Fund-II	Fund under Management	5,000	-	-	-	-	-	-	-	-
NAFA Active Allocation Fund-III	Fund under Management	338,475	-	-	-	-	-	-	-	-
NAFA Islamic Capital Preservation Plan-I	Fund under Management	433,707	6,438	227,349	-	25,000	-	-	21,554	280,341
NAFA Islamic Capital Preservation Plan-II	Fund under Management	1,129,231	8,273	755,129	-	20,000	-	-	10,559	793,961
NAFA Islamic Capital Preservation Plan-III	Fund under Management	102,533	3,832	-	-	28,167	-	-	11,701	43,700
NBP Government Securities Fund-I	Fund under Management	25,000	-	-	-	-	-	-	-	-
NBP Government Securities Fund-II	Fund under Management	15,000	-	-	-	-	-	-	-	-
NBP Government Securities Fund-III	Fund under Management	15,000	-	-	-	-	-	-	-	-
NAFA Islamic Capital Preservation Plan - IV	Fund under Management	49,938	2,192	-	-	24,167	-	-	7,603	33,962
NBP Islamic Capital Preservation Plan-V	Fund under Management	44,937	3,921	-	-	29,167	-	-	7,359	40,447
NBP Islamic Capital Preservation Plan-VI	Fund under Management	7,764,614	-	7,759,614	-	5,000	-	-	7,764,614	40,558,267
NBP Islamic Mahana Amdani Fund	Fund under Management	64,166,635	2,153,320	3,671,962	1,718,345	-	80,000	29,299,394	3,635,246	1,171,562
NBP Islamic Regular Income Fund	Fund under Management	1,719,568	168,069	209,533	-	180,000	-	552,564	61,396	5,518,412
NBP Islamic Daily Dividend Fund	Fund under Management	10,096,262	1,429,792	184,183	42,414	-	-	532,693	3,329,330	14,216
NBP Islamic Income Fund	Fund under Management	17,025,609	5,374,551	4,170,737	395,139	-	153,448	2,112,663	2,018,449	14,224,987
NBP Pakistan Growth Exchange Traded Fund	Fund under Management	806,145	37,494	-	-	-	20,000	-	-	57,494
		386,296,183	116,466,307	116,466,307	5,351,024	2,150,938	253,448	250,757,110	56,659,947	817,934,957
<b>Saving plans</b>										
NBP Aternad Education Plan (Islamic)	Fund under Management	367,425	-	299,225	-	-	-	-	-	299,225
NBP Aternad Retirement Plan	Fund under Management	253,648	-	187,977	-	-	-	-	-	187,977
NAWLI/NBP Aternad Wealth Plan (Islamic)	Fund under Management	12,146,118	-	9,399,225	-	-	-	-	-	9,399,225
NAWPI/NBP Aternad Wedding Plan (Islamic)	Fund under Management	703,478	-	534,358	-	-	-	-	-	534,358
NBP Aternad Education Plan (Conventional)	Fund under Management	14,216	-	14,216	-	-	-	-	-	14,216
NBP Aternad Wealth Plan (Conventional)	Fund under Management	232,031	-	232,031	-	-	-	-	-	232,031
		386,296,183	127,133,339	127,133,339	5,351,024	2,150,938	253,448	250,757,110	56,659,947	828,601,989

Open-End Collective Investment Schemes

Scheme Name	Nature of relationship	Maximum Aggregate amount outstanding during the year	Management fee receivable	Sales load receivable	Debit card fee receivable	Other receivable	Preliminary and flotation costs	Reimbursement of marketing and selling expenses	Reimbursement of accounting and operational services	Total
NBP Income Opportunity Fund	Fund under Management	80,316,561	43,805,116	8,293,101	154,035	-	-	16,370,190	2,923,257	71,545,699
NBP Savings Fund	Fund under Management	9,045,311	3,551,113	699,878	25,747	15,000	-	2,658,683	474,785	7,425,206
NBP Islamic Savings Fund	Fund under Management	19,810,138	5,052,309	1,105,417	107,875	28,174	-	4,178,663	746,193	11,218,631
NBP Islamic Sarmaya Izzata Fund	Fund under Management	114,613,535	26,507,742	47,890,768	90,057	606,981	-	25,363,059	2,173,972	102,632,579
NBP Balanced Fund	Fund under Management	26,536,053	13,875,807	1,041,276	49	833	-	7,004,929	600,427	22,523,321
NBP Stock Fund	Fund under Management	231,582,695	61,869,143	4,931,902	35,943	-	-	101,169,543	7,587,738	175,594,269
NBP Government Securities Liquid Fund	Fund under Management	51,458,686	46,033,297	93,766	7,513	-	-	2,057,578	514,417	48,706,571
NBP Mahana Amdani Fund	Fund under Management	34,677,455	11,520,431	6,492,879	455,412	288,628	-	11,145,869	1,990,167	31,893,366
NBP Sarmaya Izzata Fund	Fund under Management	37,794,340	18,059,933	4,696,211	17,626	5,000	-	6,302,609	540,234	28,621,613
NBP Riba Free Savings Fund	Fund under Management	28,812,654	12,665,024	1,036,306	51,011	146,080	-	7,522,460	1,344,306	22,785,187
NBP Financial Sector Income Fund	Fund under Management	71,715,194	35,308,413	5,757,250	186,624	174,000	-	10,449,786	13,062,223	64,938,276
NBP Money Market Fund	Fund under Management	120,279,160	46,799,906	1,453,910	53,220	240,000	-	7,247,153	6,039,263	61,593,452
NFAFA Pension Fund	Fund under Management	14,307,478	8,396,559	4,224,053	-	-	-	-	-	12,860,612
NFAFA Islamic Pension Fund	Fund under Management	16,870,077	6,883,485	4,384,477	-	240,000	-	-	-	11,507,962
NFAFA Islamic Principal Protected Fund-I	Fund under Management	17,306,958	11,370,447	5,514,629	-	420,806	-	-	1,076	17,306,958
NFAFA Government Securities Savings Fund	Fund under Management	7,538,703	1,905,168	3,469,109	2,734	25,000	-	394,605	68,689	5,865,305
NFAFA Islamic Principal Protected Fund-II	Fund under Management	11,593,935	8,152,118	2,899,054	-	120,000	-	-	-	11,171,172
NFAFA Islamic Principal Preservation Fund	Fund under Management	8,339,922	3,024,240	5,258,430	-	-	-	-	57,252	8,339,922
NBP Islamic Stock Fund	Fund under Management	86,945,949	19,722,189	5,876,717	62,259	208,776	-	39,013,626	2,926,019	67,809,586
NBP Active Allocation Riba Free Savings Fund	Fund under Management	1,219,739	657,162	-	-	-	-	183,772	32,823	873,757
NBP Islamic Active Allocation Equity Fund	Fund under Management	7,528,394	2,273,950	2,273,950	-	-	-	2,979,561	223,464	5,476,975
NBP Islamic Energy Fund	Fund under Management	10,585,926	1,865,450	1,573,611	2,543	-	-	4,442,531	333,188	8,217,323
NBP Financial Sector Fund	Fund under Management	4,864,929	635,102	43,559	154	-	-	2,219,680	167,044	3,065,539
NBP Islamic Money Market Fund	Fund under Management	13,168,288	439,856	2,146,928	68,404	21,975	-	5,898,736	1,474,694	10,050,583
NFAFA Islamic Active Allocation Plan-I	Fund under Management	3,087,566	78,043	3,001,958	-	-	-	-	4,361	3,084,362
NFAFA Islamic Active Allocation Plan-II	Fund under Management	2,769,465	40,267	2,697,613	-	21,586	-	-	6,182	2,765,658
NFAFA Islamic Active Allocation Plan-III	Fund under Management	3,077,292	9,210	2,993,253	-	36,637	-	-	34,957	3,074,057
NFAFA Islamic Active Allocation Plan-IV	Fund under Management	199,019	8,587	-	-	20,088	-	-	33,831	62,506
NFAFA Islamic Active Allocation Plan-V	Fund under Management	70,209	5,897	-	-	25,326	-	-	19,854	51,077
NFAFA Islamic Active Allocation Plan-VI	Fund under Management	550,043	3,370	441,516	-	11,920	-	-	62,185	518,991
NFAFA Islamic Active Allocation Plan-VII	Fund under Management	374,916	1,491	343,102	-	-	-	-	16,366	360,959
NFAFA Islamic Active Allocation Plan-VIII	Fund under Management	130,534	4,472	-	-	-	-	-	54,574	59,046
NFAFA Active Allocation Fund-II	Fund under Management	5,000	-	-	-	5,000	-	-	-	5,000
NFAFA Active Allocation Fund-III	Fund under Management	338,475	-	-	-	338,475	-	-	-	338,475
NFAFA Islamic Capital Preservation Plan-I	Fund under Management	532,812	8,840	227,348	-	155,857	-	-	35,274	427,319
NFAFA Islamic Capital Preservation Plan-II	Fund under Management	1,124,087	125,274	755,129	-	38,618	-	-	205,423	1,124,444
NFAFA Islamic Capital Preservation Plan-III	Fund under Management	279,540	4,945	-	-	69,878	-	-	21,420	96,243
NBP Government Securities Fund-I	Fund under Management	25,000	-	-	-	25,000	-	-	-	25,000
NBP Government Securities Fund-II	Fund under Management	1,024,571	107,663	707,243	-	30,000	-	48,351	60,442	953,699
NBP Government Securities Fund-III	Fund under Management	15,000	-	-	-	15,000	-	-	-	15,000
NBP Government Securities Plan-I	Fund under Management	15,000	-	-	-	15,000	-	-	-	15,000
NFAFA Islamic Capital Preservation Plan - IV	Fund under Management	182,249	2,906	-	-	30,493	-	-	12,986	46,365
NBP Islamic Capital Preservation Plan-V	Fund under Management	95,874	3,783	-	-	1,784	-	-	13,529	19,076
NBP Islamic Capital Preservation Plan-VI	Fund under Management	68,788,540	3,167,885	5,538,455	780,408	25,000	-	29,795,241	5,320,582	44,786,106
NBP Islamic Mahana Amdani Fund	Fund under Management	1,429,362	-	366,160	-	285,314	-	595,290	51,018	1,277,782
NBP Islamic Regular Income Fund	Fund under Management	16,217,593	1,276,524	2,304,074	12,588	10,000	-	-	4,864,190	8,467,346
NBP Islamic Daily Dividend Fund	Fund under Management	3,827,125	1,154,975	640,116	49,232	979,733	-	-	706,283	3,530,339
NBP Islamic Income Fund	Fund under Management	807,755	45,723	-	-	760,847	-	-	-	806,570
NBP Pakistan Growth Exchange Traded Fund	Fund under Management	-	-	-	-	-	-	-	-	884,929,324
			396,423,815	138,899,198	2,163,414	3,672,219	1,934,115	287,031,895	54,804,668	891,377,358
Saving plans			-	-	-	-	-	-	-	-
NBP Aftamad Education Plan	Fund under Management	240,371	-	240,371	-	-	-	-	-	240,371
NBP Aftamad Retirement Plan	Fund under Management	43,826	-	43,826	-	-	-	-	-	43,826
NBP Aftamad Wealth Plan	Fund under Management	5,786,993	-	5,786,993	-	-	-	-	-	5,786,993
NBP Aftamad Wedding Plan	Fund under Management	376,844	-	376,844	-	-	-	-	-	376,844
			396,423,815	145,347,232	2,163,414	3,672,219	1,934,115	287,031,895	54,804,668	891,377,358

**13.1.2** The amount is receivable in respect of reimbursement from the mutual funds managed by the Company, pursuant to Regulation 60 of the NBFC Regulation and SECP notification vide Circular 11 of 2019 dated 05 July 2019, which allows the management company to reimburse the marketing expenses (for the purpose of opening and maintenance of branches; payment of salaries/commission to sales team and distributors; advertising and publicity expense; development of alternate delivery/distribution channels related to Collective Investment Scheme) upto maximum of total expense ratio cap of the scheme or actual whichever is less.

**13.1.3** The amount is receivable in respect of reimbursement from the mutual funds managed by the Company, pursuant to Regulation 60 of the NBFC Regulation and SECP notification vide SRO 639(I)/2019 dated June 20, 2019, which allows the management company to reimburse expenses related to registrar services, accounting, operations and valuation services related to Collective Investment Scheme (CIS) upto maximum of total expense ratio cap of the scheme or actual whichever is less.

	Note	2022 ----- Rupees -----	2021
<b>14</b>	<b>ADVANCES</b>		
	Advances to suppliers	<b>3,588,874</b>	8,533,780
	Advance against expenses	<b>5,452,467</b>	7,926,482
	Advance against salary	<b>86,784</b>	56,200
	Advance against commission	<b>3,466,417</b>	3,338,044
		<b>12,594,542</b>	19,854,506
<b>15</b>	<b>OTHER RECEIVABLES</b>		
	Receivable From NCCPL	<b>3,735,735</b>	5,281,159
	Advisory fee receivable	<b>5,187,010</b>	3,167,437
	Receivable from insurance company	<b>900,000</b>	326,761
	Receivable from employees	<b>694,315</b>	1,305,495
	Receivable from Provident Fund	<b>240,816</b>	-
	Others	<b>274,917</b>	141,121
		<b>11,032,793</b>	10,221,973
<b>16</b>	<b>SHORT TERM PREPAYMENTS</b>		
	Insurance	<b>4,798,334</b>	4,259,345
	Prepaid expenses - others	<b>17,296,573</b>	11,769,025
		<b>22,094,907</b>	16,028,370

**NBP FUND MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

2022                      2021  
 ----- Rupees -----

**17 SHORT TERM INVESTMENTS**

Units of mutual funds at fair value through profit or loss

17.1                      719,631,037                      484,686,026

**17.1 Units of mutual funds**

Name of investee	As at July 1, 2021	Purchases during the year	Bonus dividend units issued during the year	Redemptions during the year	As at June 30, 2022	Cost as at June 30, 2022	Fair value as at June 30, 2022	Fair value as at June 30, 2021
NBP Income Opportunity Fund	3,732,302	29,528	2,734	3,732,302	32,262	347,366	348,271	40,186,068
NBP Money Market Fund	21,010,118	161,870,645	1,477,630	147,421,388	36,937,005	365,372,269	366,825,092	207,970,754
NBP Islamic Regular Income Fund	13,290,385	-	-	-	13,290,385	129,102,803	112,875,243	129,102,803
NBP Islamic Sarmaya Izafa Fund	-	10,487,687	-	5,243,844	5,243,843	81,821,264	79,864,787	-
NBP Stock Fund	6,695,381	21,159,420	-	16,370,854	11,483,947	164,407,631	158,439,423	107,416,008
NBP Islamic Savings Fund	1,089	257,016	10,811	135,088	133,828	1,275,642	1,278,221	10,393
						<u>742,326,975</u>	<u>719,631,037</u>	<u>484,686,026</u>
Name of investee	As at July 1, 2020	Purchases during the year	Bonus dividend units issued during the year	Redemptions during the year	As at June 30, 2021	Cost as at June 30, 2021	Fair value as at June 30, 2021	Fair value as at June 30, 2020
NBP Income Opportunity Fund	-	28,877,048	264,805	25,409,551	3,732,302	40,140,589	40,186,068	-
NBP Money Market Fund	-	27,750,028	104,166	6,844,076	21,010,118	207,632,584	207,970,754	-
NBP Islamic Regular Income Fund	12,784,519	-	505,866	-	13,290,385	112,875,688	129,102,803	107,874,497
NBP Financial Sector Income Fund	-	40,563,429	436,536	40,999,965	-	-	-	-
NBP Stock Fund	3,971,185	6,133,765	112,964	3,522,533	6,695,381	96,671,202	107,416,008	47,527,935
NBP Mahana Amdani Fund	12,324,718	47,489,425	-	59,814,143	-	-	-	125,422,489
NBP Islamic Savings Fund	-	1,038	51	-	1,089	10,331	10,393	-
						<u>457,330,394</u>	<u>484,686,026</u>	<u>280,824,921</u>



**NBP FUND MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Note	2022	2021
		----- Rupees -----	
<b>18</b>	<b>ADVANCE TAX-NET OF PROVISION</b>		
	Advance tax	<b>1,041,104,586</b>	957,340,782
	Provision for taxation	<b>(984,705,181)</b>	(860,498,828)
		<b>56,399,405</b>	96,841,954
<b>19</b>	<b>CASH AND BANK BALANCES</b>		
	Balance with banks in		
	-saving account	19.1 <b>11,336,728</b>	35,417,837
	-current accounts	19.2 <b>4,081,611</b>	3,349,115
	Cash in hand	<b>1,865,000</b>	1,760,000
		<b>17,283,339</b>	40,526,952
<b>19.1</b>	These balances are maintained with banks carrying profit rates ranging from 4.5% to 9.5% (2021: 3.52% to 4.50%) per annum.		
<b>19.2</b>	These include balances in accounts maintained with National Bank of Pakistan Limited (Parent Company) amounting to Rs. 3,564,952 (2021: Rs.1,083,012).		
<b>19.3</b>	Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the State Bank of Pakistan. Accordingly, management of the Company estimates that loss allowance on balances with banks at the end of the reporting period at an amount equal to 12 month Expected Credit Loss (ECL). Taking into account the historical default experience and the current credit ratings of the banks, the management of the Company have assessed that there is no impairment, and therefore have not recorded any loss allowances on these balances.		
<b>20</b>	<b>SHARE CAPITAL</b>		
	<b>Authorized share capital</b>		
		2022	2021
	--- Number of Shares ---	----- Rupees -----	
		<b>30,000,000</b>	30,000,000
	Ordinary shares of Rs. 10 each fully paid in cash	<b>300,000,000</b>	300,000,000
	<b>Issued, subscribed and paid-up share capital</b>		
		2022	2021
	--- Number of Shares ---	----- Rupees -----	
		<b>25,000,000</b>	25,000,000
	Ordinary shares of Rs. 10 each fully paid in cash	<b>250,000,000</b>	250,000,000
<b>20.1</b>	<b>Particulars of the shareholders</b>	<b>% Holding</b>	<b>Number of shares</b>
	National Bank of Pakistan	<b>54.00%</b>	<b>13,499,996</b>
	Baltoro Growth Fund	<b>36.00%</b>	<b>9,000,000</b>
	Dr. Amjad Waheed - Chief Executive Officer	<b>6.25%</b>	<b>1,562,500</b>
	Haider Amjad	<b>1.25%</b>	<b>312,500</b>
	Rohma Amjad	<b>1.25%</b>	<b>312,500</b>
	Reeha Amjad	<b>1.25%</b>	<b>312,500</b>
	Directors	<b>0.00%</b>	<b>4</b>
		<b>25,000,000</b>	25,000,000
<b>20.2</b>	Voting rights, board selection, right of first refusal and block voting are in proportion to their shareholding.		

**21 LIABILITIES AGAINST ASSETS SUBJECT TO DIMINSHING MUSHARKA**

	2022		2021	
	Minimum lease payments	Present Value of minimum lease payments	Minimum lease payments	Present Value of minimum lease payments
	----- Rupees -----			
Within one year	72,123,082	65,131,123	79,177,426	71,572,403
After one year but not more than five years	66,850,639	62,577,903	98,094,951	94,867,297
Total minimum lease payments	138,973,721	127,709,026	177,272,377	166,439,700
Financial charges	(11,264,695)	-	(10,832,677)	-
Present value of minimum lease payments	127,709,026	127,709,026	166,439,700	166,439,700
Current portion	(65,131,123)	(65,131,123)	(71,572,403)	(71,572,403)
	62,577,903	62,577,903	94,867,297	94,867,297

21.1 It represents obligation in respect of assets acquired under diminishing musharka arrangements from various financial institutions for a period of four years at a mark-up rate based on six month KIBOR (ask side) plus spread range of 1.5% to 1.75% per annum {2021: six month KIBOR (ask side) plus a spread rate of 1.75% per annum} which have been used as a discounting factor. Rentals are payable in monthly installments. Repairs and insurance costs are to be borne by lessee. Overdue payments are subject to additional charge upto 0.1 percent (2021: 0.1 percent) per day. Purchase option can be exercised by the lessee by adjusting security deposit against residual value at the expiry of the arrangement.

**22 LEASE LIABILITIES AGAINST RIGHT OF USE ASSETS**

	2022		2021	
	Minimum lease payments	Present Value of minimum lease payments	Minimum lease payments	Present Value of minimum lease payments
	----- Rupees -----			
Within one year	150,087,180	105,997,707	114,638,149	87,666,912
After one year but not more than five years	349,148,771	304,315,537	182,500,632	152,885,210
Total minimum lease payments	499,235,951	410,313,244	297,138,781	240,552,122
Financial charges	(88,922,707)	-	(56,586,659)	-
Present value of minimum lease payments	410,313,244	410,313,244	240,552,122	240,552,122
Current portion	(105,997,707)	(105,997,707)	(87,666,912)	(87,666,912)
	304,315,537	304,315,537	152,885,210	152,885,210

22.1 It represents obligation in respect of right of uses assets (premises for head office and retail branches) leased through tenancy agreements from various owners for a period of four to five years from lease inception at an incremental borrowing rate of 1 year KIBOR (ask side) plus spread rate of 1.5% per annum {2021: 1 year KIBOR (ask side) plus a spread rate of 1.5% per annum} which have been used as a discounting factor. Rentals are payable in monthly, quarterly, half yearly and annual installments as per terms of the tenancy agreements.

	Note	2022	2021
		----- Rupees -----	
<b>23 DEFERRED LIABILITIES</b>			
Gratuity - unfunded	23.1	304,948,058	277,994,880
Deferred income	23.2	14,133,020	8,281,944
		319,081,078	286,276,824

## 23.1 Gratuity - unfunded

The scheme provided for post employment benefit for all permanent employees who complete qualifying period of five years of services with the company and are entitled to one month's last drawn salary for each completed year of such service. For the current year, annual provision is based on actuarial valuation. The valuation was carried out as at June 30, 2022 by independent actuary, using the projected unit credit method.

		2022	2021
		Percentage	
<b>23.1.1</b>	<b>Principal actuarial assumptions</b>		
	Estimated rate of increase in salary of the employees	13.00%	10.25%
	Discount rate	13.00%	10.25%
	<b>Demographic assumptions</b>		
	Mortality rates (for death in service)	EFU(61-66)	EFU(61-66)
<b>23.1.2</b>	<b>Reconciliation of provision for gratuity scheme obligation</b>	<b>Note</b>	<b>Percentage</b>
		2022	2021
		----- Rupees -----	
	Obligation at beginning of year	277,994,880	219,342,815
	Current service cost	23.1.3 36,982,382	31,128,134
	Interest cost	23.1.3 26,383,106	20,215,434
	Benefits paid	(41,197,445)	(1,595,157)
	Remeasurement due to experience on obligation	4,785,135	8,903,654
	Obligation at end of year	<u>304,948,058</u>	<u>277,994,880</u>
<b>23.1.3</b>	<b>The amounts recognized in statement of profit and loss - expenses</b>		
	Current service cost	36,982,382	31,128,134
	Interest cost	26,383,106	20,215,434
		<u>63,365,488</u>	<u>51,343,568</u>
<b>23.1.4</b>	<b>The amounts recognized in other comprehensive income</b>		
	Remeasurement loss due to experience	<u>4,785,135</u>	<u>8,903,654</u>
<b>23.1.5</b>	<b>Expected benefit payments for the next 4 years and beyond</b>		
	The Weighted average duration of the Defined Benefit Obligation is 13 years		
	Distribution of timing of benefit payments within next twelve months (next annual reporting period)	7,271,477	39,185,904
	between 2 to 4 years	38,293,942	33,177,538
	beyond 4 years	258,457,909	196,807,543
		<u>304,023,328</u>	<u>269,170,985</u>
<b>23.1.6</b>	<b>Sensitivity Analysis on liability of significant actuarial assumptions</b>		
	Discount Rate +1%	<u>(31,540,377)</u>	<u>(29,057,319)</u>
	Discount Rate -1%	<u>37,312,303</u>	<u>34,601,548</u>
	Long Term Salary Increases +1%	<u>36,715,084</u>	<u>34,262,194</u>
	Long Term Salary Increases -1%	<u>(31,560,531)</u>	<u>(29,300,978)</u>

**NBP FUND MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**23.1.7 Historical information of staff retirement benefits**

	2022	2021	2020	2019	2018
	----- Rupees -----				
Present value of defined benefit obligation	<b>304,948,058</b>	277,994,880	219,342,815	175,948,035	136,026,215

**23.1.8** Gratuity expense for the year has been allocated as follows:

	Note	2022	2021
		----- Rupees -----	
Administrative expenses	31	<b>25,990,073</b>	24,382,173
Selling and marketing expenses	32	<b>37,375,415</b>	26,961,395
		<b>63,365,488</b>	51,343,568

**23.2 Deferred income**

Balance as at the beginning of the year		<b>8,281,944</b>	13,056,650
Additions during the year		<b>12,392,875</b>	5,992,500
Amortization for the year	30	<b>(5,604,681)</b>	(10,445,097)
Reversed due to lease termination		<b>(937,118)</b>	(322,109)
Balance as at the end of the year		<b>14,133,020</b>	8,281,944

**24 TRADE AND OTHER PAYABLES**

Federal Excise Duty payable	24.1	<b>369,628,324</b>	369,628,324
Sales tax payable		<b>64,382,446</b>	60,987,891
Staff bonus payable		<b>71,298,487</b>	74,478,451
Accrued expenses		<b>21,643,594</b>	69,573,322
Other payable		<b>10,120,995</b>	12,563,719
Commission payable		<b>15,248,118</b>	18,360,320
Payable to Provident Fund		-	6,741,068
Withholding tax payable		<b>41,752</b>	443,845
Provision for Sindh Workers' Welfare Fund	24.2	<b>6,301,191</b>	6,607,214
Advisory fee payable		<b>3,754,337</b>	5,259,482
Leave fare assistance payable		<b>396,592</b>	2,872,692
Payable to National Bank of Pakistan (Parent Company)		-	1,403,281
Audit fee		<b>807,840</b>	844,220
Accrued interest on lease liability against leased vehicles		<b>475,499</b>	477,803
Vehicle buyback		-	377,344
Advertisement payable		-	4,879
		<b>564,099,175</b>	630,623,855

**24.1** 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 01 July 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.

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 369.6 million is being retained in these financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan.

During the year ended June 30, 2019, 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.

During the year ended June 30, 2019, the Company received a notice from the Tax Department that the Company has rendered excisable services during the period from July 1, 2013 to June 30, 2014 and has failed to deposit the excise duty amounting to Rs. 369.6 million. Further, the Company was also required to be registered under Section 13 of Federal Excise Act 2005 read with section 14 of Sales tax Act 1990 and chapter 1 of Sales Tax Rules 2006. The Company has duly replied to the above notice denying the applicability because the Company does not require to be registered under 2005 act as its services are subject to service tax under provincial sales tax laws. Since then, no further correspondence has yet been received by the Company.

	Note	2022	2021
		----- Rupees -----	
<b>24.2</b>	<b>Movement - Sindh Workers' Welfare Fund payable</b>		
	Opening balance	6,607,214	4,885,455
	Provision for the year	34 7,019,125	7,325,148
	Payments during the year	<u>(7,325,147)</u>	<u>(5,603,389)</u>
	Closing balance	<u>6,301,192</u>	<u>6,607,214</u>

## 25 CONTINGENCIES AND COMMITMENTS

### 25.1 Contingencies

**25.1.1** During the year ended June 30, 2020, Securities and Exchange Commission of Pakistan (SECP) passed an order no. SCD/PRDD/ADJ/NBPF/44/2019/116 dated February 12, 2020 against the Company whereby a penalty of Rs.0.50 million was imposed on account of an investor complaint for alleged violation of, inter alia, Regulation 38(1)(a) and Regulation 66a(c) and (d) of the Non-Banking Financing Companies and Notified Entities Regulations, 2008 along with Circular 23 of 2013. The management of the Company does not agree to the allegation made in the order and it believes that the Company has not violated the aforementioned Regulations in letter and spirit. Accordingly the Company filed an appeal before the Appellate Bench of Securities and Exchange Commission of Pakistan (SECP) against the aforesaid order of SECP. The appeal is pending for hearing to date, however, the Company is confident that the same will be decided in favour of the Company. Also, the SECP, further issued an order no. SCD/ADJ/NBPF/46/2019/ 149 dated February 28, 2020 against the Company where by a penalty of Rs.0.75 million was imposed on account of an investor complaint for alleged violation of, inter alia, Regulation 38(1)(a) and Regulation 66a(c) and (d) of the Non-Banking Financing Companies and Notified Entities Regulations, 2008 along with Circular 26 of 2015.

The management of the Company does not agree to the allegation raised by the investor and it believes that the Company has not violated the said Regulations in letter and spirit and has decided to contest against the aforementioned order of SECP. Accordingly the Company filed an appeal before the Appellate Bench of Securities and Exchange Commission of Pakistan (SECP) against the aforesaid order of SECP. The appeal is pending for hearing to date. The management of the Company is confident that the appeal will be decided in the Company's favour.

**25.1.2** During the year ended June 30, 2020, the Securities and Exchange Commission of Pakistan (SECP), issued an order no. SECP/Adj-I/SCD/NBPF/04/2019/311 dated March 31, 2020 against the Company whereby a penalty of Rs. 0.5 million was imposed on account of alleged non-compliance of, inter alia, Regulations 4(d), 6(5)(a), 9(2), and 13(7) of the Anti Money Laundering and Countering Financing of Terrorism Regulations 2018. The management of the Company does not agree to the allegation raised in the order and it believes that the Company has not violated the said Regulations in spirit and, therefore, has decided to contest against the aforementioned order of SECP. Accordingly, the Company filed an appeal before the Appellate Bench of SECP dated June 08, 2020 against the order of the Adjudication Department, SECP. The Appeal is pending for hearing to date. The management of the Company is confident that the appeal will be decided in favour of the Company.

**25.1.3** The ACIR passed an order dated May 4, 2016 under section 122 (5A) of ITO, 2001 to amend the deemed assessment u/s 122(5A) of the Ordinance for the tax year 2010. In the said order, the ACIR has rejected the refund claimed in the return to the extent of Rs. 15.86 million by holding that deductions suffered under section 153(1)b are to be treated as minimum tax, the ACIR has effectively reduced the tax refundable for the year available to the Company for adjustment in subsequent years. The Company has filed on May 26, 2016 against the order dated May 4, 2016 passed under section 122(5A) of the Ordinance. The Commissioner appeals in this respect passed an order dated October 10, 2018 maintaining the order of ACIR. The Company has filed an appeal before the Appellate Tribunal Inland Revenue against the order of the Commissioner. Appeal is pending for hearing to date.

**25.1.4** During the year 2017, the ACIR passed an order dated May 15, 2017 under section 122 (5A) of Income Tax Ordinance 2001 rejecting the refund claimed in the return of tax year 2011 to the extent of Rs. 2.72 million by holding that deductions suffered under section 153 (1) (b) are to be treated as minimum tax and such are not available for adjustment. The ACIR effectively eliminated the tax refundable for the year available to the Company and determined tax payable amounting to Rs. 2.72 million. The said demand has been requested to the Taxation Officer to be adjusted against refunds of prior years. The Company filed an appeal before the Commissioner (Appeals) against the said order. The Commissioner (Appeals) in this respect, passed an order dated October 06, 2017 maintaining the order ACIR. The Company has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the order of the Commissioner (Appeals). The aforesaid appeal filed by the Company before the ATIR is pending for hearing to date and the Company is confident that the same will be decided in favorably.

**25.2 Commitments**

The Company does not have any commitments as at June 30, 2022. (2021: The Company had an arrangement with the National Bank of Pakistan (Parent) whereby the parent had allowed premises in its certain branches to the Company to conduct sales and operational activities. Such arrangement was classified as operating lease as the value of portion occupied in different branches was of low value. The arrangement included payments as follows)

	<b>2022</b>	2021
	----- Rupees -----	
Within one year	-	<u>2,672,252</u>

**NBP FUND MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**26 MANAGEMENT FEE AND DISCRETIONARY PORTFOLIO ADVISORY FEE**

	2022			2021		
	Gross Fee	Sales Tax	Net Fee	Gross Fee	Sales Tax	Net Fee
<b>Open-end Collective Investment Schemes</b>						
NBP Income Opportunity Fund	68,137,472	7,838,824	60,298,648	46,765,291	5,380,078	41,385,213
NBP Stock Fund	358,336,996	41,224,610	317,112,386	307,171,623	35,338,328	271,833,295
NBP Balanced Fund	22,968,935	2,642,444	20,326,491	26,455,093	3,043,506	23,411,587
NBP Islamic Savings Fund	16,650,681	1,915,565	14,735,116	16,911,354	1,945,554	14,965,800
NBP Islamic Sarmaya Izaifa Fund	85,364,052	9,820,643	75,543,409	98,861,466	11,373,443	87,488,023
NBP Savings Fund	12,497,339	1,437,747	11,059,592	10,130,154	1,165,416	8,964,738
NAFA Government Securities Liquid Fund	2,380,838	273,902	2,106,936	6,146,575	707,128	5,439,447
NBP Mahana Amdani Fund	8,395,475	965,851	7,429,624	10,295,086	1,184,390	9,110,696
NBP Riba Free Savings Fund	21,946,940	2,524,869	19,422,071	29,601,726	3,405,508	26,196,218
NBP Sarmaya Izaifa Fund	21,054,612	2,422,212	18,632,400	24,304,737	2,796,120	21,508,617
NBP Financial Sector Income Fund	164,829,247	18,962,657	145,866,590	168,935,907	19,435,104	149,500,803
NBP Money Market Fund	51,070,401	5,875,356	45,195,045	44,990,419	5,175,889	39,814,530
NAFA Pension Fund	30,709,698	3,532,974	27,176,724	47,619,146	5,478,309	42,140,837
NAFA Islamic Pension Fund	37,037,077	4,260,903	32,776,174	50,276,618	5,784,036	44,492,582
NAFA Islamic Principal Protected Fund-II	-	-	-	1,153,070	132,654	1,020,416
NBP Government Securities Savings Fund	400,879	46,119	354,760	740,167	85,152	655,015
NBP Islamic Stock Fund	127,384,771	14,654,885	112,729,886	115,786,449	13,320,565	102,465,884
NAFA Islamic Active Allocation Plan-I	458	53	405	2,851	328	2,523
NAFA Islamic Active Allocation Plan-II	98,256	11,304	86,952	1,244	143	1,101
NAFA Islamic Active Allocation Plan-III	98,256	11,304	86,952	34,210	3,936	30,274
NBP Islamic Energy Fund	13,002,181	1,495,826	11,506,355	11,512,616	1,324,460	10,188,156
NBP Islamic Active Allocation Equity Fund	9,381,549	1,079,293	8,302,256	10,511,353	1,209,271	9,302,082
NBP Active Allocation Riba Free Savings Fund	228,823	26,325	202,498	995,037	114,473	880,564
NAFA Islamic Active Allocation Plan-IV	149,685	17,105	131,580	99,620	11,461	88,159
NAFA Islamic Active Allocation Plan-V	74,288	8,546	65,742	92,222	10,610	81,612
NAFA Islamic Active Allocation Plan-VI	23,785	2,736	21,049	115,928	13,337	102,591
NAFA Islamic Active Allocation Plan-VII	21,977	2,528	19,449	25,665	2,953	22,712
NAFA Islamic Active Allocation Plan-VIII	45,800	5,269	40,531	63,964	7,359	56,605
NBP Financial Sector Fund	7,537,451	867,140	6,670,311	9,524,411	1,095,729	8,428,682
NBP Islamic Money Market Fund	6,513,996	749,398	5,764,598	5,397,751	620,980	4,776,771
NAFA Islamic Capital Preservation Plan-I	130,470	15,010	115,460	104,057	11,971	92,086
NAFA Islamic Capital Preservation Plan-II	97,720	11,242	86,478	664,886	76,491	588,395
NAFA Islamic Capital Preservation Plan-III	59,735	6,872	52,863	677,930	77,992	599,938
NAFA Islamic Capital Preservation Plan-IV	40,242	4,630	35,612	157,517	18,121	139,396
NAFA Islamic Capital Preservation Plan-V	38,559	4,436	34,123	145,097	16,693	128,404
NBP Government Securities Plan-I	42,911	4,937	37,974	1,424,097	163,834	1,260,263
NBP Islamic Mahana Amdani Fund	29,988,906	3,450,051	26,538,855	42,760,051	4,919,298	37,840,753
NBP Daily Dividend Fund	14,832,962	1,706,447	13,126,515	15,529,921	1,786,628	13,743,293
NBP Pakistan Growth Exchange Traded Fund	511,324	58,825	452,499	383,245	44,090	339,155
NBP Islamic Regular Income Fund	2,037,623	234,417	1,803,206	-	-	-
NBP Islamic Income Fund	34,558,058	3,975,706	30,582,352	6,848,304	787,858	6,060,446
	1,148,581,172	132,137,657	1,016,443,515	1,113,216,658	128,069,196	985,147,662
	99,498,775	10,756,496	82,742,279	50,021,614	5,754,699	44,266,915
	1,242,079,947	142,894,153	1,099,185,794	1,163,238,472	133,823,895	1,029,414,577

Investment advisory fee from discretionary portfolio management

26.1 Open-end Collective Investment Schemes

2022

2021

Name of Fund	Management Fee as a % of Net Income	Management fee as a % of net assets subject to		Management Fee as a % of Net Income	Management fee as a % of net assets subject to	
		Lower cap	Upper cap		Lower cap	Upper cap
NBP Income Opportunity Fund	6.00%	0.50%	1.00%	6.00%	0.50%	1.00%
NBP Savings Fund	8.00%	0.50%	1.50%	8.00%	0.50%	1.00%
NBP Islamic Savings Fund	8.00%	0.50%	1.50%	8.00%	0.50%	1.00%
NBP Government Securities Liquid Fund	1.00%	0.20%	1.00%	1.00%	0.20%	1.00%
NBP Mahana Amdani Fund	1.00%	0.15%	1.00%	1.00%	0.15%	1.00%
NBP Riba Free Savings Fund	6.00%	0.50%	1.25%	6.00%	0.50%	1.25%
NBP Financial Sector Income Fund	6.00%	0.50%	1.50%	6.00%	0.50%	1.50%
NBP Money Market Fund	1.00%	0.15%	1.00%	1.00%	0.15%	1.00%
NBP Government Securities Savings Fund	1.50%	0.20%	1.00%	1.50%	0.20%	1.00%
NBP Islamic Stock Fund	-	2.00%	2.00%	-	1.50%	1.50%
NBP Islamic Sarmaya Izafa Fund	-	2.00%	2.00%	-	1.50%	1.50%
NBP Balanced Fund	-	2.50%	2.50%	-	1.50%	1.50%
NBP Stock Fund	-	2.50%	2.50%	-	1.50%	1.50%
NBP Sarmaya Izafa Fund	-	2.00%	2.00%	-	1.50%	1.50%
NBP Pension Fund	-	0.70%	0.70%	-	1.50%	1.50%
NAFA Islamic Pension Fund	-	0.70%	0.70%	-	1.50%	1.50%
NAFA Islamic Principal Protected Fund-I	-	-	-	-	-	-
NAFA Islamic Active Allocation Plan-I	-	-	-	-	-	-
NAFA Islamic Active Allocation Plan-II	-	-	-	-	-	-
NAFA Islamic Active Allocation Plan-III	-	-	-	-	-	-
NAFA Islamic Active Allocation Plan-III	-	-	-	-	-	-
NAFA Islamic Energy Fund	-	1.50%	1.50%	-	1.50%	1.50%
NBP Islamic Active Allocation Equity Fund	-	2.00%	2.00%	-	1.50%	1.50%
NBP Active Allocation Riba Free Savings Fund	9.00%	0.50%	1.25%	9.00%	0.50%	1.25%
NAFA Islamic Active Allocation Plan-IV	-	-	-	-	-	-
NAFA Islamic Active Allocation Plan-V	-	-	-	-	-	-
NAFA Islamic Active Allocation Plan-VI	-	-	-	-	-	-
NAFA Islamic Active Allocation Plan-VII	-	-	-	-	-	-
NAFA Islamic Active Allocation Plan-VIII	-	-	-	-	-	-
NBP Financial Sector Fund	-	1.50%	1.50%	-	1.50%	1.50%
NAFA Islamic Money Market Fund	1.00%	0.10%	1.00%	1.00%	0.10%	1.00%
NAFA Islamic Capital Preservation Plan-I	-	-	-	-	-	-
NAFA Islamic Capital Preservation Plan-II	-	-	-	-	-	-
NAFA Islamic Capital Preservation Plan-III	-	-	-	-	-	-
NAFA Islamic Capital Preservation Plan-IV	-	-	-	-	-	-
NAFA Islamic Capital Preservation Plan-V	-	-	-	-	-	-
NAFA Islamic Capital Preservation Plan-VI	-	-	-	-	-	-
NBP Islamic Mahana Amdani Fund	1.50%	0.20%	1.50%	1.50%	0.20%	1.50%
NBP Islamic Regular Income Fund	-	1.50%	1.50%	-	No management fee charged	-
NBP Government Securities Plan - I	-	0.00%	0.00%	-	0.60%	0.60%
NBP Islamic Daily Dividend Fund	1.00%	0.10%	1.00%	1.00%	0.10%	1.00%
NBP Pakistan Growth Exchange Traded Fund	-	0.75%	0.75%	-	0.75%	0.75%
NBP Islamic Income Fund	6.00%	0.50%	1.25%	6.00%	0.50%	1.25%

Management fee of 1.25% will be charged on average annual net assets that have been placed in cash and bank accounts of the fund.

Management fee of 1.25% will be charged on average annual net assets that have been placed in cash and bank accounts of the fund.

Management fee of 1.00% will be charged on average annual net assets that have been placed in cash and bank accounts of the fund.



**NBP FUND MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Note	2022 ----- Rupees -----	2021
<b>27 SALES LOAD ATTRIBUTABLE TO MANAGEMENT COMPANY</b>			
Gross load inclusive of sales tax		<b>183,585,363</b>	329,583,197
Sales tax		<b>(21,120,440)</b>	(37,916,651)
Sale load ceded to agents		<b>(88,144,251)</b>	(151,072,597)
Net load attributable to the Company		<b>74,320,672</b>	140,593,949
<b>28 DEBIT CARD FEE</b>			
Gross fee		<b>8,150,178</b>	5,828,654
Sales tax		<b>(1,059,523)</b>	(757,725)
Net fee		<b>7,090,655</b>	5,070,929
<b>29 INVESTMENT ADVISORY FEE</b>			
Gross fee		<b>2,054,289</b>	2,120,153
Sales tax		<b>(267,058)</b>	(275,620)
Net fee		<b>1,787,231</b>	1,844,533
<b>30 OTHER INCOME</b>			
Mark-up income on loans		<b>2,386,909</b>	1,445,622
Mark-up income on bank deposit		<b>6,178,347</b>	2,810,690
Amortization of deferred income	23.2	<b>5,604,681</b>	10,445,097
Gain on disposal of property and equipment	6.3	<b>13,462,896</b>	2,318,501
Others		<b>-</b>	578,071
		<b>27,753,120</b>	17,597,981
<b>31 ADMINISTRATIVE EXPENSES</b>			
Staff salaries and benefits		<b>452,937,476</b>	383,868,545
Depreciation on property and equipment	6.1	<b>82,623,768</b>	70,463,085
Amortization on intangible assets	7.1.1	<b>24,172,365</b>	19,370,657
Depreciation on right of use assets	8.1	<b>62,414,855</b>	59,652,569
Bonus to staff		<b>60,624,151</b>	63,185,197
Legal and professional charges		<b>57,788,720</b>	80,795,568
Investor service charges		<b>-</b>	84,287,055
Communications		<b>30,695,637</b>	43,466,253
Gratuity scheme	23.1.8	<b>25,990,073</b>	24,382,173
Printing and stationery		<b>21,402,702</b>	17,835,585
Utilities		<b>29,012,864</b>	22,636,304
Investor's insurance		<b>26,833,843</b>	17,143,536
Fees and subscription		<b>20,392,620</b>	19,422,217
Repair and maintenance		<b>15,377,371</b>	18,306,060
Staff conveyance		<b>22,240,094</b>	13,078,711
Staff medical insurance		<b>10,477,928</b>	9,022,931
Property and general insurance		<b>14,664,391</b>	13,452,699
Directors meeting fee		<b>8,500,000</b>	8,660,000
Traveling		<b>3,572,217</b>	3,598,356
Staff training costs		<b>442,135</b>	1,271,914
Security charges		<b>3,890,928</b>	4,023,091
Miscellaneous expenses		<b>2,816,954</b>	1,472,369
Auditors' remuneration	31.1	<b>1,092,960</b>	1,050,000
Donations	31.2	<b>1,000,000</b>	-
Reimbursement of accounting and operational services		<b>(233,752,404)</b>	(189,150,786)
		<b>745,211,649</b>	791,294,089

	2022	2021
	----- Rupees -----	
<b>31.1 Auditors' remuneration</b>		
Audit fee	540,000	532,922
Half yearly review	240,000	225,000
Review fee on compliance with the Code	140,000	130,000
Out of pocket expenses	92,000	84,300
Sindh sales tax	80,960	77,778
	<u>1,092,960</u>	<u>1,050,000</u>

### 31.2 Donations

Patients' Behbud Society of Aga Khan University Hospital	<u>1,000,000</u>	<u>-</u>
--	------------------	----------

**30.2.1** The director(s), their spouse(s) or minor children (s) has no interest in the donation made by the Company.

	Note	2022	2021
		----- Rupees -----	
<b>32 SELLING AND MARKETING EXPENSES</b>			
Staff salaries and benefits		592,085,381	643,893,768
Staff conveyance		61,265,746	96,656,938
Marketing and business		79,826,825	66,978,698
Commission		80,291,823	73,306,664
Depreciation on property and equipment	6.1	48,726,395	54,959,582
Amortization on intangible assets	7.1.1	17,805,504	14,268,537
Depreciation on right of use assets	8.1	70,177,096	58,734,907
Utilities		27,776,021	30,025,251
Communications		26,265,240	29,393,740
Gratuity scheme	23.1.8	37,375,415	26,961,395
Staff medical insurance		16,403,001	17,203,427
Rent, rate and taxes		1,177,708	10,286,107
Security charges		9,437,591	9,381,451
Printing and stationery		10,594,211	7,292,904
Repair and maintenance		14,321,773	10,734,083
Staff training costs		1,148,934	3,305,196
Traveling		1,902,114	1,967,032
Property and general insurance		2,729,326	2,725,897
Bonus to staff		10,674,336	11,293,254
Legal and professional charges		3,595,837	1,824,473
Fees and subscription		488,337	145,737
Miscellaneous		1,777,367	928,996
Reimbursement of selling and marketing expenses		<u>(1,084,963,714)</u>	<u>(1,141,538,762)</u>
		<u>30,882,267</u>	<u>30,729,275</u>

### 33 FINANCIAL CHARGES

Finance charges on right of use assets	44,758,390	39,334,550
Interest charge on diminishing musharka	11,287,900	16,124,232
Bank charges	78,742	77,782
	<u>56,125,032</u>	<u>55,536,564</u>

	Note	2022 ----- Rupees -----	2021
<b>34 OTHER CHARGES</b>			
Sindh Workers Welfare Fund		7,019,125	7,325,148
Lease termination charges		-	194,875
		<u>7,019,125</u>	<u>7,520,023</u>
<b>35 TAXATION</b>			
Current tax charge	35.1	126,038,942	114,331,068
Deferred tax charge			
- arising on corporate tax rate at 29% (2021: 29%)		(10,449,550)	(15,370,919)
- arising on super tax at 4% (2021: Nil)		(10,203,539)	-
		<u>105,385,853</u>	<u>98,960,149</u>

35.1 The Company is charged at current tax rate of 33% (2021: 29%) including 4% (2021: Nil) super tax levied under the Finance Act, 2022. The rates have been applied to the income assessed for the year under normal tax regime of the Income Tax Ordinance, 2001.

	2022 ----- Rupees -----	2021
<b>Relationship between tax expense and accounting profit</b>		
Profit before tax	<u>343,607,165</u>	<u>358,932,293</u>
Corporate tax at 29% (2021: 29%)	99,646,078	104,090,365
Super tax at 4% (2021: Nil)	13,744,287	-
	<u>113,390,364</u>	<u>104,090,365</u>
<b>Tax effect of:</b>		
Corporate tax at 29% (2021: 29%) on net deductible temporary differences	9,794,960	4,493,204
Super tax at 4% (2021: Nil) on net deductible temporary differences	1,351,029	-
Income taxed at reduced rates	1,832,589	5,747,499
Credit on charitable donations	(330,000)	-
Deferred tax arising on corporate tax at 29% (2021: 29%)	(10,449,550)	(15,370,919)
Deferred tax arising on super tax at 4% (2021: Nil)	(10,203,539)	-
Tax expense charged on income	<u>105,385,853</u>	<u>98,960,149</u>

### 36 EARNINGS PER SHARE - BASIC AND DILUTED

#### 36.1 Basic earnings per share

Profit for the year attributable to ordinary shareholders (in Rupees)	<u>238,221,312</u>	<u>259,972,144</u>
Weighted average number of ordinary shares (number of shares)	<u>25,000,000</u>	<u>25,000,000</u>
Basic earning per share (in Rupees)	<u>9.53</u>	<u>10.40</u>

**NBP FUND MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**36.2 Diluted earnings per share**

Diluted earning per share has not been presented as the Company does not have any convertible instruments in issue as at June 30, 2022 and June 30, 2021 which would have any dilutive effect on the earnings per share if the option to convert is exercised.

**37 REMUNERATION TO THE CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES**

The aggregate amount charged in the financial statements for remuneration including all benefits to Chief Executive Officer, Directors and Executives of the Company were as follows (executives are whose annual basic salary equals to Rs: 1,200,000 (2021: Rs.1,200,000) or more.

	2022			2021		
	Chief Executive Officer	Directors	Executives	Chief Executive Officer	Directors	Executives
	----- Rupees -----					
Managerial remuneration	49,940,400	-	409,011,653	49,940,400	-	371,374,603
Performance Bonus	17,946,615	-	38,108,488	13,728,348	-	25,631,849
Provident fund	-	-	25,614,511	-	-	22,521,366
Gratuity	-	-	21,989,874	-	-	18,956,505
Commission	-	-	47,326,735	-	-	55,192,427
Utilities	704,911	-	27,721,635	561,201	-	16,689,504
Medical	457,699	-	2,810,322	239,603	-	2,519,066
Meeting fee	-	8,500,000	-	-	8,660,000	-
	<b>69,049,625</b>	<b>8,500,000</b>	<b>572,583,218</b>	<b>64,469,552</b>	<b>8,660,000</b>	<b>512,885,320</b>
	1	8	85	1	8	70

**37.1** Directors are entitled for remuneration for attending board meetings or any of its sub-committee meetings at Rs. 100,000 per meeting per director.

**37.2** The executives are provided with Company maintained car.

**38 DISCRETIONARY PORTFOLIO**

The cost and market value of the underlying investments included in the discretionary portfolio managed by the company are as under:

	Number of clients	----- June 30, 2022 ----- (Un-Audited)	
		Cost	Market value
		----- Rupees -----	
Discretionary portfolio	88	<b>21,445,362,240</b>	<b>20,649,030,501</b>
		----- June 30, 2021 ----- (Un-Audited)	
		Cost	Market value
		----- Rupees -----	
Discretionary portfolio	58	14,509,412,406	14,801,701,871

38.1 Breakup of discretionary portfolio comprises of following investments:

	June 30, 2022	
	Cost	Market value
	Rupees	
Debt / equity securities	17,313,681,717	16,517,349,978
Cash	4,131,680,523	4,131,680,523
	<b>21,445,362,240</b>	<b>20,649,030,501</b>

	June 30, 2021	
	Cost	Market value
	Rupees	
Debt / equity securities	9,775,278,498	10,067,567,964
Cash	4,734,133,908	4,734,133,908
	<b>14,509,412,406</b>	<b>14,801,701,871</b>

38.2 The fees earned on services provided to portfolio clients are as follows

	Note	2022	2021
		Rupees	
Net fee earned	26	<b>82,742,279</b>	44,266,915

39 TRANSACTIONS WITH RELATED PARTIES

National Bank of Pakistan holds 54% ordinary shares of the Company as at year end. Therefore all subsidiaries and associated undertakings of NBP are related parties of the Company. Other related parties comprise managed funds, major shareholders and the companies owned by such shareholders, entities owned by the directors of the Company where they also hold directorships and key management personnel of the Company and their close family members and retirement benefit plan. The transaction with related party are in normal course of business and are carried out at contracted rates and terms. Remuneration to key management personnel is disclosed in note 37 to the financial statements. Following is the summary of balances and transactions with the related parties.

	2022	2021
	Rupees	
<b>39.1 Balances with Related Parties</b>		
<b>National Bank of Pakistan - (Parent company)</b>		
Bank deposits	3,564,952	1,083,012
Utilities payable	-	627,000
Rent payable	-	776,281
<b>Bank Islami Pakistan Limited</b>		
Bank deposits	8,141	7,828
<b>Baltoro Growth Fund</b>		
Dividend payable	114,300,016	67,500,015
<b>National Clearing Company of Pakistan Limited</b>		
Capital Gain Tax Refundable	3,735,735	5,281,159

**Funds under management****NBP Government Securities Liquid Fund**

Management fee receivable (inclusive of SST and FED)	45,971,960	46,033,297
Debit card fee receivable	10,398	7,513
Sales load receivable	163,527	93,766
Reimbursement of accounting and operational services	301,271	514,417
Reimbursement of marketing & selling expenses	1,205,089	2,057,578

**NBP Mahana Amdani Fund**

Management fee receivable (inclusive of SST and FED)	11,262,233	11,520,431
Debit card fee receivable	1,041,833	455,412
Sales load receivable	2,622,603	6,492,879
Other receivable	287,628	288,628
Reimbursement of accounting and operational services	1,394,843	1,990,167
Reimbursement of marketing & selling expenses	12,463,288	11,145,869

**NBP Income Opportunity Fund**

Management fee receivable (inclusive of SST and FED)	45,710,823	43,805,116
Debit card fee receivable	435,911	154,035
Sales load receivable	2,206,970	8,293,101
Reimbursement of accounting and operational services	2,644,500	2,923,257
Reimbursement of marketing & selling expenses	14,809,203	16,370,190
Carrying value of investment	348,271	40,186,068

**NBP Savings Fund**

Management fee receivable (inclusive of SST and FED)	4,446,023	3,551,113
Debit card fee receivable	44,758	25,747
Sales load receivable	415,764	699,878
Other Receivable	-	15,000
Reimbursement of accounting and operational services	482,896	474,785
Reimbursement of marketing & selling expenses	3,091,078	2,658,683

**NBP Islamic Savings Fund**

Management fee receivable (inclusive of SST and FED)	6,098,271	5,052,309
Debit card fee receivable	227,103	107,875
Sales load receivable	1,600,927	1,105,417
Other receivable	-	28,174
Reimbursement of accounting and operational services	662,176	746,193
Reimbursement of marketing & selling expenses	4,502,793	4,178,663
Carrying value of investment	1,278,221	10,393

**NBP Money Market Fund**

Management fee receivable (inclusive of SST and FED)	50,107,324	46,799,906
Debit card fee receivable	183,914	53,220
Sales load receivable	6,085,716	1,453,910
Reimbursement of accounting and operational services	11,640,492	6,039,263
Reimbursement of marketing & selling expenses	10,713,885	7,247,153
Carrying value of investment	366,825,092	207,970,754

**NBP Islamic Sarmaya Izafa Fund**

Management fee receivable (inclusive of SST and FED)	24,219,997	26,507,742
Debit card fee receivable	123,998	90,057
Sales load receivable	18,869,626	47,890,768
Other receivable	-	606,981
Reimbursement of accounting and operational services	1,722,726	2,173,972
Reimbursement of marketing & selling expenses	11,197,702	25,363,059
Carrying value of investment	79,864,787	-

<b>NBP Balanced Fund</b>		
Management fee receivable (inclusive of SST and FED)	13,498,736	13,875,807
Debit card fee receivable	2,260	49
Sales load receivable	922,259	1,041,276
Other receivable	-	833
Reimbursement of accounting and operational services	429,829	600,427
Reimbursement of marketing & selling expenses	2,793,883	7,004,929
<b>NBP Stock Fund</b>		
Management fee receivable (inclusive of SST and FED)	64,401,860	61,869,143
Debit card fee receivable	51,279	35,943
Sales load receivable	4,573,560	4,931,902
Reimbursement of accounting and operational services	7,543,713	7,587,738
Reimbursement of marketing & selling expenses	58,463,781	101,169,543
Carrying value of investment	158,439,423	107,416,008
<b>NBP Sarmaya Izafa Fund</b>		
Management fee receivable (inclusive of SST and FED)	17,518,038	18,059,933
Debit card fee receivable	18,332	17,626
Sales load receivable	4,599,910	4,696,211
Other receivable	-	5,000
Reimbursement of accounting and operational services	436,103	540,234
Reimbursement of marketing & selling expenses	2,834,672	6,302,609
<b>NBP Riba Free Savings Fund</b>		
Management fee receivable (inclusive of SST and FED)	12,666,784	12,665,024
Debit card fee receivable	100,006	51,011
Sales load receivable	599,959	1,036,306
Other receivable	-	146,080
Reimbursement of accounting and operational services	904,165	1,344,306
Reimbursement of marketing & selling expenses	6,864,059	7,522,460
<b>NBP Financial Sector Income Fund</b>		
Management fee receivable (inclusive of SST and FED)	22,439,535	35,308,413
Debit card fee receivable	691,877	186,624
Sales load receivable	9,094,581	5,757,250
Other receivable	168,500	174,000
Reimbursement of accounting and operational services	11,241,945	13,062,223
Reimbursement of marketing & selling expenses	36,973,413	10,449,766
<b>NAFA Pension Fund</b>		
Management fee receivable (inclusive of SST and FED)	5,991,274	8,396,559
Sales load receivable	2,814,015	4,224,053
Other receivable	225,000	240,000
Reimbursement of accounting and operational services	1,062,368	-
Reimbursement of marketing & selling expenses	6,572,430	-
<b>NAFA Islamic Pension Fund</b>		
Management fee receivable (inclusive of SST and FED)	4,610,452	6,883,485
Sales load receivable	7,543,370	4,384,477
Other receivable	225,000	240,000
Reimbursement of accounting and operational services	1,219,945	-
Reimbursement of marketing & selling expenses	8,230,935	-
<b>NAFA Islamic Principal Protected Fund-I</b>		
Management fee receivable (inclusive of SST and FED)	11,370,447	11,370,447
Sales load receivable	5,514,629	5,514,629
Other receivable	420,806	420,806
Reimbursement of accounting and operational services	1,076	1,076

<b>NAFA Islamic Principal Protected Fund-II</b>		
Management fee receivable (inclusive of SST and FED)	<b>8,152,118</b>	8,152,118
Sales load receivable	<b>2,899,057</b>	2,899,057
Other receivable	<b>120,000</b>	120,000
<b>NBP Government Securities Savings Fund</b>		
Management fee receivable (inclusive of SST and FED)	<b>1,891,684</b>	1,905,168
Debit card fee receivable	<b>16,910</b>	2,734
Sales load receivable	<b>3,609,696</b>	3,469,109
Other receivable	<b>45,000</b>	25,000
Reimbursement of accounting and operational services	<b>46,714</b>	68,689
Reimbursement of marketing & selling expenses	<b>261,604</b>	384,605
<b>NAFA Islamic Principal Preservation Fund</b>		
Management fee receivable (inclusive of SST and FED)	<b>3,024,240</b>	3,024,240
Sales load receivable	<b>5,258,430</b>	5,258,430
Reimbursement of accounting and operational services	<b>57,252</b>	57,252
<b>NBP Islamic Stock Fund</b>		
Management fee receivable (inclusive of SST and FED)	<b>18,032,037</b>	19,722,189
Debit card fee receivable	<b>74,570</b>	62,259
Sales load receivable	<b>6,670,918</b>	5,876,717
Other receivable	<b>20,000</b>	208,776
Reimbursement of accounting and operational services	<b>2,842,248</b>	2,926,019
Reimbursement of marketing & selling expenses	<b>22,027,419</b>	39,013,626
<b>NBP Active Allocation Riba Free Savings Fund</b>		
Management fee receivable (inclusive of SST and FED)	<b>612,372</b>	657,162
Reimbursement of accounting and operational services	<b>7</b>	32,823
Reimbursement of marketing & selling expenses	<b>13</b>	183,772
<b>NBP Islamic Active Allocation Equity Fund</b>		
Management fee receivable (inclusive of SST and FED)	<b>2,075,648</b>	2,273,950
Reimbursement of accounting and operational services	<b>193,053</b>	223,464
Reimbursement of marketing & selling expenses	<b>1,496,160</b>	2,979,561
<b>NAFA Islamic Active Allocation Plan-I</b>		
Management fee receivable (inclusive of SST and FED)	<b>78,042</b>	78,043
Sales load receivable	<b>3,001,958</b>	3,001,958
Other receivable	<b>25,000</b>	25,000
Reimbursement of accounting and operational services	<b>4,705</b>	4,361
<b>NAFA Islamic Active Allocation Plan-II</b>		
Management fee receivable (inclusive of SST and FED)	<b>40,267</b>	40,267
Sales load receivable	<b>2,697,614</b>	2,697,613
Other receivable	<b>25,000</b>	21,596
Reimbursement of accounting and operational services	<b>5,537</b>	6,182
<b>NAFA Islamic Active Allocation Plan-III</b>		
Management fee receivable (inclusive of SST and FED)	<b>12,114</b>	9,210
Sales load receivable	<b>2,993,253</b>	2,993,253
Other receivable	<b>25,100</b>	36,637
Reimbursement of accounting and operational services	<b>27,593</b>	34,957
<b>NBP Financial Sector Fund</b>		
Management fee receivable (inclusive of SST and FED)	<b>549,472</b>	635,102
Debit card fee receivable	<b>81</b>	154
Sales load receivable	<b>31,209</b>	43,559
Reimbursement of accounting and operational services	<b>218,121</b>	167,044
Reimbursement of marketing & selling expenses	<b>2,235,477</b>	2,219,680



<b>NBP Islamic Money Market Fund</b>		
Management fee receivable (inclusive of SST and FED)	733,899	439,856
Debit card fee receivable	167,113	68,404
Sales load receivable	1,836,019	2,146,928
Other receivable	151,100	21,975
Reimbursement of accounting and operational services	1,949,748	1,474,684
Reimbursement of marketing & selling expenses	7,798,988	5,898,736
<b>NBP Islamic Regular Income Fund</b>		
Management fee receivable (inclusive of SST and FED)	168,069	0
Sales load receivable	209,533	366,160
Other receivable	180,000	265,314
Reimbursement of accounting and operational services	61,396	51,018
Reimbursement of marketing & selling expenses	552,564	595,290
Carrying value of investment	112,875,243	129,102,803
<b>NBP Islamic Energy Fund</b>		
Management fee receivable (inclusive of SST and FED)	1,568,581	1,865,450
Debit card fee receivable	4,785	2,543
Sales load receivable	2,077,608	1,573,611
Other receivable	16,103	-
Reimbursement of accounting and operational services	363,309	333,188
Reimbursement of marketing & selling expenses	3,723,925	4,442,531
<b>NAFA Islamic Active Allocation Plan-IV</b>		
Management fee receivable (inclusive of SST and FED)	11,799	8,587
Sales load receivable	-	-
Other receivable	15,000	20,088
Reimbursement of accounting and operational services	32,005	33,831
<b>NAFA Islamic Active Allocation Plan-V</b>		
Management fee receivable (inclusive of SST and FED)	5,691	5,897
Other receivable	20,000	25,326
Reimbursement of accounting and operational services	14,150	19,854
<b>NAFA Islamic Active Allocation Plan-VI</b>		
Management fee receivable (inclusive of SST and FED)	691	3,370
Sales load receivable	441,515	441,516
Other receivable	20,000	11,920
Reimbursement of accounting and operational services	47,425	62,185
<b>NAFA Islamic Active Allocation Plan-VII</b>		
Management fee receivable (inclusive of SST and FED)	1,623	1,491
Sales load receivable	343,103	343,102
Other receivable	15,100	-
Reimbursement of accounting and operational services	15,658	16,366
<b>NAFA Islamic Active Allocation Plan-VIII</b>		
Management fee receivable (inclusive of SST and FED)	4,266	4,472
Other receivable	15,100	-
Reimbursement of accounting and operational services	51,170	54,574
<b>Nafa Islamic Capital Preservation Plan-I</b>		
Management fee receivable (inclusive of SST and FED)	6,438	8,840
Sales load receivable	227,349	227,348
Other receivable	25,000	155,857
Reimbursement of accounting and operational services	21,554	35,274

<b>Nafa Islamic Capital Preservation Plan-II</b>		
Management fee receivable (inclusive of SST and FED)	8,273	125,274
Sales load receivable	755,129	755,129
Other receivable	20,000	38,618
Reimbursement of accounting and operational services	10,559	205,423
<b>Nafa Islamic Capital Preservation Plan-III</b>		
Management fee receivable (inclusive of SST and FED)	3,832	4,945
Other receivable	28,167	69,878
Reimbursement of accounting and operational services	11,701	21,420
<b>NBP Government Securities Plan I</b>		
Management fee receivable (inclusive of SST and FED)	-	107,663
Sales load receivable	-	707,243
Other receivable	-	30,000
Reimbursement of accounting and operational services	-	60,442
Reimbursement of marketing & selling expenses	-	48,351
<b>NAFA Islamic Capital Preservation Plan-IV</b>		
Management fee receivable (inclusive of SST and FED)	2,192	2,906
Other receivable	24,167	30,493
Reimbursement of accounting and operational services	7,603	12,986
<b>NBP Islamic Capital Preservation Plan-V</b>		
Management fee receivable (inclusive of SST and FED)	3,921	3,783
Other receivable	29,167	1,764
Reimbursement of accounting and operational services	7,359	13,529
<b>NBP Islamic Capital Preservation Plan-VI</b>		
Sales load receivable	7,759,614	-
<b>NBP Islamic Mahana Amdani Fund</b>		
Management fee receivable (inclusive of SST and FED)	2,153,320	3,167,885
Debit card fee receivable	1,718,345	780,408
Sales load receivable	3,671,962	5,538,455
Preliminary and flotation cost	80,000	183,535
Reimbursement of accounting and operational services	3,635,246	5,320,582
Reimbursement of marketing & selling expenses	29,299,394	29,795,241
<b>NAFA Active Allocation Fund-II</b>		
Other receivable	-	5,000
<b>NAFA Active Allocation Fund-III</b>		
Other receivable	-	338,475
<b>NBP Government Securities Fund-I</b>		
Other receivable	-	25,000
<b>NBP Government Securities Plan-II</b>		
Other receivable	-	15,000
<b>NBP Government Securities Plan-III</b>		
Other receivable	-	15,000
<b>NBP Islamic Capital Preservation Plan-VI</b>		
Other receivable	5,000	25,000

<b>NBP Islamic Daily Dividend Fund</b>		
Management fee receivable (inclusive of SST and FED)	1,429,792	1,276,524
Debit card fee receivable	42,412	12,566
Sales load receivable	184,183	2,304,074
Reimbursement of accounting and operational services	3,329,330	4,864,180
Reimbursement of marketing and selling expenses	532,693	-
Preliminary and flotation cost	-	10,000
<b>NBP Islamic Income Fund</b>		
Management fee receivable (inclusive of SST and FED)	5,374,551	1,154,975
Debit card fee receivable	395,139	49,232
Sales load receivable	4,170,737	640,116
Reimbursement of accounting and operational services	2,018,449	706,283
Reimbursement of marketing and selling expenses	2,112,662	-
Preliminary and flotation cost	153,448	979,733
<b>NBP Pakistan Growth Exchange Traded Fund</b>		
Management fee receivable (inclusive of SST and FED)	37,494	45,723
Preliminary and flotation cost	20,000	760,847
<b>Administrative Fee Receivable</b>	3,221,126	4,688,995
<b>Savings Plan</b>		
Sales load receivable		
NBP Aitemad Education Plan (Islamic)	299,225	240,371
NBP Aitemad Retirement Plan (Islamic)	187,977	43,826
NBP Aitemad Wealth Plan (Islamic)	9,399,225	5,786,993
NBP Aitemad Wedding Plan (Islamic)	534,358	376,844
NBP Aitemad Education Plan (Conventional)	14,216	-
NBP Aitemad Wealth Plan (Conventional)	232,031	-

### 39.2 Transactions with related party

<b>National Bank of Pakistan - (Parent company)</b>		
Dividend paid	70,199,979	49,949,985
Sales commission expense paid	77,462	308,146
Utilities paid	1,881,000	7,503,000
Rent paid	2,098,816	8,873,808
<b>Dr. Amjad Waheed</b>		
Dividend paid	8,125,000	5,781,250
<b>Mr. Haider Amjad</b>		
Dividend paid	1,625,000	1,156,250
<b>Ms. Rohma Amjad</b>		
Dividend paid	1,625,000	1,156,250
<b>Mr. Antonio Ace Perez</b>		
Dividend paid	1,625,000	2,343,750
<b>Management Association of Pakistan</b>		
Fees & Subscription paid	924,000	477,000
<b>Bank Islami Pakistan Limited</b>		
Markup on staff house loan	5,320,937	5,109,303
<b>Institute of Financial Markets of Pakistan</b>		
Training, registration and examination fee	298,500	3,756,725

<b>Mutual Fund Association of Pakistan</b>		
Annual fee paid	<b>3,744,566</b>	3,804,725
<b>National Clearing Company of Pakistan Limited</b>		
Fixed Annual Capital Gain Tax Fee	<b>9,116,940</b>	4,578,920
<b>Pakistan Stock Exchange Limited</b>		
Fee for change of name of fund	-	391,936
<b>Cyber Threat Management CTM 360</b>		
Cyber Security Monitoring Services	<b>9,110,938</b>	9,965,012
<b>Central Depository Company of Pakistan Limited</b>		
Annual fee, security deposit and documentation charges	<b>282,576</b>	656,825
<b>Pakistan Mobile Communication Limited</b>		
Advertisement and branded SMS charges paid	<b>486,661</b>	-
<b>Funds under management</b>		
<b>NBP Government Securities Liquid Fund</b>		
Management fee	<b>2,106,936</b>	5,439,447
Debit card fee	<b>9,538</b>	19,922
Sales load collected	<b>461,740</b>	282,979
Reimbursement of accounting and operational services	<b>1,298,079</b>	2,329,788
Reimbursement of marketing & selling expenses	<b>5,192,285</b>	10,029,889
<b>NBP Income Opportunity Fund</b>		
Management fee	<b>60,298,648</b>	41,385,213
Debit card fee	<b>633,069</b>	434,716
Sales load collected	<b>10,795,406</b>	11,026,016
Reimbursement of accounting and operational services	<b>12,373,613</b>	8,390,938
Reimbursement of marketing & selling expenses	<b>69,292,149</b>	48,989,238
Investments made	<b>347,366</b>	328,140,590
Investments redeemed	<b>40,186,068</b>	290,174,692
Dividend income	<b>7,317</b>	165,399
<b>NBP Riba Free Savings Fund</b>		
Management fee	<b>19,422,071</b>	26,196,218
Debit card fee	<b>93,827</b>	154,189
Sales load collected	<b>4,604,368</b>	3,573,629
Reimbursement of accounting and operational services	<b>4,395,409</b>	5,828,544
Reimbursement of marketing & selling expenses	<b>30,133,900</b>	35,159,325
<b>NBP Stock Fund</b>		
Management fee	<b>317,112,386</b>	271,833,295
Debit card fee	<b>40,042</b>	68,104
Sales load collected	<b>3,522,466</b>	11,367,966
Reimbursement of accounting and operational services	<b>35,741,065</b>	24,596,820
Reimbursement of marketing & selling expenses	<b>339,170,031</b>	332,417,748
Investments made	<b>319,249,503</b>	100,570,733
Investments redeemed	<b>262,257,881</b>	57,000,000
Dividend income	-	671,451
<b>NBP Balanced Fund</b>		
Management fee	<b>20,326,491</b>	23,411,587
Debit card fee	<b>1,625</b>	2,049
Sales load collected	<b>467,223</b>	405,238
Reimbursement of accounting and operational services	<b>2,322,323</b>	2,097,643
Reimbursement of marketing & selling expenses	<b>19,491,681</b>	25,125,732

<b>NBP Islamic Savings Fund</b>		
Management fee	14,735,116	14,965,800
Debit card fee	356,891	243,009
Sales load collected	3,410,205	3,567,971
Reimbursement of accounting and operational services	2,682,425	3,402,218
Reimbursement of marketing & selling expenses	16,710,400	20,706,333
Investments made	2,639,693	10,383
Investments redeemed	1,374,444	-
Dividend income	23,290	459
<b>NBP Islamic Sarmaya Izafa Fund</b>		
Management fee	75,543,409	87,488,023
Debit card fee	223,824	231,993
Sales load collected	12,764,830	43,515,836
Reimbursement of accounting and operational services	8,858,129	7,831,283
Reimbursement of marketing & selling expenses	73,385,162	93,834,383
Investments made	168,005,929	-
Investments redeemed	86,184,666	-
<b>NBP Money Market Fund</b>		
Management fee	45,195,045	39,814,530
Debit card fee	189,601	89,782
Sales load collected	5,226,806	486,323
Reimbursement of accounting and operational services	36,762,886	30,571,464
Reimbursement of marketing & selling expenses	16,898,188	90,569,486
Investments made	1,617,735,585	275,456,691
Investments redeemed	1,460,334,067	68,000,000
Dividend income	12,186,719	537,283
<b>NAFA Pension Fund</b>		
Management fee	27,176,724	42,140,837
Sales load collected	3,481,330	3,259,825
Reimbursement of accounting and operational services	3,357,970	-
Reimbursement of marketing & selling expenses	20,213,008	-
<b>NAFA Islamic Pension Fund</b>		
Management fee	32,776,174	44,492,582
Sales load collected	9,576,921	6,736,768
Reimbursement of accounting and operational services	3,838,387	-
Reimbursement of marketing & selling expenses	25,558,670	-
<b>NBP Financial Sector Income Fund</b>		
Management fee	145,866,590	149,500,803
Debit card fee	932,242	519,570
Sales load collected	22,506,280	15,908,983
Dividend income	-	2,177,558
Investments made	-	432,949,667
Investments redeemed	-	435,366,318
Reimbursement of accounting and operational services	49,798,291	34,267,295
Reimbursement of marketing & selling expenses	80,553,800	67,801,714
<b>NBP Sarmaya Izafa Fund</b>		
Management fee	18,632,400	21,508,617
Debit card fee	13,230	33,666
Sales load collected	2,599,630	11,503,062
Reimbursement of accounting and operational services	2,186,504	1,931,116
Reimbursement of marketing & selling expenses	18,163,205	23,093,521

<b>NBP Savings Fund</b>		
Management fee	11,059,592	8,964,738
Debit card fee	37,609	56,842
Sales load collected	1,519,074	2,158,623
Reimbursement of accounting and operational services	1,886,517	1,825,014
Reimbursement of marketing & selling expenses	11,523,244	10,922,201
<b>NBP Mahana Amdani Fund</b>		
Management fee	7,429,624	9,110,696
Debit card fee	1,387,030	1,131,948
Sales load collected	15,092,017	44,230,221
Reimbursement of accounting and operational services	6,085,037	7,163,950
Reimbursement of marketing & selling expenses	49,081,352	39,817,174
Investments made	-	615,422,489
Investments redeemed	-	619,803,442
<b>NAFA Islamic Principal Protected Fund-II</b>		
Management fee	-	1,020,416
Reimbursement of accounting and operational services	-	104,608
Reimbursement of marketing & selling expenses	-	329,982
<b>NBP Government Securities Savings Fund</b>		
Management fee	354,760	655,015
Debit card fee	7,033	11,380
Sales load collected	124,414	393,832
Reimbursement of accounting and operational services	215,681	334,857
Reimbursement of marketing & selling expenses	1,207,822	2,040,582
<b>NAFA Islamic Active Allocation Plan-I</b>		
Management fee	-	2,523
Reimbursement of accounting and operational services	15,130	17,997
<b>NBP Islamic Stock Fund</b>		
Management fee	112,729,886	102,465,884
Debit card fee	159,499	171,607
Sales load collected	6,111,372	22,315,537
Reimbursement of accounting and operational services	13,143,555	9,290,760
Reimbursement of marketing & selling expenses	124,581,585	125,488,095
<b>NBP Active Allocation Riba Free Savings Fund</b>		
Management fee	202,498	880,564
Reimbursement of accounting and operational services	47,926	198,981
Reimbursement of marketing & selling expenses	268,395	1,211,415
<b>NBP Islamic Active Allocation Equity Fund</b>		
Management fee	8,302,256	9,302,082
Reimbursement of accounting and operational services	973,912	827,175
Reimbursement of marketing & selling expenses	9,271,625	11,219,700
<b>NAFA Islamic Active Allocation Plan-II</b>		
Management fee	405	1,101
Reimbursement of accounting and operational services	18,413	24,144
<b>NAFA Islamic Active Allocation Plan-III</b>		
Management fee	86,952	30,274
Reimbursement of accounting and operational services	130,953	142,992
<b>NAFA Islamic Active Allocation Plan-IV</b>		
Management fee	131,580	88,159
Reimbursement of accounting and operational services	137,823	143,071

<b>NAFA Islamic Active Allocation Plan-V</b>		
Management fee	<b>65,742</b>	81,612
Reimbursement of accounting and operational services	<b>69,308</b>	108,040
<b>NAFA Islamic Active Allocation Plan-VI</b>		
Management fee	<b>21,049</b>	102,591
Reimbursement of accounting and operational services	<b>30,797</b>	122,108
<b>NAFA Islamic Active Allocation Plan-VII</b>		
Management fee	<b>19,449</b>	22,712
Reimbursement of accounting and operational services	<b>27,409</b>	33,123
<b>NAFA Islamic Active Allocation Plan-VIII</b>		
Management fee	<b>40,531</b>	56,605
Reimbursement of accounting and operational services	<b>49,557</b>	76,069
<b>NBP Islamic Energy Fund</b>		
Management fee	<b>11,506,355</b>	10,188,156
Debit card fee	<b>2,535</b>	6,289
Sales load collected	<b>445,722</b>	1,074,942
Reimbursement of accounting and operational services	<b>1,503,578</b>	928,608
Reimbursement of marketing & selling expenses	<b>15,630,108</b>	12,560,862
<b>NBP Financial Sector Fund</b>		
Management fee	<b>6,670,311</b>	8,428,682
Debit card fee	<b>487</b>	154
Sales load collected	<b>27,625</b>	182,357
Reimbursement of accounting and operational services	<b>874,039</b>	736,113
Reimbursement of marketing & selling expenses	<b>9,066,526</b>	10,014,088
<b>NBP Islamic Money Market Fund</b>		
Management fee	<b>5,764,598</b>	4,776,771
Debit card fee	<b>225,370</b>	140,153
Sales load collected	<b>2,800,846</b>	1,822,478
Reimbursement of accounting and operational services	<b>6,752,306</b>	5,582,621
Reimbursement of marketing & selling expenses	<b>27,009,200</b>	26,990,649
<b>NAFA Islamic Capital Preservation Plan-I</b>		
Management fee	<b>115,460</b>	92,086
Reimbursement of accounting and operational services	<b>98,607</b>	156,679
<b>NAFA Islamic Capital Preservation Plan-II</b>		
Management fee	<b>86,478</b>	588,395
Reimbursement of accounting and operational services	<b>62,453</b>	126,357
<b>NAFA Islamic Capital Preservation Plan-III</b>		
Management fee	<b>52,863</b>	599,938
Reimbursement of accounting and operational services	<b>60,093</b>	106,392
<b>NAFA Islamic Capital Preservation Plan-IV</b>		
Management fee	<b>35,612</b>	139,396
Reimbursement of accounting and operational services	<b>40,579</b>	79,308
<b>NAFA Islamic Capital Preservation Plan-V</b>		
Management fee	<b>34,123</b>	128,404
Reimbursement of accounting and operational services	<b>38,879</b>	67,468
<b>NAFA Islamic Capital Preservation Plan-VI</b>		
Sales load collected	<b>6,829,474</b>	-

<b>NBP Government Securities Plan-I</b>		
Management fee	37,974	1,260,263
Reimbursement of accounting and operational services	7,911	242,810
Reimbursement of marketing and selling expenses	6,329	210,042
<b>NBP Islamic Mahana Amdani Fund</b>		
Management fee	26,538,855	37,840,753
Debit card fee	2,243,138	1,668,731
Sales load collected	23,039,951	37,991,381
Reimbursement of accounting and operational services	16,104,154	21,534,681
Reimbursement of marketing and selling expenses	112,647,682	129,980,559
<b>NBP Islamic Regular Income Fund</b>		
Management fee	1,803,206	-
Sales load collected / (reversed)	(138,100)	299,994
Reimbursement of accounting and operational services	255,727	177,728
Reimbursement of marketing & selling expenses	2,336,793	2,125,770
Dividend income	-	5,883,754
Investments made	-	5,001,191
<b>NBP Islamic Daily Dividend Fund</b>		
Management fee	13,126,515	13,743,293
Debit card fee	41,111	17,154
Sales load collected	866,242	820,706
Reimbursement of accounting and operational services	15,322,387	16,300,824
Reimbursement of marketing & selling expenses	2,258,624	19,563,164
<b>NBP Islamic Income Fund</b>		
Management fee	30,582,352	6,060,446
Debit card fee	492,954	69,671
Sales load collected	13,222,724	1,700,886
Reimbursement of accounting and operational services	6,184,592	1,451,199
Reimbursement of marketing & selling expenses	5,311,941	1,337,101
<b>NBP Pakistan Growth Exchange Traded Fund</b>		
Management fee	452,499	339,155
<b>Administrative fee income</b>	<b>4,772,920</b>	<b>30,163,295</b>
<b>Saving Funds</b>		
Sales load collected		
NBP Aitemad Education Plan (Conventional)	185,087	1,181,241
NBP Aitemad Retirement Plan (Conventional)	217,647	1,406,381
NBP Aitemad Wealth Plan (Conventional)	7,376,729	33,186,995
NBP Aitemad Wedding Plan (Conventional)	336,057	1,103,081
NBP Aitemad Education Plan (Islamic)	12,580	-
NBP Aitemad Wedding Plan (Islamic)	205,337	-
<b>Key management personnel and other employees</b>		
<b>Mark-up on long term loans</b>	<b>2,386,909</b>	<b>1,445,622</b>
<b>Long term loans</b>		
Amount disbursed	10,848,924	27,903,791
Amount received	16,263,959	16,898,563



**NBP FUND MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**40 OPERATING SEGMENTS**

The Company functions as a single operating segment. Income is derived from the management fee of open-end collective investment schemes, voluntary pension schemes and discretionary portfolios. Income is also earned in respect of sale load attributable to Management Company and from investment advisory services.

**41 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

**41.1 Financial risk factors**

The Company is exposed to the following in

- Credit risk;
- Liquidity risk; and
- Market risk.

The Board of Directors (the Board) of the Company has the overall responsibility for establishment and oversight of the Company's risk management framework. To assist the Board in discharging its oversight responsibility, the management has been made responsible for identifying, monitoring and managing the Company's financial risk exposure. The Company's overall risk management program focuses on the under predictability of financial markets and seek to minimize potential adverse effects on the Company's financial performance.

**41.2 Credit risk**

Credit risk is a risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of financial instruments or contracts are entered into with same party, or when counter parties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly effected by change in economics, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry.

The Company's maximum exposure to credit risk is as follows:

	Note	2022 -----Rupees-----	2021
Due from funds under management and discretionary portfolio advisory clients	13	877,138,802	925,664,366
Loan to employees	10	21,351,745	26,766,780
Deposits	11	84,085,883	74,344,498
Other receivable	15	11,032,793	10,221,973
Short term investments	17	719,631,037	484,686,026
Bank balances	19	15,418,339	38,766,952
		<b>1,728,658,599</b>	1,560,450,595

41.2.1 This is receivable from mutual funds under management of the Company, having good credit rating.

Funds under management	2022	2021	Agency
	Ranking / Stability	Ranking / Stability Rating	
NBP Money Market Fund	AA	AA	PACRA
NBP Islamic Mahana Amdani Fund	A+	A	PACRA
NBP Stock Fund	3 Star	3 Star	PACRA
NBP Financial Sector Income Fund	A+	A+	PACRA
NBP Riba Free Savings Fund	A+	A+	PACRA
NBP Islamic Savings Fund	AA-	AA-	PACRA
NBP Islamic Sarmaya Izafa Fund	3 Star	4 Star	PACRA
NBP Income Opportunity Fund	A+	A	PACRA
NBP Islamic Daily Dividend Fund	AA	AA	PACRA
NBP Islamic Stock Fund	3 Star	4 Star	PACRA
NBP Government Securities Liquid Fund	AAA	AAA	PACRA
NBP Mahana Amdani Fund	AA-	AA-	PACRA
NBP Islamic Money Market Fund	AA	AA	PACRA
NBP Balanced Fund	4 Star	4 Star	PACRA
NBP Savings Fund	A+	A+	PACRA
NBP Sarmaya Izafa Fund	3 Star	3 Star	PACRA
NBP Government Securities Savings Fund	AA-	AA-	PACRA
NBP Financial Sector Fund	3 Star	4 Star	PACRA
NBP Islamic Energy Fund	3 Star	2 Star	PACRA
NBP Government Securities Plan I	AA-	AA-	PACRA
NBP Islamic Regular Income Fund	2 Star	4 Star	PACRA
NBP Active Allocation Riba Free Savings Fund	A-	A-	PACRA
NBP Islamic Active Allocation Equity Fund	5 Star	5 Star	PACRA
NBP Islamic Income Fund	A+	A	PACRA

Rating of banks with which deposits are kept are as follows :

Bank	2022		2021		Agency
	Short-term	Long-term	Short-term	Long-term	
National Bank of Pakistan	A1+	AAA	A-1+	AAA	PACRA
Bank Al-Habib Limited	A1+	AAA	A1+	AAA	PACRA
MCB Islamic Bank Limited	A1	A	A1	A	PACRA
MCB Bank Limited	A1+	AAA	A1+	AAA	PACRA
BankIslami Pakistan Limited	A1	A+	A1	A+	PACRA

### 41.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in raising funds to meet its obligations and commitments associated with financial instruments. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by monitoring future cash flows on a day-to-day basis.

The table below summaries the maturity profile of the financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, the assets and liabilities that are receivable / payable on demand including bank balances and investments have been included in the maturity grouping of upto three months.

	2022				Total
	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	
----- Rupees -----					
<b>LIABILITIES</b>					
Liabilities against assets subject to diminishing musharka	18,030,771	54,092,312	66,850,639	-	138,973,721
Liabilities against assets right of use assets	37,521,795	112,565,385	349,148,771	-	499,235,951
Trade and other payables	116,474,581	77,996,270	-	369,628,324	564,099,175
Dividend Payable	-	-	114,300,016	-	114,300,016
	<b>172,027,147</b>	<b>244,653,967</b>	<b>530,299,426</b>	<b>369,628,324</b>	<b>1,316,608,863</b>

	2021				Total
	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	
----- Rupees -----					
<b>LIABILITIES</b>					
Liabilities against assets subject to diminishing musharka	18,621,461	52,950,942	94,867,297	-	166,439,700
Liabilities against assets right of use assets	36,409,771	51,257,140	152,885,210	-	240,552,122
Trade and other payables	177,037,174	83,958,357	-	369,628,324	630,623,855
	<b>232,068,406</b>	<b>188,166,439</b>	<b>247,752,507</b>	<b>369,628,324</b>	<b>1,037,615,677</b>

#### 41.4 Market risk

Market risk is the risk that changes in market interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's / issuer's credit standing) will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

##### (i) Interest rate risk

Interest rate risk is the risk that the value of the financial instruments will fluctuate due to changes in the market interest rates. As of June 30, 2022, the Company is exposed to such risk in respect of loans and obligations under diminishing musharka. The investment committee of the Company reviews the portfolio of the Company on a regular basis to ensure that the risk is managed within acceptable limits.

The Company's interest rate sensitivity related to financial instruments as at June 30, 2022 can be determined as follows:

**NBP FUND MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

2022

	Interest rate	Upto 3 Months	3 months to 1 year	1 year to 5 years	Over 5 Years	Not Exposed to interest rate	Total
<b>ASSETS</b>							
Loans to employees	9.56%	2,852,942	8,359,073	10,139,730	-	-	21,351,745
Deposits		-	-	-	-	84,085,883	84,085,883
Receivable from funds under management and discretionary portfolio advisory clients		-	-	-	-	877,138,802	877,138,802
Investments at fair value through profit or loss		-	-	-	-	719,631,037	719,631,037
Other Receivable		-	-	-	-	11,032,793	11,032,793
Cash and bank balances	4.5% - 9.5%	11,336,728	-	-	-	5,946,611	17,283,339
		14,189,670	8,359,073	10,139,730	-	1,697,835,126	1,730,523,599
<b>LIABILITIES</b>							
Liabilities against assets subject to diminishing musharka	11.73%	16,282,781	48,848,342	62,577,903	-	-	127,709,026
Liabilities against assets right of use assets	9.75% - 17.49%	26,499,427	79,498,280	304,315,537	-	-	410,313,244
Trade and Other payables		-	-	-	-	564,099,175	564,099,175
Dividend Payable		-	-	-	-	114,300,016	114,300,016
		42,782,208	128,346,623	366,893,440	-	678,399,191	1,216,421,461

	Interest rate	Upto 3 Months	3 Months to 1 year	1 year to 5 years	Over 5 Years	Not Exposed to interest rate	Total
<b>ASSETS</b>							
Loans to employees	7.69%	3,241,212	8,033,742	15,491,826	-	-	26,766,780
Deposits		-	-	-	-	74,344,498	74,344,498
Receivable from funds under management and discretionary portfolio advisory clients		-	-	-	-	925,664,366	925,664,366
Investments at fair value through profit or loss		-	-	-	-	484,686,026	484,686,026
Other Receivable		-	-	-	-	10,464,121	10,464,121
Cash and bank balances	3.52% - 4.5%	35,417,837	-	-	-	5,109,115	40,526,952
		38,659,049	8,033,742	15,491,826	-	1,500,268,126	1,562,452,743
<b>LIABILITIES</b>							
Liabilities against assets subject to diminishing musharka	11.15%	18,621,461	52,950,942	94,867,297	-	-	166,439,700
Liabilities against assets right of use assets	9.75% - 15.13%	36,409,771	51,257,140	152,885,210	-	-	240,552,122
Trade and Other payables		-	-	-	-	630,335,855	630,335,855
		55,031,232	104,208,082	247,752,507	-	630,335,855	1,037,327,677

**NBP FUND MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**(ii) Foreign currency risk**

Foreign exchange risk is the risk that the value of financial asset or a liability will fluctuate due to change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into foreign currencies. Currently, the Company's foreign exchange risk exposure is restricted to the amounts receivable/payable from/to the foreign entities.

The Company's exposure to foreign currency risk is as follows:

	Note	2022		2021	
		Rupees	US \$	Rupees	US \$
Other receivables					
- advisory fee receivable	15	5,187,010	25,116	3,167,437	20,072

**Sensitivity analysis**

A five percent strengthening / weakening of Rupee against US Dollar on June 30th would have increased / decreased equity and statement of profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	2022	2021
Effects of US Dollars gain/loss	259,351	158,372

**(iii) Other price risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The investments of Company are classified as investments at fair value through profit or loss is subject to price risk. The sensitivity analysis below have been determined based on the exposure to valuation gains and losses for investment portfolio of the Company. The analysis is prepared on the amount of investments at the balance sheet date. 15% increase or decrease in financial instrument prices are used when reporting price risk internally to key management personnel and represents management's assessment of the reasonably possible change in financial instruments rates.

If prices of investment securities (NAV in case of mutual funds units) had been 15 percent higher/lower, the Company's profit for the year ended June 30, 2022 would increase/decrease by Rs. 81.78 million (2021: Rs. 85.75 million).

**42 FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair value of the financial instrument is the amount for which an asset could be sold or exchanged, or a liability can be settled, between knowledgeable willing parties in an arm's length transaction.

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

The fair value of investments in units of open-end collective investment schemes and pensions funds are based on the net assets value announced by the Company at each reporting date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from carrying values as the items are either short term in nature or are periodically reprised.

The fair value of investments in units of open-end collective investment schemes and pensions funds are based on the net assets value announced by the Company at each reporting date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from carrying values as the items are either short term in nature or are periodically reprised.

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values. The methods used for determining fair value of each class of financial assets and liabilities are disclosed in respective policy notes.

#### 42.1 Fair value hierarchy

The Fund uses the following hierarchy in determining and disclosing the fair value of financial instruments by the following valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets and liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable either, directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

As at 30 June 2022, the Company has investments at fair value through profit and loss measured using level 1 valuation technique.

	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
<b>2022</b>				
Long term investments at fair value through profit or loss	-	265,000	-	265,000
Short term investments at fair value through profit or loss	719,631,037	-	-	719,631,037
	<b>719,631,037</b>	<b>265,000</b>	<b>-</b>	<b>719,896,037</b>
<b>2021</b>				
Long term investments at fair value through profit or loss	-	-	-	-
Short term investments at at fair value through profit or loss	484,686,026	-	-	484,686,026
	484,686,026	-	-	484,686,026

#### 43 CAPITAL RISK MANAGEMENT

The NBFC regulations set out minimum capital which an asset management company is required to maintain. The Company currently meets those requirements and will be able to meet the requirements of increased capital either by retention of profits or by injection of further equity from the parent. The company's objective when managing capital is to maintain a strong capital base to support development of its activities and to provide returns to its shareholders.

The Non- Banking Finance Companies and Notified Entities Regulations, 2008 set the minimum capital requirement for NBFCs. As per the requirement, minimum capital for carrying out investment advisory and asset management services at June 30, 2022 is Rs. 200 million. As at June 30, 2022 the Company is in compliance with the above capital requirement.

	Note	2022 ----- Rupees -----	2021
Liabilities against assets subject to diminishing musharka	21	127,709,026	166,439,700
Lease liabilities against right of use assets	22	410,313,244	240,552,122
Deferred liabilities - gratuity	23	304,948,058	277,994,880
Trade and other payables	24	564,099,175	630,623,855
Dividend payable		114,300,016	67,500,015
Less: cash and bank balances	19	(17,283,339)	(40,526,952)
Excess of net cash over debt/ Net debt (A)		1,504,086,180	1,342,583,620
Total shareholders' equity	20	1,361,727,073	1,256,711,801
Total equity and liabilities (B)		2,865,813,253	2,599,295,421
Gearing Ratio (A/B)		52.48%	51.65%

44	<b>NUMBER OF EMPLOYEES</b>	<b>2022</b>	2021
		----- Number -----	
	Employees as at June 30		
	Permanent	<b>505</b>	533
	Contractual	<b>236</b>	492
	Average number of employees during the year		
	Permanent	<b>519</b>	486
	Contractual	<b>364</b>	634

**45 EVENTS AFTER BALANCE SHEET DATE**

The Board of Directors in its meeting held on September 27, 2022, proposed to distribute to the shareholders of the Company a cash dividend at the rate of Rs. 4.76 per ordinary share (2021 : Rs. 5.2). The dividend is subject to the approval by the shareholders of the Company in its forthcoming Annual General Meeting. These financial statements do not reflect the effect of such dividend which will be accounted for in the financial statements of the Company subsequent to the year end, when it is approved by the shareholders of the Company.

**46 GENERAL**

Amounts have been rounded off to the nearest Rupee.

**47 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue by the Board of Directors of the Company on September 27, 2022.



\_\_\_\_\_  
CHIEF EXECUTIVE OFFICER



\_\_\_\_\_  
DIRECTOR