

Annual Report 2023

Contents

Vision and Mission Statement -----	02
Corporate Information -----	03
Directors' Report-English -----	04
Directors' Report-Urdu -----	08
Statement of Compliance -----	13
Auditors Review Report on Statement of Compliance -----	21
Auditors' Report to the Members -----	22
Balance Sheet -----	25
Profit and Loss Account -----	26
Statement of Comprehensive Income -----	27
Statement of Changes in Equity -----	28
Cash Flow Statement -----	29
Notes to the Financial Statements -----	30

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

Board of Directors	Audit & Risk Committee
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. Saad Amanullah Khan Mr. Ruhail Muhammad	Mr. Ruhail Muhammad, Chairman Ms. Mehnaz Salar Mr. Imran Zaffar Mr. Saad Amanullah Khan
Human Resource Committee	Strategy & Business Planning Committee
Mr. Khalid Mansoor, Chairman Mr. Shaikh Muhammad Abdul Wahid Sethi Mr. Saad Amanullah Khan Mr. Ali Saigol	Mr. Saad Amanullah Khan, Chairman Mr. Tauqeer Mazhar Mr. Ali Saigol Mr. Imran Zaffar Mr. Khalid Mansoor

COO & Company Secretary

Mr. Muhammad Murtaza Ali

Chief Financial Officer

Mr. Khalid Mehmood

Auditors

M/s. A.F. Ferguson & Co.,
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 Eighteenth Annual Report of the Company for the year ended June 30, 2023.

Economy & Market Review

On economic front, the precarious situation on balance of payment troubled investors. Though the current account deficit (CAD), that stood at USD 2.6 billion as against USD 17.5 billion last year was brought under control due to various administrative measures/restrictions, yet elevated external debt repayments of around USD 21 billion remained a cause of concern. Due to delay in meeting conditions of IMF, the program remained in abeyance and the external inflows dried up. Hence, SBP's FX reserves slipped from USD 9.8 billion to USD 4.5 billion for the same reason. Amid steep drawdown in FX reserves, PKR witnessed massive devaluation of around 40% during FY23 that also dented sentiments. Unprecedented rains led to massive floods in the country that not only caused massive devastation but further worsened economic outlook as GDP growth was recorded at merely 0.3% during the year. Average inflation clocked in at around 29.2% in FY23. Although listed corporate sector continued to post robust double-digit growth in profitability despite of imposition of higher taxes and anemic GDP growth, multi-faceted economic challenges and political uncertainty sapped sentiments and weighed heavily on market performance.

FY 2022-23 was a lackluster year for equities as the benchmark KSE-100 Index remained flat, falling slightly by 88 points. However, during the year, the market remained very volatile and the Index exhibited large swings on both sides.

During the year, the State Bank's Monetary Policy Committee (MPC) conducted nine meetings and raised the policy rate by 825 basis points to 22% to anchor inflationary pressures, achieve price stability, ensure economic sustainability, and ease currency pressure, all while considering domestic uncertainty and continued stress on the external account.

Sovereign yields also responded to these policy actions and the rising inflation and interest rate outlook. Market participants' interest remained tilted towards shorter tenors due to political and economic uncertainty. SBP held twenty-seven (27) T-Bill auctions, realizing Rs. 25.1 trillion against a target of Rs. 24.4 trillion and maturity of Rs. 23.5 trillion. T-Bill yields increased by 767 bps, 772 bps, and 763 bps for 3 months, 6 months and 12 months, respectively.

Performance Review

The assets under management (AUM) of NBP Funds have increased from Rs. 192.5 billion as on June 30, 2022 to Rs. 260.4 billion as on June 30, 2023, a significant growth of 35.3%, while the average size of assets under management has increased from Rs. 185.4 billion in FY 2021-22 to Rs. 233.9 billion in FY 2022-23, a growth of 26.2%.

Presently the AUM, the concentration is in money market and income funds is about 82% as compared to equity related funds 6%. Remaining 12% is invested in other categories of funds and portfolios. Due to dismal performance of the stock market during FY 2022-23, the weightage of equity related funds in overall AUM has reduced from 13% to 6% as of June 30, 2023.

The Company posted a net profit of Rs.408.33 million in FY 2022-23 in comparison to last year's profit of Rs. 238.22 million, a massive growth of 71.4% in net profit. "Super Tax on High Earning Persons" which was enforced through Finance Act, 2022-23 with retrospective application for FY 2021-22 up to 4% was further enhanced to the extent of 10% for FY 2022-23 through Finance Act, 2023-24. This additional burden has been duly accounted for in the above-mentioned net profit for FY 2022-23. 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, 2023	June, 2022	June, 2021	June, 2020	June, 2019	June, 2018
Gross income	1,867,826	1,270,989	1,244,012	1,103,475	1,461,168	1,445,359
Expenses (including financial charge)	1,241,253	927,382	885,080	828,907	1,172,225	965,082
Profit before tax	626,573	343,607	358,932	274,567	288,944	480,277
Net Profit after tax	408,333	238,221	259,972	185,112	190,225	340,729
Earnings per share	16.33	9.53	10.40	7.40	7.61	13.63

Future Prospects

The management plans to moderately grow the sales team and distribution network. The management will continue to launch new products to cater varying investors' needs.

The company's significant efforts in the area of digitalization, which started two years ago continue to show tangible results in terms of Digital on-boarding of investors, online investments, and their growing reliance on digital mode of transactions with utmost ease.

The Company will follow a strategy of prudent growth in FY 2023-24 by emphasizing on five dimensions (i) increasing retail sales staff's productivity & performance; (ii) increasing the investors base; (iii) better investment retention strategy; (iv) Up selling and cross selling of attractive products; and (v) expanding digital outreach. The Company has been maintaining due emphasis on enhanced Risk Profiling of investors, and adequate training and equipping of retail sales staff with relevant knowledge of products & ethical selling skills.

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. A. F. Ferguson & Co. Chartered Accountants have retired and being eligible, offered themselves for reappointment for the financial year ending June 30, 2024.

Pattern of Shareholding

The pattern of share-holding as on June 30, 2023 has been disclosed in the note 19 of the financial statements.

Distribution

During the FY 2022-23, the shareholders of the Company have approved a final cash distribution @ 47.6% (Rs.4.76 per share) for the year ended June 30, 2022.

During the year, the Board of Directors of the Company has approved an interim cash distribution @ 138% (Rs.13.8 per share) for the year ended June 30, 2023.

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 six meetings during the current financial year. The attendance of all directors is appended below:

Names of the Directors	Number of meetings			Meeting not attended
	Held	Attended	Leave granted	
Shaikh Muhammad Abdul Wahid Sethi	6	6	-	
Mr. Tauqeer Mazhar	6	5	1	91st Meeting
Mr. Mehnaz Salar	6	6	-	
Mr. Ali Saigol	6	6	-	
Mr. Imran Zaffar	6	5	1	89th Meeting
Mr. Khalid Mansoor	6	6	-	
Mr. Saad Amanullah Khan	6	6	-	
*Mr. Humayun Bashir	2	2	-	
**Mr. Ruhail Muhammad	3	3	-	
Mr. Amjad Waheed	6	6	-	

*Mr. Humayun Bashir retired from the Board with effect from October 04, 2022

**Mr. Ruhail Muhammad opted as Director on the Board with effect from October 04, 2022

Directors' Remuneration

The remuneration package of the Directors during the FY 2022-23 is tabulated below:

ANNUAL REPORT 2022

Name of Directors	Category	Meeting fee	Managerial remuneration	Performance bonus	Utilities	Medical
Shaikh Muhammad Abdul Wahid Sethi	Non-Executive	2,150,000	-	-	-	-
Tauqeer Mazhar	Non-Executive	1,450,000	-	-	-	-
Mehnaz Salar	Non-Executive	1,500,000	-	-	-	-
Ali Saigol	Non-Executive	2,800,000	-	-	-	-
Imran Zaffar	Non-Executive	2,100,000	-	-	-	-
Khalid Mansoor	Non-Executive	2,450,000	-	-	-	-
Saad Amanullah Khan	Non-Executive	3,350,000	-	-	-	-
Ruhail Muhammad	Non-Executive	1,100,000	-	-	-	-
Humayun Bashir	Non-Executive	700,000	-	-	-	-
Amjad Waheed	Executive	-	56,184,000	31,328,635	1,380,931	247,470

Non-Executive Directors (including independent Directors) are entitled for remuneration for attending the board meetings. The fee for the meetings during the year are given below:

Fee for attending the Board Meeting		Fee for attending the Board sub-committee meeting	
From July 1, 2022 to October 19, 2022	From October 20, 2022 to June 30, 2023	From July 1, 2022 to October 19, 2022	From October 20, 2022 to June 30, 2023
Rs.100,000 per meeting	Rs.200,000 per meeting	Rs.100,000 per meeting	Rs.150,000 per meeting

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 Officer



Director

Date: September 15, 2023

ڈائریکٹرز رپورٹ

NBP فنڈ مینجمنٹ لمیٹڈ (NBP فنڈز) کے بورڈ آف ڈائریکٹرز کمپنی کی اٹھارہویں سالانہ رپورٹ برائے سال ختمہ 30 جون 2023ء پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

معیشت اور مارکیٹ کا جائزہ

معاشی محاذ پر، ادائیگیوں کے توازن (BOP) کی نازک صورتحال نے سرمایہ کاروں کو پریشان کر دیا۔ اگرچہ کرنٹ اکاؤنٹ خسارہ (CAD)، جو کہ گزشتہ سال 17.5 بلین امریکی ڈالر کے مقابلے میں 2.6 بلین امریکی ڈالر یا مختلف انتظامی اقدامات/پابندیوں کے باعث کنٹرول کیا گیا، تاہم تقریباً 21 بلین امریکی ڈالر کے بیرونی قرضوں کی ادائیگیاں تشویش کا باعث بنی ہوئی ہیں۔ آئی ایم ایف کی شرائط پورا کرنے میں تاخیر کی وجہ سے، پروگرام تعطل کا شکار رہا اور بیرونی قرضوں کا بہاؤ کم ہو گیا۔ اسی وجہ سے 9.8 بلین امریکی ڈالر سے کم ہو کر 4.5 بلین امریکی ڈالر پر آ گئے، جس نے پاکستانی روپیہ پر بہت زیادہ دباؤ ڈالا جس کی قدر مالی سال 23 کے دوران تقریباً 40% تک گر گئی جس نے جذبات کو بھی مجروح کیا۔ غیر معمولی بارشوں کے باعث ملک میں بہت زیادہ سیلاب نے نہ صرف تباہی بلکہ جی ڈی پی نمو کے معاشی نقطہ نظر کو مزید کشیدہ کر دیا جو کہ سال کے دوران صرف 0.3% ریکارڈ کی گئی۔

مالی سال 2023 میں وسط افراط زر تقریباً 29.2% رہی۔ اگرچہ لسٹڈ کارپوریٹ سیکٹر نے زیادہ ٹیکسوں کے نفاذ اور کم جی ڈی پی نمو، کثیر الائع ناصر معاشی مشکلات اور سیاسی غیر یقینی حالات اور مارکیٹ کی کارکردگی پر بھاری دباؤ کے باوجود منافع میں دوہندسی نمودار کیا۔

مالی سال 2022-23 ایکویٹیز کے لیے قرض کارکردگی کا سال رہا کیونکہ شیخ مارک KSE-100 انڈیکس مارکیٹ یکساں رہی، جس میں 88 پوائنٹس کی کمی واقع ہوئی۔ تاہم، سال کے دوران، مارکیٹ بہت اتار چڑھاؤ کا شکار رہی اور انڈیکس نے ملا جلا رجحان ظاہر کیا۔

سال کے دوران، اسٹیٹ بینک کی مانیٹری پالیسی کمیٹی (MPC) نے نو (9) اجلاس منعقد کئے اور بیرونی اکاؤنٹ پر غیر یقینی صورتحال اور مسلسل دباؤ کو دیکھتے ہوئے افراط زر کے دباؤ کو روکنے، قیمتوں میں استحکام لانے، معاشی استحکام کو یقینی بنانے اور کرنسی کے دباؤ کو کم کرنے کے لیے پالیسی ریٹ میں 825 بیس پوائنٹس بڑھا کر 22 فیصد کر دیا۔

گورنمنٹ بانڈز منافعوں نے بھی ان پالیسی اقدامات اور بڑھتی ہوئی افراط زر اور شرح سود کے نقطہ نظر کا جواب دیا۔ سیاسی اور معاشی غیر یقینی صورتحال کی وجہ سے مارکیٹ کے شرکاء کی دلچسپی مختصر مدت کی طرف زیادہ رہی۔ SBP نے سٹائپس (27) ٹی بل نیلامیوں کا انعقاد کیا، جس میں 24.4 ٹریلین روپے کے ہدف اور 23.5 ٹریلین روپے کی میچورٹی کے مقابل 25.1 ٹریلین روپے کی وصولی ہوئی۔ ٹی بلز کے منافع میں 3 ماہ، 6 ماہ اور 12 ماہ کے لیے بالترتیب 767bps، 772bps اور 763bps کا اضافہ ہوا۔

کارکردگی کا جائزہ

پاکستان میں NBP فنڈ مینجمنٹ لمیٹڈ ایک مالیاتی ادارہ ہے اور بنیادی طور پر اثاثہ جات کے انتظام اور مشاورتی خدمات اس کی اہم سرگرمیاں ہیں۔ NBP فنڈز کے زیر انتظام اثاثے (AUM) 30 جون 2022 کو 192.5 بلین روپے سے بڑھ کر 30 جون 2023 کو 260.4 بلین روپے ہو گئے، 35.5% کی نمایاں نمو، جبکہ زیر انتظام اثاثوں کا اوسط (AUM) سائز مالی سال 2021-22 میں 185.4 بلین روپے سے بڑھ کر مالی سال 2022-23 میں 233.9 بلین روپے ہو گیا، یعنی 26.2% کی نمو ہوئی۔

موجودہ AUM، کارکنان زمری مارکیٹ اور انکم فنڈز میں ایکویٹی فنڈز کے 6% کے مقابلے میں تقریباً 82% ہے۔ باقی 12% کی سرمایہ کاری فنڈز کی دیگر اقسام اور پورٹ فولیوز میں کی گئی ہے۔ مالی سال 2022-23 کے دوران اسٹاک مارکیٹ کی مایوس کن کارکردگی کی وجہ سے، مجموعی طور پر AUM میں ایکویٹی سے متعلق فنڈز کا حجم 30 جون 2023 کو 13% سے کم ہو کر 6% ہو گیا ہے۔

کمپنی نے مالی سال 2022-23 میں 626.57 ملین روپے آپریٹنگ منافع اور 408.33 ملین روپے کا خالص منافع حاصل کیا جب کہ پچھلے سال آپریٹنگ منافع 343.61 ملین روپے اور 238.22 ملین روپے تھا جو کہ بڑے پیمانے پر آپریٹنگ منافع میں 82.35% اور خالص منافع میں 71.4% اضافہ ہے۔ یہ منافع زیر انتظام اثاثے (AUM) کی توسیع اور لاگت کو کم کرنے کے اقدامات کے باعث ہوا ہے۔ "زیادہ آمدنی والے افراد پر سپرنٹیکس" جو فنڈس ایکٹ، 2022-23 کے ذریعے مالی سال 2021-22 کے لیے 4% تک سابقہ اطلاق کیا گیا تھا، کو فنڈس ایکٹ، 2023-24 کے ذریعے مالی سال 2022-23 کے لیے 10% کی حد تک بڑھا دیا گیا۔ اس اضافی بوجھ کو مالی سال 2022-23 کے لیے مذکورہ بالا خالص منافع میں مناسب طور پر شمار کیا گیا ہے۔ کمپنی کی گزشتہ چھ سالوں کی تقابلی مالی کارکردگی حسب ذیل ہے:

NBP فنڈز کی مالی کارکردگی

روپے '000 میں

پاٹیکلز	جون 2023	جون 2022	جون 2021	جون 2020	جون 2019	جون 2018	جون 2017
مجموعی آمدنی	1,867,826	1,270,989	1,244,012	1,103,475	1,461,168	1,445,359	1,440,438
اخراجات (بشمول مالی چارجز)	1,241,253	927,382	885,080	828,907	1,172,225	965,082	917,296
آپریٹنگ منافع	626,573	343,607	358,932	274,567	288,944	480,277	523,142
ٹیکس کے بعد خالص منافع	408,333	238,221	259,972	185,112	190,225	340,729	371,287
فی شیئر آمدنی	16.33	9.53	10.40	7.40	7.61	13.63	14.85

مستقبل کے امکانات

مینجمنٹ سیلز ٹیم اور ڈسٹری بیوشن نیٹ ورک کی محتاط نمو کا منصوبہ رکھتی ہے۔ مینجمنٹ مختلف سرمایہ کاروں کی ضروریات کو پورا کرنے کی خاطر فی پراڈکٹس لانچ کرنا جاری رکھے گی۔ دو سال پہلے شروع ہونے والی ڈیجیٹلائزیشن کے شعبے میں کمپنی کی نمایاں کوششیں سرمایہ کاروں کی "ڈیجیٹل آن بورڈنگ" اور انتہائی آسانی کے ساتھ لین دین کے ڈیجیٹل طریقہ کار ان کے بڑھتے ہوئے انحصار کے لحاظ سے خاطر خواہ نتائج دکھا رہی ہیں۔

کمپنی مالی سال 2023-24 میں پانچ طرفہ (i) ریٹیل سیلز 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؛ (iv) پرکشش مصنوعات کی اضافی فروخت اور مختلف انواع کے مصنوعات کی فروخت (v) ڈیجیٹل آؤٹ ریچ کو بڑھاتے ہوئے محتاط نمو کی حکمت عملی پر عمل کرے گی۔ کمپنی سرمایہ کاروں کی رسک پروفائلینگ میں اضافہ اور مناسب تربیت کی ضرورت اور ریٹیلز اسٹاف کو مصنوعات اور فروخت کی پیشہ ورانہ مہارتوں سے متعلقہ معلومات سے آراستہ کرنے پر خاطر خواہ توجہ دے رہی ہے۔

مینجمنٹ کو الٹی ریٹنگ

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

آڈیٹرز

موجودہ آڈیٹر، میسرز اے ایف فرگوسن اینڈ کو، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے اور اہل ہونے کی بنا پر، 30 جون 2024 کو ختم ہونے والے سال کے لیے دوبارہ تقرری کے لیے خود کو پیش کرتے ہیں۔

شیر ہولڈنگ کا نمونہ

30 جون 2023 کو شیر ہولڈنگ بیٹرن کا انکشاف مالیاتی گوشوارے کے نوٹ 19 میں کیا گیا ہے۔

آمدنی کی تقسیم

مالی سال 2022-23 کے دوران، کمپنی کے شیر ہولڈرز نے 30 جون 2022 کو ختم ہونے والے سال کے لئے نقد منافع بشرح 47.6 فیصد (4.76 روپے فی شیر) تقسیم کرنے کی منظوری دی ہے۔

کمپنی کے بورڈ نے 30 جون 2023 کو ختم ہونے والے سال کے لئے نقد منافع بشرح 138 فیصد (13.8 روپے فی شیر) تقسیم کرنے کی منظوری دی ہے۔

پبلک سیکر کمپنیز (کارپوریٹ گورننس) رولز کی پیروی میں ڈائریکٹرز اسٹیٹمنٹ

پبلک سیکر کمپنیز (کارپوریٹ گورننس) رولز کے تقاضوں کی پیروی میں مخصوص بیانات درج ذیل ہیں:

1. مینجمنٹ کمپنی کی طرف سے تیار کردہ، مالیاتی گوشوارے فنڈ کے معاملات کی کیفیت، اس کی کاروباری سرگرمیوں کے نتائج، کیش فلو اور یونٹ ہولڈرز فنڈز میں تبدیلی کی مصفاہ 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 پیروی کی گئی ہے۔ شماراتی 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 پیروی کی گئی ہے۔
5. انٹرنل کنٹرول کا نظام مستحکم اور مؤثر طریقے سے نافذ ہے اور اس کی مسلسل نگرانی کی جاتی ہے۔
6. فنڈ کی رواں دواں رہنے کی صلاحیت کے بارے میں کوئی شکوک و شبہات نہیں ہیں۔
7. کارپوریٹ گورننس کی اعلیٰ ترین روایات سے کوئی پہلو جہی نہیں کی گئی۔
8. ٹیکسوں، ڈیوٹیز، محصولات اور چارجز کی مد میں واجب الادا سرکاری ادائیگیاں مالیاتی گوشواروں میں پوری طرح ظاہر کر دی گئی ہیں۔
9. بورڈ نے کارپوریٹ گورننس کے متعلقہ اصولوں کی تعمیل کی ہے، اور ان قواعد جن کی تعمیل نہیں کی گئی، جس مدت میں اس طرح کی عدم تعمیل جاری رہی، اور اس طرح کی عدم تعمیل کی وجوہات کی نشاندہی کی گئی ہے۔
10. بورڈ کے چیئرمین اور دیگر ممبران کی تقرری اور ان کی تقرری کی شرائط کے ساتھ معاوضہ کی جو پالیسی اپنائی گئی ہے وہ پبلک سیکر کمپنی کے بہترین مفادات کے ساتھ ساتھ بہترین طریقوں کے مطابق ہے۔
11. 30 جون 2023 تک، بورڈ ممبران کی کل تعداد 09 تھی۔

مردڈائریکٹرز کی تعداد	خواتین ڈائریکٹرز کی تعداد
8	1

12۔ بورڈ آف ڈائریکٹرز درج ذیل ارکان پر مشتمل ہیں:

کلیگری	نام
آزاد ڈائریکٹرز	جناب خالد منصور جناب راجیل محمد جناب سعد امان اللہ خان جناب ہمایوں بشیر *
ایگزیکٹو ڈائریکٹر	ڈاکٹر امجد وحید۔ چیف ایگزیکٹو آفیسر
نان ایگزیکٹو ڈائریکٹرز	شیخ محمد عبدالواحد سیٹھی جناب توقیر مظہر جناب عمران ظفر جناب علی سیگل
خاتون ڈائریکٹر	محترمہ مہناز سالار

* جناب ہمایوں بشیر 104 اکتوبر 2023 کو ریٹائر ہو گئے۔

13۔ 30 جون 2023 کو پراویڈنٹ فنڈ کی سرمایہ کاری کی قیمت 92,080,429 روپے ہے۔

14۔ بورڈ نے ذیل میں دیے گئے اراکین پر مشتمل کمیٹیاں تشکیل دی ہیں:

کمیٹی کا نام	ممبر کا نام	حیثیت
ہیومن ریسورس کمیٹی	جناب خالد منصور	چیئر مین
	جناب شیخ محمد عبدالواحد سیٹھی	ممبر
	جناب سعد امان اللہ خان	ممبر
	جناب علی سیگل	ممبر
	جناب عمران ظفر	چیئر مین
حکمت عملی اینڈ بزنس پلاننگ کمیٹی	جناب عمران ظفر	ممبر
	جناب توقیر مظہر	ممبر
	جناب علی سیگل	ممبر
	جناب خالد منصور	ممبر
	جناب راجیل محمد	چیئر مین
آڈٹ اینڈ ریسک مینجمنٹ کمیٹی	جناب سعد امان اللہ خان	ممبر
	محترمہ مہناز سالار	ممبر
	جناب عمران ظفر	ممبر
	جناب راجیل محمد	چیئر مین

15- رواں مالی سال کے دوران کمپنی کے بورڈ آف ڈائریکٹرز کے چھ 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	6	6	-	91 واں اجلاس
جناب توقیر مظہر	6	5	1	
محترمہ مہناز سالار	6	6	-	
جناب علی سیگل	6	6	-	89 واں اجلاس
جناب عمران ظفر	6	5	1	
جناب خالد منصور	6	6	-	
جناب سعد امان اللہ خان	6	6	-	
جناب ہمایوں بشیر *	2	2	-	
جناب روہیل محمد **	3	3	-	
جناب امجد وحید	6	6	-	

* جناب ہمایوں بشیر 04 اکتوبر 2022 کو بورڈ سے مستعفی ہو گئے

** جناب روہیل محمد 04 اکتوبر 2022 کو بطور ڈائریکٹر بورڈ پر مقرر کئے گئے۔

ڈائریکٹرز کا مشاہرہ

مالی سال 2022-23 کے دوران ڈائریکٹرز کا معاوضہ پیکیج حسب ذیل ہے:

ڈائریکٹرز کے نام	کیٹگری	اجلاس فیس	مینجیریل معاوضہ	کارکردگی بونس	یوٹیلٹیز	میڈیکل
شیخ محمد عبدالوحید سیٹھی	نان ایگزیکٹو	2,150,000	-	-	-	-
جناب توقیر مظہر *	نان ایگزیکٹو	1,450,000	-	-	-	-
محترمہ مہناز سالار	نان ایگزیکٹو	1,500,000	-	-	-	-
جناب علی سیگل	نان ایگزیکٹو	2,800,000	-	-	-	-
جناب عمران ظفر	نان ایگزیکٹو	2,100,000	-	-	-	-
جناب خالد منصور	نان ایگزیکٹو	2,450,000	-	-	-	-
جناب سعد امان اللہ خان	نان ایگزیکٹو	3,350,000	-	-	-	-
جناب روہیل محمد	نان ایگزیکٹو	1,100,000	-	-	-	-
جناب ہمایوں بشیر	نان ایگزیکٹو	700,000	-	-	-	-
جناب امجد وحید	ایگزیکٹو	-	56,184,000	31,328,635	1,380,931	247,470

منظور شدہ پالیسی کے مطابق، نان ایگزیکٹو ڈائریکٹرز، بشمول چیئرمین اور غیر جانبدار ڈائریکٹرز بورڈ کے اجلاسوں میں شرکت کا معاوضہ حاصل کرنے کے اہل ہیں NBP فنڈ کی پالیسی کے مطابق کوئی دیگر

مرامات اور فوائد فراہم نہیں کئے جائیں گے۔ سال کے دوران اجلاسوں میں شرکت کی فیس درج ذیل ہے:

بورڈ کے اجلاس میں شرکت کے لئے فیس		بورڈ کی ذیلی کمیٹی کے اجلاس میں شرکت کے لئے فیس	
کیم جولائی 2022 تا اکتوبر 2022	20 جولائی 2022 تا 30 جون 2023	کیم جولائی 2022 تا 19 اکتوبر 2022	20 جولائی 2022 تا 30 جون 2023
100,000 روپے فی اجلاس	200,000 روپے فی اجلاس	100,000 روپے فی اجلاس	150,000 روپے فی اجلاس

16 - 30 جون 2023 شیئرز ہولڈنگ کا پیٹرن درج ذیل ہے:

2023	2002	2022	2023	شیئرز ہولڈرز کی تفصیلات
-- حصص کی تعداد --		-- ہولڈنگ کا فیصد --		
13,499,996	13,499,996	53.99%	53.99%	نیشنل بینک آف پاکستان
9,000,000	9,000,000	36.00%	36.00%	بائٹرو گروٹھ فنڈ
1,562,500	1,562,500	6.25%	6.25%	ڈاکٹر امجد وحید - چیف ایگزیکٹو آفیسر
312,500	312,500	1.25%	1.25%	حیدر امجد
312,500	312,500	1.25%	1.25%	روحہ امجد
312,500	312,500	1.25%	1.25%	ربحہ امجد
1	1	-	-	شیخ محمد عبدالواحد سیٹھی - نان ایگزیکٹو ڈائریکٹر
1	1	-	-	مہناز سالار نان - ایگزیکٹو ڈائریکٹر
1	1	-	-	خالد منصور - آزاد ڈائریکٹر
1	1	-	-	سعد امان اللہ خان - آزاد ڈائریکٹر
25,000,000	25,000,000			کل

اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ کمپنی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی سرپرستی اور رہنمائی کے لئے ان کے مخلص رویہ کا بھی اعتراف کرتا ہے۔

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

منجانب بورڈ آف ڈائریکٹرز

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 15 ستمبر 2023ء

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, 2023

Name of company: NBP Fund Management Limited

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

For the year ended: June 30, 2023

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) (both herein referred to as 'Codes') issued 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 public sector governance. In case where there is inconsistency with the Regulations, the provisions of the Rules shall prevail.

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

S. No.	Provision of the Rules	Rule no	Y	N	N/A																											
			Tick the relevant box																													
1.	The independent directors meet the criteria of independence, as defined under the Rules.	2(d)	✓																													
2.	<div>The Board has at least one-third of its total members as independent directors. As at June 30, 2023 the composition of Board was as follows:</div> <table><tr><th>Category</th><th>Names</th><th>Date of Appointment</th></tr><tr><td rowspan="3">Independent Directors</td><td>Mr. Khalid Mansoor</td><td>04-Oct-2022</td></tr><tr><td>Mr. Ruhail Muhammad*</td><td>04-Oct-2022</td></tr><tr><td>Mr. Saad Amanullah Khan</td><td>04-Oct-2022</td></tr><tr><td>Executive Directors</td><td>Dr. Amjad Waheed – CEO</td><td>29-Oct-2021</td></tr><tr><td rowspan="4">Non-Executive Directors</td><td>Mr. Shaikh Muhammad</td><td>04-Oct-2022</td></tr><tr><td>Abdul Wahid Sethi</td><td>04-Oct-2022</td></tr><tr><td>Mr. Tauqeer Mazhar</td><td>04-Oct-2022</td></tr><tr><td>Mr. Imran Zaffar</td><td>04-Oct-2022</td></tr><tr><td rowspan="2">Female Director</td><td>Mr. Ali Saigol</td><td>04-Oct-2022</td></tr><tr><td>Ms. Mehnaz Salar</td><td>04-Oct-2022</td></tr></table> <div>* Mr. Humayun Bashir, Independent director of the company, retired from the Board on October 03, 2022. Mr. Ruhail Muhammad was appointed by the Board on October 04, 2022.</div>	Category	Names	Date of Appointment	Independent Directors	Mr. Khalid Mansoor	04-Oct-2022	Mr. Ruhail Muhammad*	04-Oct-2022	Mr. Saad Amanullah Khan	04-Oct-2022	Executive Directors	Dr. Amjad Waheed – CEO	29-Oct-2021	Non-Executive Directors	Mr. Shaikh Muhammad	04-Oct-2022	Abdul Wahid Sethi	04-Oct-2022	Mr. Tauqeer Mazhar	04-Oct-2022	Mr. Imran Zaffar	04-Oct-2022	Female Director	Mr. Ali Saigol	04-Oct-2022	Ms. Mehnaz Salar	04-Oct-2022	3(2)	✓		
Category	Names	Date of Appointment																														
Independent Directors	Mr. Khalid Mansoor	04-Oct-2022																														
	Mr. Ruhail Muhammad*	04-Oct-2022																														
	Mr. Saad Amanullah Khan	04-Oct-2022																														
Executive Directors	Dr. Amjad Waheed – CEO	29-Oct-2021																														
Non-Executive Directors	Mr. Shaikh Muhammad	04-Oct-2022																														
	Abdul Wahid Sethi	04-Oct-2022																														
	Mr. Tauqeer Mazhar	04-Oct-2022																														
	Mr. Imran Zaffar	04-Oct-2022																														
Female Director	Mr. Ali Saigol	04-Oct-2022																														
	Ms. Mehnaz Salar	04-Oct-2022																														

3.	The directors have confirmed that none of them is serving as a director of more than five public sector companies and listed companies simultaneously, except their subsidiaries.	3(5)	✓		
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	3(7)	✓		
5.	The Chairman of the Board is working separately from the Chief Executive of the Company.	4(1)	✓		
6.	The Chairman has been elected by the Board of Directors except where Chairman of the Board has been appointed by the Government.	4(4)	✓		
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).	5(2)	✓		
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.nbp funds.com) (c) The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical practices.	5(4)	✓ ✓ ✓		
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.	5(5)	✓		
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.	5(5)(b) (ii)	✓		
11.	The Board has developed and implemented a policy on anti-corruption to minimize actual or perceived corruption in the Company.	5(5)(b) (vi)	✓		
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.	5(5)(c) (ii)	✓		
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.	5(5)(c) (iii)			✓
14.	The Board has developed a vision or mission statement and corporate strategy of the company.	5(6)	✓		

15.	The Board has developed significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended, has been maintained.	5(7)	✓		
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.	5(8)			✓
17.	The Board has ensured compliance with policy directions requirements received from the Government.	5(11)	✓		
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.	6(1) 6(2) 6(3)	✓ ✓ ✓		
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.	8(2)	✓		
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.	9	✓		
21.	(a) The Board has approved the statement of profit and loss account for and balance sheet as at the end of, the first, second and third quarter of the year 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.	10	✓	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.	11	✓		
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.	12	✓ ✓ ✓		

	(d) The committees were chaired by the following non-executive directors:				✓		
	Committee	Number of members	Name of Chair		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.		
	Audit & Risk Management Committee	2	Mr. Saad Amanullah Khan				
		2	Mr. Ruhail Muhammad				
	Human Resources Committee	7	Mr. Khalid Mansoor				
	Strategy and Business Planning Committee	2	Mr. Humayun Bashir				
		3	Mr. Saad Amanullah Khan				
24.	The Board has approved appointment of Chief Financial Officer, Company Secretary and Chief Internal Auditor with their remuneration and terms and conditions of employment.			13	✓		
25.	The Chief Financial Officer and the Company Secretary have requisite qualification prescribed in the Rules.			14	✓		
26.	The company has adopted International Financial Reporting Standards notified by the Commission in terms of sub-section (1) of section 225 of the Act.			16	✓		
27.	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.			17	✓		
28.	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.			18	✓		
29.	(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.			19	✓		
	(b) The annual report of the company contains criteria and details of remuneration of each director.				✓		
30.	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.			20	✓		

31	The Board has formed an audit committee, with defined and written terms of reference, and having the following members:		21(1) and 21(2)	✓																	
	<table><tr><th>Name of members</th><th>Category</th><th>Professional Background</th></tr><tr><td>Mr. Ruhail Muhammad</td><td>Independent Director</td><td>Business Consultant</td></tr><tr><td>Mr. Saad Amanullah Khan</td><td>Independent Director</td><td>Advisor</td></tr><tr><td>Mr. Imran Zaffar</td><td>Non-Executive Director</td><td>Advisor</td></tr><tr><td>Ms. Mehnaz Salar</td><td>Non-Executive Director</td><td>Banker</td></tr></table>						Name of members	Category	Professional Background	Mr. Ruhail Muhammad	Independent Director	Business Consultant	Mr. Saad Amanullah Khan	Independent Director	Advisor	Mr. Imran Zaffar	Non-Executive Director	Advisor	Ms. Mehnaz Salar	Non-Executive Director	Banker
	Name of members	Category					Professional Background														
	Mr. Ruhail Muhammad	Independent Director					Business Consultant														
	Mr. Saad Amanullah Khan	Independent Director					Advisor														
	Mr. Imran Zaffar	Non-Executive Director					Advisor														
	Ms. Mehnaz Salar	Non-Executive Director					Banker														
The chief executive and chairman of the Board are not members of the audit committee.																					
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.		21(3)	✓																	
	(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.		22	✓																	
	(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.		23(4)	✓																	
35.	The auditors have confirmed that they have observed applicable guidelines issued by IFAC with regard to provision of non-audit services.		23(5)	✓																	

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

S. No.	Provision of the Rules	Y	N	N/A																																
1.	As at June 30, 2023, the total number of Board members were 09 as follows: a) Male 08 b) Female 01	✓																																		
2.	All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / Shareholders as empowered by the relevant provisions of the Companies Act, 2017 and these Regulations.	✓																																		
3.	The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.	✓																																		
4.	The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.	✓																																		
5.	<div>The Board has formed Committees comprising members given below:</div> <table><tr><th>Name of Committee</th><th>Name of Member</th><th>Status</th></tr><tr><td rowspan="4">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. Ali Saigol</td><td>Member</td></tr><tr><td rowspan="5">Strategy and Business Planning Committee</td><td>Mr. Saad Amanullah Khan</td><td>Chairman</td></tr><tr><td>Mr. Imran Zaffar</td><td>Member</td></tr><tr><td>Mr. Tauqeer Mazhar</td><td>Member</td></tr><tr><td>Ali Saigol</td><td>Member</td></tr><tr><td>Mr. Khalid Mansoor</td><td>Member</td></tr><tr><td rowspan="4">Audit & Risk Management Committee</td><td>Mr. Ruhail Muhammad</td><td>Chairman</td></tr><tr><td>Mr. Saad Amanullah Khan</td><td>Member</td></tr><tr><td>Ms. Mehnaz Salar</td><td>Member</td></tr><tr><td>Mr. Imran Zaffar</td><td>Member</td></tr></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. Ali Saigol	Member	Strategy and Business Planning Committee	Mr. Saad Amanullah Khan	Chairman	Mr. Imran Zaffar	Member	Mr. Tauqeer Mazhar	Member	Ali Saigol	Member	Mr. Khalid Mansoor	Member	Audit & Risk Management Committee	Mr. Ruhail Muhammad	Chairman	Mr. Saad Amanullah Khan	Member	Ms. Mehnaz Salar	Member	Mr. Imran Zaffar	Member	<div>✓</div> <div>✓</div> <div>✓</div>		
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. Ali Saigol	Member																																		
Strategy and Business Planning Committee	Mr. Saad Amanullah Khan	Chairman																																		
	Mr. Imran Zaffar	Member																																		
	Mr. Tauqeer Mazhar	Member																																		
	Ali Saigol	Member																																		
	Mr. Khalid Mansoor	Member																																		
Audit & Risk Management Committee	Mr. Ruhail Muhammad	Chairman																																		
	Mr. Saad Amanullah Khan	Member																																		
	Ms. Mehnaz Salar	Member																																		
	Mr. Imran Zaffar	Member																																		

6.	The terms of reference of the aforesaid Committee have been formed, documented and advised to the Committee for compliance.	✓										
7.	<div>The frequency of meetings (quarterly/ half yearly / yearly) of the committee were as per following;</div> <table><tr><th>Board Sub-Committee</th><th>Frequency</th></tr><tr><td>Human Resource Committee</td><td>7</td></tr><tr><td>Strategy and Business Planning Committee</td><td>5</td></tr><tr><td>Audit & Risk Management Committee</td><td>4</td></tr></table>	Board Sub-Committee	Frequency	Human Resource Committee	7	Strategy and Business Planning Committee	5	Audit & Risk Management Committee	4	✓		
Board Sub-Committee	Frequency											
Human Resource Committee	7											
Strategy and Business Planning Committee	5											
Audit & Risk Management Committee	4											
8.	The Board has set up an effective internal audit function / or has outsourced the internal audit function to who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.	✓										
9.	The statutory 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 and are registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and 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, Head of Internal Auditor, Company Secretary or directors of the Company.	✓										
10.	The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.	✓										
11.	We confirm that all requirements of regulation 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.	✓										

IV.

S.NO	Rule/Sub Rule No.	Reason for Non-Compliance	Future course of action
1	8(1)	The performance evaluation of the members of the Board including the Chairman and the Chief Executive is required to be undertaken annually by the Government for which, the Government is required to enter into performance contract with each member of the Board at the time of his appointment. Hence the compliance to this provision is primarily attributable to the Government.	On the part of organization, a comprehensive Board's Self Performance Evaluation has been conducted with the technical assistance of PICG



DR. AMJAD WAHEED
CHIEF EXECUTIVE OFFICER



DIRECTOR

Dated: September 15, 2023

Review Report to the Members

On the Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Public Sector Companies (Corporate Governance) Rules, 2013

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) and Public Sector Companies (Corporate Governance) Rules, 2013 (the Rules) (both herein referred to as 'Codes') prepared by the Board of Directors of **NBP Fund Management Limited** for the year ended June 30, 2023 to comply with the requirements of regulation 36 of the Regulations and the provision of the Rules.

The responsibility for compliance with the Codes 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 Codes. 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 Codes.

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 Codes 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 best practices contained in the Codes as applicable to the Company for the year ended June 30, 2023.

Further, we highlight below instance of non-compliance with the requirements of the Codes as reflected in the note / paragraph reference where these are stated in the Statement of Compliance:

	Reference	Description
i	IV (1)	The performance evaluation of members of the Board including the Chairman and the Chief Executive shall be undertaken annually by the Government. However, no performance evaluation was undertaken of the above stated personnel.


A.F. Ferguson & Co.
Chartered Accountants
Karachi

Date: September 21, 2023

UDIN: CR202310611c2JZguUGF

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, 2023, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and 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 Company's affairs as at June 30, 2023 and of the profit and other comprehensive loss, 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.

Information Other than the Financial Statements and Auditor's Report Thereon

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 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 Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of the 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.

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 judgment and maintain professional scepticism 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, expenditure 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).

Other Matter

The financial statements of the Company for the year ended June 30, 2022 were audited by another firm of Chartered Accountants who had expressed an unmodified opinion thereon vide their report dated September 28, 2022.

The engagement partner on the audit resulting in this independent auditor's report is **Junaid Mesia**.



A. F. Ferguson & Co.
Chartered Accountants
Karachi

Dated: September 21, 2023

UDIN: AR202310611tuwyVc2pk

	Note	2023	2022	2021
		Rupees		
ASSETS				
Non-current assets				
Property and equipment	5	446,391,894	406,246,156	453,993,519
Intangible assets	6	134,636,239	164,452,986	188,524,228
Right-of-use assets	7	348,133,120	420,091,968	248,445,142
Long term investment	8	265,000	265,000	-
Investment in associates	9	801,302,874	719,631,037	484,686,026
Loan to employees	10	17,840,966	10,139,730	15,491,826
Long term deposits	11	70,912,283	53,460,273	74,344,498
Prepayments		110,431	381,856	258,994
Deferred taxation - net	12	141,596,718	84,179,193	61,947,009
		1,961,189,525	1,858,848,199	1,527,691,242
Current assets				
Due from funds under management and advisory clients	13	1,110,895,072	882,325,812	925,664,366
Advances	14	17,062,931	12,594,542	19,854,506
Other receivables	15	17,307,868	5,845,783	10,221,973
Current portion of loan to employees	10	16,477,190	11,212,015	11,274,954
Current portion of long term deposits	11	16,336,165	30,625,610	-
Short term prepayments	16	22,450,381	22,094,907	16,028,370
Advance tax - net of provision	17	19,213,029	56,399,405	96,841,954
Cash and bank balances	18	57,818,145	17,283,339	40,526,952
		1,277,560,781	1,038,381,413	1,120,413,075
Total assets		3,238,750,306	2,897,229,612	2,648,104,317
EQUITY AND LIABILITIES				
Share capital and reserves				
Authorised share capital	19	300,000,000	300,000,000	300,000,000
Issued, subscribed and paid-up share capital	19	250,000,000	250,000,000	250,000,000
Unappropriated profit		1,055,312,801	1,111,727,073	1,006,711,801
Total equity and reserves		1,305,312,801	1,361,727,073	1,256,711,801
LIABILITIES				
Non-current liabilities				
Liabilities against assets subject to Diminishing Musharakah	20	146,537,422	62,577,903	94,867,297
Lease liabilities against right-of-use assets	21	243,850,763	304,315,537	152,885,210
Deferred liabilities	22	390,390,234	319,081,078	286,276,824
		780,778,419	685,974,518	534,029,331
Current liabilities				
Current portion of liabilities against assets subject to Diminishing Musharakah	20	67,337,762	65,131,123	71,572,403
Current portion of lease liabilities against right-of-use assets	21	114,792,162	105,997,707	87,666,912
Trade and other payables	23	689,189,162	564,099,175	630,623,855
Dividend payable	44	281,340,000	114,300,016	67,500,015
		1,152,659,086	849,528,021	857,363,185
Total liabilities		1,933,437,505	1,535,502,539	1,391,392,516
Total equity and liabilities		3,238,750,306	2,897,229,612	2,648,104,317

CONTINGENCIES AND COMMITMENTS

24

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



Chief Executive Officer



Director

	Note	2023	2022
		----- Rupees -----	
REVENUE			
Management and investment advisory fee	25	1,502,212,963	1,100,973,025
Sales load income	26	203,193,469	162,464,923
Debit card fee	27	12,317,825	7,090,655
		1,717,724,257	1,270,528,603
Mark-up on loans		5,950,435	2,386,909
Mark-up on bank deposits		24,556,134	6,178,347
Other income	28	22,444,553	19,187,864
Share of profit / (loss) from associates	9.1	97,151,291	(27,292,235)
		150,102,413	460,885
Total revenue		1,867,826,670	1,270,989,488
Operating expenses			
Administrative expenses	29	(893,024,176)	(744,118,688)
Selling and marketing expenses	30	(138,300,844)	(30,882,267)
Sales load commission ceded to agents		(115,372,042)	(88,144,251)
Financial charges	31	(76,247,797)	(56,125,032)
Total expenses		(1,222,944,859)	(919,270,238)
Operating profit		644,881,811	351,719,250
Other charges	32	(18,309,115)	(8,112,085)
Profit before taxation for the year		626,572,696	343,607,165
Taxation - net	33	(218,239,983)	(105,385,853)
Profit after taxation for the year		408,332,713	238,221,312
Earnings per share - basic and diluted	34	16.33	9.53

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



Chief Executive Officer



Director

	Note	2023 ----- Rupees -----	2022 -----
Profit after taxation for the year		408,332,713	238,221,312
Other comprehensive loss:			
Items that will not be reclassified to the statement of profit or loss in subsequent years			
Actuarial loss recognised on re-measurement of staff retirement benefits	22.1.5	(1,224,565)	(4,785,135)
Tax effect on re-measurement of staff retirement benefits		477,580	1,579,095
		(746,985)	(3,206,040)
Total comprehensive income for the year		407,585,728	235,015,272

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, 2023**



	Issued, subscribed and paid-up share capital	Revenue reserve Unappropriated profit	Total equity
	Rupees		
Balance as at July 01, 2021	250,000,000	1,006,711,801	1,256,711,801
Profit after taxation for the year ended June 30, 2022	-	238,221,312	238,221,312
Other comprehensive loss 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
Transaction with owners recorded directly in equity			
Final cash dividend at Rs. 5.2 per share for the year ended June 30, 2021 declared on October 08, 2021	-	(130,000,000)	(130,000,000)
Balance as at June 30, 2022	250,000,000	1,111,727,073	1,361,727,073
Profit after taxation for the year ended June 30, 2023	-	408,332,713	408,332,713
Other comprehensive loss for the year ended June 30, 2023 - net of tax	-	(746,985)	(746,985)
Total comprehensive income for the year ended June 30, 2023	-	407,585,728	407,585,728
Transaction with owners recorded directly in equity			
Final cash dividend at Rs. 4.76 per share for the year ended June 30, 2022 declared on October 19, 2022	-	(119,000,000)	(119,000,000)
Interim cash dividend at Rs. 13.8 per share for the year ended June 30, 2023 declared on June 01, 2023	-	(345,000,000)	(345,000,000)
Balance as at June 30, 2023	250,000,000	1,055,312,801	1,305,312,801

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, 2023



	Note	2023	2022
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation for the year		626,572,696	343,607,165
Adjustments for non-cash and other items:			
Sindh Workers' Welfare Fund	32	12,786,915	7,019,125
Share of (profit) / loss from associates	9.1	(97,151,291)	27,292,235
Gain on disposal of property and equipment	28	(10,805,801)	(13,462,896)
Gain on termination of right-of-use assets	28	(2,435,803)	-
Foreign exchange gain	28	(1,530,482)	-
Depreciation on property and equipment	5.2	129,492,128	131,350,163
Depreciation on right-of-use assets	7	136,712,785	132,591,951
Amortization of deferred income	22.2	(7,672,467)	(5,604,681)
Amortization of intangible assets	6.1	44,362,493	41,977,869
Provision for gratuity	22.1.4	80,553,691	63,365,488
Financial charges	31	76,247,797	56,125,032
Mark-up on loans		(5,950,435)	(2,386,909)
Mark-up on bank deposits		(24,556,134)	(6,178,347)
		330,053,396	432,089,030
Operating cash flows before working capital changes		956,626,092	775,696,195
Movement in working capital			
Advances		(4,468,389)	7,259,964
Other receivables		(11,462,085)	(810,820)
Prepayments		(84,049)	(6,189,399)
Due from funds under management and advisory clients		(228,569,260)	48,525,564
Trade and other payables		125,089,986	(66,524,680)
		(119,493,797)	(17,739,371)
Cash generated from operations		837,132,295	757,956,824
Mark-up on bank deposits received		12,863,766	6,178,347
Mark-up on loans received		5,950,435	2,386,909
Financial charges	31	(76,247,797)	(56,125,032)
Gratuity paid	22.1.2	(22,707,741)	(41,197,445)
Taxes paid		(272,525,600)	(92,921,559)
		(352,666,937)	(181,678,780)
Net cash generated from operating activities		484,465,358	576,278,044
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in property and equipment	5	(29,096,186)	(67,655,449)
Addition in intangible assets	6.1	(14,545,747)	(6,606,624)
Addition in capital work in progress	6.2	-	(11,300,000)
Proceeds from disposal of property and equipment	5.4	42,431,544	50,865,260
Proceeds against deferred income	22.2	21,204,896	12,392,875
Loan to employees (disbursed) / recovered - net	10	(12,966,411)	5,415,035
Dividend income received		75,962,181	12,217,326
Investment in associate (made) / redeemed - net		(60,482,727)	(286,671,898)
Addition to long term investment		-	(265,000)
Long term deposit paid		(3,162,565)	(9,741,385)
Net cash generated from / (used in) investing activities		19,344,985	(301,349,860)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of liabilities against subject to Diminishing Musharakah	20.1	(53,928,655)	(80,317,791)
Payment of lease liability against right-of-use assets	21.1	(112,386,866)	(134,654,007)
Dividend paid	44	(296,960,016)	(83,199,999)
Net cash used in financing activities		(463,275,537)	(298,171,797)
Net increase / (decrease) in cash and cash equivalent during the year		40,534,806	(23,243,613)
Cash and cash equivalent at beginning of the year		17,283,339	40,526,952
Cash and cash equivalent at end of the year	18	57,818,145	17,283,339

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

Chief Executive Officer

Director

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 December 28, 2015, under the Laws of Republic of Mauritius. The principal / registered office of the Company is situated at Level 6, GFI Tower, 42 Hotel Street, Cybercity, Ebene 72201, Mauritius.

- 1.2** 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% (2022: 54%) shares of the Company as at the year end.

- 1.3** The Company has been reaffirmed an Asset Manager rating of 'AM1' by the Pakistan Credit Rating Agency Limited (PACRA) dated June 22, 2023 (June 30, 2022: 'AM1' dated June 22, 2022).

The Company's licenses to carry out assets management services and investment advisory services have been renewed by SECP on December 13, 2022 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

City	Address
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.
Karachi	6th Floor, Clifton diamond building, Block No. 4, Scheme No. 5, Clifton, Karachi.

SAVING CENTERS

City	Address
Abbottabad	Office No. 1-5, First floor, Silk Plaza, Supply Bazar, Main Manshera Road, Abbottabad
Azad Jammu & Kashmir	Al Manzar building, Allama Iqbal road, Plot #2, Nangi Mirpur Azad Jammu & Kashmir.
Faisalabad	P-74 1st Floor, Liaqat Road, Faisalabad.
Gujranwala	Building 94, 96 Street# 2 Mohallah Bhatia Nagar GT Road, Gujranwala.
Hyderabad	Address: Shop No.2, B1-61, Railway Employees Cooperative Housing Society (RECHS), Main Autobahn Road, Unit# 02, Latifabad, Hyderabad.
Karachi	Shop No. 1, Plot No.34-C, Street No. 10, Badar Commercial, Phase-V , DHA, Karachi.
Karachi	Ground floor, Ruffi Lake Drive Gulistan-e-Jauhar, Block - 18, Karachi.
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.
Karachi	Shop No.10, Silver Line Apartments, Mian Jamal Uddin Afghani Road, Plot No 15/5, Muslim Cooperative Housing Society, Karachi.
Karachi	Shop # 2 & 3, Famous Tower Plot # B-153, Block – H, North Nazimabad Karachi.
Karachi	Shop No.6, Marine Faisal Building, Plot# 6/10-A, Block-6, PECHS, Karachi.

City	Address
Lahore	926-C Maulana Shaukat Ali Road, Faisal Town, Lahore.
Lahore	21-E Main Market Gulberg II, Lahore.
Lahore	Plot # 341-MB, Commercial Area DHA Phase 6, Lahore
Lahore	H# No.992, Tufail Road, Saddar Bazar, Lahore.
Mardan	1st floor, Shaheen Shopping Mall - 3, Mardan
Multan	1st Floor, Khan Center Abdali road Multan cantt, Multan.
Peshawar	Arbab Plaza, Jamrud Road, Peshawar
Rawalpindi	Shop # 55/T-5, Haider Road, Saddar, Rawalpindi.
Rawalpindi	Shop No. DT 183-184, Chirah Road, Sadiqabad, Muslim Town, Rawalpindi.
Rawalpindi	13/4, Awan Plaza, Bilal Shaheed Chowk Chaklala Scheme - III, Rawalpindi.
Sargodha	Shop No.17-18, Zam Zama Center, Kacheri Road, Sargodha
Sialkot	Office # B1-16-S, Paris Road, Sialkot.
Wah Cantt	Shop# 14/37 A-B, SUY No.37, Civic Center, Aslam Market, Wah Cantt

In accordance with the requirements of Rule 9 of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, the Company has obtained sufficient insurance coverage from EFU General Insurance Limited against any losses 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 November 23, 2022 (June 30, 2022: AA++ (IFS) dated March 31, 2022).

- 1.4 As at June 30, 2023, the Company is managing the following open-ended collective investments, voluntary pension schemes and discretionary portfolios.

	Net Assets under Management of the Company	
	2023	2022
	----- Rupees -----	
NBP Income Opportunity Fund	4,995,128,043	7,374,542,831
NBP Savings Fund	3,320,588,793	1,728,355,080
NBP Islamic Savings Fund	3,712,891,517	1,845,491,721
NBP Islamic Sarmaya Izafa Fund	1,284,449,200	3,102,338,288
NBP Balanced Fund	665,794,444	818,824,455
NBP Stock Fund	10,165,913,749	13,667,616,043
NBP Financial Sector Income Fund	25,716,803,075	39,200,105,966
NBP Government Securities Liquid Fund	1,960,541,549	1,219,222,359
NBP Sarmaya Izafa Fund	490,304,101	785,588,480
NBP Mahana Amdani Fund	4,354,761,034	4,054,295,763
NBP Riba Free Savings Fund	1,591,085,934	2,793,254,494
NBP Money Market Fund	67,653,540,856	51,107,050,632
NBP Government Securities Savings Fund	5,426,589,044	138,324,357
NBP Islamic Stock Fund	2,118,427,891	5,188,044,367
NBP Islamic Active Allocation Equity Fund	-	366,509,804
NBP Islamic Energy Fund	641,400,518	716,550,266
NBP Islamic Money Market Fund	14,664,937,610	6,086,938,429
NBP Financial Sector Fund	92,912,232	372,495,725
NBP Islamic Mahana Amdani Fund	8,616,253,854	10,364,975,540
NBP Islamic Regular Income Fund	-	122,550,174
NAFA Islamic Active Allocation Fund-I		
NAFA Islamic Active Allocation Plan-I	-	16,535,672
NAFA Islamic Active Allocation Plan-II	-	16,123,059
NAFA Islamic Active Allocation Plan-III	-	100,753,353
NAFA Islamic Active Allocation Plan-IV	-	122,136,750
NAFA Islamic Active Allocation Plan-V	-	53,378,136

Net Assets under Management of the Company		
	2023	2022
	----- Rupees -----	
NAFA Islamic Active Allocation Fund-II		
NAFA Islamic Active Allocation Plan-VI	-	11,798,061
NAFA Islamic Active Allocation Plan-VII	-	22,851,863
NAFA Islamic Active Allocation Plan-VIII	-	40,531,041
Nafa Islamic Capital Preservation Plan-I	-	79,663,294
Nafa Islamic Capital Preservation Plan-II	-	38,562,631
NAFA Islamic Active Allocation Fund-III		
NAFA Islamic Capital Preservation Plan-III	-	43,220,964
NBP Islamic Capital Preservation Plan-IV	-	24,661,321
NAFA Islamic Capital Preservation Plan-V	-	28,475,544
NBP Islamic Capital Preservation Plan-VI	28,688,951	181,140,296
NBP Government Securities Fund-I		
NBP Government Securities Plan-II	6,118,801,397	-
NBP Government Securities Plan-III	1,650,124,439	-
NBP Government Securities Plan-IV	2,045,974,678	-
NBP Government Securities Plan-V	19,768,141,244	-
NBP Mustahkam Fund		
NBP Fixed Term Munafa Plan - I	5,417,909,605	-
NBP Fixed Term Munafa Plan - II	6,870,821,733	-
NBP Fixed Term Munafa Plan - III	2,055,293,137	-
NBP Islamic Mustahkam Fund		
NBP Islamic Fixed Term Munafa Plan - I	391,840,404	-
NBP Islamic Fixed Term Munafa Plan - II	691,708,232	-
NBP Income Fund of Fund		
NBP Cash Plan - I	5,174,758,051	-
NBP Cash Plan - II	6,260,526,781	-
NBP Income Plan - I	897,643,740	-
NAFA Pension Fund	4,470,263,681	3,517,273,335
NAFA Islamic Pension Fund	4,266,289,596	3,687,355,472
NBP Islamic Daily Dividend Fund	19,885,298,828	11,193,666,536
NBP Pakistan Growth Exchange Traded Fund	53,639,296	51,991,546
NBP Islamic Income Fund	5,157,560,837	7,533,210,462
Investment of underlying Funds in NBP Funds	(10,727,035,129)	(71,109,000)
	237,950,572,945	177,745,295,110
Discretionary portfolios	26,904,048,565	20,649,030,501
Investment of underlying portfolios in NBP Funds	(4,450,958,623)	(5,846,978,916)
	22,453,089,942	14,802,051,585

- 1.5 The Company is also managing investments under discretionary portfolio management agreements, the details of which are given in note 25 to these financial statements.

2 SUMMARY OF SIGNIFICANT EVENTS AND TRANSACTIONS

- 2.1 During the year, the net assets under management of the company attributable to collective investment schemes and voluntary pension schemes grew by 34% (30 June, 2022 : 4%) due to various business initiatives including sales force transformation and trainings, increased sales through alternative delivery channels and greater customer retention. During the year, the company closed / relocated some of the branches in cities of Islamabad, Lahore and Kasur on ground of operational feasibilities.
- 2.2 During the year, the Company launched the following plans under new funds in its collective investment schemes to seek the higher market yields available for various debt related securities.

NBP Government Securities Fund-I

NBP Government Securities Plan-II
 NBP Government Securities Plan-III
 NBP Government Securities Plan-IV
 NBP Government Securities Plan-V

NBP Mustahkam Fund

NBP Fixed Term Munafa Plan - I
 NBP Fixed Term Munafa Plan - II
 NBP Fixed Term Munafa Plan - III

NBP Islamic Mustahkam Fund

NBP Islamic Fixed Term Munafa Plan - I
 NBP Islamic Fixed Term Munafa Plan - II

NBP Income Fund of Fund

NBP Cash Plan - I
 NBP Cash Plan - II
 NBP Income Plan - I

- 2.3 During the year, the Company revoked the following funds, 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.

NBP Islamic Active Allocation Equity Fund
 NBP Islamic Regular Income Fund

- 2.4 During the year, the following plans under the underlying funds matured and accordingly distribution was made to the unit holders of the schemes in proportion of their respective interests in the net assets of the schemes.

NAFA Islamic Active Allocation 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-IV
 NAFA Islamic Active Allocation Plan-V

NAFA Islamic Active Allocation Fund-II

NAFA Islamic Active Allocation Plan-VI
 NAFA Islamic Active Allocation Plan-VII
 NAFA Islamic Active Allocation Plan-VIII
 Nafa Islamic Capital Preservation Plan-I
 Nafa Islamic Capital Preservation Plan-II

NAFA Islamic Active Allocation Fund-III

NAFA Islamic Capital Preservation Plan-III
 NBP Islamic Capital Preservation Plan-IV
 NAFA Islamic Capital Preservation Plan-V

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 comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984;

- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules); and
- the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

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

Further, the Securities and Exchange Commission of Pakistan (SECP) has directed vide SRO 56(I)/2016 dated January 28, 2016 that the requirements of IFRS 10, 'Consolidated financial statements', are not applicable in case of investments made by companies in mutual funds established under the Trust structure. Accordingly, implications of IFRS 10 in respect of the Company's investment in mutual funds managed by it have not been considered in these financial statements.

3.2 Standards, interpretations and amendments to the published accounting and reporting standards that are effective in the current year:

- 3.2.1** There are certain amendments to the standards and new interpretations that are mandatory for the Company's accounting periods beginning on July 1, 2022 but are considered not to be relevant or do not have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements.

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

- 3.3.1** The following amendments with respect to the accounting and reporting standards would be effective from the dates mentioned below against the respective amendments:

Amendments	Effective date (accounting periods beginning on or after)
- IAS 1 - 'Presentation of financial statements' (amendments)	January 1, 2023 & January 1, 2024
- IAS 8 - 'Accounting policies, changes in accounting estimates and errors' (amendments)	January 1, 2023
- IFRS 16 - 'Leases' (amendments)	January 1, 2024
- IAS 12 - 'Income taxes' (amendments)	January 1, 2023

The management is currently in the process of assessing the impact of these amendments on the financial statements of the Company.

There are certain other standards, amendments and interpretations that are mandatory for the Company's accounting periods beginning on or after July 1, 2023 but are considered not to be relevant or will not have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements.

3.4 Basis of measurement

These financial statements have been prepared under the historical cost convention except for the following:

- Right-of-use assets and their related lease liability are carried at present value of future lease rentals adjusted for any lease payments made at or before the commencement date of the lease; and
- Lease liability against asset subject to Diminishing Musharakah are carried at present value of future lease rentals adjusted for any lease payments made at or before the commencement date of the lease; and
- Staff retirement benefits are carried at present value of defined benefit obligation.

3.5 Functional and presentation currency

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

- 3.6** During the current year, the Company has reclassified its investments in units of funds under its management from "financial assets at fair value through profit or loss" to "investment in associates". The above reclassification has been made as the management believes that the Company has significant influence over the funds being managed by it. The reclassification has no impact on the total amount of investments reflected in the statement of financial position, however the "investments" previously shown under current assets have been reclassified to "investments" under non-current assets. The impact of the reclassification on the statement of financial position has been disclosed in note 46.1 to these financial statements. Moreover, the impacts of restatement on the statement of profit or loss and the statement of cash flows are given as follows:

	(Rupees) 2022
Statement of profit or loss	
Decrease in unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	(22,695,936)
Decrease in loss on sale of investments - net	(16,813,625)
Decrease in dividend income	12,217,326
Increase in share of loss from associates	27,292,235

Statement of cash flows

Decrease in unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	22,695,936
Decrease in loss on sale of investments - net	16,813,625
Decrease in dividend income	(12,217,326)
Increase in share of loss from associates	(27,292,235)

The additional disclosures in respect of investment in associates have been given in note 9.1 to these financial statements.

Furthermore, there is no impact on the earnings per share, comprehensive income and changes in equity as a result of the above reclassification.

3.7 Critical accounting estimates and judgments

The preparation of the financial statements is in conformity with the accounting and reporting standards as applicable in Pakistan 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 historical 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 year in which the estimates are revised if the revision affects only that year, or in the year of revision and future year if the revision affects both the current and future year. 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 (notes 4.1 and 5);
- (b) Useful lives of intangible assets (notes 4.2 and 6.1);
- (c) Residual values, useful lives and depreciation rates of right-of-use assets (notes 4.3 and 7.2);
- (d) Classification, valuation and impairment of financial assets (note 4.4);
- (e) Assumptions and estimations in recognition of current tax and deferred taxation (notes 4.6, 12 and 33);
- (f) Impairment of non-financial asset (note 4.7);
- (g) Provision for staff retirement benefits (notes 4.10 and 22.1); and
- (h) Provisions, contingent assets and contingent liabilities (note 4.13).

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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 5.1.1 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. Gain or loss on disposal is recognized in the 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 repairs and maintenance costs that do not meet the recognition criteria are charged to the statement of profit or loss during the year in which they are incurred.

Diminishing Musharakah

Assets acquired under diminishing musharakah are stated at cost less accumulated depreciation at the rates and basis applicable to the Company's owned assets. The outstanding obligation under diminishing musharakah 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 6.1. 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

All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to the relevant category of property and equipment and intangibles as and when these become available for use.

4.3 Right-of-use assets and lease liability

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

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease liability is initially measured at the present value of the lease payments over the period of lease term and that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments less any lease incentive receivable, variable lease payment that are based on an index or a rate which are initially measured using the index or rate as at the commencement date, amounts expected to be payable by the Company under residual value guarantees, the exercise price of a purchase option if the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease if the lease term reflects that the lessee will exercise that option. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. The lease liability is also remeasured to reflect any reassessment or lease modification, or to reflect revised in-substance fixed lease payment.

The lease liability is remeasured when the Company reassesses the reasonable certainty to exercise extension or termination option upon occurrence of either a significant event or a significant change in circumstances, or when there is a change in assessment of an option to purchase an underlying asset, or when there is a change in amount expected to be payable under a residual value guarantee, or when there is a change in future lease payments resulting from a change in an index or rate used to determine those payments. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit or loss if the carrying amount of right of use asset has been reduced to zero.

When there is a change in scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions, the same is accounted for as a lease modification. The lease modification is accounted for as a separate lease if modification increases the scope of lease by adding the right to use one or more underlying assets and the consideration for lease increases by an amount that is commensurate with the standalone price for the increase in scope adjusted to reflect the circumstances of the particular contract, if any. When the lease modification is not accounted for as a separate lease, the lease liability is remeasured and corresponding adjustment is made to right-of-use asset.

The right-of-use asset is initially measured at an amount equal to the initial measurement of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of the costs to be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which the asset is located.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any. The right-of-use asset is depreciated using the straight line method in accordance with the rates specified in note 7.2 to these financial statements and after taking into account residual values, if any. The useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date. The right of use asset is adjusted for certain remeasurements of the lease liability.

4.4 Financial instruments

4.4.1 Financial Assets

4.4.1.1 Classification and subsequent measurement

The Company has applied IFRS 9 and classifies its financial assets in the following measurement categories:

- at amortised cost;
- at fair value through other comprehensive income (FVOCI); and
- at fair value through profit or loss (FVPL).

The classification requirements for debt and equity instruments are described below:

(i) Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and puttable instruments like units of open-end mutual funds.

Classification and subsequent measurement of debt instruments depend on:

- the Company's business model for managing the asset; and
- the cash flow characteristics of the asset.

Based on these factors, the Company classifies its debt instruments in one of the following three measurement categories:

a) At amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated as FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in note 4.4.1.2.

b) Fair value through other comprehensive income (FVOCI):

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated as FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, recognised and measured as described in note 4.4.1.2, interest revenue and foreign exchange gains and losses on the instrument's amortised cost, which are recognised in the statement of profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of profit or loss.

c) Fair value through profit or loss (FVPL):

Assets that do not meet the criteria for classification at amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit or loss in the period in which it arises.

(ii) Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the statement of financial position at fair value, with gains and losses recognised in the statement of profit or loss, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI.

The dividend income for equity securities classified under FVOCI is recognised in the statement of profit or loss. However, any surplus / (deficit) arising as a result of subsequent movement in the fair value of equity securities classified as FVOCI is to be recognised in other comprehensive income and is not recycled to the statement of profit or loss on derecognition.

4.4.1.2 Impairment

The Company assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instrument assets carried at amortised cost and FVOCI. The Company recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Company considers that a financial asset is in default when the counterparty fails to make contractual payments within 90 days of when they fall due. Further, financial assets are written off by the Company, in whole or part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery.

4.4.1.3 Derecognition

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either:

- (i) the Company transfers substantially all the risks and rewards of ownership; or
- (ii) the Company neither transfers nor retains substantially all the risks and rewards of ownership and the Company has not retained control.

When the Company enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards, these transactions are accounted for as 'pass through' transfers that result in derecognition if the Company:

- (i) has no obligation to make payments unless it collects equivalent amounts from the assets;
- (ii) is prohibited from selling or pledging the assets; and
- (iii) has an obligation to remit any cash it collects from the assets without material delay.

Any gain or loss on derecognition of financial assets is taken to the statement of profit or loss.

4.4.1.4 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Company commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

4.4.2 Financial liabilities

Financial liabilities are measured at fair value upon initial recognition and subsequently measured at amortised cost except for:

- Financial liabilities at fair value through profit or loss; and
- Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition, whereby a financial liability is recognised for the consideration received for the transfer.

4.4.2.1 Derecognition

Financial liabilities are derecognised at the time when these are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expires. Any gain or loss on derecognition of financial liabilities is taken to the statement of profit or loss.

4.4.3 Initial recognition

Financial assets and financial liabilities are recognised at the time the Company becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs associated with these financial assets are taken directly to the statement of profit or loss.

4.4.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.4.5 Business model

The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Company in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

4.4.6 Solely payment of principal and interest (SPPI)

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

4.4.7 Reclassifications

The Company reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the year.

4.5. Investment in associated undertakings

Associates are those entities in which the Company has significant influence, but does not have control, over the financial and operating policies. These financial statements include the Company's share of total recognised gains and losses of associates on the equity accounting basis, from the date significant influence commences until the date that significant influence ceases. The Company's share of the associates profit or loss is recognised in the statement of profit or loss. Distributions received from an associate reduce the carrying amount of the investment. When the Company's share of losses exceeds its interest in an associate, the investment's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Company has incurred legal or constructive obligation.

4.6 Taxation

Current Tax

Provision for current tax is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any, and taxes paid under the final tax regime. The charge for current tax also includes adjustments where necessary, relating to prior years which arise from assessments framed / finalised during the year.

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.

4.7 Impairment of non-financial assets

The carrying amount of the assets is reviewed at each reporting date to determine whether there is any indication of impairment loss. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment charge is recognised in the statement of profit or loss.

4.8 Deposits and other receivables

Deposits and other receivables are carried at amortised cost, less expected credit loss allowance determined in accordance with the accounting policy as mentioned in note 4.4.1.2. Bad debts are written off when identified.

4.9 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.

4.10 Staff retirement 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. Actuarial gains and losses are recognized in other comprehensive income when they occur.

4.11 Revenue recognition

The core principle of IFRS 15 is that an entity will recognise revenue to depict the transfer of promised goods or services to customers for 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.

Revenue is recognised when the services have been rendered by the Company and received by the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the service. Revenue of different streams is recognised as follows:

- Remuneration from investment advisory services, asset management services, services for management of discretionary participation fund and consultancy services are recognised 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.

- Capital gains / losses arising on sale of investments is recognised in the statement of profit or loss on the date at which transaction takes place.
- Sales load income is recognised once the services are provided to the unit holders in connection with their investments in collective investment schemes managed by the Company. The performance obligation is satisfied at the time of providing the service to the unit holders and payment becomes due at the end of each month.
- Debit Card income is recognised on sale of debit cards by the open-ended funds 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 is recognised on an accrual basis.
- Other income is recognised on accrual basis as and when the required services are delivered.

4.12 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost, which is the fair value of consideration to be paid in the future for goods and services whether or not billed to the Company.

4.13 Provisions, contingent assets and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. The amount recognised represents the best estimate of the expenditure required to settle the obligation at the reporting date. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate. Provisions are not recognised for future operating losses.

Contingent assets are disclosed when there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised until the inflow of economic benefits is virtually certain.

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company;
- there is a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

4.14 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. 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.

4.15 Earnings per share

The Company presents basic and diluted earnings / losses 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.

4.16 Proposed dividends and transfer between reserves

Dividends declared and transfers between reserves made subsequent to the reporting date are considered as non-adjusting events and are not recognised in the financial statements in the year in which such dividends are declared / transfers are made and hence, are accounted for subsequent to the year end.

		Note	2023	2022
			-----Rupees-----	
5	PROPERTY AND EQUIPMENT			
5.1	Operating fixed assets	5.1.1	446,391,894	406,246,156

5.1.1

2023							
Cost			Accumulated depreciation			Net book value as at June 30, 2023	Rate of depreciation (% per annum)
As at July 01, 2022	Additions / (disposals)	As at June 30, 2023	As at July 01, 2022	Charge / (reversal) for the year	As at June 30, 2023		

Rupees

Owned assets

Office equipment	60,872,463	8,509,201 (3,222,173)	66,159,491	25,445,597	6,183,457 (3,112,581)	28,516,473	37,643,018	10%
Computer equipment	196,675,994	15,947,690 (2,680,087)	209,943,597	139,327,830	31,555,220 (2,530,136)	168,352,914	41,590,683	33.33%
Furniture and fittings	290,030,371	4,639,295 (3,155,534)	291,514,132	128,606,559	27,094,722 (2,077,073)	153,624,208	137,889,924	10%
Motor vehicles	23,437,724	- (11,398,000)	12,039,724	20,975,845	1,180,294 (10,233,067)	11,923,072	116,652	20%
Total	571,016,552	8,640,392	579,656,944	314,355,831	48,060,836	362,416,667	217,240,277	

**Leased assets -
Diminishing
Musharakah**

Office equipment	9,627,768	- -	9,627,768	3,856,387	962,777 -	4,819,164	4,808,604	10%
Motor vehicles	270,686,562	172,167,423 (129,579,500)	313,274,485	126,872,508	62,515,658 (100,456,694)	88,931,472	224,343,013	20%
Total	280,314,330	42,587,923	322,902,253	130,728,895	(36,978,259)	93,750,636	229,151,617	
Grand total	851,330,882	51,228,315	902,559,197	445,084,726	11,082,577	456,167,303	446,391,894	

2022							
Cost			Accumulated depreciation			Net book value as at June 30, 2022	Rate of depreciation (% per annum)
As at July 01, 2021	Additions / (Disposals)	As at June 30, 2022	As at July 01, 2021	Charge / (reversal) for the year	As at June 30, 2022		

Rupees

Owned assets

Office equipment	56,003,203	5,123,009 (253,749)	60,872,463	20,332,889	5,308,108 (195,400)	25,445,597	35,426,866	10%
Computer equipment	166,825,518	39,047,315 (9,196,839)	196,675,994	114,615,666	33,375,092 (8,662,928)	139,327,830	57,348,164	33.33%
Furniture and fittings	271,396,509	23,485,125 (4,851,263)	290,030,371	104,526,974	26,317,804 (2,238,219)	128,606,559	161,423,812	10%
Motor vehicles	38,333,448	- (14,895,724)	23,437,724	28,540,603	4,525,430 (12,090,188)	20,975,845	2,461,879	20%
Total	532,558,678	38,457,874	571,016,552	268,016,132	46,339,699	314,355,831	256,660,721	

**Leased assets -
Diminishing
Musharakah**

Office equipment	9,627,768	- -	9,627,768	2,893,610	962,777 -	3,856,387	5,771,381	10%
Motor vehicles	292,148,062	53,349,700 (74,811,200)	270,686,562	109,431,247	60,860,937 (43,419,676)	126,872,508	143,814,054	20%
Total	301,775,830	(21,461,500)	280,314,330	112,324,857	18,404,038	130,728,895	149,585,435	
Grand total	834,334,508	16,996,374	851,330,882	380,340,989	64,743,737	445,084,726	406,246,156	

	Note	2023	2022
5.2 Depreciation charge for the year has been allocated as follows:		----- Rupees -----	
Administrative expenses	29	76,478,829	82,623,768
Selling and marketing expenses	30	53,013,299	48,726,395
		129,492,128	131,350,163

5.3 Property and equipment include assets having cost of Rs. 171.15 million (2022: Rs. 129.10 million) which are fully depreciated as at June 30, 2023.

5.4 The details of property and equipment disposed off during the year are as follow:

Description	Quantity	Cost	Accumulated depreciation	Net Book value	Sale proceeds	Gain / (loss) on disposal	Mode of disposal	Particulars of purchasers	Relationship
----- Rupees -----									
Air Conditioner	14	808,403	807,602	801	103,160	102,359	Negotiation	Azhar Shahzad	Third Party
Air Conditioner	12	490,097	457,749	32,348	119,623	87,275	Negotiation	Shinwari Scrap Dealer	Third Party
Chair	160	1,552,148	999,239	552,909	198,065	(354,844)	Negotiation	Azhar Shahzad	Third Party
Chair	20	72,607	42,080	30,527	18,128	(12,399)	Negotiation	Shinwari Scrap Dealer	Third Party
Desktop Computer	3	89,012	65,561	23,451	11,358	(12,093)	Negotiation	Azhar Shahzad	Third Party
Electrical Fixture	1	18,132	7,406	10,726	2,314	(8,412)	Negotiation	Azhar Shahzad	Third Party
Fire Fighting Equipments	2	15,000	8,848	6,152	1,914	(4,238)	Negotiation	Azhar Shahzad	Third Party
General Equipment	22	204,235	167,313	36,922	26,075	(10,847)	Negotiation	Azhar Shahzad	Third Party
General Equipment	1	45,500	12,131	33,369	11,105	(22,264)	Negotiation	Shinwari Scrap Dealer	Third Party
Generator	5	1,658,938	1,606,245	52,693	905,150	852,457	Negotiation	Asad Brothers Engineering Services	Third Party
Interior Fixture	13	778,830	574,752	204,078	99,385	(104,693)	Negotiation	Azhar Shahzad	Third Party
Laptop	1	81,675	81,674	1	62,000	61,999	Insurance Policy	Adamjee Insurance Company Limited	Insurance Claim
Laptop	1	110,238	110,237	1	61,500	61,499	Company Policy	Adnan Ghouri	Employee
Laptop	1	98,546	98,546	-	48,500	48,500	Company Policy	Asim Nisar Rana	Employee
Laptop	1	63,470	63,470	-	30,000	30,000	Company Policy	Atif Ali Taj	Employee
Laptop	1	33,962	33,961	1	12,000	11,999	Company Policy	Faisal Rehman (SASM)	Employee
Laptop	1	33,962	33,962	-	10,000	10,000	Company Policy	Ghulam Sarwar Khan	Employee
Laptop	1	33,962	33,962	-	9,000	9,000	Company Policy	Imran Ahmed	Employee
Laptop	1	33,962	33,962	-	9,000	9,000	Company Policy	Jonathan Yaqoob	Employee
Laptop	1	125,826	125,826	-	59,000	59,000	Company Policy	Mehsam Raza Hemani	Employee
Laptop	1	125,827	125,827	-	55,000	55,000	Company Policy	Mr. Khalid Mehmood	Employee
Laptop	1	33,962	33,962	-	9,000	9,000	Company Policy	Muhammad Fahad	Employee
Laptop	1	33,962	33,962	-	10,000	10,000	Company Policy	Muhammad Farhan	Employee
Laptop	1	33,962	33,962	-	9,000	9,000	Company Policy	Muhammad Mujtaba Bukhari	Employee
Laptop	1	125,827	125,826	1	51,500	51,499	Company Policy	Muhammad Murtaza Ali	Employee
Laptop	1	40,314	40,314	-	10,000	10,000	Company Policy	Muhammad Tanveer	Employee
Laptop	1	33,962	33,961	1	12,000	11,999	Company Policy	Muhammad Usman (ASM)	Employee
Laptop	1	33,962	33,962	-	10,000	10,000	Company Policy	Muhammad Usman Ubaida	Employee
Laptop	1	33,961	33,961	-	9,000	9,000	Company Policy	Saleem Razaque	Employee
Laptop	1	219,895	219,894	1	90,000	89,999	Company Policy	Salim Sadruddin Mehdi	Employee
Laptop	1	119,372	119,371	1	41,500	41,499	Company Policy	Salman Multi	Employee
Laptop	1	98,546	98,546	-	48,500	48,500	Company Policy	Shahzaib Javaid	Employee
Laptop	1	33,962	33,962	-	10,000	10,000	Company Policy	Shumaila Rafique	Employee
Laptop	1	91,000	89,169	1,831	55,000	53,169	Company Policy	Syed Akber Aziz	Employee
Laptop	1	33,962	33,962	-	11,000	11,000	Company Policy	Syed Khalid Hassan	Employee
Laptop	1	100,544	65,540	35,004	20,000	(15,004)	Company Policy	Syed Khawar Hussain Zaidi	Employee
Laptop	1	33,961	33,961	-	9,000	9,000	Company Policy	Syed Sarfaraz Uddin	Employee
Laptop	1	119,372	119,371	1	48,500	48,499	Company Policy	Syed Waheed Ul Hassan Abidi	Employee
Laptop	1	174,869	174,868	1	85,000	84,999	Company Policy	Waqas Zafar	Employee
Laptop	1	109,739	86,616	23,123	78,000	54,877	Company Policy	Waseem Akhtar	Employee
Laptop	1	155,000	89,404	65,596	80,000	14,404	Company Policy	Zohaib Hashim Ali	Employee
Server Rack	1	89,005	89,004	1	11,345	11,344	Negotiation	Azhar Shahzad	Third Party

Description	Quantity	Cost	Accumulated depreciation	Net Book value	Sale proceeds	Gain / (loss) on disposal	Mode of disposal	Particulars of purchasers	Relationship
----- Rupees -----									
Side Rack	3	94,264	27,014	67,250	12,030	(55,220)	Negotiation	Azhar Shahzad	Third Party
Side Rack	1	1	-	1	1	-	Negotiation	Shinwari Scrap Dealer	Third Party
Sofa Set	4	19,252	12,188	7,064	2,456	(4,608)	Negotiation	Azhar Shahzad	Third Party
Table	33	485,032	311,992	173,040	61,898	(111,142)	Negotiation	Azhar Shahzad	Third Party
Table	10	135,268	102,402	32,866	36,143	3,277	Negotiation	Shinwari Scrap Dealer	Third Party
Tablet	1	16,699	16,698	1	16,699	16,698	Company Policy	Imran Zahid	Employee
Tablet	1	22,000	21,999	1	21,400	21,399	Company Policy	Majid Nawaz	Employee
Tablet	2	46,499	45,566	933	34,500	33,567	Company Policy	Muhammad Murtaza Ali	Employee
Tablet	1	15,308	15,307	1	14,708	14,707	Company Policy	Sohail Ahmed	Employee
Vehicle	1	1,397,000	1,117,600	279,400	279,400	-	Company Policy	Abdul Qadeer	Employee
Vehicle	1	1,475,000	1,217,992	257,008	268,000	10,992	Company Policy	Ahmed Arshad	Employee
Vehicle	1	762,000	635,078	126,922	152,400	25,478	Company Policy	Ahmed Mansoor Teepu	Employee
Vehicle	1	1,859,000	1,682,000	177,000	177,000	-	Company Policy	Ahmed Raza Kazim	Employee
Vehicle	1	1,691,000	1,352,800	338,200	338,200	-	Company Policy	Amir Hassan	Employee
Vehicle	1	769,000	627,832	141,168	840,000	698,832	Company Policy	Amir Hatyat	Employee
Vehicle	2	33,000,000	26,400,000	6,600,000	6,600,000	-	Company Policy	Amjad Waheed	Employee
Vehicle	1	2,379,000	1,976,000	403,000	403,000	-	Company Policy	Aqeel Ahmed	Employee
Vehicle	1	2,215,500	1,808,819	406,681	443,100	36,419	Company Policy	Asad Ullah Khan Tarin	Employee
Vehicle	1	1,340,000	1,077,873	262,127	268,000	5,873	Company Policy	Atif Ali Taj	Employee
Vehicle	1	1,300,000	1,129,037	170,963	254,000	83,037	Company Policy	Azhar Shahzad	Employee
Vehicle	1	1,725,000	1,498,139	226,861	254,000	27,139	Company Policy	Faaz Ali Khan	Employee
Vehicle	1	1,340,000	1,072,000	268,000	268,000	-	Company Policy	Farooq Hussain Memon	Employee
Vehicle	1	1,590,000	1,294,200	295,800	295,800	-	Company Policy	Ishtiaq Ahmed	Employee
Vehicle	1	1,398,000	454,257	943,743	1,760,000	816,257	Company Policy	Kashif Zameer	Employee
Vehicle	1	3,108,000	2,590,000	518,000	518,000	-	Company Policy	Malik Muhammad Nawaz	Employee
Vehicle	1	2,507,000	1,425,899	1,081,101	1,081,101	-	Company Policy	Mazhair Noorani	Employee
Vehicle	1	769,000	615,612	153,388	153,800	412	Company Policy	Muaviz Umar Ahmed Sandhu	Employee
Vehicle	1	1,638,000	1,357,600	280,400	280,400	-	Company Policy	Mudassar Habib	Employee
Vehicle	1	1,608,000	1,286,402	321,598	321,600	2	Company Policy	Muhammad Amir	Employee
Vehicle	1	783,000	640,978	142,022	153,800	11,778	Company Policy	Muhammad Faisal Uddin Siddiqui	Employee
Vehicle	1	769,000	647,636	121,364	153,800	32,436	Company Policy	Muhammad Irfan Khan	Employee
Vehicle	1	8,900,000	7,573,600	1,326,400	1,326,400	-	Company Policy	Muhammad Murtaza Ali	Employee
Vehicle	1	1,410,000	1,128,000	282,000	282,000	-	Company Policy	Muhammad Owais Iqbal	Employee
Vehicle	1	708,000	708,000	-	141,600	141,600	Company Policy	Muhammad Saghir	Employee
Vehicle	1	1,475,000	1,207,000	268,000	268,000	-	Company Policy	Muhammad Taha Bin Yamin	Employee
Vehicle	1	825,000	665,200	159,800	159,800	-	Company Policy	Muhammad Usman	Employee
Vehicle	1	1,380,000	1,226,200	153,800	153,800	-	Company Policy	Nadeem Shahzad	Employee
Vehicle	1	1,541,000	1,304,578	236,422	308,200	71,778	Company Policy	Noman Nishat	Employee
Vehicle	1	6,330,000	5,296,387	1,033,613	1,266,000	232,387	Company Policy	Ozair Ali Khan	Employee
Vehicle	1	2,709,000	2,167,200	541,800	541,800	-	Company Policy	Saeed Khan	Employee
Vehicle	1	6,257,000	5,338,163	918,837	963,000	44,163	Company Policy	Salim S. Mehdi	Employee
Vehicle	1	3,483,000	3,482,999	1	440,000	439,999	Company Policy	Salman Ahmed	Employee
Vehicle	1	1,400,000	1,120,008	279,992	280,000	8	Company Policy	Salman Mufti	Employee
Vehicle	1	2,926,000	166,742	2,759,258	3,750,000	990,742	Company Policy	Samiuddin Ahmed	Employee
Vehicle	1	840,000	701,446	138,554	153,800	15,246	Company Policy	Sarfraz Uddin Shah	Employee
Vehicle	1	2,795,000	2,376,903	418,097	559,000	140,903	Company Policy	Shahzaib Javaid	Employee
Vehicle	1	769,000	615,612	153,388	153,800	412	Company Policy	Shumaila Rafiq	Employee
Vehicle	1	2,219,000	1,880,800	338,200	338,200	-	Company Policy	Sohaib Suhail Seth	Employee
Vehicle	1	1,350,000	1,080,000	270,000	270,000	-	Company Policy	Sufyan Babar	Employee
Vehicle	1	1,340,000	1,072,733	267,267	268,000	733	Company Policy	Syed Arshad Ahmed	Employee
Vehicle	1	840,000	683,400	156,600	156,600	-	Company Policy	Syed Muslim Hussain	Employee
Vehicle	1	1,651,000	1,324,416	326,584	330,200	3,616	Company Policy	Syed Talib Raza Naqvi	Employee

Description	Quantity	Cost	Accumulated depreciation	Net Book value	Sale proceeds	Gain / (loss) on disposal	Mode of disposal	Particulars of purchasers	Relationship
----- Rupees -----									
Vehicle	2	4,456,000	3,493,155	962,845	962,845	-	Company Policy	Syed Waheed Ul Hassan Abidi	Employee
Vehicle	1	2,700,000	2,584,611	115,389	3,910,000	3,794,611	Company Policy	Umar Chishti	Employee
Vehicle	1	1,690,000	1,352,003	337,997	338,000	3	Company Policy	Umer Azeem Khan	Employee
Vehicle	1	3,390,000	945,489	2,444,511	3,055,841	611,330	Company Policy	Umer Raza Javed	Employee
Vehicle	1	1,410,000	705,328	704,672	1,900,000	1,195,328	Company Policy	Yasir Muhammad Khan	Employee
Vehicle	2	4,583,000	3,770,800	812,200	812,200	-	Company Policy	Zaheer Iqbal	Employee
Vehicle	1	1,300,000	1,078,200	221,800	221,800	-	Company Policy	Zia ur Rehaman	Employee
Vehicle	1	1,770,000	1,502,000	268,000	268,000	-	Company Policy	Zohaib Khan	Employee
Vehicle	1	3,108,000	2,283,727	824,273	828,800	4,527	Company Policy	Zulfiqar Ali	Employee
Total as at June 30, 2023		150,035,294	118,409,551	31,625,743	42,431,544	10,805,801			
Total as at June 30, 2022		104,008,775	66,606,411	37,402,364	50,865,260	13,462,896			

5.5 The disposal of vehicles to employees were made in accordance with the terms of the employment contract.

6	INTANGIBLE ASSETS	Note	2023	2022
----- Rupees -----				
	Softwares and licenses	6.1	106,017,359	105,834,106
	Capital work in progress (CWIP)	6.2	28,618,880	58,618,880
			134,636,239	164,452,986

6.1	2023							
	Cost				Accumulated amortisation			
	As at July 01, 2022	Additions	Transfers from CWIP (Note 6.2)	As at June 30, 2023	As at July 01, 2022	Charge for the year	As at June 30, 2023	Net book value as at June 30, 2023
								Rate of amortisation (% per annum)
----- Rupees -----								

Softwares									
Internally Developed	126,136,870	-	30,000,000	156,136,870	41,716,188	28,712,306	70,428,493	85,708,377	20%
Externally Purchased	22,206,234	-	-	22,206,234	17,151,404	1,600,904	18,752,308	3,453,926	20%
Sub-total	148,343,104	-	30,000,000	178,343,104	58,867,592	30,313,209	89,180,801	89,162,303	
Licenses	54,100,636	14,545,747	-	68,646,383	37,742,043	14,049,284	51,791,327	16,855,056	33.33%
Total	202,443,740	14,545,747	30,000,000	246,989,487	96,609,634	44,362,493	140,972,128	106,017,359	

2022							
Cost				Accumulated amortisation			
As at July 01, 2021	Additions	Transfers from CWIP (Note 6.2)	As at June 30, 2022	As at July 01, 2021	Charge for the year	As at June 30, 2022	Net book value as at June 30, 2022
							Rate of amortisation (% per annum)
----- Rupees -----							

Softwares									
Internally Developed	84,044,050	-	42,092,820	126,136,870	22,325,190	19,390,998	41,716,188	84,420,682	20%
Externally Purchased	21,706,234	500,000	-	22,206,234	12,115,994	5,035,410	17,151,404	5,054,830	20%
Sub-total	105,750,284	500,000	42,092,820	148,343,104	34,441,184	24,426,408	58,867,592	89,475,512	
Licenses	47,994,012	6,106,624	-	54,100,636	20,190,581	17,551,461	37,742,043	16,358,593	33.33%
Total	153,744,296	6,606,624	42,092,820	202,443,740	54,631,765	41,977,869	96,609,634	105,834,106	

6.1.1	Amortization charge for the year has been allocated as follows:	Note	2023	2022
----- Rupees -----				
	Administrative expenses	29	24,952,772	24,172,365
	Selling and marketing expenses	30	19,409,721	17,805,504
			44,362,493	41,977,869

6.1.2 Intangible assets include fully amortized assets amounting to Rs. 41.36 million (2022: Rs. 31.72 million).

	Note	2023	2022
		----- Rupees -----	
6.2 Capital work in progress (CWIP)			
Balance at the beginning of the year		58,618,880	89,411,700
Additions during the year		-	11,300,000
		58,618,880	100,711,700
Transfer to intangible assets		(30,000,000)	(42,092,820)
Balance at the end of the year		28,618,880	58,618,880

7 RIGHT-OF-USE ASSETS

Balance at the beginning of the year		420,091,968	248,445,142
Additions during the year		87,841,698	305,288,666
Terminations during the year		(23,087,761)	(1,049,889)
Depreciation for the year	7.1	(136,712,785)	(132,591,951)
Balance at the end of the year		348,133,120	420,091,968

7.1 Depreciation charge for the year on right-of-use assets has been allocated as follows:

	Note	2023	2022
		----- Rupees -----	
Administrative expenses	29	68,918,867	62,414,855
Selling and marketing expenses	30	67,793,918	70,177,096
		136,712,785	132,591,951

7.2 Disclosure relating to right of use assets

2023	Number of right -of-use assets	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases with termination option
Branches and Head office	63	1 - 5 years	3 years	63	63

2022	Number of right -of-use assets	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

	Note	2023	2022
		----- Rupees -----	
8 LONG TERM INVESTMENT			
At fair value through profit or loss			
Shares of Mutual Funds Association of Pakistan	8.1	265,000	265,000

8.1 The amount represents 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	2023	2022
		----- Rupees -----	
9 INVESTMENT IN ASSOCIATES			
Investment in associated undertakings			
Investment in units of funds under management	9.1	801,302,874	719,631,037
		801,302,874	719,631,037

9.1 Investment in units of funds under management

Name of the investee fund	June 30, 2023						
	Country of incorporation	Percentage holding	Investment at the beginning of the year	Investments / (redemptions) during the year	Share of profit / (loss)	Dividend Income	As at June 30, 2023
Rupees							
Investment in associated undertaking							
NBP Income Opportunity Fund	Pakistan	-	348,271	(351,958)	3,687	-	-
NBP Stock Fund	Pakistan	-	158,439,423	(151,865,691)	(6,573,732)	-	-
NBP Islamic Regular Income Fund	Pakistan	-	112,875,243	(108,569,189)	(4,306,054)	-	-
NBP Islamic Sarmaya Izafa Fund	Pakistan	-	79,864,787	(77,705,533)	(2,159,254)	-	-
NBP Financial Sector Income Fund	Pakistan	0.94%	-	239,913,881	12,184,982	(9,405,152)	242,693,711
NBP Money Market Fund	Pakistan	0.81%	366,825,092	151,018,454	97,637,507	(66,452,392)	549,028,661
NBP Islamic Savings Fund	Pakistan	0.26%	1,278,221	8,042,763	364,155	(104,637)	9,580,502
			719,631,037	60,482,727	97,151,291	(75,962,181)	801,302,874

Name of the investee fund	June 30, 2022						
	Country of incorporation	Percentage holding	Investment at the beginning of the year	Investments / (redemptions) during the year	Share of profit / (loss)	Dividend Income	As at June 30, 2022
Rupees							

Investment in associated undertaking

NBP Income Opportunity Fund*	Pakistan	-	40,186,068	(40,704,041)	873,561	(7,317)	348,271
NBP Stock Fund	Pakistan	1.16%	107,416,008	77,841,875	(26,818,460)	-	158,439,423
NBP Islamic Regular Income Fund	Pakistan	92.11%	129,102,803	-	(16,227,560)	-	112,875,243
NBP Islamic Sarmaya Izafa Fund	Pakistan	2.57%	-	86,184,666	(6,319,879)	-	79,864,787
NBP Money Market Fund	Pakistan	0.72%	207,970,754	149,885,829	21,155,228	(12,186,719)	366,825,092
NBP Islamic Savings Fund	Pakistan	0.07%	10,393	1,246,243	44,875	(23,290)	1,278,221
			484,686,026	274,454,572	(27,292,235)	(12,217,326)	719,631,037

* Nil due to rounding off

- 9.1.1 No reconciliation is required between the carrying amount of the investment in associated undertakings and the summarised financial information as the movement in the Net Asset Value (NAV) represents the proportionate share of profit of investment in associate and the investment is also valued at the NAV prevailing at the reporting date under the equity accounting method.

9.2

		2023					
	Country of Incorporation	Assets	Liabilities	Revenue	Net income	Total Comprehensive Income	% Interest held
----- Rupees in '000'-----							
NBP Money Market Fund	Pakistan	68,084,855	431,314	10,336,016	9,736,949	9,736,949	0.81%
NBP Islamic Savings Fund	Pakistan	3,830,634	140,771	485,688	410,593	410,593	0.26%
NBP Financial Sector Income Fund	Pakistan	26,053,075	336,272	8,648,634	8,050,368	8,050,368	0.94%
June 30, 2023		97,968,564	908,357	19,470,338	18,197,910	18,197,910	

		2022					
	Country of Incorporation	Assets	Liabilities	Revenue / (loss)	Net income / (loss)	Total Comprehensive Income / (loss)	% Interest held
----- Rupees in '000'-----							
NBP Income Opportunity Fund*	Pakistan	8,055,286	680,743	1,056,550	912,546	912,546	-
NBP Stock Fund	Pakistan	13,817,269	149,653	(1,801,489)	(2,370,780)	(2,370,780)	1.16%
NBP Islamic Regular Income Fund	Pakistan	124,703	2,153	(11,930)	(17,369)	(17,369)	92.11%
NBP Islamic Sarmaya Izafa Fund	Pakistan	3,178,143	75,805	(223,175)	(314,141)	(314,141)	2.57%
NBP Money Market Fund	Pakistan	51,341,900	234,849	3,254,957	3,299,309	3,299,309	0.72%
NBP Islamic Savings Fund	Pakistan	1,894,072	48,579	207,684	188,731	188,731	0.07%
June 30, 2022		78,411,373	1,191,782	2,482,597	1,698,296	1,698,296	

* Nil due to rounding off

	Note	2023	2022
		----- Rupees -----	
10 LOAN TO EMPLOYEES			
Considered good - secured			
Due from Chief Executive Officer	10.1 & 10.2	8,964,494	-
Due from executive employees	10.2	18,755,014	15,322,509
Due from non-executive employees	10.2	6,598,648	6,029,236
		34,318,156	21,351,745
Current portion shown in current assets		(16,477,190)	(11,212,015)
		17,840,966	10,139,730
10.1	The reconciliation of loan to Chief Executive Officer is as follows:		
Balance at the beginning of the year		-	-
Add: Disbursements during the year		12,000,000	-
Less: Repaid during the year		(3,035,506)	-
Balance at the end of the year		8,964,494	-
10.2	This represents personal loans given to the Chief Executive Officer, executive and non-executive employees in accordance with the service rules of the Company. These are repayable in a maximum of 36 monthly installments and carry mark-up at the rate of six months KIBOR (June 30, 2022: six months KIBOR) per annum. These loans are secured against provident fund, gratuity fund and voluntary pension scheme balances of employees. The value of the loan should not exceed 33.33% of gross salary of an employee and should be entitled to an employee after one year of confirmed service with the Company unless the exception is provided by the CEO.		
10.3	The maximum aggregate amount outstanding at any time during the year calculated by reference to month-end balances in respect of loans to related parties was Rs. 26.137 million (2022: Rs. 12.413 million).		
	Note	2023	2022
		----- Rupees -----	
11 LONG TERM DEPOSITS			
Security deposits against:			
-right-of-use assets		21,364,024	21,799,484
-assets subject to Diminishing Musharakah		62,907,000	59,663,175
Others		2,977,424	2,623,224
		87,248,448	84,085,883
Current portion shown in current assets		(16,336,165)	(30,625,610)
		70,912,283	53,460,273
12 DEFERRED TAXATION - NET			
Deferred tax asset arising on deductible temporary differences:			
-Provision for gratuity		141,967,243	100,632,859
-Deferred income		10,284,948	4,663,896
-Liabilities against assets subject to Diminishing Musharakah		83,411,322	42,143,979
-Lease liabilities against right-of-use assets		139,870,740	135,403,371
		375,534,253	282,844,105
Deferred tax liabilities arising on taxable temporary differences:			
-Property and equipment		(98,165,619)	(60,034,563)
-Right-of-use assets		(135,771,916)	(138,630,349)
		(233,937,535)	(198,664,912)
		141,596,718	84,179,193
12.1 Reconciliation of deferred tax asset			
Deferred tax asset as at July 1		84,179,193	61,947,009
Recognised in the statement of profit or loss	33	56,939,945	20,653,089
Recognised in other comprehensive income		477,580	1,579,095
Deferred tax asset as at June 30		141,596,718	84,179,193
12.2	The deferred tax asset has been recorded based on the future taxable profits projections. These projections are based on certain key assumptions which are linked to various variable factors such as expense to income ratio, inflation and KIBOR rates etc.		

	Note	2023	2022
		----- Rupees -----	
13 DUE FROM FUNDS UNDER MANAGEMENT AND ADVISORY CLIENTS			
Considered good - secured			
Due from funds under management			
Management fee receivable from funds inclusive of Sindh Sales Tax and Federal Excise Duty	13.1.1 , 13.1.2 & 13.1.3	445,953,162	386,296,183
Sales load receivable	13.1.1 & 13.1.2	139,145,855	127,133,339
Debit card fee receivable	13.1.1 & 13.1.2	7,270,769	5,351,024
Other receivable	13.1.1 & 13.1.2	2,800,938	2,150,938
Preliminary expenses and floatation costs	13.1.1 & 13.1.2	4,247,982	253,448
Reimbursement of marketing and selling expenses	13.1.1 , 13.1.2 & 13.1.5	357,810,457	250,757,110
Reimbursement of accounting and operational services	13.1.1 , 13.1.2 & 13.1.4	84,227,898	56,659,947
Administrative fee		7,765,745	3,221,125
Shariah advisory fee		9,456,748	8,681,235
		1,058,679,554	840,504,349
Due from advisory clients			
Receivable from discretionary portfolio advisory clients		50,433,413	36,634,453
Receivable from non-discretionary portfolio advisory client		1,782,105	5,187,010
		52,215,518	41,821,463
		1,110,895,072	882,325,812

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

Past due

0-1 months	151,081,128	156,408,527
1-6 months	569,468,662	361,304,894
6-12 months	33,324,287	7,591,396
above 1 year	357,020,995	357,020,995
	1,110,895,072	882,325,812

13.1.1 Following is the fund-wise break-up (inclusive gross sales tax and federal excise duty).

		2023								
Nature of relationship	Maximum Aggregate amount outstanding during the year	Management fee receivable	Sales load receivable	Debit card fee receivable	Other receivable	Preliminary expenses and floatation costs	Reimbursement of		Total	
							marketing and selling expenses	accounting and operational services		
----- Rupees -----										
Open-ended Collective Investment Schemes										
NBP Income Opportunity Fund	Fund under Management	70,577,491	44,077,809	1,747,686	307,267	-	-	9,313,081	1,995,653	57,441,496
NBP Savings Fund	Fund under Management	28,122,050	7,270,865	3,657,391	262,806	-	-	6,454,422	1,210,208	18,855,692
NBP Islamic Savings Fund	Fund under Management	37,787,176	9,278,765	3,406,432	659,509	-	-	8,101,058	1,432,599	22,878,363
NBP Islamic Samaya Izafa Fund	Fund under Management	60,136,241	20,846,023	20,711,161	136,018	-	-	5,110,418	786,226	47,589,846
NBP Balanced Fund	Fund under Management	18,710,268	13,135,560	835,476	1,129	-	-	2,190,135	336,953	16,499,253
NBP Stock Fund	Fund under Management	154,988,560	55,868,757	4,056,129	34,160	-	-	40,913,446	5,279,151	106,151,643
NBP Government Securities Liquid Fund	Fund under Management	50,612,598	46,110,303	918,857	23,869	-	-	3,072,233	487,336	50,612,598
NBP Mahana Amdani Fund	Fund under Management	35,883,263	11,614,429	3,169,114	1,210,865	287,628	-	13,088,560	1,707,011	31,077,607
NBP Samaya Izafa Fund	Fund under Management	26,362,798	16,933,017	3,733,437	17,719	-	-	1,696,693	261,026	22,641,892
NBP Riba Free Savings Fund	Fund under Management	23,730,672	12,377,838	419,322	66,963	-	-	3,837,380	606,899	17,308,402
NBP Financial Sector Income Fund	Fund under Management	163,569,308	36,411,947	7,570,787	1,080,524	168,500	-	27,225,120	12,576,096	85,032,974
NBP Money Market Fund	Fund under Management	188,521,625	81,211,410	5,516,028	329,697	-	-	73,258,333	19,770,896	180,086,364
NAFA Pension Fund	Fund under Management	22,233,373	6,158,213	2,798,735	-	225,000	-	8,369,123	1,444,982	18,996,053
NAFA Islamic Pension Fund	Fund under Management	27,557,979	4,309,079	4,903,273	-	225,000	-	8,286,061	1,502,974	19,226,387

		2023								
Nature of relationship		Maximum Aggregate amount outstanding during the year	Management fee receivable	Sales load receivable	Debit card fee receivable	Other receivable	Preliminary expenses and floatation costs	Reimbursement of		Total
								marketing and selling expenses	accounting and operational services	
Rupees										
NAFA Islamic Principal Protected Fund-I	Fund under Management	17,306,958	11,370,447	5,514,629	-	420,806	-	-	1,076	17,306,958
NBP Government Securities Savings Fund	Fund under Management	19,042,242	3,497,905	4,308,824	32,162	45,000	-	9,339,053	1,819,298	19,042,242
NAFA Islamic Principal Protected Fund-II	Fund under Management	11,171,172	8,152,118	2,899,054	-	120,000	-	-	-	11,171,172
NAFA 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	56,915,687	12,767,401	7,750,685	62,930	20,000	-	10,907,847	1,407,466	32,916,329
NBP Active Allocation Riba Free Savings Fund	Fund under Management	612,398	612,372	-	-	-	-	12	14	612,398
NBP Islamic Active Allocation Equity Fund	Fund under Management	4,352,541	1,521,845	-	-	650,000	-	753,654	26,330	2,951,829
NBP Islamic Energy Fund	Fund under Management	9,661,956	1,458,085	2,286,031	2,228	16,103	-	3,373,625	329,142	7,465,214
NBP Financial Sector Fund	Fund under Management	3,671,183	246,006	132,009	-	-	-	838,464	26	1,216,505
NBP Islamic Money Market Fund	Fund under Management	41,476,992	2,510,672	859,252	372,737	151,100	-	21,462,205	4,398,000	29,753,966
NAFA Islamic Active Allocation Plan-I	Fund under Management	3,112,200	80,212	3,001,958	-	25,000	-	-	1,813	3,108,983
NAFA Islamic Active Allocation Plan-II	Fund under Management	2,771,205	41,198	2,697,614	-	25,000	-	-	2,140	2,765,952
NAFA Islamic Active Allocation Plan-III	Fund under Management	3,066,755	5,113	2,993,253	-	25,100	-	-	8,213	3,031,679
NAFA Islamic Active Allocation Plan-IV	Fund under Management	69,581	1	-	-	15,000	-	-	1,800	16,801
NAFA Islamic Active Allocation Plan-V	Fund under Management	44,171	93	-	-	20,000	-	-	5,351	25,444
NAFA Islamic Active Allocation Plan-VI	Fund under Management	510,462	814	441,515	-	20,000	-	-	47,740	510,069
NAFA Islamic Active Allocation Plan-VII	Fund under Management	377,372	6	343,103	-	15,100	-	-	12,312	370,521
NAFA Islamic Active Allocation Plan-VIII	Fund under Management	74,522	3,185	-	-	15,100	-	-	42,426	60,711
NAFA Islamic Capital Preservation Plan-I	Fund under Management	287,834	4,235	227,349	-	25,000	-	-	5,537	262,121
NAFA Islamic Capital Preservation Plan-II	Fund under Management	795,451	217	755,129	-	20,000	-	-	2,792	778,138
NAFA Islamic Capital Preservation Plan-III	Fund under Management	47,223	1,874	-	-	28,167	-	-	3,464	33,505
NBP Government Securities Plan-II	Fund under Management	7,151,086	2,526,970	-	-	-	-	2,312,057	2,312,059	7,151,086
NBP Government Securities Plan-III	Fund under Management	8,057,821	935,110	-	-	-	-	1,360,729	1,360,729	3,656,568
NAFA Islamic Capital Preservation Plan - IV	Fund under Management	35,724	217	-	-	24,167	-	-	940	25,324
NBP Islamic Capital Preservation Plan-V	Fund under Management	42,878	1,868	-	-	29,167	-	-	3,132	34,167
NBP Islamic Capital Preservation Plan-VI	Fund under Management	23,516,045	14,598	236,849	-	5,000	-	-	9,180	265,627
NBP Islamic Mahana Amdani Fund	Fund under Management	61,460,750	2,561,849	1,233,841	1,840,522	-	80,000	25,152,391	3,461,335	34,329,938
NBP Islamic Regular Income Fund	Fund under Management	1,194,959	1,380	229,851	-	180,000	-	27,746	17,443	456,420
NBP Islamic Daily Dividend Fund	Fund under Management	51,321,700	2,055,056	4,867,340	273,705	-	-	36,273,064	6,848,690	50,317,855
NBP Islamic Income Fund	Fund under Management	20,454,774	5,557,142	7,772,028	523,050	-	153,448	4,147,050	2,145,028	20,297,746
NBP Fixed Term Munafa Plan-III	Fund under Management	4,247,902	578,653	-	-	-	-	1,466,663	1,066,736	3,112,052
NBP Cash Plan-I	Fund under Management	2,808,119	77,744	2,715,134	15,241	-	-	-	-	2,808,119
NBP Cash Plan-II	Fund under Management	2,906,640	196,759	2,709,881	-	-	-	-	-	2,906,640
NBP Income Plan-I	Fund under Management	8,517,283	134,559	8,365,056	17,668	-	-	-	-	8,517,283
NBP Fixed Term Munafa Plan-I	Fund under Management	21,410,230	7,791,208	-	-	-	-	10,124,690	3,494,332	21,410,230
NBP Islamic Fixed Term Munafa Plan-II	Fund under Management	7,689,676	95,683	-	-	-	-	5,713,505	1,880,488	7,689,676
NBP Government Securities Plan-IV	Fund under Management	1,659,661	831,016	-	-	-	13,000	391,293	424,352	1,659,661
NBP Government Securities Plan-V	Fund under Management	25,172,452	8,321,413	131,592	-	-	5,000	13,132,780	3,581,667	25,172,452
NBP Islamic Fixed Term Munafa Plan-I	Fund under Management	322,004	152,853	-	-	-	-	117,566	51,585	322,004
NBP Fixed Term Munafa Plan-II	Fund under Management	10,775,398	3,181,405	-	-	-	-	-	-	3,181,405
NBP Mustahkam Fund	Fund under Management	1,332,500	-	-	-	-	1,332,500	-	-	1,332,500
NBP Islamic Mustahkam Fund	Fund under Management	1,191,534	-	-	-	-	1,191,534	-	-	1,191,534
NBP Income Fund of Fund	Fund under Management	1,247,500	-	-	-	-	1,247,500	-	-	1,247,500
NBP GOPK Pension Fund	Fund under Management	100,000	-	-	-	-	100,000	-	-	100,000
NBP GOPK Islamic Pension Fund	Fund under Management	100,000	-	-	-	-	100,000	-	-	100,000
NBP Government Securities Plan-VI	Fund under Management	5,000	-	-	-	-	5,000	-	-	5,000
NBP Pakistan Growth Exchange Traded Fund	Fund under Management	55,625	35,625	-	-	-	20,000	-	-	55,625
		445,953,162	131,174,235	7,270,769	2,800,938	4,247,982	357,810,457	84,227,898	1,033,485,441	
Saving plans										
NBP Aitemad Education Plan (Islamic)	Fund under Management	4,916	-	4,916	-	-	-	-	-	4,916
NBP Aitemad Retirement Plan	Fund under Management	51,377	-	51,377	-	-	-	-	-	51,377
NBP Aitemad Wealth Plan (Islamic)	Fund under Management	9,448,235	-	7,543,679	-	-	-	-	-	7,543,679
NBP Aitemad Wedding Plan (Islamic)	Fund under Management	535,375	-	26,329	-	-	-	-	-	26,329
NBP Aitemad Wedding Plan	Fund under Management	50,285	-	50,285	-	-	-	-	-	50,285
NBP Aitemad Education Plan (Conventional)	Fund under Management	184,587	-	48,116	-	-	-	-	-	48,116
NBP Aitemad Wealth Plan (Conventional)	Fund under Management	246,918	-	246,918	-	-	-	-	-	246,918
		-	7,971,620	-	-	-	-	-	-	7,971,620
		445,953,162	139,145,855	7,270,769	2,800,938	4,247,982	357,810,457	84,227,898	1,041,457,061	

2022									
Nature of relationship	Maximum Aggregate amount outstanding during the year	Management fee receivable	Sales load receivable	Debit card fee receivable	Other receivable	Preliminary expenses and floatation costs	Reimbursement of		Total
							marketing and selling expenses	accounting and operational services	

Rupees

Open-ended Collective Investment Schemes

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	6,098,271	1,600,927	227,103	-	-	4,502,793	662,176	13,091,270
NBP Islamic Samiyya Izafa Fund	Fund under Management	123,072,103	24,219,997	18,869,626	123,998	-	-	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	287,628	-	12,463,288	1,394,843	29,072,428
NBP Samiyya 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	9,094,581	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 Pension Fund	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-I	Fund under Management	17,306,958	11,370,447	5,514,629	-	420,806	-	-	1,076	17,306,958
NBP 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-II	Fund under Management	11,171,182	8,152,118	2,899,054	-	120,000	-	-	-	11,171,172
NAFA 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	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	-	7,798,988	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	2,993,253	-	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	-	-	14,150	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 Plan-II	Fund under Management	15,000	-	-	-	-	-	-	-	-
NBP Government Securities Plan-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
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	40,558,267
NBP Islamic Regular Income Fund	Fund under Management	1,719,568	168,069	209,533	-	180,000	-	552,564	61,396	1,171,562
NBP Islamic Daily Dividend Fund	Fund under Management	10,056,262	1,429,792	184,183	42,414	-	-	532,693	3,329,330	5,518,412
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 5,351,024 2,150,938 253,448 250,757,110 56,659,947 817,934,957

Saving plans

NBP Aitemad Education Plan (Islamic)	Fund under Management	367,425	-	299,225	-	-	-	-	-	299,225
NBP Aitemad Retirement Plan	Fund under Management	253,648	-	187,977	-	-	-	-	-	187,977
NBP Aitemad Wealth Plan (Islamic)	Fund under Management	12,146,118	-	9,399,225	-	-	-	-	-	9,399,225
NBP Aitemad Wedding Plan (Islamic)	Fund under Management	703,478	-	534,358	-	-	-	-	-	534,358
NBP Aitemad Education Plan (Conventional)	Fund under Management	14,216	-	14,216	-	-	-	-	-	14,216
NBP Aitemad Wealth Plan (Conventional)	Fund under Management	232,031	-	232,031	-	-	-	-	-	232,031
		-	-	10,667,032	-	-	-	-	-	10,667,032

386,296,183 127,133,339 5,351,024 2,150,938 253,448 250,757,110 56,659,947 828,601,989

13.1.2 The above amounts represent receivable on account of management fee and sales load inclusive of Sindh sales tax and federal excise duty, debit card fee receivable inclusive of Sindh sales tax, other receivables, preliminary expenses and floatation costs, selling and marketing expenses and allocated expenses charged to these funds. It also includes the maximum aggregate amount outstanding at any time during the year. The maximum aggregate amount outstanding at any time during the year calculated by reference to month-end balance.

13.1.3 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the offering document subject to the total expense ratio limit. Therefore, the Management Company is charging its remuneration keeping in view the maximum allowable threshold.

13.1.4 In accordance with Regulation 60 of the NBFC Regulations, the Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a collective investment scheme (CIS).

Therefore, the Company is charging the allocated expenses variably keeping in view the overall return of the Fund and subject to the total expense ratio of the funds as defined under the NBFC Regulations.

13.1.5 The SECP had allowed asset management companies to charge selling and marketing expenses to all categories of open-ended mutual funds (except fund of funds) initially for a period of three years (i.e. from January 1, 2017 till December 31, 2019) subject to a maximum limit of 0.4% per annum of the average annual net assets of the Fund or actual expenses, whichever is lower.

The SECP through its Circular 11 dated July 5, 2019 had removed the maximum cap of 0.4% per annum for charging of selling and marketing expenses to a Fund. Furthermore, the time limit of three years had also been removed in the circular issued by the SECP. The asset management company can charge such expenses to the Fund as per the annual plan and the same should be approved by the Board of Directors of the Company.

13.2 Due form funds under management and advisory clients are assessed to have low credit risk of default. Management of the Company estimates that loss allowance on the balances at the reporting date at an amount equal to 12 months Expected Credit Losses (ECL). Taking into account the historical default experience and the current credit ratings of the banks, the management of the Company has assessed that there is no impairment, and therefore has not recorded any loss allowances on these balances.

	Note	2023	2022
		----- Rupees -----	
14 ADVANCES			
Advance to suppliers		12,968,028	3,588,874
Advance against expenses		1,848,145	5,452,467
Advance against salary		300,000	86,784
Advance against commission		1,946,758	3,466,417
		17,062,931	12,594,542
15 OTHER RECEIVABLES			
Considered good - secured			
Receivable from National Clearing Company of Pakistan Limited		359,963	3,735,735
Receivable from insurance company		-	900,000
Receivable from employees		205,092	694,315
Receivable from provident fund		-	240,816
Mark-up receivable on bank deposits	15.1	11,692,368	-
Vehicle lease differential receivable		4,704,324	-
Others		346,121	274,917
		17,307,868	5,845,783

15.1 These represents markup income accrued amounting to Rs 11,692,226 (2022: Nil) on balances in savings accounts maintained with National Bank of Pakistan (a related party).

	Note	2023	2022
		----- Rupees -----	
16 SHORT TERM PREPAYMENTS			
Insurance		4,909,270	4,798,334
Prepaid expenses - others		17,541,111	17,296,573
		<u>22,450,381</u>	<u>22,094,907</u>
17 ADVANCE TAX - NET OF PROVISION			
Advance tax		1,248,919,725	1,041,104,586
Provision for taxation		(1,229,706,696)	(984,705,181)
		<u>19,213,029</u>	<u>56,399,405</u>
18 CASH AND BANK BALANCES			
Cash in hand		2,030,000	1,865,000
Balances with banks in:			
-saving accounts	18.1	52,417,648	11,336,728
-current accounts	18.2	3,370,497	4,081,611
		<u>57,818,145</u>	<u>17,283,339</u>
18.1	These include balances in accounts maintained with National Bank of Pakistan (a related party) amounting to Rs. 44,936,891 (June 30, 2022: Nil) that carries markup at the rate of 19.5% (2022: Nil). Other savings accounts carry markup at the rate of 8.5% (2022: 4.5% to 9.5%) per annum.		
18.2	These include balances in account maintained with National Bank of Pakistan Limited (a related party) amounting to Rs. 853,838 (2022: Rs.3,564,952).		
18.3	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 loss allowance on balances with banks at the reporting date at an amount equal to 12 months Expected Credit Losses (ECL). Taking into account the historical default experience and the current credit ratings of the banks, the management of the Company has assessed that there is no impairment, and therefore has not recorded any loss allowances on these balances.		
19 SHARE CAPITAL			
19.1 Authorized share capital			
		2023	2022
--- Number of Shares ---		----- Rupees -----	
<u>30,000,000</u>	<u>30,000,000</u>	Ordinary shares of Rs. 10 each	<u>300,000,000</u>
19.2 Issued, subscribed and paid-up share capital			
		2023	2022
--- Number of Shares ---		----- Rupees -----	
<u>25,000,000</u>	<u>25,000,000</u>	Ordinary shares of Rs. 10 each	<u>250,000,000</u>
19.3 Particulars of the shareholders		2023	2022
	-----Percentage of holding-----	----- Number of shares-----	
National Bank of Pakistan	53.99%	53.99%	13,499,996
Baltoro Growth Fund	36.00%	36.00%	9,000,000
Dr. Amjad Waheed - Chief Executive Officer	6.25%	6.25%	1,562,500
Haider Amjad	1.25%	1.25%	312,500
Rohma Amjad	1.25%	1.25%	312,500
Reeha Amjad	1.25%	1.25%	312,500
Directors*	-	-	4
		<u>25,000,000</u>	<u>25,000,000</u>
* Nil due to rounding off			
19.4	Voting rights, board selection, right of first refusal and block voting are in proportion of the shareholding.		

20 LIABILITIES AGAINST ASSETS SUBJECT TO DIMINISHING MUSHARAKAH

It represents obligation in respect of assets acquired under diminishing musharakah arrangements from Bank AL Habib Limited for a period of four to five years at a mark-up rate based on six months KIBOR plus spread range of 1.5% per annum (2022: six months KIBOR plus a spread rate of 1.5% to 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. The maturity profile of the same has been disclosed in note 41.3 of the financial statements.

20.1	Movement of liabilities against assets subject to Diminishing Musharakah	Note	2023	2022
			----- Rupees -----	
	Balance at the beginning of the year		127,709,026	166,439,700
	Additions during the year		140,094,813	41,587,117
	Interest expense during the year		22,412,449	11,287,900
	Rentals paid during the year		(76,341,104)	(91,605,691)
	Balance at the end of the year		213,875,184	127,709,026

21 LEASE LIABILITIES AGAINST RIGHT-OF-USE ASSETS

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 three to five years at an incremental borrowing rate of 1 year KIBOR plus spread rate of 1.5% per annum (2022: 1 year KIBOR 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.

The amount of future payments for the leases and the period in which these payments will become due are as follows:

	2023	2022
	-----Rupees-----	
Present value of minimum lease payments	358,642,925	410,313,244
Less: current portion	(114,792,162)	(105,997,707)
	243,850,763	304,315,537

	2023		2022	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
	----- Rupees -----			
Not later than one year	160,480,439	114,792,162	150,087,180	105,997,707
Later than one year and not later than five years	286,120,403	243,850,763	349,148,771	304,315,537
Later than five years	-	-	-	-
	446,600,842	358,642,925	499,235,951	410,313,244
Finance cost allocated to future periods	(87,957,917)	-	(88,922,707)	-
Present value of minimum lease payments	358,642,925	358,642,925	410,313,244	410,313,244
Less: current portion	(114,792,162)	(114,792,162)	(105,997,707)	(105,997,707)
	243,850,763	243,850,763	304,315,537	304,315,537

21.1	Movement of lease liability against right-of-use assets	Note	2023	2022
			----- Rupees -----	
	Balance at the beginning of the year		410,313,244	240,552,122
	Additions during the year		87,841,698	305,288,666
	Interest expense during the year		53,771,486	44,758,390
	Effect of termination of lease		(27,125,151)	(873,537)
	Rentals paid during the year		(166,158,352)	(179,412,397)
	Balance at the end of the year		358,642,925	410,313,244

22 DEFERRED LIABILITIES

Gratuity - unfunded	22.1	364,018,573	304,948,058
Deferred income	22.2	26,371,661	14,133,020
		390,390,234	319,081,078

22.1 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 basic salary for each completed year of such service. For the current year, annual provision is based on actuarial valuation. The latest valuation was carried out as at June 30, 2023 by independent actuary, using the projected unit credit method.

The gratuity scheme exposes the Company to the following risks:

Mortality risk

This is the risk that the actual mortality experience is different. The effect depends on the beneficiaries' service / age distribution and the benefit.

Final salary risk

This is the risk that the final salary at the time of cessation of service is higher than expectation. Since the benefit is calculated on the basis of final salary, the benefit amount increases proportionately.

Withdrawal risk

This is the risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

Discount rate fluctuation

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities.

		2023	2022
		Percentage	
22.1.1 Principal actuarial assumptions			
Estimated rate of increase in salary of the employees		13.00%	13.00%
Discount rate		14.25%	13.00%
Mortality rates (for death in service)		EFU(61-66)	EFU(61-66)
	Note	2023	2022
		----- Rupees -----	
22.1.2 Reconciliation of provision for gratuity scheme obligation			
Obligation at beginning of year		304,948,058	277,994,880
Current service cost	22.1.4	42,386,447	36,982,382
Interest cost	22.1.4	38,167,244	26,383,106
Benefits paid		(22,707,741)	(41,197,445)
Remeasurement:			
- due to change in financial assumptions		-	-
- due to change in demographic assumptions		-	-
- due to change in experience adjustments		1,224,565	4,785,135
Obligation at end of year		364,018,573	304,948,058
22.1.3 Amount recognised in the statement of financial position			
Present value of defined benefit obligation	22.1.2	364,018,573	304,948,058
22.1.4 The amounts recognised in the statement of profit or loss - expenses			
Current service cost		42,386,447	36,982,382
Interest cost		38,167,244	26,383,106
		80,553,691	63,365,488

	Note	2023	2022
		----- Rupees -----	
22.1.5 The amounts recognized in other comprehensive income			
Remeasurement loss due to experience		<u>1,224,565</u>	<u>4,785,135</u>

22.1.6 Expected benefit payments for the next 4 years and beyond

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)		<u>10,477,172</u>	<u>7,271,477</u>
between 2 to 4 years		<u>117,758,952</u>	<u>38,293,942</u>
beyond 4 years		<u>424,381,348</u>	<u>258,457,909</u>
		<u>552,617,472</u>	<u>304,023,328</u>

Based on actuarial advice, the Company intends to charge an amount of Rs 108,054,375 in the financial statements in respect of the unfunded gratuity scheme for the year ending June 30, 2024.

The weighted average duration of defined benefit obligation is 11.7 years (2022: 13 years)

22.1.7 Sensitivity Analysis on liability of significant actuarial assumptions		2023	2022
Discount Rate +1%		<u>(33,308,548)</u>	<u>(31,540,377)</u>
Discount Rate -1%		<u>39,019,958</u>	<u>37,312,303</u>
Long Term Salary Increases +1%		<u>39,020,120</u>	<u>36,715,084</u>
Long Term Salary Increases -1%		<u>(33,851,932)</u>	<u>(31,560,531)</u>

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability.

22.1.8 Historical information of staff retirement benefits

	2023	2022	2021	2020	2019
	----- Rupees -----				
Present value of defined benefit obligation	<u>364,018,573</u>	<u>304,948,058</u>	<u>277,994,880</u>	<u>219,342,815</u>	<u>175,948,035</u>

22.1.9 Gratuity expense for the year has been allocated as follows:	Note	2023	2022
		----- Rupees -----	
Administrative expenses	29	<u>45,545,899</u>	<u>25,990,073</u>
Selling and marketing expenses	30	<u>35,007,792</u>	<u>37,375,415</u>
		<u>80,553,691</u>	<u>63,365,488</u>

22.2 Deferred income

Balance as at the beginning of the year		<u>14,133,020</u>	<u>8,281,944</u>
Additions during the year		<u>21,204,896</u>	<u>12,392,875</u>
Unwinding of income for the year	28	<u>(7,672,467)</u>	<u>(5,604,681)</u>
Reversal of income on lease termination		<u>(1,293,788)</u>	<u>(937,118)</u>
Balance as at the end of the year		<u>26,371,661</u>	<u>14,133,020</u>

23	TRADE AND OTHER PAYABLES	Note	2023	2022
			----- Rupees -----	
	Federal excise duty payable	23.1	369,628,324	369,628,324
	Sales tax payable		71,596,119	64,382,446
	Staff bonus payable		130,016,181	71,298,487
	Accrued expenses		35,063,806	21,643,594
	Other payable		20,028,770	10,120,995
	Commission payable		20,233,633	15,248,118
	Payable to provident fund		8,899,705	-
	Withholding tax payable		10,636,076	41,751
	Provision for Sindh Workers' Welfare Fund	23.2	12,068,982	6,301,192
	Advisory fee payable		4,346,545	3,754,337
	Leave fare assistance payable		316,338	396,592
	Audit fee payable		2,523,840	807,840
	Accrued interest on lease liability against leased vehicles		1,417,455	475,499
	Staff conveyance payable		2,413,388	-
			689,189,162	564,099,175

- 23.1** 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.

During the year ended June 30, 2017, Honourable Supreme Court of Pakistan (HSC) 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 Honourable Supreme Court of Pakistan (HSC) which is pending adjudication.

In view of the above, the Funds have 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 (2022: Rs 369.6 million) is being retained in these financial statements as the matter is pending before the Supreme Court of Pakistan.

23.2	Movement in Sindh Workers' Welfare Fund payable	Note	2023	2022
			----- Rupees -----	
	At the beginning of the year		6,301,192	6,607,214
	Provision for the year	32	12,786,915	7,019,125
	Payments during the year		(7,019,125)	(7,325,147)
	At the end of the year		12,068,982	6,301,192

24 CONTINGENCIES AND COMMITMENTS

24.1 Contingencies

- 24.1.1** 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.

24.1.2 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.

24.1.3 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 an appeal 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 the 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. Based on the advice of its tax consultant, the management anticipates a favourable outcome of such appeal, and accordingly, no provision has been recorded in these financial statements for the above matter.

24.1.4 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 of the 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. Based on the advice of its tax consultant, the management anticipates a favourable outcome of such appeal, and accordingly, no provision has been recorded in these financial statements for the above matter.

24.1.5 During the year ended June 30, 2021, an investor lodged a complaint with the Securities and Exchange Commission of Pakistan (SECP) dated July 2020 against alleged loss on the investment in the stock fund. SECP ordered the Management Company to reimburse the front-end load charges amounting to Rs. 0.276 million to investor. The investor, being aggrieved by the said order of the SECP, filed an appeal in the Appellate Bench of the SECP. On October 1, 2020, the Appellant Bench vide its order endorsed the earlier order of the SECP. The investor filed an appeal in the Sindh High Court (SHC) on November 30, 2020 against the said above-mentioned order for the compensation of losses amounting to around Rs. 4.3 million. The matter is still pending in the SHC. The management of the Company is confident that the matter will be decided in the Company's favour and accordingly, no provision has been recorded in these financial statements for the above matter.

24.2 Commitments

Fixed capital expenditure contracted but not incurred amounted in aggregate to Rs 6.3 million (2022 : Rs Nil).

	Note	2023	2022
		-----Rupees-----	
25 MANAGEMENT AND INVESTMENT ADVISORY FEE			
Management fee	25.1	1,423,385,230	1,016,443,515
Investment advisory fee	25.2	78,827,733	84,529,510
		<u>1,502,212,963</u>	<u>1,100,973,025</u>

25.1 Open-ended Collective Investment Schemes (Management fee)

	2023			2022		
	Gross fee	Sindh sales tax	Net fee	Gross fee	Sindh sales tax	Net fee
	Rupees -----			Rupees -----		
NBP Income Opportunity Fund	60,798,765	6,994,548	53,804,217	68,137,472	7,838,824	60,298,648
NBP Stock Fund	334,326,025	38,462,286	295,863,739	358,336,996	41,224,610	317,112,386
NBP Balanced Fund	21,521,470	2,475,921	19,045,549	22,968,935	2,642,444	20,326,491
NBP Islamic Savings Fund	40,717,189	4,684,278	36,032,911	16,650,681	1,915,565	14,735,116
NBP Islamic Sarmaya Izafa Fund	50,751,667	5,838,687	44,912,980	85,364,052	9,820,643	75,543,409
NBP Savings Fund	39,397,586	4,532,466	34,865,120	12,497,339	1,437,747	11,059,592
NBP Government Securities Liquid Fund	3,000,515	345,192	2,655,323	2,380,838	273,902	2,106,936
NBP Mahana Amdani Fund	8,220,759	945,751	7,275,008	8,395,475	965,851	7,429,624
NBP Riba Free Savings Fund	20,419,362	2,349,130	18,070,232	21,946,940	2,524,869	19,422,071
NBP Sarmaya Izafa Fund	15,136,541	1,741,372	13,395,169	21,054,612	2,422,212	18,632,400
NBP Financial Sector Income Fund	315,674,448	36,316,529	279,357,919	164,829,247	18,962,657	145,866,590
NBP Money Market Fund	312,172,555	35,913,657	276,258,898	51,070,401	5,875,356	45,195,045
NAFA Pension Fund	23,941,865	2,754,374	21,187,491	30,709,698	3,532,974	27,176,724
NAFA Islamic Pension Fund	27,357,570	3,147,331	24,210,239	37,037,077	4,260,903	32,776,174
NBP Government Securities Savings Fund	5,216,153	600,088	4,616,065	400,879	46,119	354,760
NBP Islamic Stock Fund	90,820,124	10,448,333	80,371,791	127,384,771	14,654,885	112,729,886
NAFA Islamic Active Allocation Plan-I	2,170	250	1,920	-	-	-
NAFA Islamic Active Allocation Plan-II	1,755	202	1,553	458	53	405
NAFA Islamic Active Allocation Plan-III	58,005	6,673	51,332	98,256	11,304	86,952
NBP Islamic Energy Fund	11,501,532	1,323,185	10,178,347	13,002,181	1,495,826	11,506,355
NBP Islamic Active Allocation Equity Fund	4,945,981	569,007	4,376,974	9,381,549	1,079,293	8,302,256
NBP Active Allocation Riba Free Savings Fund	-	-	-	228,823	26,325	202,498
NAFA Islamic Active Allocation Plan-IV	83,089	9,559	73,530	148,685	17,105	131,580
NAFA Islamic Active Allocation Plan-V	45,493	5,234	40,259	74,288	8,546	65,742
NAFA Islamic Active Allocation Plan-VI	4,769	549	4,220	23,785	2,736	21,049
NAFA Islamic Active Allocation Plan-VII	18,897	2,174	16,723	21,977	2,528	19,449
NAFA Islamic Active Allocation Plan-VIII	28,730	3,305	25,425	45,800	5,269	40,531
NBP Financial Sector Fund	5,337,328	614,029	4,723,299	7,537,451	867,140	6,670,311
NBP Islamic Money Market Fund	18,390,258	2,115,693	16,274,565	6,513,996	749,398	5,764,598
NAFA Islamic Capital Preservation Plan-I	54,907	6,317	48,590	130,470	15,010	115,460
NAFA Islamic Capital Preservation Plan-II	41,896	4,820	37,076	97,720	11,242	86,478
NAFA Islamic Capital Preservation Plan-III	39,982	4,600	35,382	59,735	6,872	52,863
NAFA Islamic Capital Preservation Plan-IV	16,637	1,914	14,723	40,242	4,630	35,612
NAFA Islamic Capital Preservation Plan-V	30,208	3,475	26,733	38,559	4,436	34,123
NAFA Islamic Capital Preservation Plan-VI	254,881	29,323	225,558	-	-	-
NBP Government Securities Plan-I	-	-	-	42,911	4,937	37,974
NBP Islamic Mahana Amdani Fund	26,093,372	3,001,892	23,091,480	29,988,906	3,450,051	26,538,855
NBP Islamic Daily Dividend Fund	32,596,794	3,750,074	28,846,720	14,832,962	1,706,447	13,126,515
NBP Pakistan Growth Exchange Traded Fund	258,413	29,729	228,684	511,324	58,825	452,499
NBP Islamic Regular Income Fund	148,329	17,064	131,265	2,037,623	234,417	1,803,206
NBP Fixed Term Munafa Plan-III	2,101,549	241,771	1,859,778	-	-	-
NBP Cash Plan-I	491,465	56,540	434,925	-	-	-
NBP Cash Plan-II	1,400,791	161,153	1,239,638	-	-	-
NBP Income Plan-I	571,916	65,796	506,120	-	-	-
NBP Government Securities Plan-II	10,720,922	1,233,380	9,487,542	-	-	-
NBP Government Securities Plan-III	4,343,911	499,742	3,844,169	-	-	-
NBP Fixed Term Munafa Plan-I	25,322,458	2,913,203	22,409,255	-	-	-
NBP Islamic Fixed Term Munafa Plan-II	244,182	28,092	216,090	-	-	-
NBP Government Securities Plan-IV	1,346,332	154,888	1,191,444	-	-	-
NBP Government Securities Plan-V	11,745,026	1,351,198	10,393,828	-	-	-
NBP Islamic Fixed Term Munafa Plan-I	154,859	17,816	137,043	-	-	-
NBP Fixed Term Munafa Plan-II	6,239,504	717,819	5,521,685	-	-	-
NBP Islamic Income Fund	74,316,376	8,549,672	65,766,704	34,558,058	3,975,706	30,582,352
	1,608,425,310	185,040,080	1,423,385,230	1,148,581,172	132,137,657	1,016,443,515

25.1.1 Remuneration for the services rendered by the Management Company has been calculated by applying the following rates. These rates are determined in accordance with the provisions of the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the Voluntary Pension System Rules, 2005 (the VPS Rules).

Name of the Fund	2023				2022			
	Management Fee as a % of	Management Fee as a % of Net	Management fee as a % of net assets subject to		Management Fee as a % of	Management Fee as a % of Net	Management fee as a % of net assets subject to	
	Gross Income	Income	Lower cap	Upper cap	Gross Income	Income	Lower cap	Upper cap
NBP Income Opportunity Fund	-	6.00%	1.00%	1.00%	-	6.00%	0.50%	1.00%
NBP Stock Fund	-	-	2.50%	2.50%	-	-	2.50%	2.50%
NBP Balanced Fund	-	-	2.50%	2.50%	-	-	2.50%	2.50%
NBP Islamic Savings Fund	-	8.00%	1.48%	1.48%	-	8.00%	0.50%	1.50%
NBP Islamic Sarmaya Izafa Fund	-	-	2.00%	2.00%	-	-	2.00%	2.00%
NBP Savings Fund	-	8.00%	1.50%	1.50%	-	8.00%	0.50%	1.50%
NAFA Government Securities Liquid Fund	-	1.00%	0.22%	0.22%	-	-	-	-
NBP Mahana Amdani Fund	-	1.00%	0.21%	0.21%	-	1.00%	0.15%	1.00%
NBP Riba Free Savings Fund	-	6.00%	1.18%	1.18%	-	6.00%	0.50%	1.25%
NBP Sarmaya Izafa Fund	-	-	2.00%	2.00%	-	-	2.00%	2.00%
NBP Financial Sector Income Fund	-	4.00%	0.93%	0.93%	-	6.00%	0.50%	1.50%
NBP Money Market Fund	-	3.00%	0.62%	0.62%	-	1.00%	0.15%	1.00%
NAFA Pension Fund	-	-	0.35%	1.50%	-	-	-	-
NAFA Islamic Pension Fund	-	-	0.20%	1.50%	-	-	-	-
NBP Government Securities Savings Fund	-	1.50%	0.31%	0.31%	-	1.50%	0.20%	1.00%
NBP Islamic Stock Fund	-	-	2.00%	2.00%	-	-	2.00%	2.00%
NAFA Islamic Active Allocation Plan-I*	-	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.		
NAFA Islamic Active Allocation Plan-II*	-							
NAFA Islamic Active Allocation Plan-III*	-							
NBP Islamic Energy Fund	-	-	1.50%	1.50%	-	-	1.50%	1.50%
NBP Islamic Active Allocation Equity Fund*	-	-	2%	2%	-	-	2.00%	2.00%
NBP Active Allocation Riba Free Savings Fund	-	-	-	-	-	9.00%	0.50%	1.25%
NAFA Islamic Active Allocation Plan-IV*	-	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.		
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%
NBP Islamic Money Market Fund	-	1.00%	0.19%	0.19%	-	1.00%	0.10%	1.00%
NAFA Islamic Capital Preservation Plan-I*	-	Management fee of 1% 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.		
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	-	Management fee of 0.15% will be charged on average annual net assets that have been placed in cash and bank accounts of the fund.			-			
NBP Government Securities Plan-I*	-	-	-	-	-	-	-	-
NBP Islamic Mahana Amdani Fund	-	1.50%	0.30%	0.30%	-	1.50%	0.20%	1.50%
NBP Islamic Daily Dividend Fund	-	0.50%	0.10%	0.10%	-	1.00%	0.10%	1.00%
NBP Pakistan Growth Exchange Traded Fund	-	-	0.00%	0.00%	-	-	0.75%	0.75%
NBP Islamic Regular Income Fund*	-	-	1.50%	1.50%	-	-	1.50%	1.50%
NBP Fixed Term Munafa Plan-III	-	-	0.15%	0.15%	-	-	-	-
NBP Cash Plan-I	-	Management fee of 1% will be charged on average annual net assets that have been placed in cash and bank accounts of the fund.			-	-	-	-
NBP Cash Plan-II	-				-	-	-	
NBP Income Plan-I	-				-	-	-	

Name of the Fund	2023				2022			
	Management Fee as a % of Gross Income	Management Fee as a % of Net Income	Management fee as a % of net assets subject to		Management Fee as a % of Gross Income	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 Government Securities Plan-II	2.00%	-	0.44%	0.44%	-	-	-	-
NBP Government Securities Plan-III	2.00%	-	0.48%	0.48%	-	-	-	-
NBP Fixed Term Munafa Plan-I	2.75%	-	0.84%	0.84%	-	-	-	-
NBP Islamic Fixed Term Munafa Plan-II	-	-	0.15%	0.15%	-	-	-	-
NBP Government Securities Plan-IV	2.00%	-	0.44%	0.44%	-	-	-	-
NBP Government Securities Plan-V	2.00%	-	0.45%	0.45%	-	-	-	-
NBP Islamic Fixed Term Munafa Plan-I	2.00%	-	0.15%	0.15%	-	-	-	-
NBP Fixed Term Munafa Plan-II	2.00%	-	0.49%	0.49%	-	-	-	-
NBP Islamic Income Fund	-	6.00%	1.18%	1.18%	-	6.00%	0.50%	1.25%

*These funds were revoked during the year.

25.2 Investment advisory fee

	2023			2022		
	Gross fee	Sindh sales tax	Net fee	Gross fee	Sindh sales tax	Net fee
	Rupees			Rupees		
Discretionary portfolio	87,293,239	10,042,585	77,250,654	93,498,775	10,756,496	82,742,279
Non-discretionary portfolio	1,782,099	205,020	1,577,079	2,019,571	232,340	1,787,231
	89,075,338	10,247,605	78,827,733	95,518,346	10,988,836	84,529,510

25.2.1 The Company is managing portfolio of investors under discretionary and non-discretionary portfolio management agreements. Investment advisory fee from the discretionary portfolio is calculated on daily basis by charging specified rates to the net asset value of the portfolio as stated in the respective agreements with the clients. Investment advisory fee is charged at the rates ranging from 0.10% to 2.50% (2022: 0.10% to 1.00%) per annum. Performance fee is charged to some investors based on the contractual rates at the end of the respective mandates. Upfront fee for each portfolio / rollover is deducted as over and above the mutually agreed indicative yield to maturity. The details of the discretionary portfolio is given below:

	2023		2022	
	Cost	Market value	Cost	Market value
	Rupees		Rupees	
Discretionary portfolio				
Debt / equity securities	25,989,972,547	25,662,683,904	17,313,681,717	16,517,349,978
Cash	1,241,364,661	1,241,364,661	4,131,680,523	4,131,680,523
	27,231,337,208	26,904,048,565	21,445,362,240	20,649,030,501
Number of portfolios	90	90	88	88

26 SALES LOAD INCOME

	2023	2022
	Rupees	
Gross load income	229,608,620	183,585,363
Less: Sindh sales tax	(26,415,151)	(21,120,440)
Net sales load income	203,193,469	162,464,923

	Note	2023	2022
		----- Rupees -----	
27 DEBIT CARD FEE			
Gross debit card fee		13,919,142	8,012,440
Less: Sindh sales tax		(1,601,317)	(921,785)
Net debit card fee		12,317,825	7,090,655
28 OTHER INCOME			
Unwinding of deferred income	22.2	7,672,467	5,604,681
Gain on disposal of property and equipment	5.4	10,805,801	13,462,896
Foreign exchange gain		1,530,482	-
Gain on termination of lease		2,435,803	120,287
		22,444,553	19,187,864
29 ADMINISTRATIVE EXPENSES			
Salaries, allowances and other benefits		531,199,952	452,937,476
Depreciation on property and equipment	5.2	76,478,829	82,623,768
Amortization on intangible assets	6.1.1	24,952,772	24,172,365
Depreciation on right-of-use assets	7.1	68,918,867	62,414,855
Bonus to staff		111,440,429	60,624,151
Legal and professional charges		84,847,467	57,788,720
Investor service charges		433,984	-
Communications		23,552,464	30,695,637
Charge for gratuity scheme	22.1.9	45,545,899	25,990,073
Printing and stationery		12,259,716	21,402,702
Utilities		42,239,010	29,012,864
Investor's insurance		24,199,062	26,833,843
Fees and subscription		13,643,697	20,392,620
Repairs and maintenance		19,546,906	15,377,371
Staff conveyance		39,717,346	22,240,094
Staff medical insurance		9,629,225	10,477,928
Property and general insurance		13,376,901	14,664,391
Directors' meeting fee		17,600,000	8,500,000
Traveling		8,227,583	3,572,217
Staff training costs		5,274,854	442,135
Security charges		5,922,823	3,890,928
Miscellaneous expenses		2,747,685	2,816,954
Donations	29.1	2,000,000	1,000,000
		1,183,755,471	977,871,092
Reimbursement of expenses from Collective Investment Schemes (CISs)		(290,731,295)	(233,752,404)
		893,024,176	744,118,688
29.1 Donations			
Prime Minister's Flood Relief Fund 2022		2,000,000	-
Patients' Behbud Society of Aga Khan University Hospital		-	1,000,000
		2,000,000	1,000,000

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

30	SELLING AND MARKETING EXPENSES	Note	2023	2022
			----- Rupees -----	
	Salaries, allowances and other benefits		680,353,994	592,085,381
	Staff conveyance		41,874,321	61,265,746
	Marketing and business		119,508,535	79,826,825
	Commission		102,344,579	80,291,823
	Depreciation on property and equipment	5.2	53,013,299	48,726,395
	Amortization on intangible assets	6.1.1	19,409,721	17,805,504
	Depreciation on right-of-use assets	7.1	67,793,918	70,177,096
	Utilities		37,991,357	27,776,021
	Communications		38,422,384	26,265,240
	Charge for gratuity scheme	22.1.9	35,007,792	37,375,415
	Staff medical insurance		20,307,576	16,403,001
	Rent, rate and taxes		825,395	1,177,708
	Security charges		15,059,571	9,437,591
	Printing and stationery		14,735,936	10,594,211
	Repairs and maintenance		14,745,912	14,321,773
	Staff training costs		910,595	1,148,934
	Traveling		2,657,824	1,902,114
	Property and general insurance		2,983,378	2,729,326
	Bonus to staff		18,573,405	10,674,336
	Legal and professional charges		6,776,068	3,595,837
	Fees and subscription		818,637	488,337
	Miscellaneous		1,018,060	1,777,367
			<u>1,295,132,257</u>	<u>1,115,845,981</u>
	Reimbursement of expenses from Collective Investment Schemes (CISs)		<u>(1,156,831,413)</u>	<u>(1,084,963,714)</u>
			<u>138,300,844</u>	<u>30,882,267</u>
31 FINANCIAL CHARGES				
	Interest expense on lease liability against right-of-use assets		53,771,486	44,758,390
	Mark-up on lease liability against assets subject to Diminishing Musharaka		22,412,449	11,287,900
	Bank charges		63,862	78,742
			<u>76,247,797</u>	<u>56,125,032</u>
32 OTHER CHARGES				
	Auditors' remuneration	32.1	5,372,200	1,092,960
	Sindh Workers Welfare Fund		12,786,915	7,019,125
	Penalty imposed by the Securities Exchange Commission of Pakistan		150,000	-
			<u>18,309,115</u>	<u>8,112,085</u>
32.1 Auditors' remuneration				
	Services rendered as Auditors			
	Audit fee		836,000	540,000
	Half yearly review		264,000	240,000
	Review fee on compliance with the Code		175,000	140,000
	Out of pocket expenses		127,500	92,000
	Sindh sales tax		112,200	80,960
			<u>1,514,700</u>	<u>1,092,960</u>
	Services rendered in other capacity			
	Fee for cyber security services		3,400,800	-
	Fee for services related to tax matters		456,700	-
			<u>3,857,500</u>	<u>-</u>
	Aggregate Auditors' remuneration		<u>5,372,200</u>	<u>1,092,960</u>

	Note	2023 ----- Rupees -----	2022 ----- Rupees -----
33 TAXATION - NET			
Current tax charge	33.1	275,179,928	126,038,942
- for the year		-	-
- for prior year		275,179,928	126,038,942
Deferred tax reversal		(56,939,945)	(20,653,089)
		218,239,983	105,385,853

33.1 Through Finance Act 2022 and 2023, tax rate has been enhanced to 39% (June 30, 2022: 33%) including 10% (June 30, 2022: 4%) super tax . Accordingly, the Company has recognised super tax charge of Rs 74,130,850 (June 30, 2022: Rs 15,095,316) in the current year based on taxable income for the year.

	2023 ----- Rupees -----	2022 ----- Rupees -----
Relationship between income tax expense and accounting profit		
Accounting profit before tax	626,572,696	343,607,165
Tax rate	29%	29%
Tax on accounting profit at applicable rate	181,706,082	99,646,078
Tax effect of inadmissible expenses	9,554,487	1,087,555
Tax effect of income taxed at lower rate	(1,803,339)	4,875,951
Tax effect of income subject to final tax	(10,634,705)	1,710,426
Tax effect of change in tax rate	(33,807,925)	(16,699,473)
Tax effect of super tax	74,116,831	15,095,316
Tax credit on charitable donation	(228,565)	(330,000)
Tax effect on permanent difference	(662,883)	-
	218,239,983	105,385,853

34 EARNINGS PER SHARE - BASIC AND DILUTED

34.1 Basic

Basic earnings per share has been computed by dividing profit for the year attributable to ordinary shareholders by the weighted average number of shares outstanding as at the year end as follows:

	2023	2022
Profit for the year attributable to ordinary shareholders (in Rupees)	408,332,713	238,221,312
Weighted average number of ordinary shares (number of shares)	25,000,000	25,000,000
Basic earning per share (in Rupees)	16.33	9.53

34.2 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, 2023 and June 30, 2022 which would have any dilutive effect on the earnings per share if the option to convert is exercised.

	2023 ----- Number-----	2022 ----- Number-----
35 NUMBER OF EMPLOYEES		
Employees as at June 30		
-Permanent	495	505
-Contractual	151	236
	646	741

	2023	2022
	----- Number -----	
Average number of employees during the year		
-Permanent	498	519
-Contractual	186	364
	684	883

36 REMUNERATION TO THE CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for remuneration including all benefits to the Chief Executive Officer, Directors and Executives of the Company are as follows:

	2023			2022		
	Chief Executive Officer	Directors	Executives	Chief Executive Officer	Directors	Executives
	Rupees					
Managerial remuneration	56,184,000	-	511,029,848	49,940,400	-	409,011,653
Performance Bonus	31,328,635	-	66,525,988	17,946,615	-	38,108,488
Contribution to provident fund	-	-	31,499,351	-	-	25,614,511
Contribution to gratuity fund	-	-	26,249,459	-	-	21,989,874
Commission	-	-	60,685,056	-	-	47,326,735
Utilities	1,380,931	-	54,631,945	704,911	-	27,721,635
Medical allowances	247,470	-	2,996,483	457,699	-	2,810,322
Meeting fee	-	17,600,000	-	-	8,500,000	-
	89,141,036	17,600,000	753,618,130	69,049,625	8,500,000	572,583,218
Number of person(s)	1	8	101	1	8	85

* Mr. Humayun retired from the Board with effect from October 04, 2022.

36.1 'Executive' means an employee other than the Chief Executive and directors, whose basic salary exceeds Rs. 1,200,000 in a financial year.

36.2 Directors are entitled for remuneration for attending the board meetings. The fee for the meetings during the year are given below:

From July 1, 2022 to October 19, 2022	From October 20, 2022 to June 30, 2023	From July 1, 2021 to June 30, 2022	From July 1, 2022 to October 19, 2022	From October 20, 2022 to June 30, 2023	From July 1, 2021 to June 30, 2022
Fee for attending the Board Meeting			Fee for attending the Board sub-committee meeting		
Rs.100,000 per meeting	Rs.200,000 per meeting	Rs.100,000 per meeting	Rs.100,000 per meeting	Rs.150,000 per meeting	Rs.100,000 per meeting

36.3 The executives are provided with Company maintained car.

37 DEFINED CONTRIBUTION PLAN

37.1 The Company being registered as a Pension Fund Manager under the Voluntary Pension System Rules, 2005 manages National Fullerton Asset Management Limited - Employees' Provident Fund to which equal monthly contributions are made both by the Company and the employees at the rate of 10% of basic salary. The financial statements of the fund are separately prepared and audited and are not included as part of these financial statements. The Fund is managed by the Company and all decisions regarding investments and distribution of income etc. are made by the Investment Committee of the Company.

During the year, an amount of Rs. 54.90 million (2022: Rs. 46.21 million) has been charged to the statement of profit or loss in respect of the Company's contributions to the Voluntary Pension Scheme.

38 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties of the Company comprise of National Bank of Pakistan being the related party, major shareholders and the companies owned by such shareholders, directors and entities owned by the directors of the Company where they also hold directorships and key management personnel and their close family members and contributory provident fund. Transactions with related parties are entered into at negotiated prices at commercial terms. Remuneration to key management personnel is disclosed in note 36 to the financial statements. The aggregate value of transactions and outstanding balances as at June 30, 2023 with related parties other than those which have been disclosed elsewhere are as follows:

38.1 Amounts outstanding as at year end	2023	2022
	----- Rupees -----	
National Bank of Pakistan - Parent Company		
Bank deposits	45,790,729	3,564,952
Mark-up receivable on bank deposits	11,692,226	-
Bank Islami Pakistan Limited - Common Directorship*		
Bank deposits	-	8,141
Mark-up receivable on bank deposits	-	-
Mutual Fund Association of Pakistan - Common Directorship*		
Long term investment	-	265,000
Baltoro Growth Fund - Common Directorship		
Dividend payable	281,340,000	114,300,016
National Clearing Company of Pakistan Limited - Common Directorship*		
Capital gain tax refundable	-	3,735,735
National Fullerton Asset Management Limited - Employees' Provident Fund		
Receivable on account of final settlement of employees	240,825	240,816
Payable on account of contribution	9,140,530	-
Dr.Amjad Waheed-Chief Executive Officer		
Loan Outstanding	8,964,494	-
Key management personnel		
Loan Outstanding	13,439,284	9,609,088
Funds under management		
NBP Government Securities Liquid Fund		
Management fee receivable (inclusive of SST and FED)	46,110,303	45,971,960
Debit card fee receivable	23,869	10,398
Sales load receivable	918,857	163,527
Reimbursement of accounting and operational services	487,336	301,271
Reimbursement of marketing and selling expenses	3,072,233	1,205,089
NBP Mahana Amdani Fund		
Management fee receivable (inclusive of SST and FED)	11,614,429	11,262,233
Debit card fee receivable	1,210,865	1,041,833
Sales load receivable	3,169,114	2,622,603
Other receivable	287,628	287,628
Reimbursement of accounting and operational services	1,707,011	1,394,843
Reimbursement of marketing and selling expenses	13,088,560	12,463,288
NBP Income Opportunity Fund		
Management fee receivable (inclusive of SST and FED)	44,077,809	45,710,823
Debit card fee receivable	307,267	435,911
Sales load receivable	1,747,686	2,206,970
Reimbursement of accounting and operational services	1,995,653	2,644,500
Reimbursement of marketing and selling expenses	9,313,081	14,809,203
Carrying value of investment	-	348,271
NBP Savings Fund		
Management fee receivable (inclusive of SST and FED)	7,270,865	4,446,023
Debit card fee receivable	262,806	44,758
Sales load receivable	3,657,391	415,764
Other receivable	-	-
Reimbursement of accounting and operational services	1,210,208	482,896
Reimbursement of marketing and selling expenses	6,454,422	3,091,078

	2023	2022
	Rupees	
NBP Islamic Savings Fund		
Management fee receivable (inclusive of SST and FED)	9,278,765	6,098,271
Debit card fee receivable	659,509	227,103
Sales load receivable	3,406,432	1,600,927
Other receivable	-	-
Reimbursement of accounting and operational services	1,432,599	662,176
Reimbursement of marketing and selling expenses	8,101,058	4,502,793
Carrying value of investment	9,580,502	1,278,221
NBP Money Market Fund		
Management fee receivable (inclusive of SST and FED)	81,211,410	50,107,324
Debit card fee receivable	329,697	183,914
Sales load receivable	5,516,028	6,085,716
Reimbursement of accounting and operational services	19,770,896	11,640,492
Reimbursement of marketing and selling expenses	73,258,333	10,713,885
Carrying value of investment	549,028,661	366,825,092
NBP Islamic Sarmaya Izafa Fund		
Management fee receivable (inclusive of SST and FED)	20,846,023	24,219,997
Debit card fee receivable	136,018	123,998
Sales load receivable	20,711,161	18,869,626
Other receivable	-	-
Reimbursement of accounting and operational services	786,226	1,722,726
Reimbursement of marketing and selling expenses	5,110,418	11,197,702
Carrying value of investment	-	79,864,787
NBP Balanced Fund		
Management fee receivable (inclusive of SST and FED)	13,135,560	13,498,736
Debit card fee receivable	1,129	2,260
Sales load receivable	835,476	922,259
Other receivable	-	-
Reimbursement of accounting and operational services	336,953	429,829
Reimbursement of marketing and selling expenses	2,190,135	2,793,883
NBP Stock Fund		
Management fee receivable (inclusive of SST and FED)	55,868,757	64,401,860
Debit card fee receivable	34,160	51,279
Sales load receivable	4,056,129	4,573,560
Reimbursement of accounting and operational services	5,279,151	7,543,713
Reimbursement of marketing and selling expenses	40,913,446	58,463,781
Carrying value of investment	-	158,439,423
NBP Sarmaya Izafa Fund		
Management fee receivable (inclusive of SST and FED)	16,933,017	17,518,038
Debit card fee receivable	17,719	18,332
Sales load receivable	3,733,437	4,599,910
Other receivable	-	-
Reimbursement of accounting and operational services	261,026	436,103
Reimbursement of marketing and selling expenses	1,696,693	2,834,672
NBP Riba Free Savings Fund		
Management fee receivable (inclusive of SST and FED)	12,377,838	12,666,784
Debit card fee receivable	66,963	100,006
Sales load receivable	419,322	599,959
Other receivable	-	-
Reimbursement of accounting and operational services	606,899	904,165
Reimbursement of marketing and selling expenses	3,837,380	6,864,059

	2023	2022
	----- Rupees -----	
NBP Financial Sector Income Fund		
Management fee receivable (inclusive of SST and FED)	36,411,947	22,439,535
Debit card fee receivable	1,080,524	691,877
Sales load receivable	7,570,787	9,094,581
Other receivable	168,500	168,500
Reimbursement of accounting and operational services	12,576,096	11,241,945
Reimbursement of marketing and selling expenses	27,225,120	36,973,413
Carrying value of investment	242,693,711	-
NAFA Pension Fund		
Management fee receivable (inclusive of SST and FED)	6,158,213	5,991,274
Sales load receivable	2,798,735	2,814,015
Other receivable	225,000	225,000
Reimbursement of accounting and operational services	1,444,982	1,062,368
Reimbursement of marketing and selling expenses	8,369,123	6,572,430
NAFA Islamic Pension Fund		
Management fee receivable (inclusive of SST and FED)	4,309,079	4,610,452
Sales load receivable	4,903,273	7,543,370
Other receivable	225,000	225,000
Reimbursement of accounting and operational services	1,502,974	1,219,945
Reimbursement of marketing and selling expenses	8,286,061	8,230,935
NAFA Islamic Principal Protected Fund-I		
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
NAFA Islamic Principal Protected Fund-II		
Management fee receivable (inclusive of SST and FED)	8,152,118	8,152,118
Sales load receivable	2,899,054	2,899,057
Other receivable	120,000	120,000
NBP Government Securities Savings Fund		
Management fee receivable (inclusive of SST and FED)	3,497,905	1,891,684
Debit card fee receivable	32,162	16,910
Sales load receivable	4,308,824	3,609,696
Other receivable	45,000	45,000
Reimbursement of accounting and operational services	1,819,298	46,714
Reimbursement of marketing and selling expenses	9,339,053	261,604
NAFA Islamic Principal Preservation Fund		
Management fee receivable (inclusive of SST and FED)	3,024,240	3,024,240
Sales load receivable	5,258,430	5,258,430
Reimbursement of accounting and operational services	57,252	57,252
NBP Islamic Stock Fund		
Management fee receivable (inclusive of SST and FED)	12,767,401	18,032,037
Debit card fee receivable	62,930	74,570
Sales load receivable	7,750,678	6,670,918
Other receivable	20,000	20,000
Reimbursement of accounting and operational services	1,407,466	2,842,248
Reimbursement of marketing and selling expenses	10,907,847	22,027,419
NBP Active Allocation Riba Free Savings Fund		
Management fee receivable (inclusive of SST and FED)	612,372	612,372
Reimbursement of accounting and operational services	14	7
Reimbursement of marketing and selling expenses	12	13
NBP Islamic Active Allocation Equity Fund		
Management fee receivable (inclusive of SST and FED)	1,521,845	2,075,648
Reimbursement of accounting and operational services	26,330	193,053
Reimbursement of marketing and selling expenses	753,654	1,496,160
Other receivable	650,000	-

	2023	2022
	Rupees	
NAFA Islamic Active Allocation Plan-I		
Management fee receivable (inclusive of SST and FED)	80,212	78,042
Sales load receivable	3,001,958	3,001,958
Other receivable	25,000	25,000
Reimbursement of accounting and operational services	1,813	4,705
NAFA Islamic Active Allocation Plan-II		
Management fee receivable (inclusive of SST and FED)	41,198	40,267
Sales load receivable	2,697,614	2,697,614
Other receivable	25,000	25,000
Reimbursement of accounting and operational services	2,140	5,537
NAFA Islamic Active Allocation Plan-III		
Management fee receivable (inclusive of SST and FED)	5,113	12,114
Sales load receivable	2,993,253	2,993,253
Other receivable	25,100	25,100
Reimbursement of accounting and operational services	8,213	27,593
NBP Financial Sector Fund		
Management fee receivable (inclusive of SST and FED)	246,006	549,472
Debit card fee receivable	-	81
Sales load receivable	132,009	31,209
Reimbursement of accounting and operational services	26	218,121
Reimbursement of marketing and selling expenses	838,464	2,235,477
NBP Islamic Money Market Fund		
Management fee receivable (inclusive of SST and FED)	2,510,672	733,899
Debit card fee receivable	372,737	167,113
Sales load receivable	859,252	1,836,019
Other receivable	151,100	151,100
Reimbursement of accounting and operational services	4,398,000	1,949,748
Reimbursement of marketing and selling expenses	21,462,205	7,798,988
NBP Islamic Regular Income Fund		
Management fee receivable (inclusive of SST and FED)	1,380	168,069
Sales load receivable	229,851	209,533
Other receivable	180,000	180,000
Reimbursement of accounting and operational services	17,443	61,396
Reimbursement of marketing and selling expenses	27,746	552,564
Carrying value of investment	-	112,875,243
NBP Islamic Energy Fund		
Management fee receivable (inclusive of SST and FED)	1,458,085	1,568,581
Debit card fee receivable	2,228	4,785
Sales load receivable	2,286,031	2,077,608
Other receivable	16,103	16,103
Reimbursement of accounting and operational services	329,142	363,309
Reimbursement of marketing and selling expenses	3,373,625	3,723,925
NAFA Islamic Active Allocation Plan-IV		
Management fee receivable (inclusive of SST and FED)	1	11,799
Sales load receivable	-	-
Other receivable	15,000	15,000
Reimbursement of accounting and operational services	1,800	32,005
NAFA Islamic Active Allocation Plan-V		
Management fee receivable (inclusive of SST and FED)	93	5,691
Other receivable	20,000	20,000
Reimbursement of accounting and operational services	5,351	14,150
NAFA Islamic Active Allocation Plan-VI		
Management fee receivable (inclusive of SST and FED)	814	691
Sales load receivable	441,515	441,515
Other receivable	20,000	20,000
Reimbursement of accounting and operational services	47,740	47,425

	2023	2022
	Rupees	
NAFA Islamic Active Allocation Plan-VII		
Management fee receivable (inclusive of SST and FED)	6	1,623
Sales load receivable	343,103	343,103
Other receivable	15,100	15,100
Reimbursement of accounting and operational services	12,312	15,658
NAFA Islamic Active Allocation Plan-VIII		
Management fee receivable (inclusive of SST and FED)	3,185	4,266
Other receivable	15,100	15,100
Reimbursement of accounting and operational services	42,426	51,170
NAFA Islamic Capital Preservation Plan-I		
Management fee receivable (inclusive of SST and FED)	4,235	6,438
Sales load receivable	227,349	227,349
Other receivable	25,000	25,000
Reimbursement of accounting and operational services	5,537	21,554
NAFA Islamic Capital Preservation Plan-II		
Management fee receivable (inclusive of SST and FED)	217	8,273
Sales load receivable	755,129	755,129
Other receivable	20,000	20,000
Reimbursement of accounting and operational services	2,792	10,559
NAFA Islamic Capital Preservation Plan-III		
Management fee receivable (inclusive of SST and FED)	1,874	3,832
Other receivable	28,167	28,167
Reimbursement of accounting and operational services	3,464	11,701
NBP Government Securities Plan I		
Management fee receivable (inclusive of SST and FED)	-	-
Sales load receivable	-	-
Other receivable	-	-
Reimbursement of accounting and operational services	-	-
Reimbursement of marketing and selling expenses	-	-
NAFA Islamic Capital Preservation Plan-IV		
Management fee receivable (inclusive of SST and FED)	217	2,192
Other receivable	24,167	24,167
Reimbursement of accounting and operational services	940	7,603
NBP Islamic Capital Preservation Plan-V		
Management fee receivable (inclusive of SST and FED)	1,868	3,921
Other receivable	29,167	29,167
Reimbursement of accounting and operational services	3,132	7,359
NBP Islamic Mahana Amdani Fund		
Management fee receivable (inclusive of SST and FED)	2,561,849	2,153,320
Debit card fee receivable	1,840,522	1,718,345
Sales load receivable	1,233,841	3,671,962
Preliminary and flotation cost	80,000	80,000
Reimbursement of accounting and operational services	3,461,335	3,635,246
Reimbursement of marketing and selling expenses	25,152,391	29,299,394
NAFA Active Allocation Fund-II		
Other receivable	-	-
NAFA Active Allocation Fund-III		
Other receivable	-	-

	2023	2022
	Rupees	
NBP Government Securities Fund-I		
Other receivable	-	-
NBP Government Securities Plan-II		
Management fee receivable (inclusive of SST and FED)	2,526,970	-
Reimbursement of accounting and operational services	2,312,059	-
Reimbursement of marketing and selling expenses	2,312,057	-
Other receivable	-	-
NBP Government Securities Plan-III		
Management fee receivable (inclusive of SST and FED)	935,110	-
Reimbursement of accounting and operational services	1,360,729	-
Reimbursement of marketing and selling expenses	1,360,729	-
Other receivable	-	-
NBP Government Securities Plan-IV		
Management fee receivable (inclusive of SST and FED)	831,016	-
Sales load receivable	-	-
Reimbursement of accounting and operational services	424,352	-
Reimbursement of marketing and selling expenses	391,293	-
Other receivable	-	-
Preliminary and flotation cost	13,000	-
NBP Government Securities Plan-V		
Management fee receivable (inclusive of SST and FED)	8,321,413	-
Sales load receivable	131,592	-
Reimbursement of accounting and operational services	3,581,667	-
Reimbursement of marketing and selling expenses	13,132,780	-
Other receivable	-	-
Preliminary and flotation cost	5,000	-
NBP Government Securities Plan-VI		
Preliminary and flotation cost	5,000	-
NBP Islamic Daily Dividend Fund		
Management fee receivable (inclusive of SST and FED)	2,055,056	1,429,792
Debit card fee receivable	273,705	42,412
Sales load receivable	4,867,340	184,183
Reimbursement of accounting and operational services	6,848,690	3,329,330
Reimbursement of marketing and selling expenses	36,273,064	532,693
Preliminary and flotation cost	-	-
NBP Islamic Income Fund		
Management fee receivable (inclusive of SST and FED)	5,557,142	5,374,551
Debit card fee receivable	523,050	395,139
Sales load receivable	7,772,028	4,170,737
Reimbursement of accounting and operational services	2,145,028	2,018,449
Reimbursement of marketing and selling expenses	4,147,050	2,112,663
Preliminary and flotation cost	153,448	153,448
NBP Pakistan Growth Exchange Traded Fund		
Management fee receivable (inclusive of SST and FED)	35,625	37,494
Preliminary and flotation cost	20,000	20,000
NBP Islamic Capital Preservation Plan-VI		
Management fee receivable (inclusive of SST and FED)	14,598	-
Debit card fee receivable	-	-
Sales load receivable	236,849	7,759,614
Reimbursement of accounting and operational services	9,180	-
Reimbursement of marketing and selling expenses	-	-
Other receivable	5,000	5,000
Preliminary and flotation cost	-	-

	2023	2022
	Rupees	
NBP Fixed Term Munafa Plan-III		
Management fee receivable (inclusive of SST and FED)	578,653	-
Debit card fee receivable	-	-
Sales load receivable	-	-
Reimbursement of accounting and operational services	1,066,736	-
Reimbursement of marketing and selling expenses	1,466,663	-
Preliminary and flotation cost	-	-
NBP Cash Plan-I		
Management fee receivable (inclusive of SST and FED)	77,744	-
Debit card fee receivable	15,241	-
Sales load receivable	2,715,134	-
NBP Cash Plan-II		
Management fee receivable (inclusive of SST and FED)	196,759	-
Sales load receivable	2,709,881	-
NBP Income Plan-I		
Management fee receivable (inclusive of SST and FED)	134,559	-
Debit card fee receivable	17,668	-
Sales load receivable	8,365,056	-
NBP Fixed Term Munafa Plan-I		
Management fee receivable (inclusive of SST and FED)	7,791,208	-
Debit card fee receivable	-	-
Sales load receivable	-	-
Reimbursement of accounting and operational services	3,494,332	-
Reimbursement of marketing and selling expenses	10,124,690	-
Preliminary and flotation cost	-	-
NBP Islamic Fixed Term Munafa Plan-II		
Management fee receivable (inclusive of SST and FED)	95,683	-
Debit card fee receivable	-	-
Sales load receivable	-	-
Reimbursement of accounting and operational services	1,880,488	-
Reimbursement of marketing and selling expenses	5,713,505	-
NBP Fixed Term Munafa Plan-II		
Management fee receivable (inclusive of SST and FED)	3,181,405	-
NBP Islamic Fixed Term Munafa Plan-I		
Management fee receivable (inclusive of SST and FED)	152,853	-
Reimbursement of accounting and operational services	51,585	-
Reimbursement of marketing and selling expenses	117,566	-
NBP Fixed Term Plan-III		
Preliminary and flotation cost	1,332,500	-
NBP Islamic Mustahkam Fund		
Preliminary and flotation cost	1,191,534	-
NBP Income Fund of Fund		
Preliminary and flotation cost	1,247,500	-
NBP GOPK Pension Fund		
Preliminary and flotation cost	100,000	-
NBP GOPK Islamic Pension Fund		
Preliminary and flotation cost	100,000	-

	2023	2022
	Rupees	
Savings Plan		
Sales load receivable		
NBP Aitemad Education Plan (Islamic)	4,916	299,225
NBP Aitemad Retirement Plan (Islamic)	-	187,977
NBP Aitemad Retirement Plan (Conventional)	51,377	-
NBP Aitemad Wealth Plan (Islamic)	7,543,679	9,399,225
NBP Aitemad Wedding Plan (Conventional)	50,285	-
NBP Aitemad Wedding Plan (Islamic)	26,329	534,358
NBP Aitemad Education Plan (Conventional)	48,116	14,216
NBP Aitemad Wealth Plan (Conventional)	246,918	232,031
Administrative fee receivable	7,765,746	3,221,126
38.2 Transactions during the year		
National Bank of Pakistan - Parent Company		
Dividend paid	250,559,925	70,199,979
Sales commission expense paid	-	77,462
Utilities paid	-	1,881,000
Rent paid	-	2,098,816
Markup on bank deposits	12,057,248	-
Dr. Amjad Waheed - Chief Executive Officer		
Dividend paid	29,000,000	8,125,000
Loan disbursed during the year	12,000,000	-
Loan repaid during the year	3,035,506	-
Mark-up on loan	1,675,432	-
Mr. Haider Amjad		
Dividend paid	5,800,000	1,625,000
Ms. Rohma Amjad		
Dividend paid	5,800,000	1,625,000
Ms. Reeha Amjad		
Dividend paid	5,800,000	-
Mr. Antonio Ace Perez*		
Dividend paid	-	1,625,000
Other Directors	74	21
Management Association of Pakistan - Common Directorship*		
Fees and subscription paid	-	924,000
Bank Islami Pakistan Limited - Common Directorship*		
Mark up on staff house loan	-	5,320,937
Mark up on bank deposits	-	313
Institute of Financial Markets of Pakistan - Common Directorship*		
Training, registration and examination fee	-	298,500
Mutual Fund Association of Pakistan - Common Directorship*		
Annual fee paid	-	3,744,566
National Clearing Company of Pakistan Limited- Common Directorship*		
Capital gain tax refundable	-	9,116,940
Cyber Threat Management CTM 360 - Common Directorship		
Cyber Security Monitoring Services	5,589,706	9,110,938
Pakistan Mobile Communication Limited - Common Directorship		
Advertisement and branded SMS charges	-	486,661

	2023	2022
	Rupees	
K-Electric - Common Directorship		
Electricity charges for Head Office and Karachi branches	42,440,566	-
Jaffer Business Systems (Pvt) Limited - Common Directorship		
Barracuda email security gateway (Threat protection) annual renewal	1,369,557	-
National Fullerton Asset Management Limited - Employees' Provident Fund		
Contribution to Provident Fund	54,906,052	46,214,217
Institute of Cost and Management Accountants of Pakistan - KMP		
Career Fair 2023 charges, sponsorship of conference and seminars	320,250	-
Funds under management		
NBP Government Securities Liquid Fund		
Management fee	2,655,323	2,106,936
Debit card fee	45,814	9,538
Sales load collected	668,435	461,740
Reimbursement of accounting and operational services	1,625,331	1,298,079
Reimbursement of marketing and selling expenses	7,789,073	5,192,285
NBP Income Opportunity Fund		
Management fee	53,804,217	60,298,648
Debit card fee	460,569	633,069
Sales load collected	3,073,414	10,795,406
Reimbursement of accounting and operational services	7,953,918	12,373,613
Reimbursement of marketing and selling expenses	42,342,066	69,292,149
Investments made	-	347,366
Investments redeemed	348,270	40,186,068
Dividend income	-	7,317
NBP Riba Free Savings Fund		
Management fee	18,070,232	19,422,071
Debit card fee	109,441	93,827
Sales load collected	599,039	4,604,368
Reimbursement of accounting and operational services	2,717,670	4,395,409
Reimbursement of marketing and selling expenses	19,748,538	30,133,900
NBP Stock Fund		
Management fee	295,863,739	317,112,386
Debit card fee	4,872	40,042
Sales load collected	440,901	3,522,466
Reimbursement of accounting and operational services	23,764,994	35,741,065
Reimbursement of marketing and selling expenses	184,178,710	339,170,031
Investments made	-	319,249,503
Investments redeemed	158,439,421	262,257,881
NBP Balanced Fund		
Management fee	19,045,549	20,326,491
Debit card fee	10	1,625
Sales load collected	90,662	467,223
Reimbursement of accounting and operational services	1,523,643	2,322,323
Reimbursement of marketing and selling expenses	9,903,679	19,491,681
NBP Islamic Savings Fund		
Management fee	36,032,911	14,735,116
Debit card fee	2,240,673	356,891
Sales load collected	37,467,902	3,410,205
Reimbursement of accounting and operational services	3,912,570	2,682,425
Reimbursement of marketing and selling expenses	24,714,927	16,710,400
Investments made	20,670,465	2,639,693
Investments redeemed	12,424,299	1,374,444
Dividend income	104,637	23,290

	2023	2022
	----- Rupees -----	
NBP Islamic Sarmaya Izafa Fund		
Management fee	44,912,980	75,543,409
Debit card fee	73,838	223,824
Sales load collected	1,629,676	12,764,830
Reimbursement of accounting and operational services	4,491,298	8,858,129
Reimbursement of marketing and selling expenses	29,193,435	73,385,162
Investments made	-	168,005,929
Investments redeemed	79,864,786	86,184,666
NBP Money Market Fund		
Management fee	276,258,898	45,195,045
Debit card fee	608,751	189,601
Sales load collected	10,770,062	5,226,806
Reimbursement of accounting and operational services	74,334,290	36,762,886
Reimbursement of marketing and selling expenses	158,013,055	16,898,188
Investments made	3,404,716,066	1,617,735,585
Investments redeemed	3,225,243,228	1,460,334,067
Dividend income	66,452,392	12,186,719
NAFA Pension Fund		
Management fee	21,187,491	27,176,724
Sales load collected	3,598,214	3,481,330
Reimbursement of accounting and operational services	4,915,629	3,357,970
Reimbursement of marketing and selling expenses	28,304,504	20,213,008
NAFA Islamic Pension Fund		
Management fee	24,210,239	32,776,174
Sales load collected	7,629,308	9,576,921
Reimbursement of accounting and operational services	5,287,796	3,838,387
Reimbursement of marketing and selling expenses	32,764,721	25,558,670
NBP Financial Sector Income Fund		
Management fee	279,357,919	145,866,590
Debit card fee	1,839,155	932,242
Sales load collected	36,668,519	22,506,280
Dividend income	9,405,152	-
Investments made	434,913,879	-
Investments redeemed	193,955,831	-
Reimbursement of accounting and operational services	64,019,344	49,798,291
Reimbursement of marketing and selling expenses	162,075,522	80,553,800
NBP Sarmaya Izafa Fund		
Management fee	13,395,169	18,632,400
Debit card fee	9,360	13,230
Sales load collected	558,768	2,599,630
Reimbursement of accounting and operational services	1,339,518	2,186,504
Reimbursement of marketing and selling expenses	8,706,869	18,163,205
NBP Savings Fund		
Management fee	34,865,120	11,059,592
Debit card fee	372,905	37,609
Sales load collected	23,233,351	1,519,074
Reimbursement of accounting and operational services	3,540,959	1,886,517
Reimbursement of marketing and selling expenses	21,146,044	11,523,244
NBP Mahana Amdani Fund		
Management fee	7,275,008	7,429,624
Debit card fee	1,633,570	1,387,030
Sales load collected	12,395,649	15,092,017
Reimbursement of accounting and operational services	5,727,568	6,085,037
Reimbursement of marketing and selling expenses	49,675,200	49,081,352

	2023	2022
	----- Rupees -----	
NBP Government Securities Savings Fund		
Management fee	4,616,065	354,760
Debit card fee	18,694	7,033
Sales load collected	618,697	124,414
Reimbursement of accounting and operational services	2,239,722	215,681
Reimbursement of marketing and selling expenses	11,633,197	1,207,822
NAFA Islamic Active Allocation Plan-I		
Management fee	1,920	-
Reimbursement of accounting and operational services	13,302	15,130
NBP Islamic Stock Fund		
Management fee	80,371,791	112,729,886
Debit card fee	26,471	159,499
Sales load collected	955,541	6,111,372
Reimbursement of accounting and operational services	8,037,328	13,143,555
Reimbursement of marketing and selling expenses	62,288,120	124,581,585
NBP Active Allocation Riba Free Savings Fund		
Management fee	-	202,498
Reimbursement of accounting and operational services	-	47,926
Reimbursement of marketing and selling expenses	-	268,395
NBP Islamic Active Allocation Equity Fund		
Management fee	4,376,974	8,302,256
Reimbursement of accounting and operational services	437,697	973,912
Reimbursement of marketing and selling expenses	3,042,150	9,271,625
NAFA Islamic Active Allocation Plan-II		
Management fee	1,553	405
Reimbursement of accounting and operational services	14,094	18,413
NAFA Islamic Active Allocation Plan-III		
Management fee	51,332	86,952
Reimbursement of accounting and operational services	76,791	130,953
NAFA Islamic Active Allocation Plan-IV		
Management fee	73,530	131,580
Reimbursement of accounting and operational services	64,819	137,823
NAFA Islamic Active Allocation Plan-V		
Management fee	40,259	65,742
Reimbursement of accounting and operational services	41,250	69,308
NAFA Islamic Active Allocation Plan-VI		
Management fee	4,220	21,049
Reimbursement of accounting and operational services	9,275	30,797
NAFA Islamic Active Allocation Plan-VII		
Management fee	16,723	19,449
Reimbursement of accounting and operational services	20,163	27,409
NAFA Islamic Active Allocation Plan-VIII		
Management fee	25,425	40,531
Reimbursement of accounting and operational services	27,456	49,557
NBP Islamic Energy Fund		
Management fee	10,178,347	11,506,355
Debit card fee	150	2,535
Sales load collected	184,446	445,722
Reimbursement of accounting and operational services	1,357,114	1,503,578
Reimbursement of marketing and selling expenses	13,910,423	15,630,108

	2023	2022
	----- Rupees -----	
NBP Financial Sector Fund		
Management fee	4,723,299	6,670,311
Debit card fee	3,940	487
Sales load collected	89,203	27,625
Reimbursement of accounting and operational services	181,549	874,039
Reimbursement of marketing and selling expenses	6,162,808	9,066,526
NBP Islamic Money Market Fund		
Management fee	16,274,565	5,764,598
Debit card fee	535,048	225,370
Sales load collected	8,101,635	2,800,846
Reimbursement of accounting and operational services	12,826,760	6,752,306
Reimbursement of marketing and selling expenses	56,005,095	27,009,200
NAFA Islamic Capital Preservation Plan-I		
Management fee	48,590	115,460
Reimbursement of accounting and operational services	58,401	98,607
NAFA Islamic Capital Preservation Plan-II		
Management fee	37,076	86,478
Reimbursement of accounting and operational services	26,769	62,453
NAFA Islamic Capital Preservation Plan-III		
Management fee	35,382	52,863
Reimbursement of accounting and operational services	32,846	60,093
NAFA Islamic Capital Preservation Plan-IV		
Management fee	14,723	35,612
Reimbursement of accounting and operational services	10,437	40,579
NAFA Islamic Capital Preservation Plan-V		
Management fee	26,733	34,123
Reimbursement of accounting and operational services	22,218	38,879
NAFA Islamic Capital Preservation Plan-VI		
Management fee	225,558	-
Sales load collected / (reversed)	(134,700)	6,829,474
Reimbursement of accounting and operational services	115,365	
NBP Government Securities Plan-I		
Management fee	-	37,974
Reimbursement of accounting and operational services	-	7,911
Reimbursement of marketing and selling expenses	-	6,329
NBP Government Securities Plan-II		
Management fee	9,487,542	-
Reimbursement of accounting and operational services	2,711,371	-
Reimbursement of marketing and selling expenses	2,611,647	-
NBP Government Securities Plan-III		
Management fee	3,844,169	-
Reimbursement of accounting and operational services	1,431,682	-
Reimbursement of marketing and selling expenses	1,431,684	-
NBP Government Securities Plan-IV		
Management fee	1,191,444	-
Reimbursement of accounting and operational services	424,352	-
Reimbursement of marketing and selling expenses	391,293	-
NBP Government Securities Plan-V		
Management fee	10,393,828	-
Reimbursement of accounting and operational services	3,581,667	-
Reimbursement of marketing and selling expenses	13,132,780	-
Sales load collected	116,453	-

	2023	2022
	Rupees	
NBP Islamic Mahana Amdani Fund		
Management fee	23,091,480	26,538,855
Debit card fee	2,905,720	2,243,138
Sales load collected	17,320,300	23,039,951
Reimbursement of accounting and operational services	13,249,659	16,104,154
Reimbursement of marketing and selling expenses	106,714,459	112,647,682
NBP Islamic Regular Income Fund		
Management fee	131,265	1,803,206
Sales load collected / (reversed)	17,981	(138,100)
Reimbursement of accounting and operational services	17,337	255,727
Reimbursement of marketing and selling expenses	27,747	2,336,793
Investments redeemed	112,875,242	-
NBP Islamic Daily Dividend Fund		
Management fee	28,846,720	13,126,515
Debit card fee	364,235	41,111
Sales load collected	4,144,385	866,242
Reimbursement of accounting and operational services	21,720,116	15,322,387
Reimbursement of marketing and selling expenses	66,890,913	2,258,624
NBP Islamic Income Fund		
Management fee	65,766,704	30,582,352
Debit card fee	1,035,622	492,954
Sales load collected	15,917,904	13,222,724
Reimbursement of accounting and operational services	9,295,759	6,184,592
Reimbursement of marketing and selling expenses	13,202,823	5,311,941
NBP Pakistan Growth Exchange Traded Fund		
Management fee	228,684	452,499
NBP Fixed Term Munafa Plan-I		
Management fee	22,409,255	-
Debit card fee		
Sales load collected		
Reimbursement of accounting and operational services	3,901,407	-
Reimbursement of marketing and selling expenses	11,210,215	-
NBP Fixed Term Munafa Plan-II		
Management fee	5,521,685	-
Debit card fee		
Sales load collected		
Reimbursement of accounting and operational services	1,664,398	-
Reimbursement of marketing and selling expenses	4,993,195	-
NBP Mustahkam Fund		
Management fee	1,859,778	-
Debit card fee		
Sales load collected		
Reimbursement of accounting and operational services	1,697,986	-
Reimbursement of marketing and selling expenses	3,788,645	-
NBP Islamic Fixed Term Munafa Plan-I		
Management fee	137,043	-
Reimbursement of accounting and operational services	51,583	-
Reimbursement of marketing and selling expenses	117,566	-
NBP Islamic Fixed Term Munafa Plan-II		
Management fee	216,090	-
Reimbursement of accounting and operational services	216,093	-
Reimbursement of marketing and selling expenses	720,310	-

	2023	2022
	Rupees	
NBP Cash Plan-I		
Management fee	434,925	-
Debit card fee	13,447	-
Sales load collected	2,402,774	-
NBP Cash Plan-II		
Management fee	1,239,638	-
Sales load collected	2,413,875	-
NBP Income Plan-I		
Management fee	506,120	-
Debit card fee	15,540	-
Sales load collected	7,402,706	-
Saving Funds		
Sales load collected / (reversed)		
NBP Aitemad Education Plan (Conventional)	4,350	185,087
NBP Aitemad Retirement Plan (Conventional)	(3,000)	217,647
NBP Aitemad Wealth Plan (Conventional)	638,792	7,376,729
NBP Aitemad Wedding Plan (Conventional)	23,300	336,057
NBP Aitemad Education Plan (Islamic)	30,000	12,580
NBP Aitemad Wedding Plan (Islamic)	14,174	205,337
Administrative fee income	4,021,787	4,772,920
Key management personnel		
Mark-up on loans	1,983,135	1,111,161
Loan disbursed during the year	13,425,000	2,700,000
Loan repaid during the year	9,594,804	4,933,377

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

39 OPERATING SEGMENTS

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

40 FINANCIAL INSTRUMENTS BY CATEGORY

	2023		
	At amortised cost	At fair value through profit or loss	Total
	Rupees		
Financial assets			
Long term Investment	-	265,000	265,000
Loan to employees	34,318,156	-	34,318,156
Deposits	87,248,448	-	87,248,448
Due from funds under management and advisory client	753,874,077	-	753,874,077
Advances	2,246,758	-	2,246,758
Other receivables	17,307,868	-	17,307,868
Cash and bank balances	57,818,145	-	57,818,145
	952,813,452	265,000	953,078,452
Financial liabilities			
Liabilities against assets subject to Diminishing Musharakah	213,875,184	-	213,875,184
Lease Liabilities against right-of-use assets	358,642,925	-	358,642,925
Trade and other payables	225,259,661	-	225,259,661
Dividend payable	281,340,000	-	281,340,000
	1,079,117,770	-	1,079,117,770

	2022		
	At amortised cost	At fair value through profit or loss	Total
	----- Rupees -----		
Financial assets			
Long term Investment	-	265,000	265,000
Loan to employees	21,351,745	-	21,351,745
Deposits	84,085,883	-	84,085,883
Due from funds under management and advisory client	525,304,817	-	525,304,817
Advances	3,553,201	-	3,553,201
Other receivables	5,845,783	-	5,845,783
Cash and bank balances	17,283,339	-	17,283,339
	<u>657,424,768</u>	<u>265,000</u>	<u>657,689,768</u>
Financial liabilities			
Liabilities against assets subject to Diminishing Musharakah	127,709,026	-	127,709,026
Lease Liabilities against right-of-use assets	410,313,244	-	410,313,244
Trade and other payables	123,745,462	-	123,745,462
Dividend payable	114,300,016	-	114,300,016
	<u>776,067,748</u>	<u>-</u>	<u>776,067,748</u>

41 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

41.1 Financial risk factors

The Company is exposed to the following in respect of financial instruments:

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

41.2.1 Due from Funds under Management

The latest available ratings of the Funds in which the investments are made or from which amounts are receivable as at June 30, 2023 and June 30, 2022 are as follows:

Name of the Fund	2023	2022	Rating Agency
	Ranking / Stability rating	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	3 Star	PACRA
NBP Income Opportunity Fund	A+	A+	PACRA
NBP Islamic Daily Dividend Fund	AA+	AA	PACRA
NBP Islamic Stock Fund	3 Star	3 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	3 Star	VIS
NBP Islamic Energy Fund	3 Star	3 Star	VIS
NBP Government Securities Plan I *	-	AA-	PACRA
NBP Islamic Regular Income Fund *	-	2 Star	PACRA
NBP Islamic Active Allocation Equity Fund *	-	5 Star	PACRA
NBP Islamic Income Fund	A+	A+	PACRA

*These funds have been revoked during the current year.

All other funds are not required to be rated.

Bank balances

An analysis of the credit quality of balances with banks is as follows:

	2023		2022		Rating agency
	Short-term	Long-term	Short-term	Long-term	
National Bank of Pakistan	A1+	AAA	A1+	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
Bank Islami Pakistan Limited	A1	AA-	A1	A+	PACRA

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

Details of the Company's concentration of credit risk of financial assets are as follows:

	2023		2022	
	(Rupees)	(Percentage)	(Rupees)	(Percentage)
Loan to employees	34,318,156	3.61%	21,351,745	3.26%
Deposits	87,248,448	9.18%	84,085,883	12.83%
Due from funds under management and advisory client	753,874,077	79.29%	525,304,817	80.13%
Advances	2,246,758	0.24%	3,553,201	0.54%
Other receivables	17,307,868	1.82%	5,845,783	0.89%
Cash and bank balances	55,788,145	5.87%	15,418,339	2.35%
	950,783,452	100.00%	655,559,768	100.00%

The maximum exposure to credit risk before any credit enhancement as at June 30, 2023 is the carrying amount of the financial assets.

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 up to three months.

2023					
Total	Upton three months	More than three months and up to one year	More than one year and up to five years	More than five years	
----- Rupees -----					
Financial liabilities					
Liabilities against assets subject to Diminishing Musharakah	213,875,184	16,834,440	50,503,322	146,537,422	-
Lease Liabilities against right-of- use assets	358,642,925	28,698,041	86,094,121	243,850,763	-
Trade and other payables	225,259,661	51,400,208	173,859,453	-	-
Dividend payable	281,340,000	-	-	281,340,000	-
	<u>1,079,117,770</u>	<u>96,932,689</u>	<u>310,456,896</u>	<u>671,728,185</u>	<u>-</u>
2022					
Total	Upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	
----- Rupees -----					
Financial liabilities					
Liabilities against assets Diminishing Musharaka	127,709,026	16,282,781	48,848,342	62,577,903	-
Lease Liabilities against right-of- use assets	410,313,244	26,499,427	79,498,280	304,315,537	-
Trade and other payables	123,745,462	27,815,693	95,929,769	-	-
Dividend payable	114,300,016	-	-	114,300,016	-
	<u>776,067,748</u>	<u>70,597,901</u>	<u>224,276,391</u>	<u>481,193,456</u>	<u>-</u>

41.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's operations either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour. Operational risks arise from all of the Company's activities.

The Company's objective is to manage operational risk so as to balance financial losses and damage to its reputation with achieving its investment objective of generating returns for investors.

The primary responsibility for the development and implementation of controls over operational risk rests with the Board of Directors. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- ethical and business standards; and
- risk mitigation, including insurance where this is effective.

Senior management ensures that the Company's employees' have adequate training and experience and fosters effective communication related to operational risk management.

41.5 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 fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

a) Sensitivity analysis for variable rate instruments

The Company holds KIBOR based assets subject to Diminishing Musharaka, loan to employees and balances with banks as at June 30, 2023 which expose the Company to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net profit for the year and net assets of the Company would have been higher / lower by Rs. 0.87 million (2022: Rs. 0.37 million).

b) Sensitivity analysis for fixed rate instruments

The Company does not hold any fixed rate instrument as at June 30, 2023 and June 30, 2022.

Interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

The Company's interest rate sensitivity related to financial instruments as at June 30, 2023 can be determined as follows:

2023					
Effective interest rate (%)	Exposed to interest rate risk			Not exposed to interest rate risk	Total
	Upto three Months	More than three months and up to one year	More than one year		
-----Rupees-----					
On-balance sheet financial instruments					
Financial assets					
Long term Investment		-	-	265,000	265,000
Loan to employees	20.68%	16,693,073	17,625,083	-	34,318,156
Deposits		-	-	87,248,448	87,248,448
Due from funds under management and advisory clients		-	-	753,874,077	753,874,077
Advances		-	-	2,246,758	2,246,758
Other receivables		-	-	17,307,868	17,307,868
Cash and bank balances	8.5% - 19.5%	52,417,648	-	5,400,497	57,818,145
		69,110,721	17,625,083	866,342,648	953,078,452
Financial liabilities					
Liabilities against assets subject to Diminishing Musharakah	21.29%	6,873,014	207,002,170	-	213,875,184
Lease Liabilities against right-of- use assets	8.67% - 23.86%	-	-	358,642,925	358,642,925
Trade and other payables		-	-	225,259,661	225,259,661
Dividend payable		-	-	281,340,000	281,340,000
		6,873,014	207,002,170	506,599,661	1,079,117,770
On-balance sheet gap (a)		62,237,707	(189,377,087)	(358,642,925)	359,742,987
Off-balance sheet financial instruments		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-
Total interest rate sensitivity gap (a+b)		62,237,707	(189,377,087)	(358,642,925)	
Cumulative interest rate sensitivity gap		62,237,707	(127,139,380)	(485,782,305)	

2022					
Effective interest rate (%)	Exposed to interest rate risk			Not exposed to interest rate risk	Total
	Upto three Months	More than three months and up to one year	More than one year		

-----Rupees-----

On-balance sheet financial instruments

Financial assets

Long term Investment		-	-	-	265,000	265,000
Loan to employees	9.56%	7,701,258	13,650,487	-	-	21,351,745
Deposits		-	-	-	84,085,883	84,085,883
Due from funds under management and advisory clients		-	-	-	525,304,817	525,304,817
Advances		-	-	-	3,553,201	3,553,201
Other receivables		-	-	-	5,845,783	5,845,783
Cash and bank balances	4.5% - 9.5%	11,336,728	-	-	5,946,611	17,283,339
		19,037,986	13,650,487	-	625,001,295	657,689,768

Financial liabilities

Liabilities against assets subject to Diminishing Musharakah	11.73%	31,235,819	96,473,207	-	-	127,709,026
Lease Liabilities against right-of-use assets	9.75% - 17.49%	-	608,229	409,705,015	-	410,313,244
Trade and other payables		-	-	-	123,745,462	123,745,462
Dividend payable		-	-	-	114,300,016	114,300,016
		31,235,819	97,081,436	409,705,015	238,045,478	776,067,748

On-balance sheet gap (a)

(12,197,833)	(83,430,949)	(409,705,015)	386,955,817	(118,377,980)
--------------	--------------	---------------	-------------	---------------

Off-balance sheet financial instruments

-	-	-	-	-
---	---	---	---	---

Off-balance sheet gap (b)

-	-	-	-	-
---	---	---	---	---

Total interest rate sensitivity gap (a+b)

(12,197,833)	(83,430,949)	(409,705,015)
--------------	--------------	---------------

Cumulative interest rate sensitivity gap

(12,197,833)	(95,628,782)	(505,333,797)
--------------	--------------	---------------

(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 on monetary items (receivables and payables) due to transactions entered into foreign currencies. Currently, the Company is exposed to foreign exchange risk on the advisory fee receivable from Fullerton Fund Management Company Limited.

Note	2023		2022	
	Rupees	US \$	Rupees	US \$
Financial assets				
Due from funds under management and advisory clients				
- advisory fee receivable	13	1,782,105	6,218	5,187,010
		25,116		

Sensitivity analysis

In case of strengthening / weakening of Rupee against US Dollar by five percent on the reporting date with all other variables held constant, the net profit for the year and net assets of the Company would have been higher / lower by the amount as shown below:

	2023	2022
	Rupees	
Effects of US Dollars gain / loss	89,105	259,351

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result 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.

As at June 30, 2023, the Company does not hold any significant financial assets that expose the Company to price risk.

42 FAIR VALUE MEASUREMENT

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

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

The estimated fair value of all 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 repriced.

42.1 Fair value hierarchy

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

Level 1: quoted (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: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2023 and June 30, 2022, the Company has investments at fair value through profit or loss measured using level 3 valuation technique.

ASSETS

Financial assets at 'fair value through profit or loss'

Long term investment

2023			
Level 1	Level 2	Level 3	Total
(Rupees)			

-	-	265,000	265,000
-	-	265,000	265,000

ASSETS

Financial assets at 'fair value through profit or loss'

Long term investment

2022			
Level 1	Level 2	Level 3	Total
(Rupees)			

-	-	265,000	265,000
-	-	265,000	265,000

These represent shares of Mutual Funds Association of Pakistan which have been carried at cost since their fair value is not considered to be materially different from its carrying amount. Accordingly, the disclosures with respect to level 3 financial assets have not been given.

43 CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses.

The Company is subject to externally imposed minimum equity requirement of the NBFC Rules 2003 and the NBFC Regulations 2008 for providing asset management services and investment advisory services and is required to maintain minimum equity of Rs. 200 million. The Company's paid up capital is above the minimum required threshold limit.

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. Currently, the Company is financing its operations through equity and working capital.

	Note	2023 ----- Rupees -----	2022 ----- Rupees -----
Liabilities against assets subject to Diminishing Musharakah	20	213,875,184	127,709,026
Lease liabilities against right-of-use assets	21	358,642,925	410,313,244
Deferred liabilities - gratuity	22	364,018,573	304,948,058
Trade and other payables	23	689,189,162	564,099,175
Dividend payable		281,340,000	114,300,016
Less: cash and bank balances	18	(57,818,145)	(17,283,339)
Excess of net cash over debt/ Net debt (A)		1,849,247,699	1,504,086,180
Total shareholders' equity	19	1,305,312,801	1,361,727,073
Total equity and liabilities (B)		3,154,560,500	2,865,813,253
Gearing Ratio (A/B)		58.62%	52.48%

44	DIVIDEND PAYABLE	2023 ----- Rupees -----	2022 ----- Rupees -----
	Opening balance	114,300,016	67,500,015
	Dividend declared during the year	464,000,000	130,000,000
	Dividend paid during the year	(296,960,016)	(83,199,999)
	Closing balance	281,340,000	114,300,016

45 NON-ADJUSTING EVENTS AFTER BALANCE SHEET DATE

The Board of Directors in its meeting held on September 15, 2023, proposed to distribute to the shareholders of the Company a cash dividend at the rate of Rs. Nil per ordinary share (2022 : Rs. 4.76).

46 GENERAL

46.1 Corresponding figures

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and to reflect the substance of the transactions. The major reclassifications other than the following have been disclosed in note 3.6 to these financial statements:

Description	Reclassified from	Reclassified to	Amount (Rupees)	
			2022	2021
Auditors' remuneration	Administrative expenses	Other charges	1,092,960	1,050,000
Investment in associates	Current assets	Non-current assets	719,631,037	484,686,026
Sales load ceded to agents	Revenue	Operating expenses	88,144,251	151,072,597

46.2 Figures have been rounded off to the nearest Rupees, unless otherwise specified.

47 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Company on 15-Sep-23.



Chief Executive Officer



Director