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PUNJAB GENERAL PROVIDENT INVESTMENT FUND

**FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
31 DECEMBER 2018**

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the Government of Punjab

Report on the Review of the Financial Statements for the half year ended 31 December 2018

Introduction

We have reviewed the interim statement of assets and liabilities of Punjab General Provident Investment Fund as at December 31, 2018 and the related interim statement of income and expenditure, interim statement of comprehensive income, interim statement of changes in fund balances, interim statement of cash flows, and notes to the interim financial statements for the six-month period then ended. Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's report is Abdullah Fahad Masood.




EY Ford Rhodes
Chartered Accountants
Lahore: 03 February 2023

**PUNJAB GENERAL PROVIDENT INVESTMENT FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT 31 DECEMBER 2018**

	Note	Un-audited 31 December 2018 Rupees	Audited 30 June 2018 Rupees
ASSETS			
Current assets			
Investments	4	2,500,715,004	1,046,524,500
Accrued interest	5	1,512,329	7,572,833
Cash and cash equivalents	6	3,623,707,629	4,833,291,862
		6,125,934,962	5,887,389,195
TOTAL ASSETS		6,125,934,962	5,887,389,195
LIABILITIES			
Current liabilities			
Accrued expenses	7	181,179	280,000
TOTAL LIABILITIES		181,179	280,000
Net assets		6,125,753,783	5,887,109,195
Represented by:			
Reserve fund-Government of Punjab		5,878,816,696	5,878,816,696
Retained earnings		246,922,674	8,403,199
Fair value reserve of financial assets at FVOCI		14,413	(110,700)
		6,125,753,783	5,887,109,195
Contingencies and commitments	8		

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.



General Manager



Chairman

**PUNJAB GENERAL PROVIDENT INVESTMENT FUND
CONDENSED INTERIM INCOME STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

	Note	31 December 2018 Rupees	From 25 October 2017 to 31 December 2017 Rupees
INCOME			
Interest income from:			
- Term Deposit Receipts		91,130,493	-
- Bank deposits		57,646,067	5,712
- Market Treasury Bills (MTBs)		90,992,843	-
		<u>239,769,403</u>	<u>5,712</u>
EXPENDITURE			
Operating expenses	9	(542,144)	(62,548)
Income / (loss) for the period		<u>239,227,259</u>	<u>(56,837)</u>
Budgetary receipts for the year		-	1,000,000
Reclassification of cumulative loss on disposal of financial assets		(707,784)	-
Net income for the period		<u><u>238,519,475</u></u>	<u><u>943,163</u></u>

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.



General Manager



Chairman

**PUNJAB GENERAL PROVIDENT INVESTMENT FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

	Note	31 December 2018 Rupees	From 25 October 2017 to 31 December 2017 Rupees
Net income for the period		238,519,475	943,163
Other comprehensive income			
<i>Items that may be reclassified subsequently to statement of income and expenditure:</i>			
- Fair value gain on debt instruments at FVOCI	4.1	14,413	-
- Fair value loss on debt instruments at FVOCI		(597,084)	-
		(582,671)	-
<i>Items that will not be reclassified subsequently to statement of income and expenditure</i>			
		-	-
Total comprehensive income for the period		237,936,804	943,163

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.



General Manager



Chairman

**PUNJAB GENERAL PROVIDENT INVESTMENT FUND
CONDENSED INTERIM STATEMENT OF CHANGES IN ACCUMULATED INVESTMENT FUND
FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

	31 December 2018			31 December 2017			
	Reserve fund- Government of Punjab	Retained earnings	Fair value reserve of financial assets at FVOCI	Reserve fund- Government of Punjab	Retained earnings	Fair value reserve of financial assets at FVOCI	Total Accumulated Investment Fund
	Rupees			Rupees			
Balance at the beginning of the period	5,878,816,696	8,403,199	(110,700)	-	-	-	-
Amount contributed by the Government through the Reserve Fund	-	-	-	1,000,000	-	-	1,000,000
Total comprehensive income for the period:							
Income Statement:							
- Net income for the period	-	238,519,475	-	-	(56,837)	-	(56,837)
- Reclassification to income statement	-	-	-	-	-	-	-
Other comprehensive loss for the period							
Other comprehensive loss for the period							
- Fair value loss on debt instruments at FVOCI	-	-	(597,084)	-	-	-	-
- Fair value gain on debt instruments at FVOCI	-	-	14,413	-	-	-	-
	-	-	(582,671)	-	(56,837)	-	(56,837)
Reclassification to income statement on disposal of debt instruments							
	-	-	707,784	-	-	-	-
Balance at the end of the period	5,878,816,696	246,922,674	14,413	1,000,000	(56,837)	-	943,163

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

General Manager

Chairman

**PUNJAB GENERAL PROVIDENT INVESTMENT FUND
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

	31 December 2018	From 25 October 2017 to 31 December 2017
	Rupees	Rupees
Cash flow from operating activities		
Net income for the period	238,519,475	943,163
Adjustments for		
Interest from:		
Bank deposits	(57,646,067)	(5,712)
Term deposit receipts	(91,130,493)	-
Market Treasury Bills	(90,992,843)	-
	<u>(239,769,403)</u>	<u>(5,712)</u>
Net (loss) / Income before working capital changes	(1,249,928)	937,452
Effect on cash flow due to working capital changes:		
Decrease in assets:		
Accrued interest	6,060,504	-
Decrease in liabilities:		
Accrued Expenses	(98,821)	-
Net cash generated from operations	<u>4,711,755</u>	<u>937,452</u>
Cash flow from investing activities		
Investments made during the year	(1,454,065,391)	-
Interest from:		
Term Deposit Receipts	91,130,493	-
Bank deposits	57,646,067	5,712
Market Treasury Bills	90,992,843	-
	<u>239,769,403</u>	<u>5,712</u>
Net cash (used in) / generated from investing activities	<u>(1,214,295,988)</u>	<u>5,712</u>
Net (decrease) / increase in cash and cash equivalents during the period	(1,209,584,233)	943,163
Cash and cash equivalents at beginning of the period	4,833,291,862	-
Cash and cash equivalents at end of the period	<u><u>3,623,707,629</u></u>	<u><u>943,163</u></u>

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.



General Manager



Chairman

PUNJAB GENERAL PROVIDENT INVESTMENT FUND

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

1 LEGAL STATUS AND NATURE OF BUSINESS

The Punjab General Provident Investment Fund ("Fund") has been established under the Punjab General Provident Investment Fund Act 2009 ("Act") to generate revenue for the discharge of the General Provident Fund liabilities of the Government of Punjab. The Fund is a body corporate with perpetual succession and does not have any obligation towards payment for the benefit of employees of Punjab Government or any other entity. The Fund shall perform such functions and exercise such powers as are vested in it under the Act and the Punjab General Provident Investment Fund Rules 2010 ("Rules"). The management and administration of the Fund vests in the Management Committee notified under section 5 of the Act. The Fund is responsible for investing the funds in profitable avenues to generate revenue. Currently, the Fund has invested in a diversified portfolio of government securities, term deposit receipts and bank deposits. The registered office of the Fund is situated at 112 Tipu Block, Garden Town, Lahore.

Financial activity of fund commenced on 25th October 2017.

2 BASIS OF PREPERATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of the Punjab General Provident Investment Fund Act 2009, Punjab General Provident Investment Fund Rules 2010, directives issued by the Government of Punjab.

Where provisions of the Punjab General Provident Investment Fund Act 2009, Punjab General Provident Investment Fund Rules, 2010 or the directives issued by the Government of Punjab differ from the IFRS Standards and directives issued under the Companies Act, 2017, the provisions of the Punjab General Provident Investment Fund Act 2009, Punjab General Provident Investment Fund Rules, 2010 or the directives issued by the Government of Punjab have been followed.

These condensed interim financial statements do not include all the information required for annual financial statements and should be read in conjunction with the annual audited financial statements as at and for the year ended 30 June 2018. Comparative condensed interim statement of financial position is stated from annual audited financial statements as of 30 June 2018, whereas comparatives for condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows and related notes are extracted from condensed interim financial statements of the Fund for the six month period ended 31 December 2018.

The management of the fund has no intention to provide benefits to employees of the Government of Punjab from available funds on or after the termination of their services. Further, they are also not obliged to provide these benefits as per Act and Rules. Considering this fact, these financial statements are not prepared as per "IAS 26 Accounting and Reporting by Retirement Benefit Plans".

2.2 New standards, Interpretations and amendments applicable to the financial statements for the half year ended 31 December 2018

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended standards and interpretations effective for annual period beginning on 1 July 2018, as listed below. The Fund has not early-adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

New Standards, Interpretations and Amendments

IFRS 15	Revenue from Contracts with Customers
IFRIC 22	Foreign Currency Transactions and Advance Considerations
IFRS 2	Share based payment - Classification and Measurement of Share (Amendments)
IFRS 4	Insurance Contracts: Applying IFRS 9 with IFRS 4 Insurance Contracts (Amendments)
IAS 40	Transfers of Investment Property (Amendments)

The adoption of the above amendments, improvements to accounting standards and interpretations did not have any material effect on the financial statements. There are also certain changes in terminology in line with requirements of the new standards. In addition to the above standards and interpretations, improvements to various accounting standards have also been issued by the IASB and are generally effective for current period. The Company expects that such improvements to the standards do not have any material impact on

2.3 Basis of measurement

The condensed interim financial statements have been prepared under the historical cost convention, except for certain investments which are carried at fair value and amortized cost in accordance with the requirements of IFRS 9.

In these condensed interim financial statements, except for the amounts reflected in the cash flow statement, all transactions have been accounted for on accrual basis.

2.4 Functional and presentation currency

These condensed interim financial statements are presented in Pak Rupees, which is the Fund's functional and presentation currency. Figures have been rounded off to the nearest rupees.

2.5 Use of judgments and estimates

The preparation of condensed interim financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities and income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant judgements made by the management in applying accounting policies and key sources of estimation were the same as those that were applied to and disclosed in the financial statements as at and for the year ended June 30, 2018.

3 Summary of significant accounting policies

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2018, except for as mentioned in note 2.2

277-

	Note	31 December 2018 Rupees	30 June 2018 Rupees
5			
Accrued Interest			
Term Deposit Receipts		1,512,329	461,589
Savings Accounts		-	7,111,244
		<u>1,512,329</u>	<u>7,572,833</u>
6			
Cash and cash equivalents			
Cash in hand		40,000	-
Cash at banks			
- savings accounts	6.1	2,423,667,629	3,663,291,862
- term deposit receipts - held to maturity	6.2	1,200,000,000	1,170,000,000
		<u>3,623,667,629</u>	<u>4,833,291,862</u>
		<u>3,623,707,629</u>	<u>4,833,291,862</u>

6.1 These are placed with commercial banks and carry interest rate ranging from 5.50% to 10.9% per annum (30 June 2018: 4.50% to 7.00%).

6.2 These are placed with commercial banks, carrying interest rate ranging from 11 to 11.50% per annum (30 June 2018: 7.20%) and having a maturity of three months.

	Note	31 December 2018 Rupees	30 June 2018 Rupees
7			
Accrued expenses			
Audit fee payable		172,000	278,000
Brokerage payable		9,179	-
Other payable		-	2,000
		<u>181,179</u>	<u>280,000</u>

8 Contingencies and commitments

There are no contingencies and commitments as at 31 December 2018 (30 June 2018: Nil).

	Note	31 December 2018 Rupees	From 25 October 2017 to 31 December 2017 Rupees
9			
Operating expenses			
Salaries & other benefits		60,000	62,258
Committee meeting fee	9.1	270,000	-
Auditors' remuneration		172,000	-
Brokerage Expense		9,179	-
Entertainment Expense		22,050	
Bank Charges		8,915	290
		<u>542,144</u>	<u>62,548</u>

9.1 This fee represents the meeting fee paid to the members of different committees for attending meetings of the management committee and sub-committees.

10 Fair value measurement of financial instruments

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.

IFRS 13 'Fair Value Measurement' requires the Fund to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (i.e. unobservable) inputs (Level 3)

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount				Fair value			
	Available for sale	Deposits	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
As at 31 December 2018								
Financial assets - measured at fair value								
Investments								
- Government securities	2,500,700,591	-	-	2,500,700,591	-	2,500,715,004	-	2,500,715,004
Financial assets - not measured at fair value								
Investments								
- Term deposit receipts	-	1,200,000,000	-	1,200,000,000	-	-	-	-
- Cash equivalents	-	2,423,667,629	-	2,423,667,629	-	-	-	-
- Accrued interest	-	1,512,329	-	1,512,329	-	-	-	-
	2,500,700,591	3,625,179,958	-	6,125,880,549	-	2,500,715,004	-	2,500,715,004
Financial liabilities - not measured at fair value								
- Audit fee payable	-	-	172,000	172,000	-	-	-	-
- Other payable	-	-	9,179	9,179	-	-	-	-
	-	-	181,179	181,179	-	-	-	-

372

Punjab General Provident Investment Fund

	Carrying amount		Fair value					
	Available for sale	Deposits	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
----- Rupees -----								
<u>As at 30 June 2018</u>								
<u>Financial assets - measured at fair value</u>								
Investments								
- Government securities	1,046,524,500	-	-	1,046,524,500	-	1,046,524,500	-	1,046,524,500
<u>Financial assets - not measured at fair value</u>								
Investments								
- Term deposit receipts	-	1,170,000,000	-	1,170,000,000	-	-	-	-
- Cash equivalents	-	3,663,291,862	-	3,663,291,862	-	-	-	-
- Accrued interest	-	7,572,833	-	7,572,833	-	-	-	-
	1,046,524,500	4,840,864,695	-	5,887,389,195	-	1,046,524,500	-	1,046,524,500
<u>Financial liabilities - not measured at fair value</u>								
- Audit fee payable	-	-	278,000	278,000	-	-	-	-
- Other payable	-	-	2,000	2,000	-	-	-	-
	-	-	280,000	280,000	-	-	-	-

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11 Transaction and balances with related parties

The related parties comprise entities controlled and owned by the Government of Punjab, custodian of assets, members of Management Committee, companies where Management Committee members also hold directorship and key management employees. The Fund in the normal course of business carries out transactions with related parties. Details of transactions with and amounts due to / (from) related parties are as follows:

	<u>31 December 2018</u>	<u>30 June 2018</u>
	<u>Fund - Total</u>	<u>Fund - Total</u>
	Rupees	Rupees
Transactions with		
The Bank of Punjab - Income on savings account	3,197,168	6,237,494
Balances with		
The Bank of Punjab - Bank balances	3,318,139	152,833,916

12 Number of Employees

The following are the number of persons employed

	<u>31 December 2018</u>	<u>30 June 2018</u>
Employees as at the year end	17	18
Average number of employees during the year	17	18

13 General

Figures have been rounded off to the nearest rupees.

14 Date of authorization for issue

These financial statements were authorized for issue on 05-Dec-2022 by the Management Committee of the Fund.



General Manager



Chairman