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PUNJAB GENERAL PROVIDENT INVESTMENT FUND

FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED  
31 DECEMBER 2019

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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 2019

### Introduction

We have reviewed the interim statement of assets and liabilities of Punjab General Provident Investment Fund as at December 31, 2019 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 2019**

	Note	Un-audited 31 December 2019 Rupees	Audited 30 June 2019 Rupees
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments	4	5,874,811,656	4,435,753,077
<b>Current assets</b>			
Investments	5	2,091,400,000	-
Accrued interest	6	60,653,007	232,676,948
Cash and cash equivalents	7	49,920,907	2,663,702,201
		<b>2,201,973,914</b>	<b>2,896,379,149</b>
<b>TOTAL ASSETS</b>		<b>8,076,785,570</b>	<b>7,332,132,226</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accrued expenses	8	5,642,320	5,297,320
<b>TOTAL LIABILITIES</b>		<b>5,642,320</b>	<b>5,297,320</b>
<b>Net assets</b>		<b>8,071,143,250</b>	<b>7,326,834,906</b>
<b>Represented by:</b>			
Reserve fund-Government of Punjab		6,878,816,696	6,878,816,696
Retained earnings		1,192,326,554	624,458,943
Fair value reserve of financial assets at FVOCI		-	(176,440,733)
		<b>8,071,143,250</b>	<b>7,326,834,906</b>

Contingencies and commitments 9

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 2019**

	<u>Note</u>	<u>31 December 2019</u>	<u>31 December 2018</u>
		Rupees	Rupees
<b>INCOME</b>			
Interest income from:			
- Term Deposit Receipts		46,386,555	91,130,493
- National Savings Account and Certificates		181,198,108	-
- Bank deposits		119,855,991	57,646,067
- Pakistan Investment Bond		142,502,498	-
- Market Treasury Bills		6,828,525	90,992,843
		<u>496,771,677</u>	<u>239,769,403</u>
Other Income		1,000	-
<b>EXPENDITURE</b>			
Operating expenses	10	(1,381,897)	(542,144)
<b>Income for the period</b>		<u>495,390,780</u>	<u>239,227,259</u>
Reclassification of cumulative gain / (loss) on disposal of financial assets		72,476,831	(707,784)
<b>Net income for the period</b>		<u><u>567,867,611</u></u>	<u><u>238,519,475</u></u>

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


  
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 General Manager

  
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 Chairman

**PUNJAB GENERAL PROVIDENT INVESTMENT FUND  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

	<u>Note</u>	<u>31 December 2019</u> Rupees	<u>31 December 2018</u> Rupees
Net income for the period		567,867,611	238,519,475
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	4.2	248,917,564	14,413
- Fair value loss on debt instruments at FVOCI		-	(597,084)
		248,917,564	(582,671)
<i>Items that will not be reclassified subsequently to statement of income and expenditure</i>			
		-	-
<b>Total comprehensive income for the period</b>		<b>816,785,175</b>	<b>237,936,804</b>

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

  
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General Manager

  
\_\_\_\_\_  
Chairman



**PUNJAB GENERAL PROVIDENT INVESTMENT FUND  
CONDENSED INTERIM STATEMENT OF CHANGES IN ACCUMULATED INVESTMENT FUND  
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

	31 December 2019				31 December 2018			
	Reserve fund- Government of Punjab	Retained earnings	Fair value reserve of financial assets at FVOCI	Total Accumulated Investment Fund	Reserve fund- Government of Punjab	Retained earnings	Fair value reserve of financial assets at FVOCI	Total Accumulated Investment Fund
Balance at the beginning of the period	6,878,816,696	624,458,943	(176,440,733)	7,326,834,906	5,878,816,696	8,403,199	(110,700)	5,887,109,195
Amount contributed by the Government through the Reserve Fund	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the period:</b>								
<b>Income Statement:</b>								
- Net income for the period	-	567,867,611	-	567,867,611	-	238,519,475	-	238,519,475
- Reclassification to income statement	-	-	-	-	-	-	-	-
<b>Other comprehensive loss for the period</b>								
- Fair value loss on debt instruments at FVOCI	-	-	-	-	-	-	(597,084)	(597,084)
- Fair value gain on debt instruments at FVOCI	-	-	248,917,564	248,917,564	-	-	14,413	14,413
	-	-	248,917,564	248,917,564	-	-	(582,671)	(582,671)
<b>Reclassification to income statement on disposal of debt instruments</b>								
	-	-	(72,476,831)	(72,476,831)	-	-	707,784	707,784
<b>Balance at the end of the period</b>	<b>6,878,816,696</b>	<b>1,192,326,554</b>	<b>-</b>	<b>8,071,143,250</b>	<b>5,878,816,696</b>	<b>246,922,674</b>	<b>14,413</b>	<b>6,125,753,783</b>

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 2019**

	<u>31 December 2019</u>	<u>31 December 2018</u>
	Rupees	Rupees
<b>Cash flow from operating activities</b>		
Net income for the period	567,867,611	238,519,475
Adjustments for		
Interest from:		
Bank deposits	(119,855,991)	(57,646,067)
Term deposit receipts	(46,386,555)	(91,130,493)
Pakistan Investment Bond	(142,502,498)	-
Market Treasury Bills	(6,828,525)	(90,992,843)
Unrealised appreciation on re-measurement of investments	176,440,733	125,113
	<u>(139,132,836)</u>	<u>(239,644,290)</u>
Net income / (loss) before working capital changes	428,734,775	(1,124,815)
<b>Effect on cash flow due to working capital changes:</b>		
(Increase) / decrease in assets:		
Investments - net	(3,530,458,579)	(1,454,190,504)
Accrued interest	172,023,941	6,060,504
Increase / (decrease) in liabilities:		
Accrued Expenses	345,000	(98,821)
Net cash used in operations	<u>(2,929,354,863)</u>	<u>(1,449,353,636)</u>
<b>Cash flow from investing activities</b>		
Interest from:		
Term Deposit Receipts	46,386,555	91,130,493
Bank deposits	119,855,991	57,646,067
Pakistan Investment Bond	142,502,498	-
Market Treasury Bills	6,828,525	90,992,843
Net cash generated from investing activities	315,573,569	239,769,403
Net decrease in cash and cash equivalents during the period	<u>(2,613,781,294)</u>	<u>(1,209,584,233)</u>
Cash and cash equivalents at beginning of the period	2,663,702,201	4,833,291,862
Cash and cash equivalents at end of the period	<u>49,920,907</u>	<u>3,623,707,629</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 2019**

**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 2019. Comparative condensed interim statement of financial position is stated from annual audited financial statements as of 30 June 2019, 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 2019**

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 2019, as listed below. The Fund has not early-adopted any other standard, interpretation or amendment that has been issued but is not yet effective. 277



**New Standards, Interpretations and Amendments**

IFRS 14	Regulatory Deferral Accounts
IFRS 16	Leases
IFRIC 23	Uncertainty over Income Tax Treatments
IFRS 9	Prepayment Features with Negative Compensation (Amendments)
IAS 28	Long-term Interests in Associates and Joint Ventures (Amendments)
IAS 19	Plan Amendment, Curtailment or Settlement (Amendments)
IFRS 3	Business Combinations - Previously held Interests in a joint operation (AIP)
IFRS 11	Joint Arrangements - Previously held Interests in a joint operation (AIP)
IAS 12	Income Taxes - Income tax consequences of payments on financial instruments classified as equity (AIP)
IAS 23	Borrowing costs eligible for capitalization (AIP)

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 the Company's condensed interim financial statements for the period.

**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, 2019.

**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, 2019, except for as mentioned in note 2.2

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4.2.1 Market Treasury Bills		Face Value				Balance as at 31 December 2019				
Issue date	Tenure	1-Jul-19	Purchases during the year	Matured during the year	Sales /	31-Dec-19	Carrying Value	Fair Value	Increment in carrying value	Fair value as percentage of net assets

18-Jul-19	3 Months	-	225,000,000	225,000,000	-	-	-	-	-	-
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- These bills were zero coupon and carried a yield of 10.9850% per annum (30 June 2019: 6.73% to 10.76%).

4.2.2 Pakistan Investment Bond		Face Value				Balance as at 31 December 2019				
Issue date	Tenure	1-Jul-19	Purchases during the year	Matured during the year	Sales /	31-Dec-19	Carrying Value	Fair Value	Increment in carrying value	Fair value as percentage of net assets

12-Jul-19	3 Years	1,707,500,000	-	1,707,500,000	-	-	-	-	-	-
12-Jul-19	5 Years	1,787,500,000	-	1,787,500,000	-	-	-	-	-	-
12-Jul-19	10 Years	1,937,500,000	-	1,937,500,000	-	-	-	-	-	-
		5,432,500,000	-	5,432,500,000	-	-	-	-	-	-

- PIBs carry fixed interest at the rate ranging from 12.60% to 13.16% (30 June 2019: 12.60% to 13.16%) per annum receivable semi annually.

## 5 SHORT TERM INVESTMENTS

Term Deposit Receipt	Note	31 December 2019	30 June 2019
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		Rupees	Rupees
	5.1	2,091,400,000	-

5.1 Term Deposit Receipt ('TDR') has been placed with a commercial bank with a tenure of 1 year and carries fixed interest at the rate of 13.15% to 14.10% (30 June 2019: Nil) per annum receivable annually.



	Note	31 December 2019 Rupees	30 June 2019 Rupees
<b>6</b>	<b>Accrued Interest</b>		
	Term Deposit Receipts	46,386,555	-
	Regular Income	14,266,452	-
	Saving Accounts	-	27,772,942
	Pakistan Investment Bond	-	204,904,008
		<u>60,653,007</u>	<u>232,676,948</u>
<b>7</b>	<b>Cash and cash equivalents</b>		
	Cash in hand	40,000	40,000
	Cash at banks		
	- savings accounts	7.1 49,880,907	2,663,662,201
		<u>49,880,907</u>	<u>2,663,662,201</u>
		<u>49,920,907</u>	<u>2,663,702,201</u>

7.1 These are placed with commercial banks and carry interest rate ranging from 11.25% to 14.00% per annum (30 June 2019: 5.65% to 13.00%).

		31 December 2019 Rupees	30 June 2019 Rupees
<b>8</b>	<b>Accrued expenses</b>		
	Audit fee payable	1,045,000	278,000
	Other payable	4,597,320	5,019,320
		<u>5,642,320</u>	<u>5,297,320</u>

**9 Contingencies and commitments**

There are no contingencies and commitments as at 31 December 2019 (30 June 2019: Nil).

		31 December 2019 Rupees	31 December 2018 Rupees
<b>10</b>	<b>Operating expenses</b>		
	Salaries & other benefits	60,000	202,258
	Advertisement	29,461	-
	Auditors' remuneration	345,000	278,000
	Fee and Subscription	942,000	60,204
	Bank Charges	5,436	1,682
		<u>1,381,897</u>	<u>542,144</u>

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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:

The Fund measures fair value using the fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- 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
<b>As at 31 December 2019</b>								
<u>Financial assets - measured at fair value</u>								
Investments	-	-	-	-	-	-	-	-
- Government securities	-	-	-	-	-	-	-	-
<u>Financial assets - not measured at fair value</u>								
<u>Investment Account</u>								
Investments	-	7,966,211,656	-	7,966,211,656	-	-	-	-
- At amortised cost	-	43,294,459	-	43,294,459	-	-	-	-
- Cash equivalents	-	60,653,007	-	60,653,007	-	-	-	-
- Accrued interest	-	-	-	-	-	-	-	-
<u>Expense Account</u>								
Cash equivalents	-	6,626,448	-	6,626,448	-	-	-	-
Security deposits	-	-	-	-	-	-	-	-
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-	-	8,076,785,570	-	8,076,785,570	-	-	-	-
<hr/>								
<u>Financial liabilities - not measured at fair value</u>								
- Audit fee payable	-	-	1,045,000	1,045,000	-	-	-	-
- Other payable	-	-	4,597,320	4,597,320	-	-	-	-
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-	-	-	5,642,320	5,642,320	-	-	-	-
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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 2019</u>								
<u>Financial assets - measured at fair value</u>								
<u>Investments</u>								
- Government securities	4,612,193,810	-	-	4,612,193,810	-	4,435,753,077	-	4,435,753,077
<u>Financial assets - not measured at fair value</u>								
<u>Investment Account</u>								
<u>Investments</u>								
- At amortised cost	-	-	-	-	-	-	-	-
- Cash equivalents	-	2,663,662,201	-	2,663,662,201	-	-	-	-
- Accrued interest	-	232,676,948	-	232,676,948	-	-	-	-
<u>Expense Account</u>								
Cash equivalents	-	-	-	-	-	-	-	-
Security deposits	-	-	-	-	-	-	-	-
	<u>4,612,193,810</u>	<u>2,896,339,149</u>	<u>-</u>	<u>7,508,532,959</u>	<u>-</u>	<u>4,435,753,077</u>	<u>-</u>	<u>4,435,753,077</u>
<u>Financial liabilities - not measured at fair value</u>								
- Audit fee payable	-	-	700,000	700,000	-	-	-	-
- Other payable	-	-	4,597,320	4,597,320	-	-	-	-
	<u>-</u>	<u>-</u>	<u>5,297,320</u>	<u>5,297,320</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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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 2019</u> Fund - Total Rupees	<u>30 June 2019</u> Fund - Total Rupees
<b>Transactions with</b>		
The Bank of Punjab - Income on savings account	5,369,628	3,920,708
<b>Balances with</b>		
The Bank of Punjab - Bank balances	49,477,738	8,188,212
Punjab Pension Fund - Payable balance	4,597,320	4,597,320

## 12 Number of Employees

The following are the number of persons employed


	<u>31 December 2019</u>	<u>30 June 2019</u>
Employees as at the year end	17	17
Average number of employees during the year	17	17

## 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 08-Dec-2022 by the Management Committee of the Fund.

  
General Manager

  
Chairman