

**Punjab Pension Fund**

**Financial Statements for the year ended  
30 June 2017**



**KPMG Taseer Hadi & Co.**  
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## **Auditors' Report to the Management Committee**

We have audited the annexed statement of assets and liabilities of **Punjab Pension Fund** ("the Fund") as at 30 June 2017, the related income statement, statement of comprehensive income, cash flow statement and statement of movement in accumulated pension fund together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Fund's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of Punjab Pension Fund Act, 2007 ("the Act") and Punjab Pension Fund Rules, 2007 ("the Rules"). Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of account have been kept by the Fund as required by the Act and the Rules as well as other laws, to the extent these are applicable;
- b) in our opinion:
  - i. the statement of assets and liabilities and income statement together with the notes thereon have been drawn up in conformity with the Act and the Rules and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
  - ii. the expenditure incurred during the year was for the purpose of Fund's business and as specified in the Act and the Rules as well as other laws, to the extent these are applicable; and
  - iii. the business conducted, investments made and expenditure incurred during the year were in accordance with the objects of the Fund.

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- c) in our opinion and to the best of our information and according to the explanations given to us, the statement of assets and liabilities, income statement, statement of comprehensive income, cash flow statement and statement of movement in accumulated pension fund together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Act and the Rules in the manner so required and respectively give a true and fair view of the state of the Fund's affairs as at 30 June 2017 and of its net income, its comprehensive income, its cash flows and changes in accumulated pension fund for the year then ended; and
- d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

**Date: 13 September 2017**

**Lahore**

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**KPMG Taseer Hadi & Co.**  
**Chartered Accountants**  
**(Kamran I. Yousafi)**

Punjab Pension Fund  
Statement of Assets and Liabilities  
As at 30 June 2017

	Note	30 June 2017		30 June 2016	
		Punjab Pension Fund Trust	Punjab Pension Fund - Expense Account	Punjab Pension Fund - Total	Punjab Pension Fund - Total
----- Rupees -----					
<b>ASSETS</b>					
<i>Non-current assets</i>					
Operating fixed assets	4	-	1,941,790	1,941,790	269,725
Investments	5	30,045,640,338	-	30,045,640,338	28,543,226,886
Accrued interest	6	735,395,561	-	735,395,561	675,062,387
Deposits and prepayments	7	100,000	1,460,593	1,560,593	1,516,250
Cash and cash equivalents	8	18,421,262,025	64,884,626	18,486,146,651	11,027,667,834
<b>Total assets</b>		<b>49,202,397,924</b>	<b>68,287,009</b>	<b>49,270,684,933</b>	<b>40,247,743,082</b>
<b>LIABILITIES</b>					
<i>Current liabilities</i>					
Trustee fee payable		755,376	-	755,376	692,831
Accrued expenses	9	-	917,930	917,930	3,184,727
<b>Total liabilities</b>		<b>755,376</b>	<b>917,930</b>	<b>1,673,306</b>	<b>3,877,558</b>
Contingencies and commitments	10	-	-	-	-
<b>Net assets</b>		<b>49,201,642,548</b>	<b>67,369,079</b>	<b>49,269,011,627</b>	<b>40,243,865,524</b>
<b>Represented by:</b>					
<b>Accumulated Pension Fund</b>		<b>49,201,642,548</b>	<b>67,369,079</b>	<b>49,269,011,627</b>	<b>40,243,865,524</b>

The annexed notes 1 to 17 form an integral part of these financial statements.

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Lahore

  
General Manager

  
Private Member

  
Chairman

# Punjab Pension Fund

## Income Statement

For the year ended 30 June 2017

	30 June 2017		30 June 2016	
	Punjab Pension Fund Trust	Punjab Pension Fund - Expense Account	Punjab Pension Fund - Total	Punjab Pension Fund - Total
Note ----- Rupees -----				
<b><u>Income</u></b>				
<i>Interest income from:</i>				
- National Savings Account and Certificates	1,989,248,445	-	1,989,248,445	1,821,541,837
- Pakistan Investment Bonds	1,034,009,888	-	1,034,009,888	1,032,021,509
- Term Deposit Receipts	876,800,065	-	876,800,065	683,968,082
- Term Finance Certificates	25,465,591	-	25,465,591	41,748,271
- Bank deposits	38,216,193	2,755,657	40,971,850	35,659,934
- Market Treasury Bills	10,993,083	-	10,993,083	4,552,717
	3,974,733,265	2,755,657	3,977,488,922	3,619,492,350
Net Capital (loss)/gain on sale of available for sale investment	(12,783)	-	(12,783)	16,762,351
Other Income	-	6,774	6,774	9,100
<b>Total income</b>	<b>3,974,720,482</b>	<b>2,762,431</b>	<b>3,977,482,913</b>	<b>3,636,263,801</b>
<b><u>Expenditure</u></b>				
Operating expenses	-	42,980,039	42,980,039	38,137,750
Trustee remuneration and safe custody charges	8,782,391	-	8,782,391	8,263,560
Legal and other professional charges	-	4,000	4,000	3,351,000
Auditors remuneration	-	977,692	977,692	813,560
Brokerage expense	-	-	-	57,000
Bank charges	24,785	3,944	28,729	25,381
<b>Total expenditure</b>	<b>8,807,176</b>	<b>43,965,675</b>	<b>52,772,851</b>	<b>50,648,251</b>
<b>Income / (expense) for the year</b>	<b>3,965,913,306</b>	<b>(41,203,244)</b>	<b>3,924,710,062</b>	<b>3,585,615,550</b>
Budgetary (payments) / receipts for the year	(47,895,157)	47,895,157	-	-
<b>Net income for the year</b>	<b>3,918,018,149</b>	<b>6,691,913</b>	<b>3,924,710,062</b>	<b>3,585,615,550</b>

The annexed notes 1 to 17 form an integral part of these financial statements.

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General Manager

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Chairman

Punjab Pension Fund  
Statement of Comprehensive Income  
For the year ended 30 June 2017

	30 June 2017		30 June 2016	
	Punjab Pension Fund Trust	Punjab Pension Fund - Expense Account	Punjab Pension Fund - Total	Punjab Pension Fund - Total
Note ----- Rupees -----				
Net income for the year	3,918,018,149	6,691,913	3,924,710,062	3,585,615,550
<b><u>Other comprehensive income</u></b>				
<b>Items that are to be classified subsequently to income statement:</b>				
<i>Available-for-sale investments:</i>				
- unrealised appreciation on remeasurement - net	100,436,041	-	100,436,041	376,207,781
- reclassified to income statement on disposal		-	-	(17,220,290)
5.2	100,436,041	-	100,436,041	358,987,491
<b>Total comprehensive income for the year</b>	<b>4,018,454,190</b>	<b>6,691,913</b>	<b>4,025,146,103</b>	<b>3,944,603,041</b>

The annexed notes 1 to 17 form an integral part of these financial statements.

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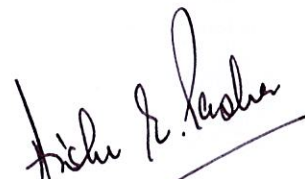


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General Manager



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Punjab Pension Fund  
Statement of Movement in Accumulated Pension Fund  
For the year ended 30 June 2017

	30 June 2017		30 June 2016	
	Punjab Pension Fund Trust	Punjab Pension Fund - Expense Account	Punjab Pension Fund - Total	Punjab Pension Fund - Total
----- Rupees -----				
Balance at the beginning of the year	40,183,188,358	60,677,166	40,243,865,524	35,299,262,483
Amount contributed by the Government through the Reserve Pension Fund	5,000,000,000	-	5,000,000,000	1,000,000,000
<i><u>Total comprehensive income for the year</u></i>				
Net income for the year	3,918,018,149	6,691,913	3,924,710,062	3,585,615,550
Other comprehensive income for the year	100,436,041	-	100,436,041	358,987,491
	4,018,454,190	6,691,913	4,025,146,103	3,944,603,041
Balance at the end of the year	49,201,642,548	67,369,079	49,269,011,627	40,243,865,524

The annexed notes 1 to 17 form an integral part of these financial statements.

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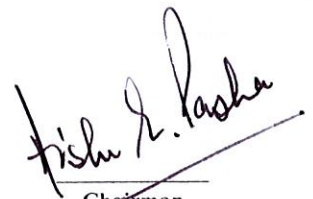
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General Manager



Private Member



Chairman

Punjab Pension Fund  
Cash Flow Statement  
For the year ended 30 June 2017

	30 June 2017			30 June 2016
	Punjab Pension Fund Trust	Punjab Pension Fund - Expense Account	Punjab Pension Fund - Total	Punjab Pension Fund - Total
<i>Note</i> ----- Rupees -----				
<b><u>Cash flow from operating activities</u></b>				
Income / (expense) for the year	3,965,913,306	(41,203,244)	3,924,710,062	3,585,615,550
<b><u>Adjustments for non cash items:</u></b>				
Amortization of discount income	(15,815,528)	-	(15,815,528)	(6,348,824)
Depreciation on operating fixed assets	-	516,772	516,772	220,925
	(15,815,528)	516,772	(15,298,756)	(6,127,899)
Operating profit/(loss) before changes in working capital	3,950,097,778	(40,686,472)	3,909,411,306	3,579,487,651
<b><u>Changes in working capital</u></b>				
<i>Increase in assets:</i>				
Investments	(1,386,161,883)	-	(1,386,161,883)	(864,581,996)
Accrued interest	(60,333,174)	-	(60,333,174)	(14,443,376)
Deposits and prepayments	-	(44,343)	(44,343)	(41,250)
	(1,446,495,057)	(44,343)	(1,446,539,400)	(879,066,622)
<i>(Decrease) / increase in liabilities:</i>				
Trustee fee payable	62,545	-	62,545	115,462
Accrued Expenses	-	(2,266,797)	(2,266,797)	2,457,081
	62,545	(2,266,797)	(2,204,252)	2,572,543
Budgetary (payments) / receipts for the year	(47,895,157)	47,895,157	-	-
Net cash generated from operations	2,455,770,109	4,897,545	2,460,667,654	2,702,993,572
<b><u>Cash flow from investing activities</u></b>				
Fixed Assets expenditure	-	(2,188,837)	(2,188,837)	(56,700)
Net cash used in investing activities	-	(2,188,837)	(2,188,837)	(56,700)
<b><u>Cash flow from financing activities</u></b>				
Amount contributed by the Government through the Reserve Pension Fund	5,000,000,000	-	5,000,000,000	1,000,000,000
Cash generated from financing activities	5,000,000,000	-	5,000,000,000	1,000,000,000
Net increase in cash and cash equivalents during the year	7,455,770,109	2,708,708	7,458,478,817	3,702,936,872
Cash and cash equivalents at beginning of the year	10,965,491,916	62,175,918	11,027,667,834	7,324,730,962
Cash and cash equivalents at end of the year	18,421,262,025	64,884,626	18,486,146,651	11,027,667,834

The annexed notes 1 to 17 form an integral part of these financial statements.

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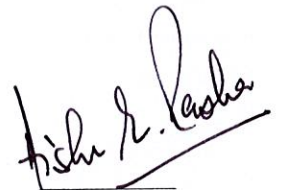


Lahore

General Manager



Private Member



Chairman



# Punjab Pension Fund

## Notes to the Financial Statements

For the year ended 30 June 2017

### 1 Reporting entity

- 1.1 The Punjab Pension Fund ("Fund") has been established under the Punjab Pension Fund Act 2007 ("Act") to generate revenue for the discharge of pension liabilities of the Government of Punjab. The Fund is a body corporate with perpetual succession. The Fund shall perform such functions and exercise such powers as are vested in it under the Act and the Punjab Pension Fund Rules 2007 ("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, national saving scheme, term deposit receipts, debt securities and bank deposits.

The Punjab Pension Fund Trust ("Trust") has been established under the Punjab Pension Fund Act 2007 ("Act") and given the status of Trust under a trust deed executed on 27 September 2011 between Punjab Pension Fund ("Fund") and Central Depository Company of Pakistan Limited ("Trustee"). The Fund, through the Management Committee and the Trustee, have created the Trust for the benefit of the Reserve Pension Fund created under Section 3 of the Act. The Trust shall be of a perpetual nature and shall continue until the Trust is dissolved upon receipt of directions from the Government of Punjab. The Fund shall manage, operate and administer the Trust and the Trustee will act as the custodian of the assets of the Fund.

Expenses incurred on operations of the Fund, including expenses relating to functioning of the Management Committee, are paid out of the trust property in the form of annual / supplementary budgets approved by the Management Committee. Budgetary amounts are transferred to separate expense account established by the Fund under the Rules, for incurring operational expenses of the Fund other than related to investments.

- 1.2 In comparative year, financial statements of the Pension Fund Trust and Expense accounts were drawn separately along with merged financial statements of Punjab Pension Fund. However, during current year the Management Committee has decided to prepare a single set of financial statements in columnar form representing separate figures of Pension Fund Trust and Expense account with total figures of Punjab Pension Fund. This step has been taken by Management Committee for achieving overall better presentation of financial statements, efficiency in financial reporting process and reduction in related costs.

### 2 Basis of preparation

#### 2.1 Statement of compliance

These financial statements have been prepared in accordance with the requirements of the Punjab Pension Fund Act 2007, Punjab Pension Fund Rules 2007 and the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the provisions of the Companies Ordinance 1984. Wherever the requirements of the Punjab Pension Fund Act 2007, Punjab Pension Fund Rules, 2007 or the directives issued by the Government of Punjab differ with the requirements of these standards, the requirements of the Punjab Pension Fund Act 2007, Punjab Pension Fund Rules 2007 and the requirements of the said directives shall prevail.

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## 2.2 Basis of measurement

The 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 International Accounting Standard (IAS) 39: 'Financial Instruments: Recognition and Measurement'.

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

## 2.3 Functional and presentation currency

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

## 2.4 Use of judgments and estimates

The preparation of 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The area where various assumptions and estimates are significant to Fund's financial statements or where judgments were exercised in application of accounting policies principally related to:

	<i>Note</i>
- useful life of depreciable assets	3.1
- classification, valuation and impairment if any, of investments	3.2
- provisions	3.7

## 3 Summary of significant accounting policies

### 3.1 Operating fixed assets and depreciation

These are stated at cost less accumulated depreciation less accumulated impairment (if any). Depreciation is charged to income statement by applying the straight line method so as to write off the operating fixed assets over their expected useful life at the rates given in note 4. Depreciation is charged from the month of acquisition while no depreciation is charged in the month of disposal of asset. Normal repairs and maintenance are charged to income as and when incurred.

Profit/loss on disposal of fixed assets represented by the difference between the sale proceeds and the carrying amount of the assets is included in income statement.

### 3.2 Investments

The Fund classifies its investments as fair value through profit or loss, held to maturity, loans and receivables and available for sale.

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### 3.2.1 Trade date accounting

Regular purchases and sales of financial assets are recognized on the trade date – the date on which the Fund commits to purchase or sell an asset.

### 3.2.2 Initial measurement

All investments are initially recognized at cost being the fair value of the consideration given including acquisition cost, except in case of financial assets at fair value through profit or loss, in which case the transaction costs are taken directly to the income statement in the period in which they arise.

### 3.2.3 Subsequent measurement

#### Financial assets at fair value through profit or loss

These include investments which are acquired principally for the purpose of generating profit from short term fluctuations in prices and are classified as financial assets at fair value through profit or loss. These are stated at fair values with any resulting surplus / (deficit) recognized in the income statement.

#### Held to maturity

The investments with fixed maturity or determinable payments where management has both intent and ability to hold to maturity are classified as held to maturity. These are stated at amortized cost using the effective interest rate method less impairment, if any. The amortization for the period is taken to the income statement.

#### Available-for-sale

Investments which can not be classified as loans and receivables, held to maturity or at fair value through profit or loss are classified as available-for-sale.

Investments intended to be held for an unidentified period of time, which may be sold in response to need for liquidity or changes to interest rates or equity prices are classified as available-for-sale.

Available-for-sale investments are measured at subsequent reporting dates at fair value. However investments for which fair value cannot be determined are valued at cost. Surplus/(deficit) on re-measurement is kept in accumulated pension fund, until the security is disposed off or is determined to be impaired, at which time, the cumulative unrealized surplus/(deficit) is included in the income statement.

#### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition financial assets classified as 'Loans and receivables' are carried at amortized cost using the effective interest method. Gain or loss is also recognized in the 'income statement' when financial assets carried at amortized cost are derecognized or impaired, and through the amortization process.

### 3.2.4 Fair Value

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.

Fair value of financial assets is determined as follows:

a) **Government securities**

Fair value of government securities is determined at the average rate obtained from PKRV rate sheet and quoted on Mutual Funds Association of Pakistan ("MUFAP") and such average rate shall be based on the remaining tenor of the security.

b) **Debt securities**

Fair value of debt securities, other than government securities, is determined on the basis of prices announced by the MUFAP in accordance with the Securities and Exchange Commission of Pakistan ("SECP") Circular No. 1 of 2009 and Circular 33 of 2012.

c) **Listed shares**

Fair value of listed shares is determined on the basis of closing quoted market prices available at the Pakistan Stock Exchange (PSX).

d) **Mutual Fund**

Fair value of mutual fund's units is determined with reference to the net asset value declared by the respective fund.

### 3.3 Revenue recognition

- a) Gains / losses arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- b) Dividend income is recognized when the Fund's right to receive dividend is established. Dividend received on marketable securities acquired after the announcement of dividend till the book closure date is accounted for as reduction in the cost of investment.
- c) Income on government securities, treasury bills, bonds and term finance certificates is recognized on an accrual basis using the effective interest rate method.
- d) Income on deposits and national saving schemes is recognized on accrual basis.

### 3.4 Financial instruments

- (i) Financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual provisions of the instrument.
- (ii) Financial assets are de-recognized when the Fund loses control of the contractual rights that comprise the financial asset.
- (iii) Financial liabilities are de-recognized when they are extinguished, i.e. when the obligation specified in the contract is discharged, cancelled or expired.
- (iv) Any gain or loss on de-recognition of the financial assets and financial liabilities is taken to the income statement in the period in which it arises.
- (v) Financial liabilities, other than those at fair value through profit or loss, are measured at amortized cost using the effective yield method.
- (vi) The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

### **3.5 Off setting of financial assets and financial liabilities**

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

### **3.6 Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of assets and liabilities at cost. Cash and cash equivalents comprise of cash in hand, term deposit receipts having maturity of three months or less and balances maintained with banks.

### **3.7 Provisions**

A provision is recognized in the statement of assets and liabilities when the Fund has legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the reliable estimate can be made of the amount of the obligation. The provisions are reviewed at each reporting date and are adjusted to reflect the current best estimates.

### **3.8 Impairment**

#### **Financial assets**

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment loss in respect of a financial asset measured at fair value is determined by reference to that fair value. All impairment losses are recognized in income statement. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. An impairment loss is reversed only to the extent that the financial asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

#### **Non-financial assets**

The carrying amounts of the non-financial assets are reviewed at each reporting date to identify the circumstances indicating the occurrence of impairment loss or reversal of previous impairment losses. If any such indication exists, the recoverable amount of such asset is estimated and impairment loss is recognized in the income statement. Where an impairment loss subsequently reverses, the carrying amount of such asset is increased to the revised recoverable amount. A reversal of the impairment loss is recognized in the income statement.

### **3.9 Foreign currency translation**

Transactions denominated in foreign currencies are translated to Pak Rupee at the foreign exchange rate ruling at the date of transaction. Assets and liabilities in foreign currency are translated at the rates of exchange prevailing on the reporting date. All exchange gains/losses are taken to the income statement.

### **3.10 Transactions with related parties**

The Fund enters into transaction with related parties on an arm's length basis. Prices for transactions with related parties are determined using admissible valuation methods.

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### 3.11 Taxation

The income of the Fund is exempt from tax under Clause 57(3)(xii) of Part I of the Second Schedule to the Income Tax Ordinance 2001, therefore no provision for taxation has been made in these financial statements.

### 3.12 Standards, interpretations and amendments to published approved accounting standards that are not yet effective:

There were certain other new standards and amendments to the approved accounting standards which became effective during the year but are considered not to be relevant or have any significant effect on the Fund's operations and are, therefore, not disclosed.

In addition to the above, following standards, interpretations and amendments of approved accounting standards are effective for accounting periods beginning on or after 1 July 2017.

- Amendments to IAS 12 'Income Taxes' are effective for annual periods beginning on or after 1 January 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments are not likely to have an impact on Fund's financial statements.
- Amendments to IAS 7 'Statement of Cash Flows' are part of IASB's broader disclosure initiative and are effective for annual periods beginning on or after 1 January 2017. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes.

The following new or amended standards / interpretations are not relevant to the Fund and so are not expected to have an impact on these financial statements:

<b>Standard or Interpretation</b>	<b>Effective date (accounting periods beginning on or after)</b>
- IFRS 2 - Share-based Payment	01 January 2018
- IAS 40 - Investment Property	01 January 2018
- IFRIC 22 - Foreign Currency Transactions and Advance Consideration	01 January 2018
- IFRIC 23 - Uncertainty over Income Tax Treatments	01 January 2019

Annual improvements to IFRS standards 2014-2016 cycle. The new cycle of improvements addresses improvements to following approved accounting standard

	<b>Effective date (accounting periods beginning on or after)</b>
- Amendments to IFRS 12 - Disclosure of Interests in Other Entities	01 January 2017
- Amendments to IAS 28 - Investments in Associates and Joint Ventures	01 January 2018

In addition to the above, Companies Act, 2017 was enacted on 30 May 2017 and SECP vide its circular 17 of 2017 has clarified that the Companies whose financial year closes on or before 30 June 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. This amendment will not have any impact on Fund's financial statements.

4 Operating fixed assets

		2017							
		Cost		Depreciation		Written Down			
		As at	Additions during	As at	Rate	As at	Charge for the	As at	Value as at
		01 July 2016	the year	30 June 2017	%	01 July 2016	year	30 June 2017	30 June 2017
		Rupees				Rupees			
<u>Assets</u>									
Furniture and fittings		56,750	-	56,750	20	56,750	-	56,750	-
Office equipment		1,467,865	2,188,837	3,656,702	33.33	1,198,143	516,772	1,714,915	1,941,787
Motor vehicles		193,558	-	193,558	20	193,555	-	193,555	3
		<b>1,718,173</b>	<b>2,188,837</b>	<b>3,907,010</b>		<b>1,448,448</b>	<b>516,772</b>	<b>1,965,220</b>	<b>1,941,790</b>

		2016							
		Cost		Depreciation		Written Down			
		As at	Additions during	As at	Rate %	As at	Charge for the	As at	Value as at
		01 July 2015	the year	30 June 2016		01 July 2015	year	30 June 2016	30 June 2016
		Rupees				Rupees			
<u>Assets</u>									
Furniture and fittings		56,750	-	56,750	20	50,541	6,209	56,750	-
Office equipment		1,411,165	56,700	1,467,865	33.33	983,427	214,716	1,198,143	269,722
Motor vehicles		193,558	-	193,558	20	193,555	-	193,555	3
		<b>1,661,473</b>	<b>56,700</b>	<b>1,718,173</b>		<b>1,227,523</b>	<b>220,925</b>	<b>1,448,448</b>	<b>269,725</b>

*Amounts in Rupees*

	Note	2017		2016	
		Trust	Expense	Fund - Total	Fund - Total
----- Rupees -----					
<b>5 Investments</b>					
Deposits	5.1	20,057,919,101	-	20,057,919,101	18,600,328.695
Available for sale	5.2	9,987,721,237	-	9,987,721,237	9,942,898,191
		<u>30,045,640,338</u>	<u>-</u>	<u>30,045,640,338</u>	<u>28,543,226.886</u>

#### 5.1 Deposits

Term Deposit Receipt	5.1.1	1,000,000,000	-	1,000,000,000	1,000,000,000
National Savings Account					
- Regular Income Certificates	5.1.2	3,900,000,000	-	3,900,000,000	3,900,000,000
National Savings Scheme					
- Special Savings Account	5.1.3	15,157,919,101	-	15,157,919,101	13,700,328,695
		<u>20,057,919,101</u>	<u>-</u>	<u>20,057,919,101</u>	<u>18,600,328,695</u>

5.1.1 Term Deposit Receipt ('TDR') has been placed with a commercial bank on 26 June 2014 with a tenure of 5 years and carries fixed interest at the rate of 12.05% (30 June 2016: 12.05%) per annum.

5.1.2 These comprise of Regular Income Certificates issued by National Savings Organization. The total issue comprises of 390 certificates of Rs. 10 million each. These were purchased on 19 November 2014 with a maturity period of 5 years. These certificates are encashable any time subject to deduction of service charges. These carry fixed interest at the rate of 12.30% (30 June 2016: 12.30%) per annum receivable monthly.

5.1.3 This represents deposits maintained in form of an account at National Savings Organization. These deposits have different issue dates, maturity dates and cash flows. These deposits have maturity period of 3 years. The amount can be withdrawn at par at any time after the date of its deposit. These carry fixed interest at the rate ranging from 7.60% to 13.40% (30 June 2016: 7.60% to 11.60%) per annum receivable semi-annually and automatically stand reinvested and would be calculated for further profit on completion of the next six months period.

#### 5.2 Available for sale

	Note	Trust			
		Carrying value		Fair value	
		2017	2016	2017	2016
----- Rupees -----					
Government securities					
- Pakistan Investment Bonds	5.2.1	7,526,327,183	7,510,511,606	9,663,560,524	9,550,028,085
- Market Treasury Bills	5.2.2	-	-	-	-
Debt securities					
- Term Finance Certificates	5.2.3	321,428,570	392,857,142	324,160,713	392,870,106
		<u>7,847,755,753</u>	<u>7,903,368,748</u>	<u>9,987,721,237</u>	<u>9,942,898,191</u>
Fair value adjustment		2,139,965,484	2,039,529,443		
		<u>9,987,721,237</u>	<u>9,942,898,191</u>		

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5.2.1 Government securities - Pakistan Investment Bonds ("PIBs")

Issue date	Tenure - Years	Face value					Balance as at 30 June 2017			Fair value as percentage of net assets	Fair value as percentage of total investments
		As at 1 July 2016	Purchases during the year	Sales / matured during the year	As at 30 June 2017	Carrying value	Fair value	Appreciation from carrying value			
31-Oct-06	20 - Years	25,000,000	-	-	25,000,000	21,822,804	28,957,741	7,134,937	0.06%	0.10%	
30-Aug-08	20 - Years	900,000,000	-	-	900,000,000	870,791,293	1,175,648,777	304,857,484	2.39%	3.91%	
30-Aug-08	30 - Years	750,000,000	-	-	750,000,000	743,646,222	937,624,002	193,977,780	1.90%	3.12%	
18-Aug-11	15 - Years	25,000,000	-	-	25,000,000	23,760,822	32,159,402	8,398,580	0.07%	0.11%	
18-Aug-11	20 - Years	6,075,000,000	-	-	6,075,000,000	5,866,306,042	7,489,170,602	1,622,864,560	15.20%	24.93%	
		7,775,000,000	-	-	7,775,000,000	7,526,327,183	9,663,560,524	2,137,233,341	19.61%	32.16%	

- PIBs carry fixed interest at the rate ranging from 10.50% to 13.75% (30 June 2016: 10.50% to 13.75%) per annum receivable semi-annually.

5.2.2 Government Securities - Market Treasury Bills ("T-Bills")

Issue date	Tenure - Months	Face value					Balance as at 30 June 2017			Fair value as percentage of net assets	Fair value as percentage of total investments
		As at 1 July 2016	Purchases during the year	Sales / Matured during the year	As at 30 June 2017	Carrying value	Fair value	Appreciation from carrying value			
4-Apr-17	3 Months	-	850,000,000	850,000,000	-	-	-	-	-	-	
13-Apr-17	3 Months	-	850,000,000	850,000,000	-	-	-	-	-	-	
		-	1,700,000,000	1,700,000,000	-	-	-	-	-	-	

- These bills were zero coupon and carried a yield of 6.06% to 6.13% per annum (30 June 2016 : 7.02% to 7.12% per annum)

5.2.3 Debt securities - Term Finance Certificates ("TFCs")

Name of issuer	Issue Date	Number of Certificates					Balance as at 30 June 2017			Fair value as percentage of net assets	Fair value as percentage of total investments
		As at 1 July 2016	Purchase during the year	Sales / Matured during the year	As at 30 June 2017	Carrying value	Fair value	Appreciation from carrying value			
WAPDA TFCs	27-Sep-13	100,000	-	-	100,000	321,428,570	324,160,713	2,732,143	0.66%	1.08%	
		100,000	-	-	100,000	321,428,570	324,160,713	2,732,143	0.66%	1.08%	

-WAPDA TFCs have face value of Rs. 5000 per certificate. The principal redemption of such TFCs is structured to be in fourteen equal semi-annual installments starting from 27 March 2015. These carry variable interest rate of 6 Month KIBOR plus 100 bps (30 June 2016: 6 Month KIBOR plus 100 bps) per annum receivable semi-annually.

4/27/2017

	Note	30 June 2017			30 June 2016	
		Trust	Expense	Fund - Total	Fund - Total	
----- Rupees -----						
<b>6</b>	<b>Accrued interest</b>					
	Term Deposit Receipts	12,203,397	-	12,203,397	4,844,479	
	National Savings Account and Certificates	351,635,266	-	351,635,266	299,674,004	
	Pakistan Investment Bonds	365,529,189	-	365,529,189	362,959,830	
	Term Finance Certificates	6,027,709	-	6,027,709	7,584,074	
		<u>735,395,561</u>	<u>-</u>	<u>735,395,561</u>	<u>675,062,387</u>	
<b>7</b>	<b>Deposits and prepayments</b>					
	Prepaid rent	-	635,593	635,593	591,250	
	Security deposits					
	- Central Depository Company	100,000	-	100,000	100,000	
	- Office building	-	825,000	825,000	825,000	
		<u>100,000</u>	<u>1,460,593</u>	<u>1,560,593</u>	<u>1,516,250</u>	
<b>8</b>	<b>Cash and cash equivalents</b>					
	Cash in hand	-	40,000	40,000	40,000	
	Cash at banks					
	- saving accounts	8.1	7,620,872,239	64,844,626	7,685,716,865	1,227,574,136
	- current accounts		389,786	-	389,786	53,698
	- term deposit receipts	8.2	10,800,000,000	-	10,800,000,000	9,800,000,000
			<u>18,421,262,025</u>	<u>64,844,626</u>	<u>18,486,106,651</u>	<u>11,027,627,834</u>
			<u>18,421,262,025</u>	<u>64,884,626</u>	<u>18,486,146,651</u>	<u>11,027,667,834</u>

8.1 These carry interest at the rate of 4.50% to 6.50% per annum (30 June 2016: 4.25% to 6.05% per annum).

8.2 These are placed with commercial banks and carry interest at the rate of 6.26% to 6.61% per annum (30 June 2016: 6.75% to 6.86% per annum).

	Note	30 June 2017			30 June 2016
		Trust	Expense	Fund - Total	Fund - Total
----- Rupees -----					
<b>9</b>	<b>Accrued expenses</b>				
	Payable to actuary	-	-	-	2,500,000
	Audit fee payable	-	676,419	676,419	606,147
	Meeting fee payable	-	50,000	50,000	60,000
	Withholding tax payable	-	-	-	10,000
	EOBI payable	-	22,800	22,800	8,580
	Utilities payable	-	90,034	90,034	-
	Security guard fee payable	-	28,342	28,342	-
	Others	-	50,335	50,335	-
		-	<u>917,930</u>	<u>917,930</u>	<u>3,184,727</u>

**10 Contingencies and commitments**

There were no contingencies and commitments as at 30 June 2017.

	Note	30 June 2017			30 June 2016
		Trust	Expense	Fund - Total	Fund - Total
----- Rupees -----					
<b>11</b>	<b>Operating expenses</b>				
	Salaries and wages	-	34,408,208	34,408,208	31,109,540
	Rent	-	3,769,220	3,769,220	3,506,250
	Utilities	-	954,961	954,961	915,681
	Office and other expenses	-	645,770	645,770	679,669
	Repair and maintenance	-	528,775	528,775	537,333
	Vehicle running expenses	-	425,737	425,737	473,581
	Fee and subscription	-	1,058,973	1,058,973	320,574
	Depreciation on operating fixed assets	-	516,772	516,772	220,925
	Printing and stationery	-	178,108	178,108	103,866
	Traveling, lodging and boarding	-	189,636	189,636	98,697
	Advertisement	-	53,465	53,465	91,924
	EOBI expense	-	102,200	102,200	14,300
	Courier and postage	-	9,642	9,642	8,535
	Training and development	-	70,056	70,056	-
	Miscellaneous	-	68,516	68,516	56,875
		-	<u>42,980,039</u>	<u>42,980,039</u>	<u>38,137,750</u>

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## 12 Financial instruments

The Fund has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Management Committee has overall responsibility for the establishment and oversight of Fund's risk management framework. The Management Committee is also responsible for developing and monitoring the Fund's risk management policies.

This note presents information about the Fund's exposure to each of the above risks, the Fund's objectives, policies and processes for measuring and managing risk.

The Fund's risk management policies are established to identify and analyze the risks faced by the Fund to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to react to changes in market conditions and the Fund's activities.

### 12.1 Credit risk

Credit risk is the risk that a counter party to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund. At the year end it arises principally from debt securities held, term deposits, bank balances and profit/markup recoverable, etc. Out of the total financial assets of Rs. 49,268 million (2016: Rs. 40,247 million) financial assets which are subject to credit risk amount to Rs. 19,829 million (2016: Rs. 12,434 million).

#### 12.1.1 Management of credit risk

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment policies approved by the Investment Committee. The Fund does not expect to incur material credit losses on its financial assets. Investments in government securities is risk free. Investment is made in scheduled banks having a minimum Long Term rating of "AA-".

#### 12.1.2 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is:

	Statement of assets and liabilities	
	2017	2016
	Rupees	Rupees
Bank balances	7,686,106,651	1,227,627,834
Investments - <i>available for sale</i>	324,160,713	392,870,106
Term deposit receipts	11,800,000,000	10,800,000,000
Accrued interest - <i>TDR and TFC</i>	18,231,106	12,428,553
Security deposits	925,000	925,000
	<u>19,829,423,470</u>	<u>12,433,851,493</u>

Differences in the balances as per the statement of assets and liabilities and maximum exposure in investments is due to the fact that investments of Rs. 29,439 million (2016: Rs. 27,813 million) relates to investments in Government Securities & other assets which are not considered to carry credit risk.

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### 12.1.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. Around 59.75% (2016: 69.11%) of the Fund's financial assets are in Government securities which are not exposed to the credit risk, while the remaining portfolio of financial assets is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

Details of Fund's concentration of credit risk of financial instruments by industry distribution are as follows:

	2017		2016	
	Rupees	Percentage	Rupees	Percentage
Commercial banks	19,498,310,048	98.33%	12,033,397,313	96.78%
Miscellaneous	331,113,422	1.67%	400,454,180	3.22%
	<u>19,829,423,470</u>	<u>100%</u>	<u>12,433,851,493</u>	<u>100%</u>

The credit quality of bank balances and investments in term finance certificates that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rate:

<u>Bank Balances</u>	Rating 2017			Amount
	Short Term	Long Term	Agency	Rs.
Bank of Punjab	A1+	AA	PACRA	195,739,555
Bank Alfalah Limited	A-1+	AA+	JCR-VIS	6,267,362,450
Bank Al-Habib Limited	A1+	AA+	PACRA	71,826
Allied Bank Limited	A1+	AA+	PACRA	22,285
Askari Bank Limited	A1+	AA+	PACRA	314,210
Habib Bank Limited	A-1+	AAA	JCR-VIS	9,130
Samba Bank Limited	A-1	AA	JCR-VIS	1,222,539,315
Soneri Bank Limited	A1+	AA-	PACRA	3,718
Sindh Bank Limited	A-1+	AA	JCR-VIS	7,961
United Bank Limited	A-1+	AAA	JCR-VIS	22,427
JS Bank Limited	A1+	AA-	PACRA	5,747
MCB Bank Limited (formerly NIB Bank Limited)	A1+	AA-	PACRA	8,027
				<u>7,686,106,651</u>
<u>Term Deposit Receipts</u>				
Bank of Punjab	A1+	AA	PACRA	1,000,000,000
JS Bank	A1+	AA-	PACRA	3,002,318,027
Soneri Bank Limited	A1+	AA-	PACRA	3,604,122,740
Allied Bank Limited	A1+	AA+	PACRA	4,205,762,630
				<u>11,812,203,397</u>
<u>Term Finance Certificates</u>				
WAPDA-TFC	-	AAA	MUFAP	330,188,422
<i>WAPDA-TFC</i>				<u>330,188,422</u>
				<u>19,828,498,470</u>

<u>Bank Balances</u>	Rating 2016			Amount
	Short Term	Long Term	Agency	Rs.
Bank of Punjab	A1+	AA-	PACRA	1,127,694,764
Bank Alfalah Limited	A1+	AA	PACRA	3,127,693
Bank Al-Habib Limited	A1+	AA+	PACRA	69,951
Allied Bank Limited	A1+	AA+	PACRA	6,292
Habib Bank Limited	A-1+	AAA	JCR-VIS	9,129
National Bank of Pakistan	A1+	AAA	PACRA	-
Samba Bank Limited	A-1	AA	JCR-VIS	96,672,385
Soneri Bank Limited	A1+	AA-	PACRA	9,343
United Bank Limited	A-1+	AAA	JCR-VIS	29,950
MCB Bank Limited (formerly NIB Bank Limited)	A1+	AA-	PACRA	8,327
				<u>1,227,627,834</u>
<u>Term Deposit Receipts</u>				
Bank of Punjab	A1+	AA-	PACRA	1,000,000,000
Allied Bank Limited	A1+	AA+	PACRA	7,304,104,754
United Bank Limited	A-1+	AAA	JCR-VIS	2,500,739,725
				<u>10,804,844,479</u>
<u>Term Finance Certificates</u>				
WAPDA-TFC	-	AAA	MUFAP	400,454,180
				<u>400,454,180</u>
				<u>12,432,926,493</u>

Due to the Fund's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

#### Settlement risk

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honor its obligations to deliver cash, securities or other assets as contractually agreed on sale.

#### Management of risk

For the vast majority of transactions, the Fund mitigates this risk by conducting settlements through a broker or bank to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

## 12.2 Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due.

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### 12.2.1 Management of liquidity risk

The Fund'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. For this purpose the Fund has effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements. All liabilities are payable in respect of expenses as approved the management committee in budget for the year.

### 12.2.2 Maturity analysis for financial liabilities

The following are the contractual maturities of financial liabilities as on:

30 June 2017					
Carrying amount	Six months or less	Six to twelve months	One to Two years	Two to five years	
Rupees					
Trustee fee payable	755,376	755,376	-	-	-
Audit fee payable	676,419	676,419	-	-	-
Other payable	218,711	218,711	-	-	-
<b>1,650,506</b>	<b>1,650,506</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
30 June 2016					
Carrying amount	Six months or less	Six to twelve months	One to Two years	Two to five years	
Rupees					
Meeting fee payable	60,000	60,000	-	-	-
Trustee fee payable	692,831	692,831	-	-	-
Audit fee payable	606,147	606,147	-	-	-
Payable to actuary	2,500,000	2,500,000	-	-	-
<b>3,858,978</b>	<b>3,858,978</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 12.3 Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices and foreign exchange rates will effect the Fund'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.

#### 12.3.1 Management of market risks

The Fund manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Management Committee and regulations laid down by the Punjab Pension Fund Act 2007 and Punjab Pension Fund Rules 2007. The maximum risk resulting from financial instruments equals their fair values.

The Fund is exposed to interest rate risk only.

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12.3.2 *Interest rate risk*

12.3.2.1 Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Currently the Funds interest rate exposure arises on investment in Government securities, term finance certificates, deposit in national savings account, term deposit receipts with banks and balance with bank on saving account. Currently all of the Fund's investment carry fixed interest rates except for investments in some of the Term Finance Certificates. In addition the Fund may change the mix of its portfolio to enhance the earning potential of the Fund subject to the above defined guidelines. Other risk management procedures are the same as those mentioned in the credit risk management.

12.3.2.2 At 30 June, details of the interest rate profile of the Fund's interest bearing financial assets were as follows:

	Financial assets			
	2017		2016	
	Interest rate (in Percentage)	Fair value Rupees	Interest rate (in Percentage)	Fair value Rupees
<i>Fixed rate instruments</i>				
Pakistan Investment Bonds	10.05 to 13.75	9,663,560,524	10.05 to 13.75	9,550,028,085
Term Deposit Receipts	6.26 to 12.05	11,800,000,000	6.75 to 12.05	10,800,000,000
National Savings Account	7.60 to 13.40	19,057,919,101	7.60 to 12.30	17,600,328,695
Bank balances	4.85 to 6.50	7,685,716,865	6.05	1,227,574,136
		<u>48,207,196,490</u>		<u>39,177,930,916</u>
<i>Variable rate instruments</i>				
Term Finance Certificates	6 month KIBOR + 100 bps	<u>324,160,713</u>	6 month KIBOR + 100 bps	<u>392,870,106</u>

*Fair value sensitivity analysis for fixed rate instruments*

The Fund does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect income statement.

*Cash flow sensitivity analysis for variable rate instruments*

	Profit and loss 100 bps	
	Increase	Decrease
	----- Rupees -----	
As at 30 June 2017		
Cash flow sensitivity-Variable rate financial asset	<u>3,241,607</u>	<u>(3,241,607)</u>
As at 30 June 2016		
Cash flow sensitivity-Variable rate financial asset	<u>3,928,701</u>	<u>(3,928,701)</u>

None of the financial liabilities carry any interest rate.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Fund.

**Other price risk**

Other 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.

**Fair value sensitive analysis**

The Fund does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in market price at the reporting date would not affect income statement.

### 13 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 recognised 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	Total	Level 1	Level 2	Level 3	Total
----- Rupees -----							
<b>As at 30 June 2017</b>							
<i>Financial assets - measured at fair value</i>							
<i>Trust</i>							
Investments							
- government securities	7,526,327,183	-	7,526,327,183	-	9,663,560,524	-	9,663,560,524
- debt securities	321,428,570	-	321,428,570	324,160,713	-	-	324,160,713
<i>Financial assets - not measured at fair value</i>							
<i>Trust</i>							
Investments							
- term deposit receipts	-	1,000,000,000	1,000,000,000	-	-	-	-
- national saving scheme	-	19,057,919,101	19,057,919,101	-	-	-	-
Cash equivalents	-	18,421,262,025	18,421,262,025	-	-	-	-
Accrued interest	-	735,395,561	735,395,561	-	-	-	-
Security deposits	-	100,000	100,000	-	-	-	-
<i>Expense</i>							
Cash equivalents	-	64,884,626	64,884,626	-	-	-	-
Security deposits	-	825,000	825,000	-	-	-	-
	7,847,755,753	39,280,386,313	47,128,142,066	324,160,713	9,663,560,524	-	9,987,721,237
<i>Financial liabilities - not measured at fair value</i>							
<i>Trust</i>							
Trustee fee payable	-	-	755,376	-	-	-	-
<i>Expense</i>							
Audit fee payable	-	-	676,419	-	-	-	-
Other payable	-	-	218,711	-	-	-	-
	-	-	1,650,506	-	-	-	-

*ANNEX 9A*



	Carrying amount			Fair value				
	Available for sale	Deposits	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
----- Rupees -----								
<i>As at 30 June 2016</i>								
<i>Financial assets – measured at fair value</i>								
<i>Trust</i>								
Investments								
- government securities	7,510,511,606	-	-	7,510,511,606	-	9,550,028,085	-	9,550,028,085
- debt securities	392,857,142	-	-	392,857,142	392,870,106	-	-	392,870,106
<i>Financial assets – not measured at fair value</i>								
<i>Trust</i>								
Investments								
- term deposit receipts	-	1,000,000,000	-	1,000,000,000	-	-	-	-
- national saving scheme	-	17,600,328,695	-	17,600,328,695	-	-	-	-
Cash equivalents	-	10,965,451,916	-	10,965,451,916	-	-	-	-
Accrued interest	-	675,062,387	-	675,062,387	-	-	-	-
Security deposits	-	100,000	-	100,000	-	-	-	-
<i>Expense</i>								
Cash equivalents	-	62,175,918	-	62,175,918	-	-	-	-
Security deposits	-	825,000	-	825,000	-	-	-	-
	7,903,368,748	30,303,943,916	-	38,207,312,664	392,870,106	9,550,028,085	-	9,942,898,191

*Financial liabilities – not measured at fair value*

<i>Trust</i>								
Trustee fee payable	-	-	692,831	692,831	-	-	-	-
<i>Expense</i>								
Meeting fee payable	-	-	60,000	60,000	-	-	-	-
Audit fee payable	-	-	606,147	606,147	-	-	-	-
Payable to actuary	-	-	2,500,000	2,500,000	-	-	-	-
	-	-	3,858,978	3,858,978	-	-	-	-

*Handwritten signature*

**14 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:

	30 June 2017			30 June 2016
	Trust	Expense	Fund - Total	Fund - Total
----- Rupees -----				
<b>Transactions with</b>				
<i>Central Depository Company of Pakistan Limited</i>				
- Trustee fee expense for the year	8,776,171	-	8,776,171	8,257,430
- Custody Fee	6,220	-	6,220	6,130
<i>Bank of Punjab</i>				
- Term deposit receipts matured during the year	-	-	-	2,100,000,000
- Income on term deposit receipts realised during the year	120,334,030	-	120,334,030	157,611,176
- Income on savings account realised during the year	7,850,451	2,755,657	10,606,108	8,010,084
<i>Members of Management Committee</i>				
- Salary and bonus paid to General Manager	-	17,512,500	17,512,500	16,125,000
- Fee paid to members	-	950,000	950,000	240,000
<b>Balances with</b>				
<i>Central Depository Company of Pakistan Limited</i>				
- Trustee fee payable	755,376	-	755,376	692,831
<i>Bank of Punjab</i>				
- Bank balances	130,894,929	64,844,626	195,739,555	1,127,694,764
- Term Deposit Receipts	1,000,000,000	-	1,000,000,000	1,000,000,000
<i>Members of Management Committee</i>				
- Fee payable	-	50,000	50,000	60,000

**15 Number of Employees**

The following are the number of persons employed

	2017	2016
	(Number of Persons)	
Employees as at the year end	19	10
Average number of employees during the year	14	11

**16 Date of authorization for issue**

These financial statements were authorized for issue on 13 SEP 2017 by the Management Committee of the Fund.

**17 General**

Figures have been rounded off to the nearest rupees.


*WAWWWSWA*



General Manager



Private Member



Chairman

Lahore