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Independent Auditors Report on Review of Condensed Interim Financial Information to the Members

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Punjab Pension Fund** ("the Fund") as at 31 December 2017 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of movement in accumulated pension fund together with the notes forming part thereof for the six-month period then ended (here-in-after referred to as "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and present the above said statements in conformity with the requirements of Punjab Pension Fund Act, 2007 ("the Act") and Punjab Pension Fund Rules 2007 ("the Rules"). Our responsibility is to express a conclusion on this condensed interim financial information 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 condensed interim financial information 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 accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and in conformity with the requirements of the Act and the Rules.

Other matters

The figures for the three months period ended 31 December 2017 and 31 December 2016 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

Lahore

Date: 21 December 2020

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

AR13220

Punjab Pension Fund
Condensed Interim Income Statement (Un-Audited)
For the half year and quarter ended 31 December 2017

For the half year ended				For the quarter ended			
Punjab Pension Fund Trust	Punjab Pension Fund - Expense Account	Punjab Pension Fund - Total	Punjab Pension Fund - Total	Punjab Pension Fund Trust	Punjab Pension Fund - Expense Account	Punjab Pension Fund - Total	Punjab Pension Fund - Total
31 December 2017			31 December 2016	31 December 2017			31 December 2016

Note

Rupees

Income

Interest Income from:

- National Savings Account and Certificates
- Pakistan Investment Bonds
- Term Deposit Receipts
- Term Finance Certificates and Sukuks
- Bank deposits
- Market Treasury Bills

954,669,255	-	954,669,255	968,176,244	387,953,558	-	387,953,558	490,448,919
519,326,855	-	519,326,855	519,888,641	258,710,007	-	258,710,007	258,691,883
530,858,517	-	530,858,517	425,524,449	261,662,353	-	261,662,353	214,113,954
12,005,276	-	12,005,276	13,556,284	6,255,374	-	6,255,374	6,329,040
94,684,668	1,646,724	96,331,392	21,942,105	34,548,512	900,555	35,449,067	11,994,476
116,797,668	-	116,797,668	-	113,610,252	-	113,610,252	-
2,228,342,239	1,646,724	2,229,988,963	1,949,087,723	1,062,740,056	900,555	1,063,640,611	981,578,272
(226,033)	-	(226,033)	-	(226,033)	-	(226,033)	-
-	800	800	2,274	-	-	-	-
2,228,116,206	1,647,524	2,229,763,730	1,949,089,997	1,062,514,023	900,555	1,063,414,578	981,578,272

Net capital (loss) / gain on sale of investment

Other Income

Total income

Expenditure

- Operating expenses
- Trustee remuneration and safe custody charges
- Legal and other professional charges
- Auditors remuneration
- Bank charges

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-	(22,998,842)	(22,998,842)	(22,144,202)	-	(11,473,029)	(11,473,029)	(15,153,866)
(4,992,205)	-	(4,992,205)	(4,355,713)	(2,513,051)	-	(2,513,051)	(2,188,344)
-	-	-	(1,000)	-	-	-	-
-	(423,030)	(423,030)	(548,558)	-	(219,999)	(219,999)	(325,065)
(23,069)	(2,842)	(25,911)	(15,170)	(9,689)	(1,566)	(11,255)	(13,470)
(5,015,274)	(23,424,714)	(28,439,988)	(27,064,643)	(2,522,740)	(11,694,594)	(14,217,334)	(17,680,745)
2,223,100,932	(21,777,190)	2,201,323,742	1,922,025,354	1,059,991,283	(10,794,039)	1,049,197,244	963,897,527
(37,999,500)	37,999,500	-	-	(37,999,500)	37,999,500	-	-
2,185,101,432	16,222,310	2,201,323,742	1,922,025,354	1,021,991,783	27,205,461	1,049,197,244	963,897,527

Income / (expense) for the period

Budgetary (payments) / receipts for the period

Net income for the period

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

16/01/2018

Lahore



General Manager



Private Member



Chairman

Punjab Pension Fund


Condensed Interim Statement of Comprehensive Income (Un-Audited)


For the half year and quarter ended 31 December 2017

	For the half year ended				For the quarter ended			
	Punjab Pension Fund Trust	Punjab Pension Fund - Expense Account	Punjab Pension Fund - Total	Punjab Pension Fund - Total	Punjab Pension Fund Trust	Punjab Pension Fund - Expense Account	Punjab Pension Fund - Total	Punjab Pension Fund - Total
	31 December 2017		31 December 2016		31 December 2017		31 December 2016	
	----- Rupees -----							
Net income for the period	2,185,101,432	16,222,310	2,201,323,742	1,922,025,354	1,021,991,783	27,205,461	1,049,197,244	963,897,527
<u>Other comprehensive income / (loss)</u>								
<i>Items that are to be classified subsequently to income statement - available-for-sale investments:</i>								
- unrealized appreciation/(depreciation) on remeasurement - net	9,370,668	-	9,370,668	(67,726,888)	17,332,126	-	17,332,126	(115,262,303)
Total comprehensive income for the period	<u>2,194,472,100</u>	<u>16,222,310</u>	<u>2,210,694,410</u>	<u>1,854,298,466</u>	<u>1,039,323,909</u>	<u>27,205,461</u>	<u>1,066,529,370</u>	<u>848,635,224</u>

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

Lahore


General Manager


Private Member


Chairman

Punjab Pension Fund
 Condensed Interim Statement of Movement in Accumulated Pension Fund (Un-Audited)
 For the half year ended 31 December 2017


	For the half year ended			
	Punjab Pension Fund Trust	Punjab Pension Fund - Expense Account	Punjab Pension Fund - Total	Punjab Pension Fund - Total
	31 December 2017			31 December 2016
	----- Rupees -----			
Balance as at 30 June	49,201,642,548	67,369,079	49,269,011,627	40,243,865,524
Amount contributed by the Government through the Reserve Pension Fund	-	-	-	500,000,000
<u>Total comprehensive income for the period</u>				
Net profit for the period	2,185,101,432	16,222,310	2,201,323,742	1,922,025,354
Other comprehensive income / (loss) for the period	9,370,668	-	9,370,668	(67,726,888)
	2,194,472,100	16,222,310	2,210,694,410	1,854,298,466
Balance as at 31 December	51,396,114,648	83,591,389	51,479,706,037	42,598,163,990

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

Amrisha

Lahore


 General Manager


 Private Member


 Chairman

Punjab Pension Fund
Condensed Interim Cash Flow Statement (Un-Audited)
For the half year ended 31 December 2017

	For the half year ended			
	Punjab Pension Fund Trust	Punjab Pension Fund - Expense Account	Punjab Pension Fund - Total	Punjab Pension Fund - Total
	31 December 2017			31 December 2016
----- Rupees -----				
<u>Cash flow from operating activities</u>				
Income / (expense) for the period	2,223,100,932	(21,777,190)	2,201,323,742	1,922,025,354
<u>Adjustments for non cash items:</u>				
Amortization of discount income	(8,990,912)	-	(8,990,912)	(6,983,337)
Depreciation on operating fixed assets	-	409,235	409,235	181,174
	(8,990,912)	409,235	(8,581,677)	(6,802,163)
Operating profit before changes in working capital	2,214,110,020	(21,367,955)	2,192,742,065	1,915,223,191
<u>Changes in working capital</u>				
<u>(Increase) / decrease in assets:</u>				
Investments	4,163,119,052	-	4,163,119,052	(674,259,207)
Accrued interest	116,025,905	-	116,025,905	(26,711,107)
Deposits and prepayments	-	(942,668)	(942,668)	(44,344)
	4,279,144,957	(942,668)	4,278,202,289	(701,014,658)
<u>Increase / (decrease) in liabilities:</u>				
Trustee fee payable	4,235,800	-	4,235,800	50,324
Accrued Expenses	-	(85,965)	(85,965)	(1,543,321)
Brokerage payable	-	-	-	-
	4,235,800	(85,965)	4,149,835	(1,492,997)
Budgeted receipt / (payment) for the period	(37,999,500)	37,999,500	-	-
Net cash generated from operations	6,459,491,277	15,602,912	6,475,094,189	1,212,715,536
<u>Cash flow from investing activities</u>				
Fixed Assets expenditure	-	(101,565)	(101,565)	(607,692)
Net cash used in investing activities	-	(101,565)	(101,565)	(607,692)
<u>Cash flow from financing activities</u>				
Amount contributed by the Government through the Reserve Pension Fund	-	-	-	500,000,000
Net cash generated from financing activities	-	-	-	500,000,000
Net increase in cash and cash equivalents during the period	6,459,491,277	15,501,347	6,474,992,624	1,712,107,844
Cash and cash equivalents at beginning of the period	18,421,262,025	64,884,626	18,486,146,651	11,027,667,834
Cash and cash equivalents at end of the period	24,880,753,302	80,385,973	24,961,139,275	12,739,775,678

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

Punjab Pension Fund

Notes to the Condensed Interim Financial Information (Un-Audited)

For the half year ended 31 December 2017

1 Status and nature of the business

The Punjab Pension Fund ("the Fund") has been established under the Punjab Pension Fund Act 2007 ("the 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 ("the 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 ("the Trust") has been established under the Punjab Pension Fund Act 2007 ("the Act") and given the status of Trust under a trust deed executed on 27 September 2011 between Punjab Pension Fund ("the Fund") and Central Depository Company of Pakistan Limited ("the 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 Punjab Pension Fund - Expense Account ("the Expense") established by the Fund under the Rules, for incurring operational expenses of the Fund other than related to investments.

2 Basis of preparation

2.1 Statement of compliance

This condensed interim financial information has 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 repealed 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.

During the previous year, the Companies Act 2017 ("the Act") was enacted on 30 May 2017 and replaced and repealed the Companies Ordinance, 1984 ("the repealed Ordinance"). However, the Securities and Exchange Commission of Pakistan vide its Circular No. 17 and Circular No. 23 dated 20 July 2017 and 04 October 2017 respectively and Institute of Chartered Accountants of Pakistan vide its Circular No. 17 dated 06 October 2017, have advised and clarified that the Annual Financial Statements of the Companies whose financial year closes on or before 31 December 2017 and interim financial statements of the Companies for the period ended on or before 31 December 2017, shall be prepared in accordance with the repealed Ordinance. This amendment will not have any impact on Fund's interim financial information.

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2.2 Use of judgments and estimates

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that effect the application of 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 form 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 this condensed interim financial information, the significant judgments made by the management in applying accounting policies and the key sources of estimates used were the same as those applied to the annual financial statements for the year ended 30 June 2017.

2.3 Taxation

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

2.4 Financial Risk Management

The financial risk management objectives and policies adopted are consistent with those disclosed in the annual financial statements for the year ended 30 June 2017.

3 Significant Accounting Policies

Significant accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the audited annual financial statements of the Fund for the year end 30 June 2017.

- 3.1 There were certain other new standards and amendments to the approved accounting standards which became effective during the period 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, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2018 and are not relevant to the Fund and so are not expected to have impact on this condensed interim financial information:

Standard or Interpretation	Effective date (accounting periods beginning on or after)
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

		Trust (Un-Audited) 31 December 2017	Expense (Un-Audited) 31 December 2017	Fund - Total (Un-Audited) 31 December 2017	Fund - Total (Audited) 30 June 2017	
4	Cash and cash equivalents	----- Rupees -----				
	Cash in hand	-	40,000	40,000	40,000	
	Cash at bank					
	- saving accounts	4.1	1,780,676,883	80,345,973	1,861,022,856	7,685,716,865
	- current accounts		76,419	-	76,419	389,786
	- term deposit receipts	4.2	23,100,000,000	-	23,100,000,000	10,800,000,000
			24,880,753,302	80,345,973	24,961,099,275	18,486,106,651
			<u>24,880,753,302</u>	<u>80,385,973</u>	<u>24,961,139,275</u>	<u>18,486,146,651</u>

4.1 These carry interest at the rate of 4.50% to 6.10% per annum (30 June 2017: 4.50% to 6.50% per annum).

4.2 These are placed with commercial banks having long term rating of AA- and above and carry interest at the rate of 6.11% to 6.61% per annum (30 June 2017: 6.26% to 6.61% per annum).

		Trust (Un-Audited) 31 December 2017	Expense (Un-Audited) 31 December 2017	Fund - Total (Un-Audited) 31 December 2017	Fund - Total (Audited) 30 June 2017	
5	Investments	----- Rupees -----				
	Deposits	5.1	11,518,084,500	-	11,518,084,500	20,057,919,101
	Available for sale	5.2	14,382,798,366	-	14,382,798,366	9,987,721,237
			25,900,882,866	-	25,900,882,866	30,045,640,338

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	6,618,084,500	-	6,618,084,500	15,157,919,101
			11,518,084,500	-	11,518,084,500	20,057,919,101

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 2017: 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 2017: 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 2017: 7.60% to 13.40%) per annum receivable semi-annually and automatically stand reinvested and would be calculated for further profit on completion of the next six months period. During the current period, 5 Special Savings Deposits amounting to Rs. 9,385,810,000 were matured.

5.2 Available for sale

		Trust				
		Carrying value		Fair value		
		(Un-Audited) 31 December 2017	(Audited) 30 June 2017	(Un-Audited) 31 December 2017	(Audited) 30 June 2017	
		----- Rupees -----				
	Government securities					
	- Pakistan Investment Bonds	5.2.1	7,535,318,096	7,526,327,183	9,680,045,689	9,663,560,524
	- Market Treasury Bills	5.2.2	4,291,429,834	-	4,291,315,250	-
	Debt securities					
	- Term Finance Certificates and Sukuk	5.2.3	406,714,284	321,428,570	411,437,427	324,160,713
			12,233,462,214	7,847,755,753	14,382,798,366	9,987,721,237
	Fair value adjustment		2,149,336,152	2,139,965,484		
			<u>14,382,798,366</u>	<u>9,987,721,237</u>		

100%

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

Issue date	Tenure - Years	Face value			Balance as at 31 December 2017			Fair value as percentage of net assets	Fair value as percentage of total investments	
		As at 1 July 2017	Purchase during the period	Sales / matured during the period	As at 31 December 2017	Carrying value	Fair value			Appreciation from carrying value
----- Rupees -----										
31-Oct-06	20 - Years	25,000,000	-	-	25,000,000	21,983,491	28,540,456	6,556,965	0.06%	0.11%
30-Aug-08	20 - Years	900,000,000	-	-	900,000,000	872,088,539	1,168,812,557	296,724,018	2.27%	4.51%
30-Aug-08	30 - Years	750,000,000	-	-	750,000,000	743,796,836	933,474,679	189,677,843	1.81%	3.60%
18-Aug-11	15 - Years	25,000,000	-	-	25,000,000	23,827,561	31,556,266	7,728,705	0.06%	0.12%
18-Aug-11	20 - Years	6,075,000,000	-	-	6,075,000,000	5,873,621,669	7,517,661,731	1,644,040,062	14.60%	29.02%
		7,775,000,000	-	-	7,775,000,000	7,535,318,096	9,680,045,689	2,144,727,593		

- PIBs carry fixed interest at the rate ranging from 10.50% to 13.75% (30 June 2017: 10.50 % to 13.75 %) per annum receivable semi-annually.

5.2.2 Government securities - Market Treasury Bills ("MTBs")

Issue date	Tenure - Months	Face value			Balance as at 31 December 2017			Fair value as percentage of net assets	Fair value as percentage of total investments	
		As at 1 July 2017	Purchase during the period	Sales / matured during the period	As at 31 December 2017	Carrying value	Fair value			Appreciation from carrying value
----- Rupees -----										
6-Jul-17	3 Months	-	2,900,000,000	2,900,000,000	-	-	-	-	0.00%	0.00%
1-Sep-28	3 Months	-	12,045,000,000	12,045,000,000	-	-	-	-	0.00%	0.00%
12-Oct-17	3 Months	-	3,000,000,000	-	3,000,000,000	2,998,549,832	2,998,521,000	(28,832)	5.82%	11.58%
9-Nov-17	3 Months	-	9,350,000,000	8,300,000,000	1,050,000,000	1,044,707,220	1,044,634,500	(72,720)	2.03%	4.03%
23-Nov-17	3 Months	-	250,000,000	-	250,000,000	248,172,782	248,159,750	(13,032)	0.48%	0.96%
		-	27,545,000,000	23,245,000,000	4,300,000,000	4,291,429,834	4,291,315,250	(114,584)		

- These bills were zero coupon and carried a yield ranging from 5.96% to 6.13% (30 June 2017: 6.06 % to 6.13 %).

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

Name of issuer	Issue Date	Number of Certificates			Balance as at 31 December 2017			Fair value as percentage of net assets	Fair value as percentage of total investments	
		As at 1 July 2017	Purchase during the period	Sales during the period	As at 31 December 2017	Carrying value	Fair value			Appreciation from carrying value
----- Number of certificates -----										
----- Rupees -----										
WAPDA TFCs	27-Sep-13	100,000	-	-	100,000	285,714,284	290,437,427	4,723,143	0.56%	1.12%
Dawood Hercules	16-Nov-17	-	1,210	-	1,210	121,000,000	121,000,000	-	0.24%	0.47%
		100,000	1,210	-	101,210	406,714,284	411,437,427	4,723,143		

- WAPDA TFCs have face value of Rs. 5,000 per certificate. The principal redemption of such TFCs is structured to be in fourteen equal semi-annual instalments starting from 27 March 2015. These carry variable interest rate of 6 Month KIBOR plus 100 bps (30 June 2017: 6 Month KIBOR plus 100 bps) per annum receivable semi-annually.

- Dawood Hercules Sukuk have face value of Rs. 100,000 per certificate. The principal redemption of such TFCs is structured to be in eight semi-annual instalments starting from 16 May 2019. These carry variable interest rate of 3 Month KIBOR plus 100 bps (30 June 2017: NIL) per annum receivable quarterly.

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Trust (Un-Audited) 31 December 2017	Expense (Un-Audited) 31 December 2017	Fund - Total (Un-Audited) 31 December 2017	Fund - Total (Audited) 30 June 2017
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----- Rupees -----

6 Accrued interest

Term Deposit Receipts	24,358,028	-	24,358,028	12,203,397
National Savings Account and Certificates	220,479,121	-	220,479,121	351,635,266
Pakistan Investment Bonds	368,052,633	-	368,052,633	365,529,189
Term Finance Certificates and Sukuks	6,479,874	-	6,479,874	6,027,709
	<u>619,369,656</u>	<u>-</u>	<u>619,369,656</u>	<u>735,395,561</u>

7 Contingencies and commitments

There were no contingencies and commitments as at 31 December 2017.

Trust (Un-Audited) 31 December 2017	Expense (Un-Audited) 31 December 2017	Fund - Total (Un-Audited) 31 December 2017	Fund - Total (Un-Audited) 31 December 2016
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----- Rupees -----

8 Operating expenses

Salaries and wages	-	18,288,564	18,288,564	18,499,304
Rent	-	2,002,118	2,002,118	1,862,438
Utilities	-	531,006	531,006	421,661
Repair and maintenance	-	194,885	194,885	204,038
Vehicle running expenses	-	163,017	163,017	150,382
Conveyance Expense	-	75,550	75,550	53,550
Traveling, lodging and boarding	-	58,998	58,998	105,675
Fee and subscription	-	261,036	261,036	166,078
Printing and stationery	-	317,480	317,480	65,450
Courier and postage	-	6,884	6,884	4,012
Office and other expenses	-	518,270	518,270	328,368
Depreciation	-	409,235	409,235	181,174
Advertisement	-	33,672	33,672	-
Training and development	-	41,760	41,760	37,056
Miscellaneous	-	96,367	96,367	65,016
	-	<u>22,998,842</u>	<u>22,998,842</u>	<u>22,144,202</u>

Accountant

9 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 except for those financial assets and financial liabilities whose carrying amounts are reasonable approximation of their fair values.

	Carrying amount				Total	Fair value			
	Available for sale	Deposits	Loans and receivables	Other financial liabilities		Level 1	Level 2	Level 3	Total
<i>As at 31 December 2017</i>									
<i>Financial assets - measured at fair value</i>									
<i>Trust</i>									
<i>Investments</i>									
- government securities	11,826,747,930	-	-	-	11,826,747,930	-	13,971,360,939	-	13,971,360,939
- debt securities	406,714,284	-	-	-	406,714,284	290,437,427	-	-	290,437,427
<i>Financial assets - not measured at fair value</i>									
<i>Trust</i>									
<i>Investments</i>									
- term deposit receipts	-	1,000,000,000	-	-	1,000,000,000	-	-	-	-
- national saving scheme	-	10,518,084,500	-	-	10,518,084,500	-	-	-	-
Cash equivalents	-	-	24,880,753,302	-	24,880,753,302	-	-	-	-
Accrued interest	-	-	619,369,656	-	619,369,656	-	-	-	-
Security deposits	-	-	100,000	-	100,000	-	-	-	-
<i>Expense</i>									
Cash equivalents	-	-	80,385,973	-	80,385,973	-	-	-	-
Security deposits	-	-	1,720,000	-	1,720,000	-	-	-	-
	12,233,462,214	11,518,084,500	25,582,328,931	-	49,333,875,645	290,437,427	13,971,360,939	-	14,261,798,366
<i>Financial liabilities - not measured at fair value</i>									
<i>Trust</i>									
<i>Trustee fee payable</i>									
	-	-	-	4,991,176	4,991,176	-	-	-	-
<i>Expense</i>									
<i>Audit fee payable</i>									
	-	-	-	439,999	439,999	-	-	-	-
<i>Other payable</i>									
	-	-	-	391,966	391,966	-	-	-	-
	-	-	-	5,823,141	5,823,141	-	-	-	-

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As at 30 June 2017

Financial assets - measured at fair value

Trust

Investments

- government securities

- debt securities

Financial assets - not measured at fair value

Trust

Investments

- term deposit receipts

- national saving scheme

Cash equivalents

Accrued interest

Security deposits

Expense

Cash equivalents

Security deposits

Financial liabilities - not measured at fair value

Trust

Trustee fee payable

Expense

Audit fee payable

Other Payable

	Carrying amount				Fair value				
	Available for sale	Deposits	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
----- Rupees -----									
<u>Financial assets - measured at fair value</u>									
<u>Trust</u>									
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
<u>Financial assets - not measured at fair value</u>									
<u>Trust</u>									
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	-	-	-	-
<u>Expense</u>									
Cash equivalents	-	-	64,884,626	-	64,884,626	-	-	-	-
Security deposits	-	-	825,000	-	825,000	-	-	-	-
	<u>7,847,755,753</u>	<u>20,057,919,101</u>	<u>19,222,467,212</u>	<u>-</u>	<u>47,128,142,066</u>	<u>324,160,713</u>	<u>9,663,560,524</u>	<u>-</u>	<u>9,987,721,237</u>
<u>Financial liabilities - not measured at fair value</u>									
<u>Trust</u>									
Trustee fee payable									
	-	-	-	755,376	755,376	-	-	-	-
<u>Expense</u>									
Audit fee payable									
	-	-	-	676,419	676,419	-	-	-	-
Other Payable									
	-	-	-	218,711	218,711	-	-	-	-
	-	-	-	<u>1,650,506</u>	<u>1,650,506</u>	-	-	-	-

10/2017/14

10 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:

	Trust (Un-Audited) 31 December 2017	Expense (Un-Audited) 31 December 2017	Fund - Total (Un-Audited) 31 December 2017	Fund - Total (Un-Audited) 31 December 2016
----- Rupees -----				
Transactions with				
<i>Central Depository Company of Pakistan Limited</i>				
- Trustee fee expense for the period	4,991,075	-	4,991,075	4,352,318
- Custody Fee	1,130	-	1,130	3,395
<i>Bank of Punjab</i>				
- Term deposit receipts matured during the period	-	-	-	-
- Income on term deposit receipts realized during the period	60,745,205	-	60,745,205	60,579,235
- Income on savings account realized during the period	12,887,870	1,635,891	14,523,761	4,377,009
<i>Members of Management Committee</i>				
- Salary and bonus paid to General Manager	-	7,350,000	7,350,000	10,162,500
- Fee paid to members	-	250,000	250,000	150,000
----- Rupees -----				
Balances with				
<i>Central Depository Company of Pakistan Limited</i>				
- Trustee fee payable	4,991,176	-	4,991,176	743,155
<i>Bank of Punjab</i>				
- Bank balances	218,161,996	80,345,973	298,507,969	163,602,496
- Term Deposit Receipts	1,000,000,000	-	1,000,000,000	1,000,000,000

11 Date of authorization for issue

This condensed interim financial information for the six months period ended 31 December 2017 was authorized for issue on 06 MAY 2018 by the Management Committee of the Fund.

12 General

Figures have been rounded off to the nearest rupees.

Handwritten signature

Lahore

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General Manager

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Private Member

Handwritten signature
Chairman



Government of the Punjab
Punjab Pension Fund



PPF/OPD/2020-21/58
21 December 2020

KPMG Taseer Hadi & Co.
Chartered Accountants,
351 Shadman-1, Jail Road, Lahore
Pakistan.

Dear Sir,

Review of condensed interim financial information for the six months ended 31 December 2017

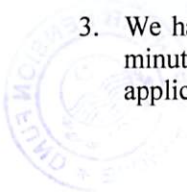
This representation letter is provided in connection with your review of the condensed interim balance sheet of **Punjab Pension Fund** ("the Fund"), as of 31 December 2017 and the related condensed interim income statement, condensed interim cash flow statement and condensed statement of movement in accumulated pension fund for the six-months period then ended (condensed interim financial information) for the purpose of obtaining a moderate assurance as to whether if anything has come to your attention that causes you to believe that the interim financial information are not presented fairly in all material respects in accordance with the approved accounting standards as applicable in Pakistan.

We acknowledge our responsibility for the fair presentation of the interim financial information in conformity with approved accounting standards and the requirement of Punjab Pension Fund Act 2007 ("the Act"), Punjab Pension Fund Rules 2007 ("the Rules") and the Trust Deed and we approve the interim financial information.

Certain representations in this letter are described as being limited to matters that are material. We understand that items are considered material if they involve an omission or misstatement of accounting information that could influence the economic decisions of users taken on the basis of the financial information. Materiality depends on the size of the item or error judged in the particular circumstances of its omission or misstatement.

We have made appropriate inquiries of the members of the Management Committee and officers of the Fund with the relevant knowledge and experience. Accordingly, we confirm, to the best of our knowledge and belief, the following representations:

1. The interim financial information referred to above are presented fairly, in all material respects, in accordance with approved accounting standards as applicable in Pakistan and the requirement of "the Act" and "the Rules".
2. The accounting policies adopted for the preparation of this interim financial information is the same as those applied in the preparation of annual audited financial statements of the Fund for the period ended 30 June 2017.
3. We have made available to you all books of account and supporting documentation and all minutes of meetings of the Investment Committee and the Management Committee, and when applicable, summaries of actions of meetings for which minutes have not yet been prepared.





**Government of the Punjab
Punjab Pension Fund**



4. We confirm that all transactions entered during the six months ended 31 December 2017 have been approved at appropriate level according to materiality levels approved by the Management Committee.
5. There has been no known actual or possible non-compliance with laws and regulations that could have a material effect on the interim financial information in the event of non-compliance.
6. We confirm that:
 - a. We understand that the term “fraud” includes misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets. Misstatements resulting from fraudulent financial reporting involve intentional misstatements or omissions of amounts or disclosures in financial information to deceive financial information users. Misstatements resulting from misappropriation of assets involve the theft of an entity’s assets, often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing.
 - b. We acknowledge responsibility for the implementation and operation of accounting and internal control systems designed to prevent and detect fraud and error.
 - c. We have disclosed to you the results of our assessment of the risks that the financial information may be materially misstated as a result of fraud.
 - d. We have disclosed to you all significant facts relating to any known frauds or suspected frauds that may have affected the Fund.
7. We confirm the completeness of the information provided to you regarding the identification of related parties and regarding transactions with such parties that are material to the financial information. The identity of, and balances and transactions with, related parties have been properly recorded and when appropriate, adequately disclosed in the financial information. The records of related party transactions have been adequately maintained and the prices have been determined in accordance with the guidelines provided therein. We understand that, as defined in International Accounting Standard 24, *Related Party Disclosures*, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related party transactions are transfers of resources or obligations between related parties, regardless of whether a price is charged. We confirm that no material uncertainty exists related to events and conditions that may cause significant doubt on the entity’s ability to continue as going concern.
8. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial information. We believe that the carrying amounts of all material assets will be recoverable.
9. We confirm that we have reviewed all financial assets and liabilities outstanding as of 31 December 2017 and have correctly classified them.





**Government of the Punjab
Punjab Pension Fund**



10. The Fund has satisfactory title to all assets and there are no liens or encumbrances on the Fund's assets, except for those that are disclosed in financial information.
11. The following have been properly recorded and when appropriate, adequately disclosed in the financial information:
 - o *Losses arising from sale and purchase commitments;*
 - o *Assets pledged as collateral;*
 - o *Off-balance sheet activities, including transactions with special purpose entities, non-consolidation and revenue recognition;*
 - o *Significant common ownership or management control relationships;*
 - o *Changes in accounting principles affecting consistency;*
12. We have recorded or disclosed, as appropriate, all liabilities, both actual and contingent, and have disclosed in the financial information all guarantees that we have given to third parties.
13. The estimated financial effect of pending or threatened litigation and claims against the Fund has been properly recorded or disclosed in the financial information. Except as disclosed, we are not aware of any additional claims that have been or are expected to be received.
14. Except as disclosed in the financial information or footnotes to the financial information, there are no:
 - o *Other gain or loss contingencies or other liabilities that are required to be recognized or disclosed in the financial information, including liabilities or contingencies arising from environmental matters resulting from illegal or possibly illegal acts, or possible violations of human rights legislation;*
 - o *Material transactions that have not been properly recorded in the accounting records underlying the financial information;*
15. The Fund has complied with all aspects of contractual agreements that could have a material effect on the financial information in the event of non-compliance.
16. There are no significant matters that have arisen that would require a restatement of the corresponding figures.
17. There have been no events subsequent to the balance sheet date which require adjustment of or disclosure in the financial information or notes thereto.

Yours faithfully



Syed Shahnawaz Nadir Shah
(General Manager)