



**FINANCIAL STATEMENTS  
OF  
PUNJAB PENSION FUND  
FOR THE YEAR ENDED  
JUNE 30, 2023**

**BDO Ebrahim & Co. Chartered Accountants**

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## **INDEPENDENT AUDITOR'S REPORT TO THE MANAGEMENT COMMITTEE OF PUNJAB PENSION FUND**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the annexed financial statements of **PUNJAB PENSION FUND** ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2023, and income statement, the statement of comprehensive income, the statement of changes in accumulated pension fund for the year then ended, the statement of cash flows, and notes to the financial statements including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as applicable in Pakistan.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Information other than the Financial Statements and Auditor's Report Thereon**

Management is responsible for the other information. The other information comprises the information included in the Fund's Annual Report for the year ended June 30, 2023, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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## **Responsibilities of Management and Members of the Management Committee for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Punjab Pension Fund Act, 2007 and Punjab Pension Fund Rules, 2007 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Management Committee is responsible for overseeing the Fund's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the members of the management committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Fund as required by the Punjab Pension Fund Act, 2007 and the Punjab Pension Fund Rules, 2007;
- b) the statement of assets and liabilities, income statement, the statement of comprehensive income, the statement of changes in accumulated pension fund and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Punjab Pension Fund Act, 2007 and the Punjab Pension Fund Rules, 2007 and are in agreement with the books of account and returns; and
- c) investments made and expenditure incurred during the year were for the purpose of the Fund's business.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Imran.

LAHORE

DATED: 24 JUL 2025

UDIN: AR202310131djh2fRqQB

*BDO Ebrahim & Co.*

BDO EBRAHIM & CO.  
CHARTERED ACCOUNTANTS

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**PUNJAB PENSION FUND**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT JUNE 30, 2023**

		2023			2022
		Punjab Pension Fund	Punjab Pension Fund - Expense Account	Punjab Pension Fund - Total	Punjab Pension Fund - Total
Note		----- Rupees -----			---- Rupees ----
ASSETS					
	7	3,761,814,210	190,805,128	3,952,619,338	15,483,954,456
	8	98,987,035,130	-	98,987,035,130	78,287,278,079
	9	2,125,033,310	3,110,118	2,128,143,428	256,345,674
	10	100,000	4,260,552	4,360,552	5,477,320
	11	3,518,363,860	-	3,518,363,860	8,799,476
		-	439,937	439,937	409,242
	12	-	3,206,792	3,206,792	2,280,311
	13	-	1,221,306	1,221,306	2,083,218
TOTAL ASSETS		108,392,346,510	203,043,833	108,595,390,343	94,046,627,776
LIABILITIES					
		-	-	-	1,255,861
		1,363,953	-	1,363,953	1,248,925
	14	-	33,002,403	33,002,403	19,154,876
	15	-	6,066,838	6,066,838	4,050,805
TOTAL LIABILITIES		1,363,953	39,069,241	40,433,194	25,710,467
NET ASSETS		108,390,982,557	163,974,592	108,554,957,149	94,020,917,309

**REPRESENTED BY:**

Accumulated Pension Fund	108,390,982,557	163,974,592	108,554,957,149	94,020,917,309
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**CONTINGENCIES AND COMMITMENTS**

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The annexed notes from 1 to 35 form an integral part of these financial statements.

  
**GENERAL MANAGER**

  
**PRIVATE MEMBER**

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**CHAIRMAN**

**PUNJAB PENSION FUND  
INCOME STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2023**

		2023		2022	
		Punjab Pension Fund	Punjab Pension Fund - Expense Account	Punjab Pension Fund - Total	Punjab Pension Fund - Total
	Note	----- Rupees -----			---- Rupees ----
INCOME					
Interest income	17	12,465,865,396	24,598,057	12,490,463,453	8,176,666,604
Dividend income		915,779,633	-	915,779,633	697,177,670
Net realised capital gain / (loss) on sale of investments	18	327,699,530	-	327,699,530	(148,089,709)
Unrealised (loss) on re-measurement of investments at "Fair value through - Profit or Loss" - net	19	(1,580,364,697)	-	(1,580,364,697)	(3,381,791,813)
Other income		-	35,855	35,855	5,710
TOTAL INCOME		12,128,979,862	24,633,912	12,153,613,774	5,343,968,462
EXPENDITURE					
Operating expenses	20	-	(78,448,413)	(78,448,413)	(73,543,117)
Auditor's remuneration	21	-	(2,063,100)	(2,063,100)	(1,644,500)
Trustee remuneration and safe custody charges		(15,622,072)	-	(15,622,072)	(15,643,085)
National Savings Center - service charges	22	-	-	-	(144,995,000)
Legal and other professional charges		-	(1,048,160)	(1,048,160)	(729,800)
Brokerage expense		(3,558,240)	-	(3,558,240)	(15,325,814)
Bank charges		(18,935)	(15,834)	(34,769)	(21,809)
TOTAL EXPENDITURE		(19,199,247)	(81,575,507)	(100,774,754)	(251,903,125)
INCOME OVER EXPENDITURE FOR THE YEAR		12,109,780,615	(56,941,595)	12,052,839,020	5,092,065,337
Budgetary (payments) / receipts for the year	23	(106,521,318)	106,521,318	-	-
INCOME FOR THE YEAR BEFORE TAX		12,003,259,297	49,579,723	12,052,839,020	5,092,065,337
Taxation	24	-	-	-	-
NET INCOME FOR THE YEAR AFTER TAX		12,003,259,297	49,579,723	12,052,839,020	5,092,065,337

The annexed notes from 1 to 35 form an integral part of these financial statements.

  
GENERAL MANAGER

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PRIVATE MEMBER

  
CHAIRMAN



**PUNJAB PENSION FUND**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023		2022	
		Punjab			
		Punjab Pension Fund	Pension Fund - Expense Account	Punjab Pension Fund - Total	Punjab Pension Fund - Total
		----- Rupees -----		---- Rupees ----	
Net income for the year after tax		12,003,259,297	49,579,723	12,052,839,020	5,092,065,337
Other comprehensive income for the year					
Items that will be reclassified subsequently to income statement:					
Investments classified at fair value through OCI:					
unrealised (diminution) on remeasurement - net	8.2	(1,016,438,974)	-	(1,016,438,974)	(251,157,267)
Items that will not be reclassified subsequently to income statement:					
Remeasurement of retirement benefits	14.2	-	(2,360,205)	(2,360,205)	-
<b>Total comprehensive income for the year</b>		<b>10,986,820,323</b>	<b>47,219,518</b>	<b>11,034,039,841</b>	<b>4,840,908,070</b>

The annexed notes from 1 to 35 form an integral part of these financial statements.

  
GENERAL MANAGER

  
PRIVATE MEMBER

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CHAIRMAN

**PUNJAB PENSION FUND**  
**STATEMENT OF CHANGES IN ACCUMULATED PENSION FUND**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Punjab Pension Fund</b>	<b>Punjab Pension Fund - Expense Account</b>	<b>Punjab Pension Fund - Total</b>
<b>Note</b>	<b>----- Rupees -----</b>		
<b>Balance as at July 01, 2021</b>	85,066,016,062	113,993,177	85,180,009,239
Amount contributed by the Government of Punjab (through the Reserve Fund)	4,000,000,000	-	4,000,000,000
<b>Total comprehensive income for the year</b>			
Net income for the year after tax	5,089,303,439	2,761,898	5,092,065,337
Other comprehensive income for the year unrealized (diminution) on remeasurement - net	(251,157,267)	-	(251,157,267)
<b>Balance as at June 30, 2022</b>	93,904,162,234	116,755,075	94,020,917,309
Amount contributed by the Government of Punjab (through the Reserve Pension Fund)	3,500,000,000	-	3,500,000,000
<b>Total comprehensive income for the year</b>			
Net income for the year after tax	12,003,259,297	49,579,723	12,052,839,020
Other comprehensive income for the year unrealized (diminution) on remeasurement - net	(1,016,438,974)	(2,360,206)	(1,018,799,180)
<b>Balance at the end of the year</b>	<u>108,390,982,557</u>	<u>163,974,592</u>	<u>108,554,957,149</u>

The annexed notes from 1 to 35 form an integral part of these financial statements.

  
**GENERAL MANAGER**

  
**PRIVATE MEMBER**

  
**CHAIRMAN**



**PUNJAB PENSION FUND**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	2023		2022	
	Punjab Pension Fund	Punjab Pension Fund - Expense Account	Punjab Pension Fund - Total	Punjab Pension Fund - Total
Note	----- Rupees -----		----- Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Income over expenditure for the year	12,003,259,297	49,579,723	12,052,839,020	5,092,065,337
Adjustments for non cash items:				
Amortization of discount income	(949,893,598)	-	(949,893,598)	(5,360,566)
Interest income	(11,515,971,798)	(24,598,057)	(11,540,569,855)	(8,171,306,038)
Provident fund expense	-	6,653,170	6,653,170	2,022,697
Gratuity expense	-	4,834,152	4,834,152	17,132,179
Unrealised (appreciation) on - re-measurement of investments at - "fair value -through profit or loss" - net	1,580,364,559	-	1,580,364,559	3,381,791,750
Depreciation on operating assets	-	1,760,498	1,760,498	1,395,605
Amortization on intangible assets	-	861,912	861,912	502,782
	(10,885,500,837)	(10,488,325)	(10,895,989,162)	(4,773,821,591)
Net cash flows before working capital changes	1,117,758,460	39,091,398	1,156,849,858	318,243,746
<b>(Increase) / decrease in assets:</b>				
Investments - net	(22,346,666,984)	-	(22,346,666,984)	1,392,753,364
Accrued interest	9,645,977,467	22,794,634	9,668,772,101	8,368,664,794
Prepayments	-	(30,695)	(30,695)	(28,553)
Deposits and other receivables	(3,500,000,000)	1,116,768	(3,498,883,232)	2,500,000
	(16,200,689,517)	23,880,707	(16,176,808,810)	9,763,889,605
<b>(Decrease) / increase in liabilities:</b>				
Brokerage payable	(1,255,861)	-	(1,255,861)	(954,957)
Trustee fee payable	115,026	-	115,026	(1,270,246)
Accrued liabilities	-	2,016,032	2,016,032	(2,654,083)
	(1,140,835)	2,016,032	875,197	(4,879,286)
Tax paid	(9,564,384)	-	(9,564,384)	(8,799,476)
Net cash (used in) / generated from operations	(15,093,636,276)	64,988,137	(15,028,648,139)	10,068,454,589
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of equipment during the year	-	(2,686,979)	(2,686,979)	(201,591)
Purchase of intangible during the year	-	-	-	(630,000)
Net cash (used in) investing activities	-	(2,686,979)	(2,686,979)	(831,591)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Amount contributed by the Government of Punjab (through the Reserve Pension Fund)	3,500,000,000	-	3,500,000,000	4,000,000,000
Net (decrease) / increase in cash and cash equivalents	(11,593,636,276)	62,301,158	(11,531,335,118)	14,067,622,998
Cash and cash equivalents at beginning of the year	15,355,450,486	128,503,970	15,483,954,456	1,416,331,458
Cash and cash equivalents at end of the year	7 3,761,814,210	190,805,128	3,952,619,338	15,483,954,456

The annexed notes from 1 to 35 form an integral part of these financial statements.

  
GENERAL MANAGER

  
PRIVATE MEMBER

  
CHAIRMAN



**PUNJAB PENSION FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

**Status of the Fund**

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, equity shares, mutual fund units 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 GEOGRAPHICAL LOCATION**

The registered office of the Fund is situated at 112- Tipu Block, New Garden Town, Lahore.

**3 BASIS OF PREPARATION**

**3.1 Statement of Compliance**

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

- International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") as notified under the Companies Act, 2017.

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The Fund has also complied with the requirements of Punjab Pension Fund Act, 2007 and Punjab Pension Fund Rules, 2007 which requires extended disclosures:

- Remuneration of the trustee;
- Safe custody and bank charges;
- Auditor's remuneration;
- Legal and other professional fees; and
- Percentage of investment with respect to net assets and total investments.

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

### **3.2 Basis of measurement**

The financial statements have been prepared under the historical cost convention, except for certain investments which are carried at fair value in accordance with the requirements of IFRS 9: 'Financial Instruments'.

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

### **3.3 Functional and presentation currency**

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

## **4 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS**

### **4.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2023**

The following standards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Fund's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	<b>Effective date (annual periods beginning on or after)</b>
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022

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	<b>Effective date (annual periods beginning on or after)</b>
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of fulfilling a contract	January 01, 2022
Annual improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)	January 01, 2022

#### **4.2 New accounting standards, amendments and interpretations that are not yet effective**

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

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The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1 First Time Adoption of International Financial Reporting Standards  
IFRS 17 Insurance Contracts

## **5 SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented in these financial statements except as stated otherwise in notes to these financial statements.

### **5.1 Operating fixed assets and depreciation**

#### **Owned assets**

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 12. Depreciation is charged when asset is available for use till date of its de-recognition. Normal repairs and maintenance are charged to income as and when incurred.

#### **Donated assets**

Non - monetary assets received under Decentralization Support Program from Government of Punjab are being recorded at nominal value.

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

### **5.2 Intangibles**

Intangibles are stated at cost less accumulated amortization for finite intangible asset and identified impairment loss, If any. Finite intangible assets are amortised using straight line method over its estimated useful life at the rates mentioned in the note 13. Amortization on additions to finite intangible assets is charged from the month in which an asset is acquired or capitalized while no amortization is charged for the month in which the asset is disposed off.

### **5.3 Employees benefits**

#### **Defined benefit plan-gratuity**

The Fund operates an un-funded defined benefit gratuity scheme for its contractual employees subject to completion of a prescribed qualifying period of service, except for those hired on a temporary, daily wage, or contingent basis. Provision is made in the financial statements based on the actuarial valuation using the Projected Unit Credit Method. The latest actuarial valuation for the gratuity scheme was carried out on June 30, 2023 using the projected Unit Credit Method.

## **Defined contribution plan-staff provident fund**

The Fund also operates a staff provident fund scheme as defined contribution plan for its contractual employees, except those hired on a temporary, daily wage, or contingent basis. Equal monthly contributions are made by the Fund and the staff at the rate of 10% of salary.

## **Compensated absences**

A provision is made for the estimated liability for annual leaves due to services rendered by the employees against un-availed leaves, as per terms of the service contract, up to the reporting date.

## **5.4 Investments**

The Fund classifies its investments as fair value through profit or loss, fair value through OCI and amortized cost.

### **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.

#### **a) Government securities**

Fair value of government securities is determined at average rate obtained from PKRV rate sheet and quoted on Mutual Funds Association of Pakistan ("MUFAP") and such average rate based on 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 basis of closing quoted market prices on 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.

## **Trade date accounting**

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

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## 5.5 Revenue recognition

- Gains / losses arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- 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.
- Interest income on government securities, Treasury bills, Bonds, TDRs and term finance certificates is recognized on an accrual basis using the effective interest rate method.
- Interest income on bank deposits and national saving schemes is recognized on accrual basis effective interest rate method.

## 5.6 Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### Financial assets - initial recognition

The Fund has adopted IFRS 9 Financial Instruments with effect from 1 July 2018. Accordingly, financial assets are classified, at initial recognition, and subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Fund's business model for managing them. With the exception of trade debts and bank balance that do not contain a significant financing component or for which the Fund has applied the practical expedient, the Fund initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade debts that do not contain a significant financing component or for which the Fund has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policy in Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Fund's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Fund commits to purchase or sell the asset.

The Fund's financial assets include Investments and bank balances.



## **Financial assets - subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- a) Financial assets at fair value through profit or loss.
  - b) Financial assets at amortized cost (debt instruments).
  - c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).
  - d) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments).
- a) **Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in income statement.

This category includes derivative instruments and listed equity investments which the Fund had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognized as other income in the income statement when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in income statement. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

The Fund have financial assets designated at fair value through P&L (equity instruments).



**b) Financial assets at amortized cost (debt instruments)**

This category is the most relevant to the Fund. The Fund measures financial assets at amortized cost if both of the following conditions are met:

The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in income statement when the asset is derecognized, modified or impaired.

The Fund's financial assets at amortized costs includes investments.

**c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)**

Upon initial recognition, the Fund can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in income statement when the right of payment has been established, except when the Fund benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Fund does not have any financial assets designated at fair value through OCI (equity instruments).

**d) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)**

The Fund measures debt instruments at fair value through OCI if both of the following conditions are met:

The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in income statement and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.



The Fund does not have any financial assets designated at fair value through OCI (debt instruments).

### **Financial assets - Derecognition**

A financial asset (or, where applicable a part of a financial asset or part of a Fund of similar financial assets) is primarily derecognized when:

The rights to receive cash flows from the asset have expired; or

The Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Fund has transferred substantially all the risks and rewards of the asset, or (b) the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Fund has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Fund's continuing involvement in the asset. In that case, the Fund also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Fund has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Fund could be required to repay.

### **Financial assets - Impairment**

The Fund recognizes an allowance for expected credit losses ("ECL") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Fund expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Fund considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Fund may also consider a financial asset to be in default when internal or external information indicates that the Fund is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Fund. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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For trade debts, the Fund applies a simplified approach in calculating ECLs based on lifetime expected credit losses. The Fund has established a provision matrix that is based on the Fund's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The expected credit losses are recognized in income statement.

For bank balances, the Fund applies a simplified approach in calculating ECLs based on lifetime expected credit losses. The Fund reviews internal and external information available for each bank balance to assess expected credit loss and the likelihood to receive the outstanding contractual amount. The expected credit losses are recognized in income statement.

## **Financial liabilities**

### **Financial liabilities - initial recognition**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Fund's financial liabilities include long term loans, short term borrowings utilized under mark-up arrangements, creditors, liabilities against assets subject to finance lease, accrued and other liabilities.

### **Financial liabilities - subsequent measurement**

#### **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in income statement when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of comprehensive income.

This category applies to long term loans, short term borrowings utilized under mark-up arrangements, creditors, liabilities against assets subject to finance lease, accrued and other liabilities.

### **Financial liabilities - derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of profit or loss.



## **5.7 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.

## **5.8 Provisions and contingencies**

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.

The Fund reviews the status of all pending litigations and claims against the Fund. Based on its judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized on the statement of assets and liabilities.

## **5.9 Impairment**

At each balance sheet date, the carrying amount of assets is reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Impairment losses are recognized as expenses in the income statement.

### **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.

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## 5.10 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.

## 5.11 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.

## 5.12 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 (current and deferred) has been made in these financial statements.

## 6 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:

	Note
- Classification, valuation and impairment if any, of investments	8
- Defined benefit plan	14.2

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Note	2023		2022	
	Punjab Pension Fund	Punjab Pension Fund - Expense Account	Punjab Pension Fund - Total	Punjab Pension Fund - Total
	----- Rupees -----		---- Rupees ----	

## 7 CASH AND BANK BALANCE

Cash in hand - 50,000 50,000 40,000

Cash at banks

Saving accounts

Current accounts

7.1	3,761,814,210	190,755,128	3,952,569,338	15,483,914,456
	-	-	-	-
	3,761,814,210	190,755,128	3,952,569,338	15,483,914,456
	3,761,814,210	190,805,128	3,952,619,338	15,483,954,456

7.1 These carry interest at the rate ranging from 12.25% to 21.10% per annum (June 30, 2022: 5.50% to 15.55% per annum).

## 8 INVESTMENTS

At amortized cost	8.1	24,552,230,447	-	24,552,230,447	43,547,566,278
Fair value through OCI	8.2	53,187,967,341	-	53,187,967,341	4,316,785,463
Fair value through P&L	8.3	21,246,837,342	-	21,246,837,342	30,422,926,338
		98,987,035,130	-	98,987,035,130	78,287,278,079

### 8.1 At amortized cost (Held to maturity)

National Savings Account

Special saving account 8.1.1 - - - 21,821,219,489

Defence savings certificates 8.1.2 24,552,230,447 - 24,552,230,447 21,726,346,789

24,552,230,447 - 24,552,230,447 43,547,566,278

8.1.1 This represents deposits are maintained in the form of an account under the National Saving Scheme of the Government of Pakistan. These deposits have different issue dates, maturity dates, and cash flows. These deposits were made during 2019-20 for a period of 3 years. The amount can be withdrawn at par at any time after the date of its deposit. These carry fixed interest rate of Nil (June 30, 2022: 11.00% to 12.70%) per annum receivable semi-annually and automatically stand reinvested and would be calculated for further profit on completion of the next six months period. However, no profit is payable in case the withdrawals are made before the completion of 6 months of deposit.

8.1.2 These comprise Defence Savings Certificates issued by National Savings Organization under the National Savings Scheme of the Government of Pakistan. The total issue comprises of 15,500 certificates of Rs. 1 million each. These were purchased during 2019-20 with a maturity period of 10 years. These certificates are encashable at par at any time. However, no profit is payable if encashment is made before the completion of one complete year. These carry effective interest rate of 13.01% (June 30, 2022: 13.01%) per annum receivable on maturity.

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PUNJAB PENSION FUND						
		Carrying value		Fair value		
		2023	2022	2023	2022	
Note		---- Rupees ----	---- Rupees ----	---- Rupees ----	---- Rupees ----	
8.2	Fair value through OCI					
	Government securities					
	Pakistan investment bonds	8.2.1	50,018,774,102	745,142,255	48,993,208,500	771,391,027
	Market Treasury Bills	8.2.2	-	-	-	-
	Debt securities					
	Term finance certificates & sukuks	8.2.3	4,200,724,450	3,586,735,446	4,194,758,841	3,545,394,436
			54,219,498,552	4,331,877,701	53,187,967,341	4,316,785,463
	Fair value adjustment - net		(1,031,531,211)	(15,092,237)	-	-
			53,187,967,341	4,316,785,464	53,187,967,341	4,316,785,463
8.3	Fair Value through P&L					
	Mutual funds	8.3.1	13,844,562,516	24,607,012,676	13,407,520,742	22,470,653,328
	Equity shares	8.3.2	8,982,639,385	9,197,705,412	7,839,316,600	7,952,273,010
			22,827,201,901	33,804,718,088	21,246,837,342	30,422,926,338
	Fair value adjustment - net		(1,580,364,559)	(3,381,791,750)	-	-
			21,246,837,342	30,422,926,338	21,246,837,342	30,422,926,338

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# 8.2.1 Government securities - Pakistan Investment Bonds ("PIBs")

Issue date	Note	Tenure - Years/Months	Face value			Balance as at June 30, 2023			Fair value as percentage of net assets	Fair value as percentage of total investments	
			As at July 01, 2022	Purchases during the year	Encashed during the year	As at June 30, 2023	Carrying value	Fair value			Appreciation / (diminution) in carrying value
Rupees											
February 9, 2023		3 - Years	-	2,000,000,000	-	2,000,000,000	1,951,907,156	1,941,600,000	(10,307,156)	1.79%	1.96%
October 13, 2022		5 - Years	-	250,000,000	-	250,000,000	205,840,966	205,840,750	(2,776,216)	0.19%	0.21%
May 6, 2021		5 - Years	-	23,500,000,000	-	23,500,000,000	22,884,256,860	22,710,400,000	(173,856,860)	20.92%	22.94%
April 6, 2023	8.2.1.1	5 - Years	-	2,000,000,000	-	2,000,000,000	1,893,691,545	1,889,600,000	(4,091,545)	1.74%	1.91%
November 4, 2021		10 - Years	-	23,000,000,000	-	23,000,000,000	22,108,867,076	21,337,100,000	(771,767,076)	19.66%	21.56%
July 12, 2018		10 - Years	-	300,000,000	-	300,000,000	225,992,841	226,140,000	147,159	0.21%	0.23%
August 30, 2008		30 - Years	750,000,000	-	-	750,000,000	745,441,658	682,527,750	(62,913,908)	0.63%	0.69%
Total			750,000,000	51,050,000,000	-	51,800,000,000	50,018,774,102	48,993,208,500	(1,025,565,602)	45.13%	49.49%

Issue date	Note	Tenure - Years/Months	Face value			Balance as at June 30, 2022				Fair value as percentage of net assets	Fair value as percentage of total investments
			As at July 01, 2021	Purchases during the year	Encashed during the year	As at June 30, 2022	Carrying value	Fair value	Appreciation / (diminution) in carrying value		
			Rupees								
August 30, 2008		30 - Years	750,000,000	-	-	750,000,000	745,142,255	771,391,027	26,248,772	0.82%	0.99%
July 12, 2018		10 - Years	475,000,000	-	475,000,000	-	-	-	-	0.00%	0.00%
December 10, 2020	8.2.1.1	10 - Years	3,150,000,000	-	3,150,000,000	-	-	-	-	0.00%	0.00%
September 12, 2019		10 - Years	6,700,000,000	-	6,700,000,000	-	-	-	-	0.00%	0.00%
Total			11,075,000,000	-	10,325,000,000	750,000,000	745,142,255	771,391,027	26,248,772	0.82%	0.99%

8.2.1.1 PIBs carry fixed interest rate ranging from 8.75% to 21.99% (June 30, 2022: 8.00% to 13.75%) per annum receivable semi-annually.

# 8.2.2 Government Securities - Market Treasury Bills ("T-Bills")

Issue date	Note	Tenure - Years/Months	Face value			Balance as at June 30, 2023			Fair value as percentage of net assets	Fair value as percentage of total investments	
			As at July 01, 2022	Purchases during the year	Encashed during the year	As at June 30, 2023	Carrying value	Fair value			Appreciation / (diminution) in carrying value
January 26, 2023	8.2.2.1	3 Months	-	950,000,000	-	950,000,000	-	-	0.00%	0.00%	
August 25, 2022		12 Months	-	12,000,000,000	12,000,000,000	-	-	-	0.00%	0.00%	
Total			-	12,950,000,000	12,950,000,000	-	-	-	0.00%	0.00%	

Issue date	Note	Tenure Years/Months	Face value			Balance as at June 30, 2022			Fair value as percentage of net assets	Fair value as percentage of total investments	
			As at July 01, 2021	Purchases during the year	Encashed during the year	As at June 30, 2022	Carrying value	Fair value			Appreciation / (diminution) in carrying value
			Rupees								
September 23, 2021	8.2.2.1	3 Months	-	500,000,000	500,000,000	-	-	-	0.00%	0.00%	
March 24, 2022		3 Months	-	500,000,000	500,000,000	-	-	-	0.00%	0.00%	
Total			-	1,000,000,000	1,000,000,000	-	-	-	0.00%	0.00%	

8.2.2.1 These bills were zero coupon and carried a yield of 15.85% to 17.82% per annum (June 30, 2022 : 7.19% to 11.75% per annum)

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## 8.2.3 Debt securities - Term Finance Certificates ("TFCs") &amp; Sukus

Name of issuer	Note	Tenure - Years/Months	Face value		Balance as at June 30, 2023					Fair value as percentage of net assets	Fair value as percentage of total investments
			As at July 01, 2022	Purchases during the year	Encashed during the year	As at June 30, 2023	Carrying value	Fair value	Appreciation / (diminution) in carrying value		
Bank of Punjab- PPTFC-2 - Related party	8.2.3.1	April 23, 2018	2,150	-	-	2,150	214,570,000	216,663,111	2,093,111	0.20%	0.22%
AKBL-PTFC- VII	8.2.3.2	March 17, 2020	450	-	-	450	450,016,950	450,510,165	493,215	0.42%	0.46%
HUBCO SUKUK	8.2.3.3	March 19, 2020	2,500	-	-	2,500	125,000,000	125,625,000	625,000	0.12%	0.13%
SAMBA Bank TFCs	8.2.3.4	March 1, 2021	1,350	-	-	1,350	134,892,000	134,892,000	-	0.12%	0.14%
K-Electric SUKUK	8.2.3.5	August 3, 2020	66,866	-	-	66,866	284,180,500	289,389,829	5,209,329	0.27%	0.29%
HUB Power Holding SUKUK	8.2.3.6	November 12, 2020	6,000	-	-	6,000	600,000,000	615,780,000	15,780,000	0.57%	0.62%
Bank Al-Falah Limited TFCs	8.2.3.7	January 15, 2021	164,413	-	-	164,413	822,065,000	776,871,976	(45,193,024)	0.72%	0.78%
BOP ADT I Perpetual- Related party	8.2.3.8	June 20, 2022	8,000	-	-	8,000	800,000,000	800,000,000	-	0.74%	0.81%
K-Electric SUKUK	8.2.3.9	November 23, 2022	-	6,700	-	6,700	670,000,000	685,026,760	15,026,760	0.63%	0.69%
BOP ADT II - Related Party	8.2.3.10	April 17, 2023	-	1,000	-	1,000	100,000,000	100,000,000	-	0.09%	0.10%
Total			251,729	7,700	-	259,429	4,200,724,450	4,194,758,841	(5,965,609)	3.88%	4.24%

Name of issuer	Note	Tenure - Years/Months	Face value			Balance as at June 30, 2022				Fair value as percentage of net assets	Fair value as percentage of total investments
			As at July 01, 2021	Purchases during the year	Encashed during the year	As at June 30, 2022	Carrying value	Fair value	Appreciation / (diminution) in carrying value		
WAPDA TFCs		September 27, 2013	100,000	-	-	100,000	-	-	-	0.00%	0.00%
Bank of Punjab- PPTFC-2		April 23, 2018	2,150	-	-	2,150	214,656,000	219,751,933	5,095,933	0.23%	0.28%
AKBL-PPTFC- VII		March 17, 2020	600	-	150	450	450,016,950	456,767,204	6,750,254	0.49%	0.58%
HUBCO SUKUK		March 19, 2020	2,500	-	-	2,500	250,000,000	257,196,500	7,196,500	0.27%	0.33%
SAMBA Bank TFCs		March 1, 2021	5,000	-	3,650	1,350	134,946,000	135,480,656	534,656	0.14%	0.17%
K-Electric SUKUK		August 3, 2020	66,866	-	-	66,866	334,330,000	341,417,796	7,087,796	0.36%	0.44%
Bank Al-Falah Limited TFCs		January 15, 2021	164,413	-	-	164,413	822,065,000	754,058,851	(68,006,149)	0.80%	0.96%
BOP ADT I		June 20, 2022	-	8,000	-	8,000	800,000,000	800,000,000	-	0.85%	1.02%
Perpetual HUB Power		November 12, 2020	6,000	-	-	6,000	580,721,496	580,721,496	-	0.62%	0.74%
Musharaka			347,529	8,000	103,800	251,729	3,586,735,446	3,545,394,436	(41,341,010)	3.76%	4.52%

8.2.3.1 BOP-PTFC-2 (Related Party) have face value of Rs. 99,800 per certificate. The principal redemption of such PPTFCs is structured to be in twenty semi-annual installments starting from October 23, 2018. These carry variable interest rate of 6 Month KIBOR plus 125 bps (June 30, 2022: 6 Month KIBOR plus 125 bps) per annum receivable semi-annually.

8.2.3.2 AKBL-PTFC-VII have face value of Rs. 1,000,000 per certificate. The principal redemption of such PPTFCs is structured to be in forty quarterly installments starting from June 17, 2020. These carry variable interest rate of 3 Month KIBOR plus 120 bps (June 30, 2022: 3 Month KIBOR plus 120 bps) per annum receivable quarterly.



8.2.3.3 HUBCO SUKUK have face value of Rs. 50,000 per certificate. The principal redemption of such Sukuks is structured to be in four quarterly installments starting from September 19, 2022. These carry variable interest rate of 1 Year KIBOR plus 190 bps (June 30, 2022: 1 Year KIBOR plus 190 bps) per annum receivable quarterly.

8.2.3.4 SAMBA Bank TFCs have face value of Rs. 99,920 per certificate. The principal redemption of such TFCs is structured to be in two equal semi-annual installments starting from September 1, 2030. These carry variable interest rate of 6 Month KIBOR plus 135 bps (June 30, 2022: 6 Month KIBOR plus 135 bps) per annum receivable semi-annually.

8.2.3.5 K-Electric Sukuk have face value of Rs. 4,250 per certificate. The principal redemption of such Sukuks is structured to be in four quarterly installments starting from September 19, 2022. These carry variable interest rate of 3 Month KIBOR plus 170 bps (30 June 2022: 3 Month KIBOR plus 170 bps) per annum receivable quarterly.

8.2.3.6 HUB POWER HOLDING SUKUK have face value of Rs. 100,000 per certificate. The principal redemption of such Sukuks is structured to be in two equal semi-annual installments starting from May 12, 2024. These carry variable interest rate of 6 Month KIBOR plus 250 bps (June 30, 2022: 6 Month KIBOR plus 250 bps) per annum receivable semi-annually.

8.2.3.7 Bank Al-Falah Ltd TFCs have face value of Rs. 5,000 per certificate. The principal redemption of such TFCs is structured to be in four equal semi-annual installments starting from September 19, 2022. These carry fixed interest rate of 9.33% (June 30, 2022: 9.33%) per annum receivable semi-annually.

8.2.3.8 BOP-ADT 1 Perpetual (Related Party) have face value of Rs. 100,000.00 per certificate. The issuer may, at its sale discretion, exercise call option any time after 5 years from the issue date subject to State Bank of Pakistan approval. These carry variable interest rate of 6 Month KIBOR plus 200 bps (June 30, 2022: 6 Month KIBOR plus 200 bps) per annum receivable semi-annually.

8.2.3.9 K-Electric Sukuk-2 have face value of Rs. 100,000 per certificate. The principal redemption of such Sukuks is structured to be in four quarterly installments starting from February 23, 2025. These carry variable interest rate of 3 Month KIBOR plus 170 bps (June 30, 2022: 3 Month KIBOR plus 170 bps) per annum receivable quarterly.

8.2.3.10 BOP-ADT II (Related Party) have face value of Rs. 100,000 per certificate. The principal redemption of such TFCs is structured to be in twenty semi-annual installments starting from October 17, 2023. These carry variable interest rate of 6 Month KIBOR plus 125 bps (June 30, 2022: Nil) per annum receivable semi-annually.

#### 8.3.1 Mutual funds

Name of issuer	Balance as at June 30, 2023					Fair value as percentage of net assets	Fair value as percentage of total investments		
	As at July 01, 2022	Purchases during the year	Bonus units received during the year	Disposed off during the year	As at June 30, 2023				
								Carrying value	Fair value
Percentage									
Number of units									
Rupees									
Percentage									
OPEN END MUTUAL FUNDS - STOCK MARKET									
ABL Islamic Stock Fund	21,759,035	-	-	8,610,028	13,149,007.00	173,246,056	(1,569,991)	0.16%	0.17%
ABL Stock Fund	43,759,143	-	-	14,360,176	29,398,967	381,057,643	(9,101,920)	0.34%	0.38%
Al Ameen Shariah Stock Fund	6,100,138	-	-	186,164	5,913,974	828,370,291	(15,731,170)	0.75%	0.82%
Al Meezan Mutual Fund	25,721,166	-	-	-	25,721,166	404,357,305	(1,046,852)	0.37%	0.41%
Alfalah GHP Islamic Stock-Fund	5,427,208	-	45,151	1,714,189	3,758,170	137,022,266	1,727,846	0.13%	0.14%
Alfalah GHP Stock Fund	2,079,787	-	-	649,151	1,430,636	129,581,592	(1,100,303)	0.12%	0.13%
Alhamra Islamic Stock Fund	36,087,618	-	-	9,042,553	27,045,065	246,110,094	(2,163,605)	0.22%	0.25%
Atlas Islamic Stock Fund	722,999	49,262	-	-	772,261	382,356,286	(369,109,759)	0.34%	0.37%
Atlas Stock Market Fund	1,562,207	-	-	-	1,562,207	927,326,205	(32,309,888)	0.82%	0.90%
Faysal Stock Fund	3,938,754	-	-	3,938,754	-	-	-	0.00%	0.00%
HBL Equity Fund	1,692,360	-	-	1,692,360	-	-	-	0.00%	0.00%
JS Growth Fund - A	1,579,582	-	-	219,118	1,360,464	202,300,933	(3,822,903)	0.18%	0.20%
KSE-Meezan Index Fund	4,203,396	-	38,494	-	4,241,890	273,554,888	4,366,487	0.26%	0.28%
Lakson Equity Fund	1,792,698	-	104,005	-	1,896,703	165,964,019	13,570,819	0.17%	0.18%
MCB Pakistan Stock Market Fund	12,564,079	-	-	2,143,549	10,420,530	901,416,475	(26,171,161)	0.81%	0.88%
Meezan Islamic Fund	32,445,667	-	-	-	32,445,667	1,824,468,527	(45,917,108)	1.64%	1.80%
National Investment (Unit) Trust	27,894,632	7,028,278	2,435,801	-	37,358,711	2,237,872,159	(346,773,914)	1.74%	1.91%
NBP Islamic Stock Fund	64,190,036	-	-	24,822,519	39,367,517	417,527,945	(8,672,664)	0.38%	0.41%
NBP Stock Fund	128,617,380	-	-	11,483,693	117,133,687	1,616,046,620	(35,620,354)	1.46%	1.60%
UBL stock advantage fund	10,593,547	-	-	1,860,396	8,733,151	606,954,045	(4,017,250)	0.56%	0.61%
	432,731,432	7,077,540	2,623,451	80,722,650	361,709,773	11,855,533,349	(527,600,458)	10.45%	11.44%



Name of issuer	As at July 01, 2022	Purchases during the year	Bonus units received during the year	Disposed off during the year	Balance as at June 30, 2023				
					Carrying value	Fair value	Appreciation from carrying value	Fair value as percentage of net assets	Fair value as percentage of total investments
Number of units					Rupees		Percentage		
OPEN END MUTUAL FUNDS - INCOME									
HBL Financial Sector Income- Plan 1	10,085,798	8,920,288	279,065	19,285,151	-	-	-	0.00%	
Faysal Financial Sector Opportunity Fund	2,154,646	6,573,388	-	8,728,034	-	-	-	0.00%	
	12,240,444	15,493,676	279,065	28,013,185	-	-	-	0.00%	
OPEN END MUTUAL FUNDS - MONEY MARKET									
Al Habib Cash Fund	10,010,506	14,768,710	296,018	25,075,234	-	-	-	0.00%	
National Investment (Unit) Money Market Fund	21,004,339	185,404,538	2,803,404	209,212,281	-	-	-	0.00%	
MCB Cash Management Optimizer									
JS Cash Fund	12,964,899	9,777,264	251,356	22,993,519	-	-	-	0.00%	
Atlas Money Market Fund	11,352,106	28,984,624	1,366,925	32,030,973	10,272,682	989,029,167	1,060,448,870	1.07%	
NBP Money Market Fund	1,987,850	1,939,958	63,268	3,991,076	-	-	71,419,703	0.00%	
ABL Cash Fund	101,605,026	99,706,862	2,325,758	203,637,646	-	-	-	0.00%	
UBL Cash Fund	98,952,497	126,725,903	3,105,484	199,392,002	29,391,882	300,000,000	300,640,743	0.30%	
Lakson Money Market Fund	6,041,318	5,787,846	-	11,829,164	-	-	-	0.00%	
Meezan Rozana Andani Fund	5,970,383	6,852,372	134,535	12,957,290	-	-	-	0.00%	
Alfalsh GHP Cash Fund	4,021,907	20,000,000	235,562	24,257,469	-	-	-	0.00%	
Al Habib Money Market Fund	-	5,000,000	133,799	-	5,133,799	500,000,000	513,379,893	0.47%	
Faysal Money Market Fund	-	1,944,784	55,893	-	2,000,677	200,000,000	205,118,345	0.19%	
	274,510,831	507,879,589	10,772,002	746,363,382	46,759,040	1,989,029,167	2,079,587,851	1.92%	
Total	719,482,707	530,450,805	13,674,518	855,099,217	408,508,813	13,844,562,516	13,407,520,742	12.37%	
							(437,041,774)	13.54%	

Name of issuer	As at July 01, 2021	Purchases during the year	Bonus units received during the year	Disposed off during the year	Balance as at June 30, 2022			Fair value as percentage of net assets	Fair value as percentage of total investments	
					As at June 30, 2022	Carrying value	Appreciation from carrying value			
										Rupees
OPEN END MUTUAL FUNDS - STOCK MARKET										
NEP Stock Fund	110,481,064	19,136,316	-	-	128,617,380	2,064,280,849	1,774,482,541	(289,798,308)	1.89%	2.27%
NEP Islamic Stock Fund	61,502,772	2,687,264	-	-	64,190,036	818,237,799	680,793,099	(137,444,700)	0.72%	0.87%
Al Ameen Shariah Stock Fund	5,576,799	423,339	-	-	6,100,138	975,471,277	854,446,321	(121,024,956)	0.91%	1.09%
UBL Stock Advantage Fund	9,812,913	780,634	-	-	10,593,547	830,328,084	736,251,559	(94,076,525)	0.78%	0.94%
National Investment (Unit)										
Trust	7,896,983	19,825,183	172,466	-	27,894,632	2,004,949,715	1,812,872,089	(192,077,626)	1.93%	2.32%
National Investment (Unit)										
Income Fund	-	27,593,207	-	27,593,207	-	-	-	-	0.00%	0.00%
MCB Pakistan Stock Market Fund	11,370,827	1,193,252	-	-	12,564,079	1,298,832,000	1,086,841,841	(211,990,159)	1.16%	1.39%
MCB Pakistan Income Fund	9,425,028	8,646,859	-	18,071,887	-	-	-	-	0.00%	0.00%
Alhamra Islamic Stock Fund	-	36,087,618	-	-	36,087,618	408,280,000	328,397,328	(79,882,672)	0.35%	0.42%
Atlas Stock Market Fund	1,347,927	214,280	-	-	1,562,207	1,077,481,022	927,326,205	(150,154,817)	0.99%	1.18%
Atlas Islamic Stock Fund	417,120	305,879	-	-	722,999	411,355,458	357,456,286	(53,899,172)	0.38%	0.46%
JS Growth Fund - A	399,592	1,179,590	-	-	1,579,582	286,487,889	234,883,854	(51,604,035)	0.25%	0.30%
Alfalsh GHP Islamic Stock Fund	1,251,034	4,176,174	-	-	5,427,208	248,207,900	200,281,336	(47,926,564)	0.21%	0.26%
Alfalsh GHP Stock Fund	-	2,079,787	-	-	2,079,787	235,910,000	188,379,234	(47,530,766)	0.20%	0.24%
Faysal Stock Fund	2,837,684	1,101,069	-	-	3,938,753	291,031,782	216,513,292	(74,518,490)	0.23%	0.28%



Name of issuer	As at July 01, 2021	Purchases during the year	Bonus units received during the year	Disposed off during the year	Balance as at June 30, 2022					
					As at June 30, 2022	Carrying value	Fair value	Appreciation from carrying value	Fair value as percentage of net assets	Fair value as percentage of total investments
					Number of units		Rupees		Percentage	
ABL Stock Fund	41,965,465	1,793,678	-	-	43,759,143	694,484,146	567,188,502	(127,295,644)	0.60%	0.72%
ABL Islamic Stock Fund	7,724,690	14,034,345	-	-	21,759,035	354,998,466	286,688,345	(68,310,121)	0.30%	0.37%
HBL Equity Fund	1,420,588	271,771	-	-	1,692,359	231,104,816	130,080,528	(101,024,288)	0.14%	0.17%
KSE-Meezan Index Fund	-	4,203,396	-	-	4,203,396	309,215,025	273,554,888	(35,660,137)	0.29%	0.35%
Meezan Islamic Fund	-	32,445,667	-	-	32,445,667	2,069,750,000	1,824,468,527	(245,281,473)	1.94%	2.33%
Al Meezan Mutual Fund	-	25,721,166	-	-	25,721,166	462,500,000	404,357,305	(58,142,695)	0.43%	0.52%
Laksen Equity Fund	-	1,792,698	-	-	1,792,698	200,000,000	165,964,019	(34,035,981)	0.18%	0.21%
	273,530,486	204,693,572	172,466	45,665,094	432,731,430	15,272,906,228	13,051,227,099	(2,221,679,129)	13.88%	16.69%
OPEN END MUTUAL FUNDS -										
INCOME										
JS Income Fund	-	-	-	-	-	-	-	-	-	-
Faysal MTS Fund	-	2,991,623	-	2,991,623	-	-	-	-	0.00%	0.00%
First Habib Islamic Income Fund	4,050,048	-	-	4,050,048	-	-	-	-	0.00%	0.00%
HBL Financial Sector Income Plan	-	-	5,894,224	5,894,224	-	-	-	-	0.00%	0.00%
Faysal Financial Sector Opportunity Fund	-	9,969,583	116,215	-	10,085,798	1,000,000,000	1,009,037,718	9,037,718	1.07%	1.29%
	-	1,953,992	200,654	-	2,154,646	220,000,000	221,562,334	1,562,334	0.24%	0.28%
	4,050,048	14,915,198	6,211,093	12,935,895	12,240,444	1,220,000,000	1,230,600,052	10,600,052	1.31%	1.57%
OPEN END MUTUAL FUNDS -										
MONEY MARKET										
Al Habib Cash Fund	-	9,769,351	241,155	-	10,010,506	1,000,768,956	1,010,122,127	9,353,171	1.07%	1.29%
National Investment (Unit)	-	-	-	-	-	-	-	-	-	-
Money Market Fund	-	20,760,563	243,776	-	21,004,339	200,551,189	202,769,583	2,218,394	0.22%	0.26%
MCB Cash Management Optimizer	-	12,843,636	121,263	-	12,964,899	1,301,178,804	1,313,341,626	12,162,822	1.40%	1.68%
JS Cash Fund	-	11,643,709	308,397	-	11,952,106	1,211,607,499	1,223,417,546	11,810,047	1.30%	1.56%
Atlas Money Market Fund	-	1,957,669	30,181	-	1,987,850	1,000,000,000	1,008,847,979	8,847,979	1.07%	1.29%
NBP Money Market Fund	-	100,351,229	1,253,797	-	101,605,027	1,000,000,000	1,009,049,676	9,049,676	1.07%	1.29%
ABL Cash Fund	-	98,115,207	837,290	-	98,952,497	1,000,000,000	1,009,463,901	9,463,901	1.07%	1.29%
UBL Cash Fund	-	5,475,851	565,467	-	6,041,318	600,000,000	605,335,842	5,335,842	0.64%	0.77%
Lakson Money Market Fund	-	5,925,826	44,557	-	5,970,383	600,000,000	605,382,544	5,382,544	0.64%	0.77%
Meezan Rozana Amdani Fund	-	4,000,000	21,907	-	4,021,907	200,000,000	201,095,353	1,095,353	0.21%	0.26%
	-	270,843,041	3,667,790	-	274,510,832	8,114,106,448	8,188,826,177	74,719,729	7.62%	9.17%
	277,580,534	490,451,811	10,051,349	58,600,989	719,432,706	24,607,012,676	22,470,653,328	(2,136,359,348)		
Total										

Name of issuer	As at July 01, 2022	Purchases during the year	Bonus shares received during the year	Disposed off during the year	Balance as at June 30, 2023				Fair value as percentage of net assets	Fair value as percentage of total investments	
					As at June 30, 2023	Carrying value	Fair value	Appreciation / (diminution) in carrying value			
Shares	Number of shares				Rupees				Percentage		
AUTOMOBILE ASSEMBLER											
Indus Motors Company Limited	720,000	20,391	-	391	740,000	843,734,919	697,997,600	(145,737,319)	0.64%	0.71%	
Millat Tractors Limited	300,000	40,000	320,000	-	660,000	284,164,991	257,604,600	(26,560,391)	0.24%	0.26%	
CEMENT											
Lucky Cement Company Limited	600,000	100,000	-	-	700,000	320,758,718	365,463,000	44,704,282	0.34%	0.37%	

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Name of issuer	As at July 01, 2022	Purchases during the year	Bonus shares received during the year	Disposed off during the year	Balance as at June 30, 2023			Fair value as percentage of net assets	Fair value as percentage of total investments	
					Carrying value	Fair value	Appreciation / (diminution) in carrying value			
										Rupees
Number of shares										
CHEMICAL										
ENGRO Polymer & Chemical Limited	3,510,000	790,000	-	-	4,300,000	321,204,085	181,675,000	(139,529,085)	0.17%	0.18%
ENGRO Polymer & Chemical Ltd - Preference shares	3,183,000	-	-	-	3,183,000	36,127,050	38,196,000	2,068,950	0.04%	0.04%
Lucky Core Industries Limited	250,000	-	-	-	250,000	181,137,500	151,035,000	(30,102,500)	0.14%	0.15%
COMMERCIAL BANKS										
Bank Al-Habib Limited	18,000,000	-	-	-	18,000,000	1,045,080,000	777,960,000	(267,120,000)	0.72%	0.79%
Habib Bank Limited	14,700,000	-	-	-	14,700,000	1,342,698,000	1,076,481,000	(266,217,000)	0.99%	1.09%
MCB Bank Limited	8,150,000	-	-	-	8,150,000	1,002,287,000	932,930,500	(69,356,500)	0.86%	0.94%
National Bank Limited	1,430,000	-	-	-	1,430,000	39,968,500	27,856,400	(12,112,100)	0.03%	0.03%
United Bank Limited	3,325,000	-	-	-	3,325,000	376,157,250	390,820,500	14,663,250	0.36%	0.39%
ENGINEERING										
International Steels Limited	1,000,000	1,000,000	-	-	2,000,000	106,952,872	81,060,000	(25,892,872)	0.07%	0.08%
FERTILIZER										
Fauji Fertilizer Company Limited	15,700,000	300,000	-	-	16,000,000	1,761,051,578	1,575,040,000	(186,011,578)	1.45%	1.59%
ENGRO Fertilizers Limited	-	10,300,000	-	800,000	9,500,000	774,434,570	784,035,000	9,600,430	0.72%	0.79%
FOOD & PERSONAL CARE PRODUCTS										
Rafan Maize Products Limited	14,000	-	-	-	14,000	139,300,000	117,600,000	(21,700,000)	0.11%	0.12%
OIL & GAS EXPLORATION COMPANIES										
Oil & Gas Development Company Limited	4,000,000	-	-	-	4,000,000	314,680,000	312,000,000	(2,680,000)	0.29%	0.32%
TEXTILE COMPOSITE										
Nishat Mills Limited	600,000	-	-	-	600,000	44,346,000	34,062,000	(10,284,000)	0.03%	0.03%
REFINERY										
National Refinery Limited	-	900,000	-	650,000	250,000	48,556,352	37,500,000	(11,056,352)	0.03%	0.04%
Total	75,482,000	13,450,391	320,000	1,450,391	87,802,000	8,982,639,385	7,839,316,600	(1,143,322,785)	7.23%	7.92%

Name of issuer	As at July 01, 2021	Purchases during the year	Bonus shares received during the year	Disposed off during the year	Balance as at June 30, 2022				Fair value as percentage of net assets	Fair value as percentage of total investments	
					As at June 30, 2022	Carrying value	Fair value	Appreciation / (diminution) in carrying value			
											Rupees
Shares											
AUTOMOBILE ASSEMBLER											
Indus Motors Company Limited	-	720,000	-	-	720,000	977,750,840	823,975,200	(153,775,640)	0.88%	1.05%	
Millat Tractors Limited	-	212,000	88,000	-	300,000	197,235,995	261,777,000	64,541,005	0.28%	0.33%	
CEMENT											
Lucky Cement Company Limited	-	600,000	-	-	600,000	397,941,259	275,424,000	(122,517,259)	0.29%	0.35%	
CHEMICAL											
ENGRO Polymer & Chemical Limited	-	3,510,000	-	-	3,510,000	206,091,685	279,501,300	73,409,615	0.30%	0.36%	
ENGRO Polymer & Chemical Ltd - Preference shares	3,183,000	-	-	-	3,183,000	35,649,600	36,127,050	477,597	0.04%	0.05%	
Lucky Core Industries Limited	-	250,000	-	-	250,000	195,002,993	181,137,500	(13,865,493)	0.19%	0.23%	

Name of issuer	As at July 01, 2021	Purchases during the year	Bonus shares received during the year	Disposed off during the year	Balance as at June 30, 2022			Fair value as percentage of net assets	Fair value as percentage of total investments	
					As at June 30, 2022	Carrying value	Fair value			
										Appreciation / (diminution) in carrying value
Number of shares										
Rupees										
COMMERCIAL BANKS										
Bank Al-Habib Limited	20,000,000	600,000	-	2,600,000	18,000,000	1,261,477,022	(216,397,022)	1.11%	1.33%	
Habib Bank Limited	12,960,000	1,740,000	-	-	14,700,000	1,789,981,910	(447,283,910)	1.43%	1.72%	
MCB Bank Limited	1,550,000	6,600,000	-	-	8,150,000	1,279,900,125	(277,613,125)	1.07%	1.28%	
National Bank Limited	1,430,000	-	-	-	1,430,000	52,295,100	(12,326,600)	0.04%	0.05%	
United Bank Limited	13,000,000	1,750,000	-	11,425,000	3,325,000	406,865,608	(30,708,358)	0.40%	0.48%	
ENGINEERING										
International Steels Limited	-	1,000,000	-	-	1,000,000	69,881,689	(10,521,689)	0.06%	0.08%	
FERTILIZER										
Fauji Fertilizer Company Limited	-	15,700,000	-	-	15,700,000	1,769,693,342	(39,239,342)	1.84%	2.21%	
FOOD & PERSONAL CARE PRODUCTS										
Rafan Maize Products Limited	-	14,000	-	-	14,000	153,205,240	(13,905,240)	0.15%	0.18%	
OIL & GAS EXPLORATION COMPANIES										
Oil & Gas Development Company Limited	-	7,000,000	-	3,000,000	4,000,000	348,672,838	(33,992,838)	0.33%	0.40%	
TEXTILE COMPOSITE										
Nishat Mills Limited	-	600,000	-	-	600,000	56,060,166	(11,714,166)	0.05%	0.06%	
REFINERY										
National Refinery Limited	-	600,000	-	600,000	-	-	-	0.00%	0.00%	
Total	52,123,000	40,896,000	88,000	17,625,000	75,482,000	9,197,705,412	(1,245,432,465)	8.46%	10.16%	

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	2023		2022
	Punjab Pension Fund	Punjab Pension Fund - Expense	Punjab Pension Fund - Total
Note	Rupees		Rupees

## 9 ACCRUED INTEREST

Interest on bank account	52,956,995	3,110,118	56,067,113	138,315,952
Pakistan investment bonds	1,799,925,081	-	1,799,925,081	34,563,875
Term finance certificates and sukuks	272,151,234	-	272,151,234	83,465,847
	<u>2,125,033,310</u>	<u>3,110,118</u>	<u>2,128,143,428</u>	<u>256,345,674</u>

## 10 DEPOSITS AND OTHER RECEIVABLES

Security deposit				
Central Depository Company	100,000	-	100,000	100,000
Office building	-	780,000	780,000	780,000
Fuel Vendors	-	694,720	694,720	-
Receivable from Punjab General Provident Investment Fund	10.1	-	-	4,597,320
Receivable from employees against loan	-	2,785,832	2,785,832	-
	<u>100,000</u>	<u>4,260,552</u>	<u>4,360,552</u>	<u>5,477,320</u>

10.1 During the year, as approved by the management committee, this balance has been reversed.

## 11 ADVANCES

Advance tax	11.1	18,363,860	-	18,363,860	8,799,476
Advance against TFC Investment	11.2	3,500,000,000	-	3,500,000,000	-
		<u>3,518,363,860</u>	<u>-</u>	<u>3,518,363,860</u>	<u>8,799,476</u>

11.1 This represents tax deducted during the year due to non availability of exemption certificate.

11.2 This represents advance to Bank of Punjab for the issuance of TFC. This carries mark up at the rate KIBOR + 2 % until the issuance of TFC.

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## 12 OPERATING FIXED ASSETS

The following is the statement of operating assets:

Description	Furniture and fittings	Office equipment	Motor Vehicles	Grand total
	(Rupees)			
Net carrying value basis year ended June 30, 2022				
Opening net book value (NBV)	150,050	947,464	1,182,797	2,280,311
Additions (at cost)	175,196	2,147,283	364,500	2,686,979
Disposal (NBV)	-	-	-	-
Depreciation charge	(82,559)	(731,212)	(946,727)	(1,760,498)
Closing net book value	242,687	2,363,535	600,570	3,206,792
Gross carrying value basis year ended June 30, 2023				
Cost	523,231	7,700,566	5,059,325	13,283,122
Accumulated depreciation	(280,544)	(5,337,031)	(4,458,755)	(10,076,330)
Net book value	242,687	2,363,535	600,570	3,206,792
Net carrying value basis year ended June 30, 2021				
Opening net book value (NBV)	162,579	1,228,709	2,083,037	3,474,325
Additions (at cost)	40,950	160,641	-	201,591
Disposal (NBV)	-	-	-	-
Depreciation charge	(53,479)	(441,886)	(900,240)	(1,395,605)
Closing net book value	150,050	947,464	1,182,797	2,280,311
Gross carrying value basis year ended June 30, 2022				
Cost	348,035	5,553,283	4,694,825	10,596,143
Accumulated depreciation	(197,985)	(4,605,819)	(3,512,028)	(8,315,832)
Net book value	150,050	947,464	1,182,797	2,280,311
Depreciation rate % per annum	20%	33.33%	20%	20%

12.1 The depreciation charge for the year has been allocated to operating expenses.

12.2 The cost of fully depreciated assets which are still in use is Rs. 2.965 million (2022: Rs. 4.306 million).



	2023		2022
	Punjab Pension Fund	Punjab Pension Fund - Expense Account	Punjab Pension Fund - Total
Note	----- Rupees -----		---- Rupees ----

### 13 INTANGIBLE ASSETS

Software	-	1,221,306	1,221,306	2,083,218
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#### 13.1 Software

##### Net carrying value as at July 01

Opening balance as on July 01,	-	2,083,218	2,083,218	-
Addition during the year	-	-	-	2,586,000
Amortization charge	-	(861,912)	(861,912)	(502,782)
Net book value as at June 30,	-	1,221,306	1,221,306	2,083,218

##### Gross carrying value as at 30 June

Cost	-	2,586,000	2,586,000	2,586,000
Accumulated amortization	-	(1,364,694)	(1,364,694)	(502,782)
Net book value	-	1,221,306	1,221,306	2,083,218

##### Amortization % per annum

33.33%	33.33%	33.33%	33.33%
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The amortization charge for the year has been allocated as follows:

Operating expenses	20	-	861,912	861,912	502,782
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Note	2023			2022
	Punjab Pension Fund	Punjab Pension Fund - Expense Account	Punjab Pension Fund - Total	Punjab Pension Fund - Total
	----- Rupees -----			---- Rupees ----

#### 14 STAFF RETIREMENT BENEFITS

Provident fund payable	14.1	-	8,675,867	8,675,867	2,022,697
Gratuity payable	14.2	-	24,326,536	24,326,536	17,132,179
		-	33,002,403	33,002,403	19,154,876

- 14.1 This represents a staff provident fund scheme as defined contribution plan for its contractual employees, except those hired on a temporary, daily wage, or contingent basis. Equal monthly contributions are made by the Fund and the staff at the rate of 10% of salary. There is no separate bank account maintained for the employee provident fund.

#### 14.2 Gratuity payable

##### a) General description

The scheme provides for terminal benefits for all its contractual employees who qualify for the scheme. The defined benefit payable to each employee at the end of his service comprises of total number of years of his service multiplied by last drawn basic salary including cost of living allowance.

Annual charge is based on actuarial valuation carried out by an independent approved valuer M/s Anwar Associates as at June 30, 2023 using the Projected Unit Credit method.

The Fund faces the following risks on account of gratuity:

Interest rate risk - The present value of the defined benefit liability is calculated using a discount rate determined by reference to the market yields at the end of the reporting period on high quality corporate bonds, or where there is no deep market in such bonds, by reference to market yields on government bonds. Currencies and terms of bond yields used must be consistent with the currency and estimated term of the post-employment benefit obligations being discounted. A decrease in bond interest rates will increase the liability, and vice versa.

Salary risk - The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the liability and vice versa.

Withdrawal rate risk - The present value of the defined benefit liability is calculated by reference to the best estimate of the withdrawal rate / attrition rate of plan participants. As such, an increase in the withdrawal rate will decrease the liability and vice versa.

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Mortality rate risk - The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants both during employment. An increase in the life expectancy of the participants will increase the liability and vice versa.

b) Significant actuarial assumptions	2023	2022
	Percentage Per annum	Percentage Per annum

Following are significant actuarial assumptions used in the valuation:

Discount rate	15.75%	13.75%
Expected rate of increase in salary	14.75%	12.75%
Withdrawal rates	5.00%	5.00%
Expected mortality rate	2.67%	2.67%
Retirement age	60	60

c) Reconciliation of payable to defined benefit plan	2023	2022
	Rupees	Rupees
Present value of obligation and liability recognized in balance sheet	<u>24,326,536</u>	<u>17,132,179</u>

**d) Movement of the liability recognized in the statement of financial position**

Balance sheet liability at the beginning of the year	17,132,179	-
Net Interest on Net Defined Benefit Liability (Asset)	2,355,675	-
Amount recognized during the year	2,478,477	17,132,179
Amount paid during the year	-	-
Remeasurement gain / (losses) on obligation	2,360,205	-
Present value of defined benefit obligation	<u>24,326,536</u>	<u>17,132,179</u>

e) Charge for the year		
Past service cost	<u>-</u>	<u>17,132,179</u>

**f)** The expected charge in respect of defined benefit plan for the year ending June 30, 2024 will be Rs. 5.787 million.

**g) Sensitivity analysis**

The impact of 1% change in following variables on defined benefit obligation is as follows:

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	2023	
	Rupees	
	Increase in assumption	Decrease in assumption
Discount rate	19,959,908	26,080,022
Salary increase	26,107,759	19,884,246

**h) The charge for the year has been allocated to:**

Operating expenses	4,834,152	17,132,179
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**i) Remeasurements chargeable to OCI**

Remeasurement gain / (losses) on obligation	2,360,205	-
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	2023		2022	
	Punjab Pension Fund	Punjab Pension Fund - Expense Account	Punjab Pension Fund - Total	Punjab Pension Fund - Total
Note	----- Rupees -----	----- Rupees -----	----- Rupees -----	----- Rupees -----

## 15 ACCRUED LIABILITIES

Audit fee payable	-	3,827,601	3,827,601	1,764,500
Utilities payable	-	78,962	78,962	51,881
Communication payable	-	78,962	78,962	18,830
Security guard fee payable	-	61,966	61,966	-
Legal & professional payable	-	-	-	729,800
EOBI payable	-	122,440	122,440	121,440
Vehicle running payable	-	132,907	132,907	60,354
Printing & stationery payable	-	1,150,000	1,150,000	850,000
Software vendor payable	-	454,000	454,000	454,000
Meeting fee payable	-	160,000	160,000	-
	-	6,066,838	6,066,838	4,050,805

## 16 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2023 (2022: Nil).

## 17 INTEREST INCOME

National savings account and certificates	3,522,289,168	-	3,522,289,168	6,891,106,117
Pakistan investment bonds	6,899,320,224	-	6,899,320,224	521,611,104
Term finance certificates	812,019,194	-	812,019,194	382,665,990
Bank deposits	1,061,784,889	24,598,057	1,086,382,946	379,491,730
Market treasury bills	170,451,921	-	170,451,921	1,791,663
	12,465,865,396	24,598,057	12,490,463,453	8,176,666,604

### 17.1 Timing of revenue recognition - net

Revenue is recorded over time (Interest income)	12,465,865,396	24,598,057	12,490,463,453	8,176,666,604
Revenue is recorded at point in time (Divided income)	915,779,633	-	915,779,633	697,177,670
	13,381,645,029	24,598,057	13,406,243,086	8,873,844,274

### 17.2 Geographical market

Pakistan	13,381,645,029	24,598,057	13,406,243,086	8,873,844,274
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	2023			2022
	Punjab Pension Fund	Punjab Pension Fund - Expense Account	Punjab Pension Fund - Total	Punjab Pension Fund - Total
Note	----- Rupees -----	----- Rupees -----	----- Rupees -----	----- Rupees -----

# 18 NET REALISED CAPITAL (LOSS) / GAIN ON SALE OF INVESTMENTS

## Investment at fair value through OCI

Pakistan investment bond (PIBs)	-	-	-	(417,792,388)
Term finance certificate	-	-	-	1,481,065
Treasury bills (T-Bills)	(17,033,511)	-	(17,033,511)	(55,163)
	(17,033,511)	-	(17,033,511)	(416,366,486)

## Investment at fair value through P&L

Mutual funds	333,110,976	-	333,110,976	28,893,134
Equity shares	11,622,065	-	11,622,065	239,383,643
	344,733,041	-	344,733,041	268,276,777
	327,699,530	-	327,699,530	(148,089,709)

# 19 UNREALISED GAIN/(LOSS) ON RE-MEASUREMENT OF INVESTMENTS AT "FAIR VALUE THROUGH PROFIT AND LOSS" - NET

Mutual funds	8.3.1	(437,041,912)	-	(437,041,912)	(2,136,359,348)
Equity shares	8.3.2	(1,143,322,785)	-	(1,143,322,785)	(1,245,432,465)
		(1,580,364,697)	-	(1,580,364,697)	(3,381,791,813)

# 20 OPERATING EXPENSES

Salaries and wages & other benefits	20.1	-	50,437,916	50,437,916	55,927,719
Rent	20.2	-	4,972,288	4,972,288	4,625,383
Utilities		-	1,865,488	1,865,488	1,716,337
Office and other expenses		-	2,274,641	2,274,641	1,644,345
Repair and maintenance		-	1,886,569	1,886,569	1,385,712
Vehicle running expenses		-	3,516,192	3,516,192	1,506,501
Fee and subscription		-	4,420,584	4,420,584	2,999,183
Depreciation	12	-	1,760,498	1,760,498	1,395,605
Printing and stationery		-	568,589	568,589	499,996
Traveling, lodging and boarding		-	329,230	329,230	267,655
Advertisement		-	60,853	60,853	41,424
EOBI expense		-	-	-	152,250
Courier and postage		-	57,996	57,996	73,675
Training and development		-	252,165	252,165	257,084
Software maintenance cost		-	252,000	252,000	290,000
Miscellaneous	20.3	-	4,931,492	4,931,492	257,466
Amortization on intangible	13.1	-	861,912	861,912	502,782
		-	78,448,413	78,448,413	73,543,117



- 20.1 Salaries, wages & other benefits includes provident fund expense amounting to Rs. 2.09 million (June 2022: Rs. 1.011 million) and provision for gratuity expense amounting to Rs. 4.834 million (June 2022: Rs. 17.132 million).
- 20.2 The Fund has obtained a building on operating lease. According to management, these rental agreements have been classified as short-term leases due to their duration being less than 12 months or low value. The Fund applies the short-term lease recognition exemption to its short-term leases of its assets (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).
- 20.3 Miscellaneous expense includes expense amounting to Rs. 4.597 million (June 2022: Nil) that is receivable of Punjab pension fund from Punjab General Provident Investment Fund reversed during the year.

	2023		2022
	Punjab Pension Fund	Punjab Pension Fund - Expense Account	Punjab Pension Fund - Total
Note	----- Rupees -----	----- Rupees -----	----- Rupees -----

## 21 AUDITOR'S REMUNERATION

Statutory audit fee	-	1,374,250	1,374,250	1,195,000
Half yearly review	-	345,000	345,000	300,000
Out of pocket expense	-	343,850	343,850	149,500
	-	2,063,100	2,063,100	1,644,500

## 22 NATIONAL SAVINGS CENTER - SERVICE CHARGES

This represents services charges deducted at the rate of 1% of face value on early maturity of regular income certificates issued by National saving center having face value of Nil (June 30, 2022: Rs. 144.99 million).

## 23 BUDGETARY (PAYMENTS) / RECEIPTS FOR THE YEAR

This amount represents the approved budgeted expenses from management committee which are transferred from fund account to expense account to meet operational expenditure for the year ended June 30, 2023 (June 30, 2022: Rs 71.535 million).

## 24 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. Accordingly no deferred tax has been recorded.

## 25 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

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

- Credit risk
- Liquidity risk
- Market 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.



## 25.1 Risk management framework

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. The Fund through its training and management standards and procedures aims to maintain a disciplined and constructive control environment in which employees understand their roles and responsibilities.

The Fund's audit committee oversees how management monitors compliance with the Fund's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund. Audit committee is assisted in its oversight role by internal audit department. Internal audit department undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

## 25.2 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. 108,590.96 million (2022: Rs. 94,042.26 million) financial assets which are subject to credit risk amount to Rs. 11,979.90 million (2022: Rs. 19,256.56 million).

### 25.2.1 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-".

### 25.2.2 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:

	<b>Statement of assets and liabilities</b>	
	<b>2023</b>	<b>2022</b>
	<b>Rupees</b>	<b>Rupees</b>
Bank balances	3,952,569,338	15,483,914,456
Investments - Fair value through OCI	7,694,758,841	3,545,394,436
Accrued interest on TFCs & Sukuks	272,151,234	83,465,847
Interest on Bank Accounts	56,067,113	138,315,952
Security deposits	1,574,720	880,000
Receivable from Punjab General Investment Fund - Related Party	-	4,597,320
Other receivables	2,785,832	-
	<u>11,979,907,078</u>	<u>19,256,568,011</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. 96,610.57 million (2022: Rs. 74,785.24 million) relates to investments in Government Securities & other assets which are not considered to carry credit risk.

### 25.2.3 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 88.97% (2022: 79.52%) 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 having higher credit rating from the benchmark credit ratings as mentioned in Punjab Pension Fund Investment Policy, 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:

	2023		2022	
	Rupees	Percentage	Rupees	Percentage
Commercial banks	4,008,636,451	33.46%	15,622,230,408	81.13%
Miscellaneous	7,971,270,627	66.54%	3,634,337,603	18.87%
	11,979,907,078	100%	19,256,568,011	100%

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:

Bank Balances	Rating 2023			Amount
	Short Term	Long Term	Agency	Rs.
Bank of Punjab- Related party	A1+	AA+	PACRA	196,115,031
Bank Alfalah Limited	A-1+	AA+	PACRA	1,709
Bank Al-Habib Limited	A1+	AAA	PACRA	21,598,346
Samba Bank Limited	A-1	AA	VIS	2,558,424,863
Soneri Bank Limited	A1+	AA-	PACRA	1,174,138,501
Habib Metropolitan Bank	A1+	AA+	PACRA	904,562
JS Bank Limited	A1+	AA-	PACRA	619,405
Faysal Bank Limited	A-1+	AA	PACRA	766,921
				3,952,569,338

#### Term Finance Certificates

BOP-PPTFC-2- Related party	-	AA	MUFAP	226,130,409
AKBL-PPTFC-VII	-	AA	MUFAP	454,526,779
HUBCO SUKUK	-	AA+	MUFAP	133,941,438
K-Electric SUKUK	-	AA+	MUFAP	300,299,635
HUB Power Holding SUKUK	-	AA+	MUFAP	635,982,740
Bank Al-Falah Ltd TFCs	-	AAA	MUFAP	810,835,874
SAMBA Bank TFCs	-	AA-	MUFAP	144,545,167
BOP ADT 1 Perpetual - Related Party	-	AA	MUFAP	4,453,820,932
K-Electric SUKUK	-	AA+	MUFAP	702,029,157
BOP ADT II - Related Party	-	AA	MUFAP	104,797,945
				7,966,910,076
				11,919,479,414

Bank Balances	Rating 2022		Agency	Amount
	Short Term	Long Term		Rs.
Bank of Punjab- Related party	A1+	AA+	PACRA	171,180,585
Bank Alfalah Limited	A-1+	AA+	PACRA	1,608
Bank Al-Habib Limited	A1+	AAA	PACRA	1,000,806,212
Allied Bank Limited	A1+	AAA	PACRA	119,989
Samba Bank Limited	A-1	AA	VIS	2,058,005,549
Soneri Bank Limited	A1+	AA-	PACRA	4,382,301,534
Sindh Bank Limited	A-1	A+	VIS	2,274
Habib Metropolitan Bank	A1+	AA+	PACRA	1,100,960,065
JS Bank Limited	A1+	AA-	PACRA	2,338,196,938
Faysal Bank Limited	A-1+	AA	PACRA	4,432,339,701
				<u>15,483,914,455</u>
<b>Term Finance Certificates</b>				
BOP-PPTFC-2- Related party	-	AA	MUFAP	225,883,391
BOP-ADT1-TFC- Related party	-	AA	MUFAP	804,199,890
AKBL-PPTFC-VII	-	AA	MUFAP	459,572,105
HUBCO SUKUK	-	AA+	MUFAP	267,375,679
SAMBA Bank TFCs	-	AA-	MUFAP	141,151,140
K-Electric SUKUK	-	AA+	MUFAP	350,253,726
Bank Al-Falah Ltd TFCs	-	AAA	MUFAP	788,022,748
HUB Power Musharaka	-	AA+	MUFAP	592,401,606
				<u>3,628,860,285</u>
				<u>19,112,774,740</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 Fund. 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.

### 25.3 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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### 25.3.1 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.

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

	Carrying Amount	Contractual Cashflow	Six months or less	Six to twelve	One to Two years	Two to five years
	Rupees					
<b>2023</b>						
<b>Financial liabilities</b>						
Trustee fee payable	1,363,953	1,363,953	1,363,953	-	-	-
Staff retirement benefits	33,002,403	33,002,403	33,002,403	-	-	-
Accrued liabilities	6,066,838	6,066,838	6,066,838	-	-	-
	<u>40,433,194</u>	<u>40,433,194</u>	<u>40,433,194</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>2022</b>						
<b>Financial liabilities</b>						
Brokerage payable	1,255,861	1,255,861	1,255,861	-	-	-
Trustee fee payable	1,248,925	1,248,925	1,248,925	-	-	-
Staff retirement benefits	19,154,876	19,154,876	2,946,904	2,946,904	9,577,438	3,683,630
Accrued liabilities	4,050,805	4,050,805	4,050,805	-	-	-
	<u>25,710,467</u>	<u>25,710,467</u>	<u>9,502,495</u>	<u>2,946,904</u>	<u>9,577,438</u>	<u>3,683,630</u>

### 25.4 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.

#### 25.4.1 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/markup rate and price risks only.

#### 25.4.2 Price risk

Primarily, the Fund's equity investments are exposed to the price risk. Price risk is limited by the Fund through diversification of its portfolio and active monitoring of capital markets.

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest/mark up 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 or similar financial instruments traded in the market. The Fund is exposed to equity price risk since it has investments in quoted equity securities amounting to Rs. 21,246.84 million (June 30, 2022: 30,422.93 million) at the balance sheet date.

The Fund's strategy is to hold its strategic equity investments for long period of time. Thus, Fund's management is not concerned with short term price fluctuations with respect to its strategic investments provided that the underlying business, economic and management characteristics of the investee remain favorable. The Fund strives to maintain above average levels of shareholders' capital to provide a margin of safety against short term equity price volatility. The Fund manages price risk by monitoring exposure in quoted equity securities and implementing strict discipline in internal risk management and investment policies.

The carrying value of investments subject to equity price risk are based on quoted market prices as of the balance sheet date and available for sale equity instruments which are stated at fair value.

Market prices are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Furthermore, amount realized in the sale of a particular security may be affected by the relative quantity of the security being sold. The Fund has no significant concentration of price risk.

### Sensitivity analysis

If the fair value of mutual fund and equity shares, at the year end date, fluctuate by 100 bps higher / lower with all other variables, net income for the year 2023 and 2022 would have been affected as follows:

	Profit and loss 100 bps	
	Increase	Decrease
	----- Rupees -----	
As at June 30, 2023		
Cash flow sensitivity	2,124,683,734	(2,124,683,734)
As at June 30, 2022		
Cash flow sensitivity	3,042,292,634	(3,042,292,634)

### 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 sensitivity 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.

#### 25.4.3 Interest/markup rate risk

Interest/markup 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/markup rate exposure arises on investment in Government securities, term finance certificates, deposits 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. 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.

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At balance sheet date, details of the interest rate profile of the Fund's interest/markup bearing financial assets were as follows:

	Financial assets			
	2023		2022	
	Interest/Markup rate (in Percentage)	Fair value Rupees	Interest/Markup rate (in Percentage)	Fair value Rupees
<b>Fixed rate instruments</b>				
Pakistan Investment Bonds	8.75 to 13.75	1,114,508,500	13.75	771,391,027
National Saving Scheme	11.00 to 13.01	24,552,230,447	11.00 to 13.01	43,547,566,278
Bank Al-Falah Ltd TFCs	9.03	134,892,000	9.03	754,058,851
HUB Power Musharaka	Nil	-	10.12	580,721,496
<b>Variable rate instruments</b>				
Bank balances	12.25 to 21.10	3,952,569,339	5.50 to 15.55	15,483,954,456
Term Finance Certificates and Sukuks	6 Month KIBOR plus 125 bps, 3 Month KIBOR plus 120 bps, 1 Year KIBOR plus 190 bps, 3 Month KIBOR plus 170 bps, 6 Month KIBOR plus 250 bps, 6 Month KIBOR plus 135 bps, 6 Month KIBOR plus 200 bps, 3 Month KIBOR plus 170 bps, 6 Month KIBOR plus 125 bps	7,559,866,842	3-6 month KIBOR + 100 bps, 6 month KIBOR + 125 bps, 6 month KIBOR + 135 bps, 3 month KIBOR + 120 bps, 3 month KIBOR + 170 bps, 1 year KIBOR + 190 bps and 1 year KIBOR + 200 bps	2,210,614,090
Pakistan Investment Bonds	21.94 to 21.99	47,878,700,000	Nil	-

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### **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**

	<b>Profit and loss 100 bps</b>	
	<b>Increase</b>	<b>Decrease</b>
	<b>----- Rupees -----</b>	
As at June 30, 2023		
Cash flow sensitivity-Variable rate financial asset	593,911,362	(593,911,362)
As at June 30, 2022		
Cash flow sensitivity-Variable rate financial asset	176,945,685	(176,945,685)

None of the financial liabilities carry any interest rate.

The effect may be higher/lower, mainly as a result of higher/lower mark-up income on investment.

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

## **26 RISK MANAGEMENT FRAMEWORK**

The Management committee has overall responsibility for establishment and over sight of the Fund's risk management framework. The executive management team is responsible for developing and monitoring the Fund's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Management committee through the audit committee. The audit committee oversees compliance by management with the Fund's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund.

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## 27 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

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

Transfer between levels of the fair value hierarchy are 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			
Fair value through P&L	Fair value through OCI	At amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Rupees								
On-Balance sheet financial instruments								
As at June 30, 2023								
Financial assets - measured at fair value								
Investments								
Government securities	50,018,774,102	-	-	50,018,774,102	-	48,993,208,500	-	48,993,208,500
Debt securities	4,200,724,450	-	-	4,200,724,450	4,194,758,841	-	-	4,194,758,841
Mutual fund	13,844,562,516	-	-	13,844,562,516	13,407,520,742	-	-	13,407,520,742
Shares	8,982,639,385	-	-	8,982,639,385	7,839,316,600	-	-	7,839,316,600
Financial assets at amortised cost								
Investments								
National saving scheme	-	24,552,230,447	-	24,552,230,447	-	-	-	-
Bank balance	-	3,952,569,338	-	3,952,569,338	-	-	-	-
Accrued interest	-	2,128,143,428	-	2,128,143,428	-	-	-	-
Advances and other receivables	-	3,518,463,860	-	3,518,463,860	-	-	-	-
	22,827,201,901	54,219,498,552	34,151,407,073	111,198,107,526	25,441,596,183	48,993,208,500	-	74,434,804,683
Financial liabilities at amortised cost								
Trustee fee payable	-	-	1,363,953	1,363,953	-	-	-	-
Brokerage payable	-	-	-	-	-	-	-	-
Accrued liabilities	-	-	6,066,838	6,066,838	-	-	-	-
Staff retirement benefits	-	-	33,002,403	33,002,403	-	-	-	-
	-	-	40,433,194	40,433,194	-	-	-	-

	Carrying amount				Fair value		
	Fair value through P&L	Fair value through OCI	At amortized cost	Other financial liabilities	Total	Level 1	Level 2
Rupees							
On-Balance sheet financial instruments							
As at June 30, 2022							
Financial assets - measured at fair value							
Investments	-	745,142,255	-	-	745,142,255	-	771,391,027
Government securities	-	3,586,735,446	-	-	3,586,735,446	3,545,394,436	3,545,394,436
Debt securities	-	-	-	-	24,607,012,676	13,407,520,742	13,407,520,742
Mutual fund	24,607,012,676	-	-	-	9,197,705,412	7,839,316,600	7,839,316,600
Shares	9,197,705,412	-	-	-	-	-	-
Financial assets at amortised cost							
Investments	-	-	43,547,566,278	-	43,547,566,278	-	-
National saving scheme	-	-	15,483,914,456	-	15,483,914,456	-	-
Bank balance	-	-	256,345,674	-	256,345,674	-	-
Accrued interest	-	-	5,477,320	-	5,477,320	-	-
Deposits and other receivables	-	-	-	-	-	-	-
	33,804,718,088	4,331,877,701	59,293,303,728	-	97,429,899,517	24,792,231,778	771,391,027
							25,563,622,805
Financial liabilities at amortised cost							
Trustee fee payable	-	-	-	1,248,925	1,248,925	-	-
Brokerage payable	-	-	-	1,255,861	1,255,861	-	-
Accrued liabilities	-	-	-	4,050,805	4,050,805	-	-
Staff retirement benefits	-	-	-	19,154,876	19,154,876	-	-
	-	-	-	25,710,467	25,710,467	-	-



# 28 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:

Name of Parties	Relationship	Transactions	2023		2022	
			Punjab Pension Fund	Punjab Pension Fund - Expense Account	Punjab Pension Fund - Total	Punjab Pension Fund - Total
Transactions with			Note			
			Rupees			
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Name of Parties	Relationship	Transactions	2023		2022	
			Punjab Pension Fund	Punjab Pension Fund - Expense Account	Punjab Pension Fund - Total	Punjab Pension Fund - Total
			Rupees		Rupees	
		Note	5,359,903	190,755,128	196,115,031	171,180,586
		Bank balances				
		Income receivable on savings				
		account	319,969	3,110,118	3,430,087	4,572,033
	Under Common Control	Term Finance Certificates	4,614,570,000	-	4,614,570,000	1,014,656,000
		Income receivable on Term Finance Certificates	168,086,176	-	168,086,176	10,331,348
Punjab General Provident Investment Fund	Under Common Control	Receivable from PGPIF	-	-	-	4,597,320

28.1 All transactions with Govt. of Punjab and its owned entities (the Bank of Punjab) are disclosed except the daily transactions through the bank as the management is of the view that it is impracticable to disclose such transactions due to the nature of the transactions. The Fund is exempt from the disclosure requirements of the related party transactions and outstanding balances with the government and other entities which are related party being owned by the same government.

*pno*



## 29 NUMBER OF EMPLOYEES

The following are the number of persons employed

	2023 (Number of Persons)	2022
Employees as at the year end	14	15
Average number of employees during the year	15	16

## 30 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE FUND'S FINANCIAL POSITION AND PERFORMANCE

All other significant transactions and events that have affected the Fund's financial position and performance during the period have been adequately disclosed in the notes to these financial statements.

## 31 CORRESPONDING FIGURES

Corresponding figures have been re-arranged or reclassified, where ever considered necessary, for the purpose of better presentation of the financial statements. However, no significant reclassification has been made.

## 32 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS

All significant transactions and events that have affected the Fund's financial position and performance during the year have been adequately disclosed in the notes to these financial statements.

## 33 SUBSEQUENT EVENTS

There are no significant adjusting or non adjusting event after the reporting date requiring adjustment or disclosure in financial statements except elsewhere disclosed in these financial statements.

## 34 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 11 JUN 2025 by the Management Committee of the Fund.

## 35 GENERAL

Figures have been rounded off to the nearest rupees, unless otherwise stated.

  
GENERAL MANAGER

  
PRIVATE MEMBER

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CHAIRMAN