



**ABL ISLAMIC DEDICATED STOCK FUND**  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022

# Annual **REPORT**



**ABL Asset Management**

Discover the potential

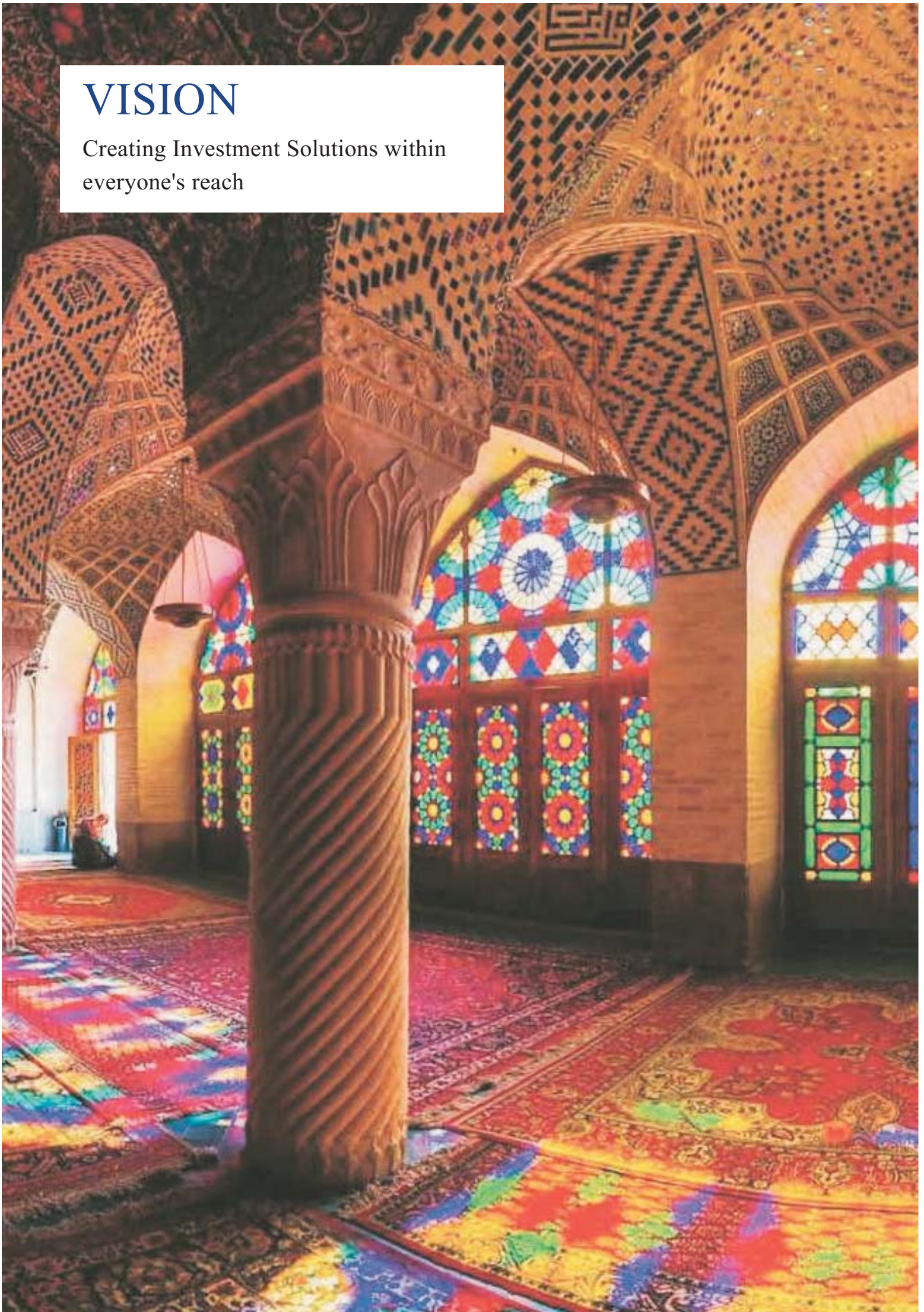


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# VISION

Creating Investment Solutions within everyone's reach





# Mission & Core Values

To create a conducive working environment, to attract the best talent in the Asset Management Sector. ABLAMC strives to be the 'employer of choice' for young and experienced talent.

To set the highest industry standards in terms of product ranges and innovations, in order to offer products for clients of all demographics.

To adhere to the highest industry standard for integrity and quality across all the spheres of the company.

To use technology and financial structuring to serve as a "cutting-edge" compared to the competition.

To enhance Stakeholders Value.



## FUND'S INFORMATION

<b>Management Company:</b>	ABL Asset Management Company Limited Plot / Building # 14 -Main Boulevard, DHA Phase - VI, Lahore - 54810	
<b>Board of Directors:</b>	Sheikh Mukhtar Ahmed Mr. Mohammad Naeem Mukhtar Mr. Muhammad Waseem Mukhtar Mr. Aizid Razzaq Gill Ms. Saira Shahid Hussain Mr. Pervaiz Iqbal Butt Mr. Muhammad Kamran Shehzad	Chairman Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Independent Director Independent Director
<b>Audit Committee:</b>	Mr. Muhammad Kamran Shehzad Mr. Muhammad Waseem Mukhtar Mr. Pervaiz Iqbal Butt	Chairman Member Member
<b>Human Resource and Remuneration Committee</b>	Mr. Muhammad Waseem Mukhtar Mr. Muhammad Kamran Shehzad Mr. Pervaiz Iqbal Butt Mr. Alee Khalid Ghaznavi	Chairman Member Member Member
<b>Board's Risk Management Committee</b>	Mr. Muhammad Kamran Shehzad Mr. Pervaiz Iqbal Butt Mr. Alee Khalid Ghaznavi	Chairman Member Member
<b>Board Strategic Planning &amp; Monitoring Committee</b>	Mr. Muhammad Waseem Mukhtar Mr. Muhammad Kamran Shehzad Mr. Pervaiz Iqbal Butt Mr. Alee Khalid Ghaznavi	Chairman Member Member Member
<b>Chief Executive Officer of The Management Company:</b>	Mr. Alee Khalid Ghaznavi	
<b>Chief Financial Officer &amp; Company Secretary:</b>	Mr. Saqib Matin	
<b>Chief Internal Auditor:</b>	Mr. Kamran Shahzad	
<b>Trustee:</b>	Digital Custodian Company Limited 4th Floor, Perdesi House, Old Queen's Road, Karachi, 74200	
<b>Bankers to the Fund:</b>	Allied Bank Limited Bank Islami Pakistan Limited Dubai Islamic Bank Limited	
<b>Auditors:</b>	M/s Yousuf Adil Chartered Accountants 134-A, Abu-Bakar Block New Garden Town, Lahore.	
<b>Legal Advisor:</b>	Ijaz Ahmed & Associates Advocates & Legal Consultants No. 7, 11th Zamzama Street, Phase V DHA Karachi.	
<b>Registrar:</b>	ABL Asset Management Company Limited L - 48, DHA Phase - VI, Lahore - 74500	

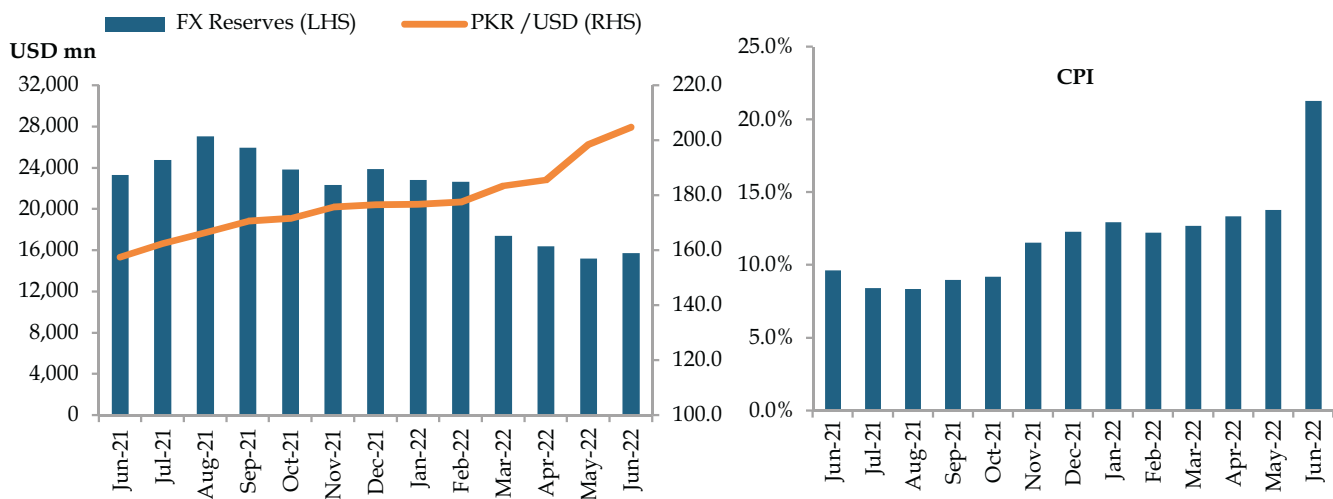


## REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of ABL Asset Management Company Limited, the management company of ABL Islamic Dedicated Stock Fund (ABL-IDSF), is pleased to present the Audited Financial Statements of ABL Islamic Dedicated Stock Fund for the year ended June 30, 2022.

### ECONOMIC PERFORMANCE REVIEW

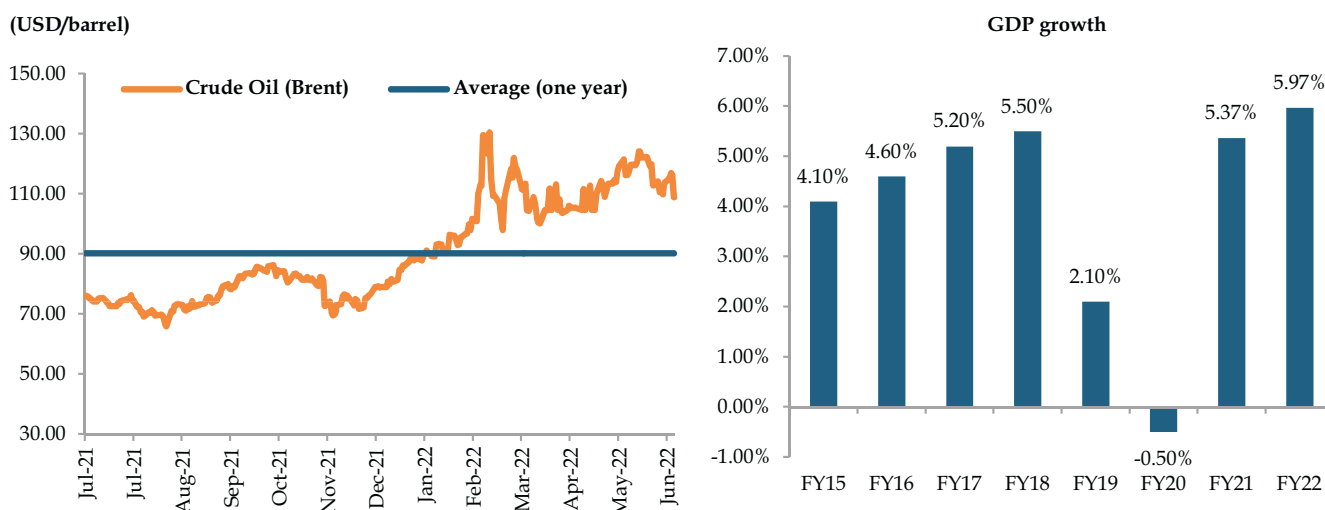
Pakistan's economy recovered from pandemic and maintained the V-shaped growth by posting real GDP growth of 5.97% in FY22 against the revised GDP growth of 5.37% in previous year. All three sectors (Agriculture, Services and Manufacturing) have contributed in this growth trajectory. Agriculture sector showed remarkable growth of 4.40% and surpassed the target of 3.5% and last year growth of 3.48%. This growth can be attributed to high yield of crops, better output prices, and agriculture credit. This high growth, however, is unsustainable and resulted in macroeconomic imbalances. Historically, economy had shown the 'boom-bust' growth cycles. The reason for such volatile growth cycles include the wide ranging economic challenges like twin deficits, pressure on exchange rate, inflation, energy sector bottlenecks, and the absence of supportive environment for the private sector.



During the FY22, the average inflation inched up 12.09%YoY against the 8.90%YOY in SPLY. Price increase was seen across many sectors, including transport, Housing, and Food. The pressure on headline inflation can fairly be attributed to adjustment in prices of electricity, gas, exchange rate depreciation along with rapid increase in global fuel and commodity prices. Going forward we anticipate that full year inflation would remain in double digits. This thesis is premised on higher petroleum prices backed by political instability and decline in exchange rate parity. On the monetary front, the State Bank Pakistan (SBP) may continue monetary tightening by increasing policy rate.

On the balance of payment front, the country posted cumulative deficit of USD 15.20bn against the deficit of USD 1.18bn in the SPLY. The primary reason behind this was trade deficit as exports surged by 25% while the imports swelled by 36% to close the period at USD 36bn and USD 76bn respectively during the FY22. Remittance has been increased by 6% to clock in at USD 31bn. This increase could be attributed to declining transactions through illegal channels due to government crackdown. Foreign exchange reserves of country stood at USD 9.7bn as of June 30, 2022 providing total import cover of ~ 2 months.

On the fiscal side, tax collection has reached ~PKR 6.25tr during FY22.



### MUTUAL FUND INDUSTRY REVIEW

Total assets under management (AUMs) of the open-end mutual fund industry posted a growth of 18.5% during FY22 (from PKR 1073 billion to PKR 1274 billion), mainly on account of substantial flows in money market and fixed income funds due to rising interest rates, alongside rising T-bills and PIBs yields. Equity market funds, including Conventional and Islamic, witnessed a decline of 25% to close the period at PKR 183 billion. Although, the total money market and fixed income funds' AUMs increased by 44% and 21% to PKR 682 billion and PKR 298 billion, respectively.

### ISLAMIC EQUITY MARKET REVIEW

During FY22, the KMI-30 index showed a weary performance, posting a decline of 10.25%YoY, and closed at 68,766 points. This decline of the KSE-100 index in FY22 was specifically on the back of change in political leadership of country and rising inflation exacerbated by the commodity super cycle. Furthermore, delay in approval of IMF's sixth and seventh review increased pressure on the external account. It led to depletion of foreign exchange reserves as well with PKR depreciating against USD and PKR touching an all-time low of 211/USD in Jun'22. The start of Ukraine-Russia war in February took the international commodities to their all-time high which resulted in higher inflation in the global as well as national economy and oil prices touched their 14-yr high levels internationally. However, on the positive side the country received the highest ever home remittance inflows of USD31.24bn in the said fiscal year, posting an increase of around 6.1% YOY basis.

Average traded volume decreased by ~59%YoY while the value decreased by ~53%YoY to 52 million and ~USD 21 million, respectively. Foreigners sold worth ~USD 297 million shares during the said period. On the local front, individuals, companies, and banks remained on the forefront with a net buying of worth ~USD 157 million, ~USD 111 million, and ~USD 115 million, respectively.

Sectors contributing to the index strength were Fertilizer, and Chemicals adding 1685, and 1400 points, respectively. On the flip side, Cement, and Food & Personal care sectors negatively impacted the index subtracting 7,089 and 1006 points, respectively.

Going forward, we believe the direction of the market will be determined by the inflation scenario set by the international commodity prices and approval of IMF 7th and 8th review which will lead to improved forex reserves and simultaneously some improved performance in the stock markets.

## **SECTOR OVERVIEW**

### **POWER SECTOR**

The power sector slightly underperformed the benchmark KSE-100 index since it posted negative return 13.67%YoY against the market return of 12.28%YoY. Power Sector remained in limelight during the year as Government has paid second installment of long awaited circular debt. Going forward we anticipate that Power sector will perform as the government will eliminate the outstanding payments due to IMF requirement and also increase the tariff to curtail the future pile-up of circular debt.

### **FERTILIZER SECTOR**

Fertilizer sector outperformed the benchmark by posting negative return of 1.9% against the decline of benchmark of 12.28% during FY22. This tremendous performance of the sector could be attributed to investor's liking of dividend paying stocks amid harsh economic situation. Within fertilizer sector, engro fertilizer performed tremendously by posting 26.10% return due to ~100% payout ratio. Going forward sector may perform as local players have lot of room to increase price, as fertilizer products are selling at substantial discount compared to international price.

### **TECHNOLOGY & COMMUNICATION**

Tech sector posted negative return of 36.5%YoY against the benchmark decline of 12.28%YoY. This lackluster performance could be attributed to reduction in multiple (P/E) in line with the international market. Going forward we expect that this sector will perform due to government supportive policies for IT sector.

### **AUTOMOBILE SECTOR**

Pakistan automobile sector has seen a wonderful growth in sale of passenger cars of around 54% YOY clocking in at 234180 units in FY22. YOY volumes for listed players INDU, HCAR and PSMC increased by 30%, 35% and 71% respectively in the said period. Auto financing has also surged up by 24.8% YOY in anticipation of increasing interest rates. But due to increasing prices of cars on account of depreciation of rupee, imposition of new taxes on the autos along with high interest rates on auto financing, we expect a dent on the sales of autos going forward.

### **FUND PERFORMANCE**

For the Year ended FY22, ABL-IDSF delivered a negative return of 19.30% against the benchmark return of negative 10.25%, reflecting an underperformance of 9.05%. During the year under review, ABL Islamic Dedicated Stock Fund's AUM increased by 36.05% and stood at Rs. 667.3 million on 30th June'22 as compared to Rs. 490.47 million on 30th June'21.

### **ADDITIONAL MATTERS**

1. The detail of Directors of the Management Company is disclosed in this Annual Report.

2. Financial Statements present fairly the state of affairs, the results of operations, cash flows and the changes in unit holder's fund;
3. Proper books of accounts of the Fund have been maintained.
4. Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgments;
5. Relevant International Accounting Standards, as applicable in Pakistan, provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 & Non-Banking Finance Companies and Notified Entities Regulations, 2008, requirements of the Trust Deed and directives issued by the Securities and Exchange Commission of Pakistan, have been followed in the preparation of the financial statements;
6. The system of internal control is sound in design and has been effectively implemented and monitored;
7. There have been no significant doubts upon the Funds' ability to continue as going concern;
8. Performance table of the Fund is given on page # \_\_\_\_\_ of the Annual Report;
9. There is no statutory payment on account of taxes, duties, levies and charges outstanding other than already disclosed in the financial statements;
10. The statement as to the value of investments of Provident Fund is not applicable in the case of the Fund as employee's retirement benefits expenses are borne by the Management Company;
11. The pattern of unit holding as at June 30, 2022 is given in note No. \_\_\_\_\_ of the Financial Statements.

## AUDITORS

M/s. A.F Ferguson (Chartered Accountants), have been re-appointed as auditors for the year ending June 30, 2023 for ABL Islamic Dedicated Stock Fund (ABL-IDSF).

## MANAGEMENT QUALITY RATING

On December 31, 2021: VIS Credit Rating Company Limited (VIS) has reaffirmed the Management Quality Rating (MQR) of ABL Asset Management Company (ABL AMC) at 'AM2++' (AM-Two-Double Plus). Outlook on the assigned rating is 'Positive'.

## OUTLOOK

In the short-run equity market is expected to remain under pressure amid political and economic concerns. Political stability either through (1) early general elections or (2) current government will provide clarity to economic reforms where the former will be better that will bring mid-term clarity. On the economic front, 1HFY23 will remain very concerning in terms of (1) high inflation (18-20% in FY23), (2) external funding risk and (3) elevated fixed income yields. We expect, economic recovery from 2HFY23 and onwards. Thus, inflation will sharply fall to 6-7% in FY24 and we expect monetary easing from 3QFY23 that will result in early equity market run-up in 2HFY23/FY24.

The recent drop of KMI-30 by 4%/10% CYTD/FYTD has further discounted equity market that is trading at an attractive PE multiple. We recommend high dividend yielding stocks and energy reforms based companies. In the short-run we recommend underweighting to cyclical sectors. Banks, EnPs, OMCs, fertilizer are our preferred plays, while auto will be impact by production concerns/expansionary cycle that will hurt margins, in our view.

## ACKNOWLEDGEMENT

We thank our valued investors who have placed their confidence in us. The Board is also thankful to Securities & Exchange Commission of Pakistan, the Trustee (Digital Custodian Company Limited) and the management of Pakistan Stock Exchange Limited for their continued guidance and support. The Directors also appreciate the efforts put in by the management team.

For & on behalf of the Board



**Director**  
**Lahore, August 24, 2022**



**Alee Khalid Ghaznavi**  
**Chief Executive Officer**



## FUND MANAGER REPORT

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### OBJECTIVE

To provide capital appreciation to investors of 'Fund of Funds' schemes by investing in Shariah compliant equity securities.

### EQUITY MARKET REVIEW

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## PERFORMANCE TABLE

	2022	2021	2020	2019	2018	2017
	------(Rupees in '000)-----					
Net Assets	667,305	490,468	419,512	687,542	1,692,567	2,737,089
Net Income / (loss)	(156,432)	149,474	(18,420)	(196,076)	(379,205)	76,107
	------(Rupees per unit)-----					
Net Assets value	7.0359	8.7185	6.7397	7.0038	8.4308	10.2860
Interim distribution*	-	-	-	-	-	-
Final distribution	-	0.5192	-	-	0.2048	-
Distribution date final	-	June 27, 2021	-	-	August 07, 2017	-
Closing offer price	7.0359	8.7185	6.7397	7.0038	8.4308	10.2860
Closing repurchase price	7.0359	8.7185	6.7397	7.0038	8.4308	10.2860
Highest offer price	9.0095	9.6206	8.6307	8.7322	10.5261	11.7271
Lowest offer price	6.8669	6.8983	5.0918	6.7925	7.9804	9.9476
Highest repurchase price per unit	9.0095	9.6206	8.6307	8.7322	10.5261	11.7271
Lowest repurchase price per unit	6.8669	6.8983	5.0918	6.7925	7.9804	9.9476
	-----Percentage-----					
Total return of the fund						
- capital growth	-19.30%	31.79%	-3.77%	-16.93%	-18.45%	2.86%
- income distribution	0.00%	5.19%	-	-	2.05%	0.00%
Average return of the fund						
First Year	-19.30%	36.98%	-3.77%	-16.93%	-16.40%	-
Second Year	10.61%	31.81%	-20.06%	-30.55%	-	-
Third Year	6.37%	9.50%	-33.17%	-	-	-
Fourth Year	-11.58%	-8.46%	-	-	-	-
Fifth Year	-26.12%	-	-	-	-	-
Since inception	-24.02%	-5.85%	-31.26%	-28.57%	-14.01%	2.86%

### Disclaimer

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.



#MonetizeYourAssets

## REPORT OF THE TRUSTEE TO THE UNIT HOLDERS

### ABL ISLAMIC DEDICATED STOCK FUND

#### Report of the Trustee Pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

ABL Islamic Dedicated Stock Fund, an open-end Scheme established under a Trust Deed dated November 16, 2016 executed between ABL Asset Management Company Limited, as the Management Company and Digital Custodian Company Limited, as the Trustee. The Securities & Exchange Commission of Pakistan (SECP) approved the appointment of Digital Custodian Company Limited as the trustee of fund on 10<sup>th</sup> November 2016.

1. ABL Asset Management Company Limited, the Management Company of ABL Islamic Dedicated Stock Fund has, in all material respects, managed ABL Islamic Dedicated Stock Fund during the year ended 30<sup>th</sup> June 2022 in accordance with the provisions of the following:
  - (i) Investment limitations imposed on the Asset Management Company and the Trustee under the trust deed and other applicable laws;
  - (ii) the valuation or pricing is carried out in accordance with the deed and any regulatory requirement;
  - (iii) the creation and cancellation of units are carried out in accordance with the deed;
  - (iv) and any regulatory requirement.

Karachi: August 31, 2022

  
\_\_\_\_\_  
Authorize Signatory

#### ONLINE

+923-111-322-228

 digitalcustodian.co

 / digitalcustodian

#### LAHORE

LSE Plaza, 508

Kashmir Egerton Road

+92 42 3630 4406

#### KARACHI

Perdesi House

Old Queens Road

+92 21 3241 9770

#### ISLAMABAD

ISE Towers, LG

Jinnah Avenue

+92 51 2726 543

September 23, 2022



الحمد لله رب العالمين، والصلاة والسلام على سيد الأنبياء والمرسلين، وعلى آله وصحبه أجمعين، وبعد

The purpose of this report is to provide an opinion on the Shariah Compliance of the Fund's investment and operational activities with respect to Shariah guidelines provided.

It is the core responsibility of the Management Company to operate the Fund and invest the amount of money in such a manner which is in compliance with the Shariah principles as laid out in the Shariah guidelines. In the capacity of the Shariah Advisor, our responsibility lies in providing Shariah guidelines and ensuring compliance with the same by review of activities of the fund. We express our opinion based on the review of the information, provided by the management company, to an extent where compliance with the Shariah guidelines can be objectively verified.

Our review of Fund's activities is limited to enquiries of the personnel of Management Company and various documents prepared and provided by the management company.

Keeping in view the above; we certify that:

We have reviewed all the investment and operational activities of the fund including all transactions and found them to comply with the Shariah guidelines. On the basis of information provided by the management company, all operations of the fund for the year ended June 30, 2022 comply with the provided Shariah guidelines. Therefore, it is resolved that investments in ABL Islamic Dedicated Stock Fund (ABL-IDSF) managed by ABL Asset Management Limited are halal and in accordance with Shariah principles.

May Allah (SWT) bless us and forgive our mistakes and accept our sincere efforts in accomplishment of cherished tasks and keep us away from sinful acts.

والله أعلم بالصواب، وصلى الله على نبينا محمد وعلى آله وصحبه وبارك وسلم

For and on behalf of Al-Hilal Shariah Advisors (Pvt.) Limited.



Mufti Irshad Ahmad Aijaz  
Member Shariah Council



Faraz Younus Bandukda, CFA  
Chief Executive

**Al-Hilal Shariah Advisors (Pvt) Limited**  
Suite 807, 8<sup>th</sup> Floor, Horizon Towers, Com 2/6, Khayaban-e-Saadi,  
Block 03 Clifton, Karachi  
Tel :+92-21-35305931-37, Web: www.alhilsa.com

**INDEPENDENT ASSURANCE REPORT TO THE UNIT HOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES**

We have performed an independent assurance engagement of ABL Islamic Dedicated Stock Fund (the Fund) managed by ABL Asset Management Company Limited (the Management Company) to express an opinion on the annexed statement of compliance with Shariah Principles (the Statement) for the year ended June 30, 2022.

**Management Company's responsibility**

The Management Company of the Fund is responsible for preparation of the Statement (the subject matter) and for compliance with the Shariah Principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor. This responsibility includes designing, implementing and maintaining internal control to ensure that operations of the Fund and the investments made by the Fund are in compliance with the Shariah Principles.

**Responsibility of an independent assurance provider**

Our responsibility is to express our opinion on the Statement based on our independent assurance engagement, performed in accordance with the International Standards on Assurance Engagement (ISAE 3000) 'Assurance Engagement other than Audits or Reviews of Historical Financial Information'. This standard requires that we comply with ethical requirements and plan and perform the engagement to obtain reasonable assurance whether the Statement reflects the status of the Fund's compliance with the Shariah principals specified in the Trust Deed and the guidelines issued by the Shariah Advisor.


The procedure selected depend on our judgment, including the assessment of the risks of material non-compliances with the Shariah Principles.

In making those risk assessments, we have considered internal controls relevant to the Fund's compliance with the principles in order to design procedures that are appropriate in the circumstances, for gathering sufficient appropriate evidence to determine that the Fund was not materially non-compliant with the principles. Our engagement was not for the purpose of expressing an opinion on the effectiveness of the Fund's internal controls. Amongst others, our scope included procedures to:

- Check compliance of specific guidelines issued by Shariah Advisor relating to charity, maintaining bank account and for making investments of the Fund; and
- Check that the Shariah Advisor has certified that the operations of the Fund and investments made by the Fund during the year ended June 30, 2022 are in compliance with the Shariah Principles.

**Conclusion**

In our opinion, the Statement, in all material respects, presents fairly the status of the Fund's compliance with Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for the year ended June 30, 2022.

  
Chartered Accountants  
Place: Lahore  
Date: September 29, 2022

An Independent Correspondent Firm to  
Deloitte Touche Tohmatsu Limited



**INDEPENDENT AUDITOR'S REPORT**

**To the Unit Holders of ABL Islamic Dedicated Stock Fund**

**Report on the Audit of Financial Statements**

**Opinion**

We have audited the financial statements of **ABL Islamic Dedicated Stock Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2022, the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2022, and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards 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 and ABL Asset Management Company Limited (the Management Company) in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted by the Institute of Chartered Accountants of Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

Key audit matter	How the matter was addressed in our audit
<p><b>Valuation and existence of investments</b></p> <p>As disclosed in note 5 to the financial statements, the investments held at fair value through profit or loss aggregated to Rs. 653 million as at June 30, 2022.</p> <p>The Fund's investments comprise of shares in quoted companies at year end therefore there is a risk that appropriate prices may not be used to determine fair value of the investments.</p>	<p>We performed the following procedures to address the matter:</p> <ul style="list-style-type: none"> <li>Evaluating the design and implementation of key controls around existence and valuation of investments;</li> <li>Obtained CDC statement for verifying the existence of investment portfolio as at June 30, 2022 and independently matched the shares held by the Fund as per internal records with the shares appearing in the CDC statement and investigated any reconciling items;</li> <li>Obtained rates for all scrips as at year end from PSX to calculate market value of investments; and</li> </ul>

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Key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> <li>Reperformed valuation to assess that investments were carried as per valuation methodology specified in the accounting policies.</li> </ul>

**Other Matter**

The financial statements of the Fund for the year ended June 30, 2021 were audited by another firm of Chartered Accountants who expressed an unmodified opinion thereon vide their report dated September 28, 2021.

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

The Management Company is responsible for the other information. The other information comprises the information included in the annual report, 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.

**Responsibilities of the Management Company and Those Charged with Governance for the Financial Statements**

The Management Company is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as the Management Company 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, the Management Company 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 the Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance of the Management Company are 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



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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 Management Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Company.
- Conclude on the appropriateness of the Management Company'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 Those Charged with Governance of the Management Company 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.

We also provide Those Charged with Governance of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Those Charged with Governance of the Management Company, we determine those matters that is of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Rana M. Usman Khan.

  
Chartered Accountants

Place: Lahore

Date: September 29, 2022

UDIN: AR202210088fB2z76Nq4

An Independent Correspondent Firm to  
Deloitte Touche Tohmatsu Limited

**ABL ISLAMIC DEDICATED STOCK FUND**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT JUNE 30, 2022**

	2022	2021
Note	-----Rupees in '000-----	
<b>ASSETS</b>		
Bank balances	4 18,441	3,061
Investments	5 653,413	487,199
Dividend and other receivable	6 6,159	3,462
Advance and deposits	2,603	2,603
Preliminary expenses and floatation costs	7 -	97
Receivable against sale of investments	-	3,675
<b>Total assets</b>	680,616	500,097
<b>LIABILITIES</b>		
Payable to ABL Asset Management Company Limited - Management Company	8 4,354	4,367
Payable to MCB Financial Services Limited - Trustee	9 55	46
Payable to the Securities and Exchange Commission of Pakistan	10 143	100
Payable against redemption of units	3,000	-
Payable against purchase of investment	27	-
Accrued expenses and other liabilities	11 5,732	5,116
<b>Total liabilities</b>	13,311	9,629
<b>NET ASSETS</b>	<u>667,305</u>	<u>490,468</u>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>	<u>667,305</u>	<u>490,468</u>
<b>CONTINGENCIES AND COMMITMENTS</b>		
<b>NUMBER OF UNITS IN ISSUE</b>	12 ----- <b>Number of units</b> -----	-----
	<u>94,843,374</u>	<u>56,255,973</u>
<b>NET ASSET VALUE PER UNIT</b>	----- <b>Rupees</b> -----	-----
	<u>7.0359</u>	<u>8.7185</u>

The annexed notes 1 to 30 form an integral part of these financial statements.

For ABL Asset Management Company Limited  
(Management Company)

  
 Saqib Matin  
 Chief Financial Officer

  
 Alee Khalid Ghaznavi  
 Chief Executive Officer

  
 Pervaiz Iqbal Butt  
 Director

**ABL ISLAMIC DEDICATED STOCK FUND**  
**INCOME STATEMENT**  
**FOR THE YEAR ENDED JUNE 30, 2022**

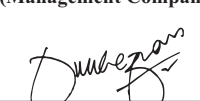
	2022	2021
Note	-----Rupees in '000-----	
<b>INCOME</b>		
Profit earned on bank balances	2,619	860
Dividend income - net	35,495	20,293
(Loss)/profit on sale of investments - net	(73,129)	120,032
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss	5.2 (89,524)	32,977
	(162,653)	153,009
<b>Total (loss) / income</b>	(124,539)	174,162
<b>EXPENSES</b>		
Remuneration of ABL Asset Management Company Limited - Management Company	8.1 14,270	10,010
Punjab Sales Tax on remuneration of the Management Company	8.2 2,283	1,602
Accounting and operational expenses	8.3 714	500
Selling and marketing expenses	8.4 6,915	5,955
Remuneration of MCB Financial Services Limited - Trustee	643	450
Sindh Sales Tax on remuneration of the Trustee	84	59
Annual fees to the Securities and Exchange Commission of Pakistan	143	100
Securities transaction cost	6,816	4,603
Auditors' remuneration	13 457	686
Amortisation of preliminary expenses and floatation costs	7.1 97	218
Annual listing fee	472	-
Legal and professional charges	62	114
Printing charges	124	14
Shariah advisory fee	358	361
Bank charges	8	16
<b>Total operating expenses</b>	33,446	24,688
Reversal of Provision for Sindh Workers' Welfare Fund	11.2 1,553	-
<b>Net (loss) / income for the year before taxation</b>	(156,432)	149,474
Taxation	15 -	-
<b>Net (loss) / income for the year after taxation</b>	(156,432)	149,474
<b>(Loss) / Earning per unit</b>	16 -	-
<b>Allocation of net income for the year</b>		
Net income for the year after taxation	-	149,474
Income already paid on units redeemed	-	(41,772)
	-	107,702
<b>Accounting income available for distribution:</b>		
-Relating to capital gains	-	107,702
-Excluding capital gains	-	-
	-	107,702

The annexed notes 1 to 30 form an integral part of these financial statements.

For ABL Asset Management Company Limited  
(Management Company)

  
Saqib Matin

Chief Financial Officer

  
Alee Khalid Ghaznavi

Chief Executive Officer

  
Pervaiz Iqbal Butt

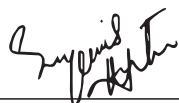
Director

**ABL ISLAMIC DEDICATED STOCK FUND  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2022**

	2022	2021
	-----Rupees in '000-----	
<b>Net (loss) / income for the year after taxation</b>	(156,432)	149,474
Other comprehensive income for the year	-	-
<b>Total comprehensive (loss) / income for the year</b>	<u>(156,432)</u>	<u>149,474</u>

The annexed notes 1 to 30 form an integral part of these financial statements.

For ABL Asset Management Company Limited  
(Management Company)



Saqib Matin  
Chief Financial Officer



Alee Khalid Ghaznavi  
Chief Executive Officer



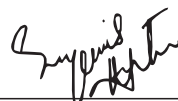
Pervaiz Iqbal Butt  
Director

**ABL ISLAMIC DEDICATED STOCK FUND**  
**STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND**  
**FOR THE YEAR ENDED JUNE 30, 2022**

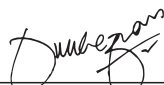
	2022			2021		
	Capital value	Undistributed loss	Total	Capital value	Undistributed income / (loss)	Total
	----- Rupees ' 000 -----					
Net assets at beginning of the year	967,605	(477,137)	490,468	981,597	(562,085)	419,512
Issue of 144,495,117 (2021: 24,417,302) units						
- Capital value (at net asset value per unit at ex - net asset value)	1,259,781	-	1,259,781	171,975	-	171,975
- Element of loss	(59,531)	-	(59,531)	44,887	-	44,887
Total proceeds on issuance of units	1,200,250	-	1,200,250	216,862	-	216,862
Redemption of 105,907,716 (2021: 30,406,024) units						
- Capital value (at net asset value per unit at ex - net asset value)	923,356	-	923,356	221,347	-	221,347
- Element of income	(56,375)	-	(56,375)	801	41,772	42,573
Total payments on redemption of units	866,981	-	866,981	222,148	41,772	263,920
Total comprehensive (loss) / income for the year	-	(156,432)	(156,432)	-	149,474	149,474
Distribution during the year						
- Nil (2021 Re. 0.5192 per unit on June 27, 2021)	-	-	-	(8,706)	(22,754)	(31,460)
Net loss for the year less distribution	-	(156,432)	(156,432)	(8,706)	126,720	118,014
Net assets at end of the year	<u>1,300,874</u>	<u>(633,569)</u>	<u>667,305</u>	<u>967,605</u>	<u>(477,137)</u>	<u>490,468</u>
Undistributed (loss) / income brought forward						
- Realised		(510,114)			(543,836)	
- Unrealised		32,977			(18,249)	
		<u>(477,137)</u>			<u>(562,085)</u>	
Accounting income available for distribution:						
- Relating to capital gains		-			107,702	
- Excluding capital gains		-			-	
		-			107,702	
Net (loss) / income for the year after taxation		(156,432)			-	
Distribution during the year		-			(22,754)	
Undistributed loss carried forward		<u>(633,569)</u>			<u>(477,137)</u>	
- Realised		(544,045)			(510,114)	
- Unrealised		(89,524)			32,977	
		<u>(633,569)</u>			<u>(477,137)</u>	
				<b>(Rupees)</b>		<b>(Rupees)</b>
Net assets value per unit at beginning of the year			<u>8.7185</u>			<u>6.7397</u>
Net assets value per unit at end of the year			<u>7.0359</u>			<u>8.7185</u>

The annexed notes 1 to 30 form an integral part of these financial statements.

For ABL Asset Management Company Limited  
(Management Company)



Saqib Matin  
Chief Financial Officer



Alee Khalid Ghaznavi  
Chief Executive Officer



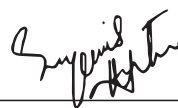
Pervaiz Iqbal Butt  
Director

**ABL ISLAMIC DEDICATED STOCK FUND  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2022**


	2022	2021
Note	-----Rupees in '000-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) / income for the year before taxation	(156,432)	149,474
<b>Adjustments for non-cash and other items:</b>		
Profit earned on bank balances	(2,619)	(860)
Dividend income - net	(35,495)	(20,293)
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.2 89,524	(32,977)
Amortisation of preliminary expenses and floatation costs	97	218
	51,507	(53,912)
<b>Decrease / (increase) in assets</b>	-	-
<b>(Decrease) / increase in liabilities</b>		
Payable to ABL Asset Management Company Limited - Management Company	(13)	168
Payable to MCB Financial Services Limited - Trustee	9	11
Payable to the Securities and Exchange Commission of Pakistan	43	4
Accrued expenses and other liabilities	613	1,085
	652	1,268
Profit received on bank balances	2,664	778
Dividend received	32,755	19,861
Net amount (paid) on purchase and sale of investment	(252,036)	(46,186)
	(216,617)	(25,547)
<b>Net cash (used in) / generated from operating activities</b>	(320,889)	71,283
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units - net of refund of element	1,200,250	208,156
Net payments against redemption of units	(863,981)	(263,920)
Cash payout against distribution	-	(22,754)
<b>Net cash generated / (used in) from financing activities</b>	336,269	(78,518)
<b>Net increase / (decrease) in cash and cash equivalents</b>	15,380	(7,235)
Cash and cash equivalents at the beginning of the year	3,061	10,296
<b>Cash and cash equivalents at the end of the year</b>	4 18,441	3,061

The annexed notes 1 to 30 form an integral part of these financial statements.

For ABL Asset Management Company Limited  
(Management Company)



Saqib Matin  
Chief Financial Officer



Alee Khalid Ghaznavi  
Chief Executive Officer



Pervaiz Iqbal Butt  
Director

# ABL ISLAMIC DEDICATED STOCK FUND

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2022

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#### 1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 ABL Islamic Dedicated Stock Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on November 17, 2016 between ABL Asset Management Company Limited (ABL AMCL) as the Management Company and MCB Financial Services Limited (MCBFSL) as the Trustee. The Trust Deed was executed in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008. The offering document of the Fund has been revised through the First supplement dated June 25, 2021 with the approval of the Securities and Exchange Commission of Pakistan (SECP). The Securities and Exchange Commission of Pakistan (SECP) authorised constitution of the Trust Deed vide letter no. AMCW / ABLAMC / 305 / 2016 dated November 10, 2016 in accordance with the requirement of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the The Securities and Exchange Commission of Pakistan (SECP). The registered office of the Management Company is situated at Plot No. 14, Main Boulevard, DHA Phase 6, Lahore. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

1.2 The Fund has been categorised as a "Shariah Compliant Equity Scheme" by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009. The units of the Fund were initially offered for public subscription at a par value of Rs 10 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from December 14, 2016 and are transferable and redeemable by surrendering them to the Fund.

1.3 The objective of ABL Islamic Dedicated Stock Fund is to provide capital appreciation to investors of 'Fund of Funds' schemes by investing in Shariah compliant equity securities.

1.4 The title to the assets of the Fund is held in the name of MCB Financial Services Limited as the Trustee of the Fund.

1.5 During the year June 30, 2021, the Trust Act, 1882 has been repealed due to promulgation of provincial trust acts as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration and annual renewal requirements under the relevant trust acts have been introduced. The Management Company in consultation with the MUFAP and the Trustee is currently deliberating upon the requirements of the newly enacted provincial trust acts and their implication on the Fund.

#### 2 BASIS OF PREPARATION

##### 2.1 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 (IFRS standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

##### 2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year:

"There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2021. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements."

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

The following amendments to published accounting and reporting standards would be effective from the dates mentioned below against the respective amendments:

<b>Standards, interpretations and amendments</b>	<b>Effective date (accounting periods beginning on or after)</b>
- Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 1, 2023
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 1, 2023

The Management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

2.3.1 There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2021 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not disclosed in these financial statements.

## 2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets (notes 3.3 and 5), and provision for taxation (notes 3.14 and 16).

## 2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except that investments have been carried at fair values.

## 2.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented unless otherwise stated.

### 3.2 Cash and cash equivalents

These comprise balances with banks in savings and current accounts and other short-term highly liquid investments with original maturities of three months or less.

### 3.3 Financial assets

#### 3.3.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

### **3.3.2 Classification and subsequent measurement**

#### **Equity instruments**

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognised in the "Income Statement".

The dividend income for equity securities classified under FVOCI are to be recognised in the Income Statement. However, any surplus / (deficit) arising as a result of subsequent movement in the fair value of equity securities classified as FVOCI is to be recognised in other comprehensive income and is not recycled to the Income Statement on derecognition.

### **3.3.3 Impairment**

The Fund assesses on a forward looking basis the expected credit loss (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

### **3.3.4 Regular way contracts**

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

### **3.3.5 Derecognition**

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

## **3.4 Financial Liabilities**

### **3.4.5 Classification and subsequent measurement**

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

### **3.4.6 Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

## **3.5 Offsetting of financial assets and financial liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the 'Statement of Assets and Liabilities' when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

## **3.6 Provisions**

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

### 3.7 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

### 3.8 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the application received by the Management Company / distributors during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company / distributors receive redemption application during business hours of that day. The redemption price is equal to NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges.

### 3.9 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

### 3.10 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

### 3.11 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the income statement on the date on which the transaction takes place.
- Unrealised appreciations / (diminutions) in the value of investments classified as "Financial Assets as at fair value through profit of loss" are included in the income statement in the period in which they arise.
- Dividend income is recognised when the Fund's right to receive the same is established.
- Profit on bank deposits is recognised on an accrual basis

### 3.12 Expenses

All expenses including management fee and trustee fee are recognised in the Income Statement on an accrual basis.

### 3.13 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over a period of 5 years in accordance with the requirements set out in the Trust Deed of the Fund.

### 3.14 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders in cash.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

### 3.15 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income of the year before taxation of the Fund by the weighted average number of units outstanding during the year. The determination of earning per unit is not practicable as disclosed in note 16.

### 3.16 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistan Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

	Note	2022	2021
-----Rupees in '000-----			
<b>4 BANK BALANCES</b>			
Balances with banks in:			
Saving accounts	4.1	15,150	1,114
Current account	4.2	3,291	1,947
		<u>18,441</u>	<u>3,061</u>

4.1 This includes a balance of Rs 0.051 million (2021: Rs 0.012 million) maintained with Allied Bank Limited (a related party) that carries profit at 14.75% per annum (2021: 5.00%). Other saving accounts of the Fund carry profit rate 14.75% per annum (2021: 5.00% to 6.75% per annum).

4.2 This balance is maintained with Allied Bank Limited (a related party).

	Note	2022	2021
-----Rupees in '000-----			
<b>5 INVESTMENTS</b>			
<b>At fair value through profit or loss</b>			
Quoted equity securities	5.1	<u>653,413</u>	<u>487,199</u>

#### 5.1 Quoted equity securities

Shares of listed companies - fully paid up ordinary shares with a face value of Rs 10 each unless stated otherwise.

Name of the Investee Company	Number of shares					Balance as at June 30, 2022			Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
	As at July 1, 2021	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2022	Carrying value	Market value	Appreciation / (diminution)	Net assets of the Fund	Total market value of investments	
						-----Rupees in '000-----			-----Percentage-----		
<b>OIL AND GAS MARKETING COMPANIES</b>											
Pakistan State Oil Company Limited (Note 5.1.2)	37,483	499,500	-	368,385	168,598	28,790	28,972	181	4.34%	4.43%	0.04%
Hi-Tech Lubricants Limited	-	179,500	-	179,500	-	-	-	-	0.00%	0.00%	0.00%
Shell (Paki stan) Limited	-	25,000	-	25,000	-	-	-	-	0.00%	0.00%	0.00%
Attock Petroleum Limited	-	21,500	-	-	21,500	7,687	6,908	(779)	1.04%	1.06%	0.02%
Sui Northern Gas Pipelines Limited	293,084	340,000	-	333,000	300,084	10,164	10,266	102	1.54%	1.57%	0.05%
						46,641	46,146	(496)	6.92%	7.06%	
<b>OIL AND GAS EXPLORATION COMPANIES</b>											
Oil and Gas Development Company Limited (Note 5.1.1)	746,500	1,028,000	-	978,000	796,500	70,212	62,661	(7,551)	9.39%	9.59%	0.02%
Pakistan Oilfields Limited	-	53,800	-	39,000	14,800	5,959	6,006	47	0.90%	0.92%	0.01%
Pakistan Petroleum Limited (Note 5.1.1)	472,148	1,966,500	-	1,362,000	1,076,648	82,856	72,685	(10,172)	10.89%	11.12%	0.04%
Mari petroleum Company Limited (Note 5.1.1)	35,195	32,100	-	21,543	45,752	74,096	79,597	5,501	11.93%	12.18%	0.03%
						233,123	220,948	(12,175)	33.11%	33.81%	
<b>FERTILIZERS</b>											
Engro Corporation Limited	35,841	237,500	-	135,934	137,407	39,016	35,326	(3,690)	5.29%	5.41%	0.02%
Engro Fertilizer Limited	-	796,000	-	614,500	181,500	15,562	16,088	526	2.41%	2.46%	0.01%
Fauji Fertilizer Company Limited	-	60,000	-	60,000	-	-	-	-	0.00%	0.00%	0.00%
						54,578	51,414	(3,164)	7.70%	7.87%	
<b>ENGINEERING</b>											
International Steels Limited	88,500	100,000	-	185,000	3,500	303	208	(96)	0.0%	0.0%	0.00%
Mughal Iron & Steel Industries Limited	72,960	555,000	7,194	437,000	198,154	19,680	11,422	(8,259)	1.71%	1.75%	0.06%
Aisha Steel Limited	290,000	-	-	290,000	-	-	-	-	0.00%	0.00%	0.00%
Amreli Steel Limited	-	361,000	-	360,500	500	22	12	(10)	0.00%	0.00%	0.00%
						20,005	11,641	(8,364)	1.74%	1.78%	
<b>CEMENT</b>											
Kohat Cement Company Limited	33,360	154,000	-	12,200	175,160	34,399	22,794	(11,605)	3.42%	3.49%	0.09%
Maple Leaf Cement Factory Limited	455,000	2,520,000	-	1,835,000	1,140,000	42,522	31,179	(11,343)	4.67%	4.77%	0.10%
Pioneer Cement Limited	64,000	713,000	-	774,000	3,000	259	181	(78)	0.03%	0.03%	0.00%
Fauji Cement Company Limited	-	625,000	-	625,000	-	-	-	-	0.00%	0.00%	0.00%
D.G. Khan Cement Company Limited	-	260,000	-	259,121	879	57	55	(2)	0.01%	0.01%	0.00%
Cherat Cement Co. Ltd.	32,000	805,300	-	725,400	111,900	11,233	10,411	(821)	1.56%	1.59%	0.06%
Lucky Cement Limited	70,409	249,500	-	218,000	101,909	67,045	46,780	(20,264)	7.01%	7.16%	0.03%
						155,514	111,400	(44,114)	16.70%	17.05%	
<b>PAPER &amp; BOARD</b>											
Packages Limited	-	25,000	-	25,000	-	-	-	-	-	-	-
Century Paper and Board Mills	-	272,500	-	272,400	100	8	6	(1)	0.00%	0.00%	0.00%
						8	6	(1)	0.00%	0.00%	

<b>AUTOMOBILE ASSEMBLER</b>											
Ghandhara Industries Limited	700	60,000	-	60,700	-	-	-	-	0.00%	0.00%	0.00%
Honda Atlas Cars (Pakistan) Limited	3,500	22,000	-	25,500	-	-	-	-	0.00%	0.00%	0.00%
Millat Tractors Limited	189	-	136	-	325	204	284	80	0.04%	0.04%	0.00%
	-	-	-	-	-	204	284	80	0.04%	0.04%	0.04%
<b>TECHNOLOGY &amp; COMMUNICATION</b>											
Systems Limited	-	143,055	61,667	110,888	93,834	31,866	30,952	(914)	4.64%	4.74%	0.03%
Octopus Digital Limited	-	255,424	-	254,500	924	71	66	(5)	0.01%	0.01%	0.00%
TRG Pakistan Limited	7,000	205,000	-	212,000	-	-	-	-	0.00%	0.00%	0.00%
Avanceon Limited	-	684,000	20,125	598,500	105,625	8,259	8,229	(30)	1.23%	1.26%	0.03%
						40,196	39,247	(949)	5.88%	6.01%	
<b>TEXTILE COMPOSITE</b>											
Nishat Mills Limited	-	520,400	-	425,000	95,400	8,494	7,051	(1,443)	1.06%	1.08%	0.03%
Interloop Limited	200,000	288,000	11,040	498,071	969	68	59	(9)	0.01%	0.01%	0.00%
Crescent Textile Mills Limited	-	300,000	-	283,500	16,500	476	297	(179)	0.04%	0.05%	0.02%
Kohinoor Textile Mills Limited	140,000	100,000	-	100,000	140,000	9,959	7,000	(2,959)	1.05%	1.07%	0.05%
						18,997	14,407	(4,590)	2.16%	2.21%	
<b>AUTOMOBILE PARTS &amp; ACCESORIES</b>											
Thal Limited	50	-	-	-	50	21	13	(8)	0.00%	0.00%	0.00%
						21	13	(8)	0.00%	0.00%	0.00%
<b>PHARMACEUTICALS</b>											
The Searle Company Limited (note 5.1.2)	3,651	105,000	1,095	57,000	52,746	5,870	5,750	(120)	0.86%	0.88%	0.02%
Citi Pharma Limited	-	542,000	-	326,000	216,000	7,564	7,050	(513)	1.06%	1.08%	0.09%
AGP Limited	20,000	-	-	20,000	-	-	-	-	0.00%	0.00%	0.00%
GaxoSmithKline Consumer Health care	-	79,400	-	56,500	22,900	6,242	5,458	(784)	0.82%	0.84%	0.02%
Abbott Lab (Pakistan) Limited	1,800	-	-	-	1,800	1,426	1,178	(248)	0.18%	0.18%	0.00%
Ferozsons Laboratories Ltd	4,320	-	-	4,300	20	7	5	(2)	0.00%	0.00%	0.00%
GlaxoSmithKline Pakistan	16,500	-	-	15,000	1,500	249	187	(61)	0.03%	0.03%	0.00%
						21,357	19,629	(1,728)	2.95%	3.01%	
<b>POWER GENERATION &amp; DISTRIBUTION</b>											
The Hub Power Company Limited (Note 5.1.1)	472,349	705,500	-	530,000	647,849	47,112	44,164	(2,948)	6.62%	6.76%	0.05%
						47,112	44,164	(2,948)	6.62%	6.76%	
<b>COMMERCIAL BANKS</b>											
Meezan Bank Limited (Note 5.1.1)	378,088	856,000	60,463	875,225	419,326	55,446	47,375	(8,071)	7.10%	7.25%	0.03%
						55,446	47,375	(8,071)	7.10%	7.25%	
<b>FOOD AND PERSONAL CARE PRODUCTS</b>											
Al Shaheer Corporation Limited	113,939	-	-	113,000	939	19	8	(10)	0.00%	0.00%	0.00%
Unity Foods Limited	128,684	830,000	-	538,684	420,000	8,769	8,429	(340)	1.26%	1.29%	0.04%
At-Tahir Limited	-	625,000	-	475,000	150,000	4,183	2,861	(1,323)	0	0	0
						12,971	11,298	(1,673)	1.69%	1.73%	
<b>CHEMICAL</b>											
Ghani Global Holdings	17,842	475,000	51	492,500	393	12	6	(5)	0.00%	0.00%	0.00%
Engro Polymer and Chemicals Limited	355,690	731,500	-	1,080,690	6,500	382	518	136	0.08%	0.08%	0.00%
						394	524	130	0.08%	0.08%	
<b>REFINERY</b>											
National Refinery Limited	-	109,500	-	109,500	-	-	-	-	0.00%	0.00%	0.00%
Attock Refinery Limited	74,000	258,000	-	229,000	103,000	16,384	18,105	1,721	2.71%	2.77%	0.10%
						16,384	18,105	1,721	2.71%	2.77%	
<b>CABLE AND ELECTRICAL GOODS</b>											
Waves Singer Pakistan Limited	-	750,000	-	750,000	-	-	-	-	-	-	0.00%
						-	-	-	0.00%	0.00%	
<b>TRANSPORT</b>											
Pakistan National Shipping Corporation	-	190,000	-	190,000	-	-	-	-	0.00%	0.00%	0.00%
						-	-	-	0.00%	0.00%	
<b>LEATHER &amp; TANNERIES</b>											
Service Global Footwear Limited	-	180,000	-	-	180,000	9,265	7,232	(2,032)	1.08%	1.11%	0.09%
						9,265	7,232	(2,032)	1.08%	1.11%	
<b>GLASS &amp; CERAMICS</b>											
Tariq Glass Industries Limited	-	226,100	-	163,860	62,240	7,332	6,461	(871)	0.97%	0.99%	0.05%
Shabbir Tiles & Ceramics Limited	-	235,000	-	22,000	213,000	3,389	3,116	(272)	0	0	0.18%
						10,720	9,577	(1,143)	1.44%	1.46%	
<b>Total - June 30, 2022</b>						<b>742,937</b>	<b>653,413</b>	<b>(89,524)</b>	<b>97.92%</b>	<b>100.00%</b>	
<b>Total - June 30, 2021</b>						<b>454,222</b>	<b>487,199</b>	<b>32,977</b>	<b>99.37%</b>	<b>100.00%</b>	

5.1.1 The above investments include shares of the following companies which have been pledged with National Clearing Company of Pakistan for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 of 2007 dated October 23, 2007 issued by the Securities & Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

Particular	2022		2021	
	Number of shares	Rupees in '000	Number of shares	Rupees in '000
Engro Polymer and Chemicals Limited	-	-	70,000	3,307
Mari Petroleum Company Limited	19,000	33,055	19,000	28,963
Meezan Bank Limited	230,000	25,985	230,000	26,544
Maple Leaf Cement Factory Limited	250,000	6,838	-	-
Oil and Gas Development Company Limited	525,000	41,302	350,000	33,261
The Hub Power Company Limited	200,000	13,634	200,000	15,934
Pakistan Petroleum Limited	400,000	27,004	200,000	17,366
	<b>1,624,000</b>	<b>147,818</b>	<b>1,069,000</b>	<b>125,375</b>

5.1.2 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies are liable to withhold five percent of the bonus shares to be issued. The shares so withheld shall only be released if the Fund deposit tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the High Court of Sindh (HCS) in favour of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically. Subsequent to the year ended June 30, 2019, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Honourable High of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the year were not withheld by the investee companies.

As at June 30, 2022, the following bonus shares of the Fund have been withheld by certain companies at the time of declaration of bonus shares.

Name of the Company	2022		2021	
	Number of shares withheld	Market value as at June 30, 2022	Number of shares withheld	Market value as at June 30, 2021
		Rupees in '000		Rupees in '000
The Searle Company Limited	2,204	240	1,696	411
Pakistan State Oil Company Limited	5,098	876	5,098	1,143
		<u>1,116</u>		<u>1,554</u>

**5.2 Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'**

	Note	2022	2021
		-----Rupees in '000-----	
Market value of investments	5.1	653,413	487,199
Carrying value of investments	5.1	<u>(742,937)</u>	<u>(454,222)</u>
		<u>(89,524)</u>	<u>32,977</u>

**6 DIVIDEND AND OTHER RECEIVABLE**

Dividend receivable		3,174	432
Profit receivable on bank balances		103	148
Other receivable	6.1	<u>2,882</u>	<u>2,882</u>
		<u>6,159</u>	<u>3,462</u>

**6.1** As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However withholding tax on dividend paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on dividend amounts to Rs 2.882 million (2021: Rs 2.882 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on dividend amounts has been shown as other receivables as at June 30, 2022 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

7	<b>PRELIMINARY EXPENSES AND FLOATATION COSTS</b>	Note	2022	2021
			-----Rupees in '000-----	
	At the beginning of the year		97	315
	Less: amortisation for the year	7.1	(97)	(218)
	At the end of the year		<u>-</u>	<u>97</u>

7.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over a period of 5 years in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

8	<b>PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY - RELATED PARTY</b>	Note	2022	2021
			-----Rupees in '000-----	
	Management fee payable	8.1	1,077	916
	Punjab Sales Tax on remuneration of the Management Company	8.2	172	147
	Accounting and operational expenses payable	8.3	365	138
	Selling and marketing payable	8.4	2,740	3,166
			<u>4,354</u>	<u>4,367</u>

8.1 As per NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding 2% of the average annual net assets in case of income schemes. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 2% (2021: 2%) per annum of the average net assets of the Fund during the year ended 30 June 2022. The remuneration is payable to the Management Company monthly in arrears.

8.2 During the year, an amount of Rs. 2.283 million (2021: Rs 1.602 million) was charged on account of sales tax on management fee levied through Punjab Sales Tax on Services Act, 2011 at the rate of 16% (2021: 16%).

8.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company has charged such expenses at the rate of 0.1% of the average annual net assets of the scheme to the Fund.

8.4 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for three years (from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense shall be 0.4% per annum of net assets of the fund or actual expenses whichever is lower.

During the year ended June 30, 2020, the SECP through its circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the asset management company is required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board of Directors of the Management Company as part of annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

Accordingly, the Management Company has charged such expenses at the rate of 0.75% which is applied to average annual net assets of the Fund. This has also been approved by the Board of Directors of the Management Company.

9	<b>PAYABLE TO MCB FINANCIAL SERVICES LIMITED - TRUSTEE - RELATED PARTY</b>	Note	2022	2021
			-----Rupees in '000-----	
	Trustee fee payable	10.1	49	41
	Sindh Sales Tax payable on trustee fee	10.2	6	5
			<u>55</u>	<u>46</u>

9.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed as follows:

- Up to Rs 1,000 million	Rs. 0.09% of the daily net assets or Rs. 250,000 per annum whichever is higher
- Exceeding Rs 1,000 million	Rs. 0.9 million plus 0.065% exceeding one billion

Accordingly the Fund has charged trustee fee at the above rates during the year.

9.2 During the year, an amount of Rs 0.084 million (2021: Rs. 0.059 million) was charged on account of sales tax at the rate of 13% (2021: 13%) on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011.

10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2022 -----Rupees in '000-----	2021
Annual fee payable	10.1	<u>143</u>	<u>100</u>

10.1 In accordance with the NBFC Regulations 2008, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

Effective from July 1, 2019, the SECP vide SRO No. 685(I)/2019 dated June 28, 2019, revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Previously, the rate of annual fee applicable to equity funds was 0.095%. Accordingly, the Fund has charged the SECP Fee at the rate of 0.02% of net assets during the current year.

11 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2022 -----Rupees in '000-----	2021
Auditors' remuneration payable		339	414
Brokerage fee payable		478	1,120
Printing charges payable		100	75
Shariah advisory fee payable		30	30
Legal and professional charges payable		6	114
Charity payable	11.1	4,779	1,810
Provision for Sindh Workers' Welfare Fund	11.2	-	1,553
		<u>5,732</u>	<u>5,116</u>

11.1 According to the instructions of the Shariah Advisor, income earned by the Fund from prohibited sources should be donated to charitable purposes.

During the year ended June 30, 2022, non-Shariah compliant income amounting to Rs 4.779 million (2021: Rs 1.810 million) was charged as an expense in the books of the Fund. This will be distributed as charity after the approval of the Shariah Advisor. The dividend income is recorded net of amount given as charity.

11.2 During the year, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to June 30, 2017, on August 13, 2021. The SECP has also given its concurrence for prospective reversal of provision for SWWF.

During the month of August 2021, provisioning against Sindh Workers' Welfare Fund amounting to Rs.1.553 million has been reversed. This reversal of provision has contributed towards an unusual increase in NAV of Fund by 0.23%. This is one-off event and is not likely to be repeated in the future.

## 12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2022 and June 30, 2021.

13 AUDITORS' REMUNERATION	2022 -----Rupees in '000-----	2021
Annual audit fee	212	330
Half yearly review of condensed interim financial statements	140	150
Other certifications	50	160
Punjab Sales Tax on services	20	-
Out of pocket expenses	35	46
	<u>457</u>	<u>686</u>

## 14 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2022 is 4.68% (2021: 4.93%) which includes 0.45% (2021: 0.43%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as a equity scheme.

## 15 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2022 to the unit holders in the manner as explained above no provision for taxation has been made in these financial statements during the year.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

## 16 EARNING / (LOSS) PER UNIT

Earning / (loss) per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

## 17 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 17.1** Connected persons include ABL Asset Management Company being the Management Company, MCB Financial Services Limited being the Trustee, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.
- 17.2** Transactions with connected persons are executed on an arm's length basis and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 17.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008.
- 17.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.
- 17.5** Accounting and operational charges and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.
- 17.6** The details of transactions carried out by the Fund with connected persons during the year and balances with them as at year end are as follows:

	2022	2021
	-----Rupees in '000-----	
<b>ABL Asset Management Company Limited - Management Company</b>		
Remuneration of the Management Company	14,270	10,010
Punjab Sales Tax on remuneration of the Management Company	2,283	1,602
Accounting and operational expenses	714	500
Selling and marketing expenses	6,915	5,955
<b>MCB Financial Services Limited - Trustee</b>		
Remuneration of the Trustee	643	450
Sindh Sales Tax on remuneration of the Trustee	84	59
<b>Allied Bank Limited</b>		
Profit on savings account	211	14
<b>ABL Islamic Financial Planning Fund - Active Allocation Plan</b>		
Issue of 12,065,381 (2021: 12,717,447) units	100,000	113,054
Redemption of 22,905,114 (2021: 10,819,272) units	187,675	93,720
Outstanding 21,834,265 (June 30, 2021: 32,673,998) units	153,623	284,868
<b>ABL Islamic Financial Planning Fund - Conservative Allocation Plan</b>		
Issue of 749,929 (2021: 002,704) units	6,100	24
Redemption of 000,000 (2021: 177,253) units	-	1,598
Outstanding 798,543 (June 30, 2021: 48,614) units	5,618	424

	2022	2021
	-----Rupees in '000-----	
<b>ABL Islamic Financial Planning Fund - Aggressive Allocation Plan</b>		
Issue of 432,066 (2021: 824,650) units	3,550	7,302
Redemption of 626,511 (2021: 3,017,525) units	5,113	26,878
Outstanding 421,665 (June 30, 2021: 616,110) units	2,967	5,372
<b>ABL Islamic Financial Planning Fund - Strategic Allocation Plan</b>		
Issue of 6,867,711 (2021: 5,012,971) units	57,800	43,496
Redemption of 17,127,280 (2021: 8,915,659) units	133,650	78,703
Outstanding 1,869,597 (June 30, 2021: 12,129,166) units	13,154	105,748
<b>ABL Islamic Financial Planning Fund - Strategic Allocation Plan - III</b>		
Issue of 1,513,573 (2021: 980,558) units	12,800	8,701
Redemption of 1,324,440 (2021: 2,001,213) units	10,910	17,720
Outstanding 2,242,410 (June 30, 2021: 2,053,277) units	15,777	17,901
<b>ABL Islamic Financial Planning Fund - Capital Preservation Plan I</b>		
Issue of 91,265,195 (2021: 4,878,972) units	768,000	44,283
Redemption of 57,390,420 (2021: 5,475,102) units	478,318	45,302
Outstanding 42,609,583 (June 30, 2021: 8,734,808) units	299,795	76,154
<b>ABL Islamic Financial Planning Fund - Capital Preservation Plan II</b>		
Issue of 31,601,262 (2021: Nil) units	252,000	-
Redemption of 6,533,952 (2021: Nil) units	51,315	-
Outstanding 25,067,311 (June 30, 2021: Nil) units	176,370	-

17.7 Other balances due to / from related parties / connected persons are included in the respective notes to the financial statements.

**18 FINANCIAL INSTRUMENTS BY CATEGORY**

**Financial assets**

	2022	
	At amortised cost	At fair value through profit or loss
	----- (Rupees in '000) -----	
Bank balances	18,441	-
Investments	-	653,413
Dividend and other receivable	3,277	-
Advance and deposits	2,603	-
Receivable against sale of units	-	-
Receivable against sale of investments	-	-
	<u>24,321</u>	<u>653,413</u>
	<u>24,321</u>	<u>677,734</u>

**Financial liabilities**

	2022	
	At amortised cost	Total
	----- (Rupees in '000) -----	
Payable to ABL Asset Management Company - Management Company	4,354	4,354
Payable to MCB Financial Services Limited - Trustee	55	55
Accrued expenses and other liabilities	953	953
Payable against redemption of units	3,000	3,000
Payable against purchase of investment	27	27
	<u>8,389</u>	<u>8,389</u>

	2021		
	Loans and receivables	At fair value through profit or loss	Total
----- (Rupees in '000) -----			
<b>Financial assets</b>			
Bank balances	3,061	-	3,061
Investments	-	487,199	487,199
Dividend and other receivable	580	-	580
Advance and deposits	2,603	-	2,603
Receivable against sale of investments	3,675	-	3,675
	<u>9,919</u>	<u>487,199</u>	<u>497,118</u>

	2021	
	At amortised cost	Total
----- (Rupees in '000) -----		
<b>Financial liabilities</b>		
Payable to ABL Asset Management Company - Management Company	4,367	4,367
Payable to MCB Financial Services Limited - Trustee	46	46
Accrued expenses and other liabilities	3,563	3,563
	<u>7,976</u>	<u>7,976</u>

## 19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

### 19.1 Market risk

Market 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.

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee.

Market risk comprises of three types of risks: yield / profit rate risk, currency risk, and price risk.

#### (i) Yield / profit rate risk

Yield / profit rate 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 interest rates. As of June 30, 2022, the Fund is exposed to such risk on its balances held with banks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

#### a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds bank balances which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net loss for the year and net assets of the Fund would have been lower / higher by Rs. 0.0010 million (2021: 0.0014)

#### b) Sensitivity analysis for fixed rate instruments

As at June 30, 2022, the Fund does not hold any fixed rate instrument that may expose the Fund to fair value interest rate risk.

Yield / profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

----- 2022 -----						
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total	
	Up to three months	More than three months and up to one year	More than one year			
----- (Rupees in '000) -----						
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	7%- 8%	15,150	-	-	3,291	18,441
Investments		-	-	-	653,413	653,413
Dividend and other receivable		-	-	-	3,277	3,277
Advance and deposits		-	-	-	2,603	2,603
<b>Sub total</b>		<b>15,150</b>	<b>-</b>	<b>-</b>	<b>662,584</b>	<b>677,734</b>
<b>Financial liabilities</b>						
Payable to ABL Asset Management Company Limited - Management Company		-	-	-	4,354	4,354
Payable to MCB Financial Services Limited - Trustee		-	-	-	55	55
Accrued expenses and other liabilities		-	-	-	953	953
Payable against redemption of units		-	-	-	3,000	3,000
Payable against purchase of investment		-	-	-	27	27
<b>Sub total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>8,389</b>	<b>8,389</b>
<b>On-balance sheet gap</b>		<b>15,150</b>	<b>-</b>	<b>-</b>	<b>654,195</b>	<b>669,345</b>
<b>Total profit rate sensitivity gap</b>		<b>15,150</b>	<b>-</b>	<b>-</b>	<b>654,195</b>	<b>669,345</b>
<b>Cumulative profit rate sensitivity gap</b>		<b>15,150</b>	<b>15,150</b>	<b>15,150</b>		

----- 2021 -----						
Effective interest rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total	
	Up to three months	More than three months and up to one year	More than one year			
----- (Rupees in '000) -----						
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	5.00%- 6.75%	1,114	-	-	1,947	3,061
Investments		-	-	-	487,199	487,199
Dividend and other receivable		-	-	-	580	580
Advance and deposits		-	-	-	2,603	2,603
Receivable against sale of units		-	-	-	-	-
Receivable against sale of investments		-	-	-	3,675	3,675
<b>Sub total</b>		<b>1,114</b>	<b>-</b>	<b>-</b>	<b>496,004</b>	<b>497,118</b>
<b>Financial liabilities</b>						
Payable to ABL Asset Management Company Limited - Management Company		-	-	-	4,367	4,367
Payable to MCB Financial Services Limited - Trustee		-	-	-	46	46
Accrued expenses and other liabilities		-	-	-	3,563	3,563
<b>Sub total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>7,976</b>	<b>7,976</b>
<b>On-balance sheet gap</b>		<b>1,114</b>	<b>-</b>	<b>-</b>	<b>488,028</b>	
<b>Total profit rate sensitivity gap</b>		<b>1,114</b>	<b>-</b>	<b>-</b>	<b>488,028</b>	
<b>Cumulative profit rate sensitivity gap</b>		<b>1,114</b>	<b>1,114</b>	<b>1,114</b>		

## (ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. At present, the Fund is not exposed to currency risk as all the transactions are carried out in Pakistani Rupees.

## (iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because 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.

The Fund is exposed to equity price risk on investments held by the Fund and classified as 'at fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within the eligible stocks prescribed in the Trust Deed. The NBFC Regulations also limit individual equity securities to no more than 15% of net assets and issued capital of the investee company and sector exposure limit to 40% of the net assets.

In case of 5% increase / decrease in KMI Meezan Index (KMI 30) index on June 30, 2022, with all other variables held constant, the total comprehensive loss of the Fund for the year would decrease / increase by Rs. 32.670 million (2021: Rs. 24.360 million) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as financial assets at fair value through profit and loss.

The analysis is based on the assumption that equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KMI 30 Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KMI 30 Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2022 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KMI 30 Index.

## 19.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily settlement of equity securities and daily redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

As per the NBFC Regulations, 2008, the Fund can borrow in the short-term to ensure settlement the maximum limit of which is fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month:

2022						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total

(Rupees in '000)

#### Financial Assets

Bank balances	18,441	-	-	-	-	18,441
Investments	-	-	-	-	653,413	653,413
Dividend and other receivable	3,277	-	-	-	-	3,277
Advance and deposits	-	-	-	-	2,603.00	2,603
<b>Total assets</b>	<b>21,718</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>656,016</b>	<b>677,734</b>

#### Financial liabilities

Payable to ABL Asset Management Company Limited - Management Company	4,354	-	-	-	-	4,354
Payable to MCB Financial Services Limited - Trustee	55	-	-	-	-	55
Accrued expenses and other liabilities	614	339	-	-	-	953
Payable against redemption of units	3,000	-	-	-	-	-
Payable against purchase of investment	27	-	-	-	-	-
<b>Total liabilities</b>	<b>8,050</b>	<b>339</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,362</b>

#### Net assets / (liabilities)

	13,668	(339)	-	-	-	656,016	672,372
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2021						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total

(Rupees in '000)

#### Financial Assets

Bank balances	3,061	-	-	-	-	3,061
Investments	-	-	-	-	487,199	487,199
Dividend and other receivable	580	-	-	-	-	580
Advance and deposits	-	-	-	-	2,603	2,603
Receivable against sale of investments	3,675	-	-	-	-	3,675
<b>Total assets</b>	<b>7,316</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>489,802</b>	<b>497,118</b>

#### Financial liabilities

Payable to ABL Asset Management Company Limited - Management Company	4,367	-	-	-	-	4,367
Payable to MCB Financial Services Limited - Trustee	46	-	-	-	-	46
Accrued expenses and other liabilities	3,149	414	-	-	-	3,563
<b>Total liabilities</b>	<b>7,562</b>	<b>414</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,976</b>

### 19.3 Credit risk

19.3.1 Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. The table below analyses the Fund's maximum exposure to credit risk:

	2022		2021	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	----- Rupees in '000 -----			
Bank balances	18,441	18,441	3,061	3,061
Investments	653,413	-	487,199	-
Dividend and other receivables	3,277	3,277	580	580
Advance and deposits	2,603	2,603	2,603	2,603
Receivable against sale of investments	-	-	3,675	3,675
	<u>677,734</u>	<u>24,321</u>	<u>497,118</u>	<u>9,919</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2022 is the carrying amount of the financial assets.

There is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. Settlement risk on equity securities is considered minimal because of inherent controls established in the settlement process. The Fund's policy is to enter into financial contracts in accordance with internal risk management policies and instruments guidelines approved by the Investment Committee.

### 19.3.2 Credit quality of financial assets

The Fund's significant credit risk (excluding credit risk relating to settlement of equity securities) arises mainly on account of its placements with banks and mark-up accrued thereon, is as follows:

Rating	% of financial assets exposed to credit risk	
	2022	2021
AAA	0.52%	0.40%
A+	2.20%	0.23%
	<u>2.72%</u>	<u>0.63%</u>

## 20 FAIR VALUE MEASUREMENT

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. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

### 20.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

**Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities;

**Level 2:** 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); and

**Level 3:** inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2022, the Fund held the following financial instruments measured at fair values:

	2022			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
<b>Financial assets 'at fair value through profit or loss'</b>				
Shares of listed companies - 'ordinary shares'	653,413	-	-	653,413

	2021			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
<b>Financial assets 'at fair value through profit or loss'</b>				
Shares of listed companies - 'ordinary shares'	487,199	-	-	487,199

There were no transfers between various levels of fair value hierarchy during the period.

## 21 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown in the 'Statement of Movement in Unit Holders' Fund'.

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations, 2008 every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 20, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

## 22 UNIT HOLDING PATTERN OF THE FUND

Category	2022			2021		
	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total
Associated companies	7	667,305	100	6	490,468	100%

## 23 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

2022		2021	
Name of broker	Percentage of commission	Name of broker	Percentage of commission paid
AKD Securities Limited	11.33%	AKD Securities (Private) Limited	14.00%
Alfalah CLSA Securities (Private) Limited	10.47%	Habib Metropolitan Financial Services	9.21%
Arif Habib Limited	9.04%	Intermarket Securities Limited	7.67%
Topline Securities Limited	8.58%	BMA Capital Management Limited	7.32%
Ismail Iqbal Securities (Private) Limited	7.80%	Optimus Capital Management (Private) Limited	7.28%
JS Global Capital Limited	7.44%	Arif Habib Limited	7.03%
Optimus Capital Management (Private) Limited	6.93%	EFG Securities (Private) Limited	6.98%
EFG Harnes Pakistan Limited	6.47%	Foundation Securities (Private) Limited	5.85%
Inter Market Securities Limited	6.29%	Topline Securities Limited	5.77%
Insight Securities (Private) Limited	4.97%	Al Habib Capital Management (Private) Limited	5.01%

## 24 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the details in respect of members of the Investment Committee of the Fund:

Name	Designation	Qualification	Overall experience
Mr. Alee Khalid Ghaznavi	Chief Executive Officer	M.B.A (Finance)	21
Mr. Saqib Matin	CFO & Company Secretary	F.C.A, FPA	23
Mr. Wajeeh Haider	Senior Manager Risk Management	Master ( Business Economics ) & CFA Level III Candidate	10
Mr. Fahad Aziz	Head of Fixed Income	BCS (Hons)	16
Mr. Ali Ahmed Tiwana	Head of Equity	CIMA, CAT & CFA (Level III Candidate)	12
Mr. M. Abdul Hayee	Head of Research	MBA Executive & CFA	14
Mr. Kamran Anwar	Fund Manager - Equity	MBA	6
Mr. Abdul Rehman Tahir	Fund Manager - Fixed Income	MBA & CFA	11
Mr. Amjad Hussain	Senior Fund Manager – Equity	BS (Hons) & CFA	9

## 25 NAME AND QUALIFICATION OF THE FUND MANAGER

Name	Designation	Qualification	Other Funds managed by the Fund Manager
Kamran Anwar	Fund Manager - Equity	MBA	Allied Finergy Fund

## 26 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 68th, 69th, 70th and 71st Board of Directors meetings were held on August 25, 2021, October 29, 2021, February 11, 2022 and April 27, 2022, respectively. Information in respect of attendance by the directors and other persons in the meetings is given below:

S.No.	Name	Number of meetings			Meetings not attended
		Held	Attended	Leave granted	
1	Sheikh Mukhtar Ahmed	4	4		
2	Mohammad Naeem Mukhtar	4	4		
3	Muhammad Waseem Mukhtar	4	2	2	69th, 71st
4	Mr. Aizid Razzaq Gill	4	4		
5	Ms. Saira Shahid Hussain	4	3	1	69th
6	Muhammad Kamran Shehzad	4	4		
7	Pervaiz Iqbal Butt	4	4		
8	Alee Khalid Ghaznavi - CEO	4	4		
<b>Other persons</b>					
9	Saqib Matin*	4	4	-	-

\* Mr. Saqib Matin attended the meetings as Company Secretary.

## 27 RATING OF THE FUND AND THE MANAGEMENT COMPANY

The VIS Credit Rating Company Limited has determined the asset manager rating of the Management Company of AM2++ (2021: AM2++) on December 31, 2021. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

## 28 CORRESPONDING FIGURES

Corresponding figures have been re-classified and re-arranged in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications have been made in these financial statements during the current year.

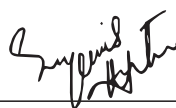
**29 GENERAL**

**29.1** Figures have been rounded off to the nearest thousand Rupee unless otherwise stated.

**30 DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue by the Board of Directors of the Management Company on August 24, 2022.

**For ABL Asset Management Company Limited  
(Management Company)**



**Saqib Matin**  
Chief Financial Officer



**Aleo Khalid Ghaznavi**  
Chief Executive Officer



**Pervaiz Iqbal Butt**  
Director



## DISCLOSURE OF PROXY VOTING

The Board of Directors of ABL Asset Management Company Limited (the Management Company of the fund) have overall responsibility for the implementation of Proxy Voting Policy and Procedures which is available on Management Company's website ([www.ablamc.com](http://www.ablamc.com)). During the financial year, the Management Company on behalf of the Fund did not participate in 38 shareholders' meeting. Moreover, details of summarized proxies voted are as follows:

	Resolutions	For	Against	Abstain	Reason for Abstaining
Number	-	-	-	-	-
(%ages)	-	-	-	-	-

## مینجمنٹ کمپنی کی کوالٹی کی درجہ بندی

31 دسمبر ، 2021 کو ، VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (VIS) نے اے بی ایل ایسٹ مینجمنٹ کمپنی لمیٹڈ (ABL AMC) کی (AM2 ++ (AM-two-Double Plus) کی مینجمنٹ کوالٹی ریٹنگ کی تصدیق کردی ہے۔ (اے ایم ٹو پلس پلس) تفویض کردہ درجہ بندی پر آؤٹ لک 'مستحکم' ہے۔

### آؤٹ لک

قلیل مدتی ایکویٹی مارکیٹ میں سیاسی اور معاشی خدشات کے درمیان دباؤ میں رہنے کی توقع ہے۔ سیاسی استحکام یا تو (1) قبل از وقت عام انتخابات کے ذریعے یا (2) موجودہ حکومت معاشی اصلاحات کو واضح کرے گی جہاں سابقہ بہتر ہوں گے جو وسط مدتی وضاحت لائے گی۔ اقتصادی محاذ پر، (11 HFY23) اعلیٰ افراط زر (FY23 میں 18-20%)، (2) بیرونی فنڈنگ کے خطرے اور (3) بلند مقررہ آمدنی کی پیداوار کے لحاظ سے بہت تشویشناک رہے گا۔ ہمیں توقع ہے کہ HFY23 اور اس کے بعد معاشی بحالی۔ اس طرح، مالی سال 24 میں افراط زر تیزی سے 6-7 فیصد تک گر جائے گا اور ہم QFY23 سے مالیاتی نرمی کی توقع کرتے ہیں جس کے نتیجے میں HFY23/FY24 میں ابتدائی ایکویٹی مارکیٹ میں تیزی آئے گی۔

KMI-30 میں 10%/4% CYTD/FYTD کی حالیہ کمی نے ایکویٹی مارکیٹ کو مزید رعایت دی ہے جو ایک پرکشش PE ملٹیپل پر ٹریڈ کر رہی ہے۔ ہم اعلیٰ ڈیویڈنڈ حاصل کرنے والے اسٹاک اور انرجی ریفارمز پر مبنی کمپنیوں کی تجویز کرتے ہیں۔ مختصر مدت میں ہم سائیکلکل سیکٹرز کو کم وزن کی تجویز کرتے ہیں۔ بینک، EnPs، OMCs، فرٹیلانرز ہمارے ترجیحی ڈرامے ہیں، جبکہ آٹو پر پیداوار کے خدشات/توسیعاتی چکر کا اثر پڑے گا جو ہمارے خیال میں مارجن کو نقصان پہنچائے گا۔

### اعتراف

ہم اپنے قابل قدر سرمایہ کاروں کا شکریہ ادا کرتے ہیں جنہوں نے ہم پر اعتماد کیا ہے۔ بورڈ سیکوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان، ٹرسٹی (ڈیجیٹل کسٹوڈین کمپنی لمیٹڈ) اور پاکستان اسٹاک ایکسچینج لمیٹڈ کے انتظامیہ کی ان کی مسلسل رہنمائی اور مدد کے لئے ان کا شکریہ بھی ادا کرتا ہے۔ ڈائریکٹرز انتظامی ٹیم کے ذریعہ کی جانے والی کوششوں کی بھی تعریف کرتے ہیں۔

بورڈ کی طرف سے اور بورڈ کے لئے

ڈائریکٹر

لاہور ، 24 اگست ، 2022

علی خالد غزنوی  
چیف ایگزیکٹو آفیسر

## فند کی کارکردگی

مالی سال 22 کو ختم ہونے والے سال کے لیے، ABL-IDSF نے منفی 10.25% کے بینچ مارک ریٹرن کے مقابلے میں 19.30% کا منفی ریٹرن دیا، جو کہ 9.05% کی کم کارکردگی کو ظاہر کرتا ہے۔ زیر جائزہ سال کے دوران، ABL اسلامک ڈیڈیکٹیڈ سٹاک فنڈ کی AUM میں 36.05 فیصد اضافہ ہوا اور 30 جون 21 کو 490.47 ملین روپے کے مقابلے میں 30 جون 22 کو 667.3 ملین روپے ہو گیا۔

## اضافی معاملات

1. انتظامیہ کمپنی کے ڈائریکٹرز کی تفصیل اس سالانہ رپورٹ میں ظاہر کی گئی ہے۔
2. مالی بیانات معاملات کی منصفانہ حالت، پیش کردہ کارروائیوں، نقد بہاؤ اور یونٹ ہولڈر کے فنڈ میں بدلاؤ پیش کرتے ہیں۔
3. فنڈ کے اکاؤنٹس کی مناسب کتابیں برقرار رکھی گئیں۔
4. مالی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیاں مستقل طور پر لاگو ہوتی ہیں اور محاسبہ کا تخمینہ معقول اور محتاط فیصلوں پر مبنی ہوتا ہے۔
5. متعلقہ بین الاقوامی اکاؤنٹنگ معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، غیر بینکاری فنانس کمپنیوں (اسٹیبلشمنٹ اینڈ ریگولیشن) رولز 2003 اور نان بینکنگ فنانس کمپنیوں اور مطلع شدہ اداروں کے ضوابط، 2008 کی دفعات، ٹرسٹ ڈیڈ کی شرائط اور جاری کردہ ہدایات مالیاتی بیانات کی تیاری میں سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی پیروی کی گئی ہے۔
6. اندرونی کنٹرول کا نظام ڈیزائن میں مستحکم ہے اور اس کو موثر انداز میں لاگو اور نگرانی کیا گیا ہے۔
7. فنڈز کی تشویش کی حیثیت سے جاری رکھنے کی اہلیت پر کوئی خاص شبہات نہیں ہیں۔
8. فنڈ کی کارکردگی کا جزو سالانہ رپورٹ کے صفحہ # \_\_\_\_\_ پر دیا گیا ہے۔
9. ٹیکسوں، ڈیوٹیوں، محصولات اور محصولات اور مالی معاوضوں میں پہلے ہی انکشاف کے علاوہ دیگر معاوضوں کی وجہ سے کوئی قانونی ادائیگی نہیں ہے۔
10. پروویڈنٹ فنڈ کی سرمایہ کاری کی قیمت کے بارے میں بیان فنڈ کے معاملے میں لاگو نہیں ہوتا ہے کیونکہ ملازمین کی ریٹائرمنٹ کے فوائد کے اخراجات انتظامیہ کمپنی برداشت کرتی ہے۔
11. 30 جون، 2022 کو یونٹ ہولڈنگز کا پیٹرن مالیاتی گوشوارے کے نوٹ نمبر \_\_\_\_\_ میں دیا گیا ہے۔

## آڈیٹر

میسرز یوسف عادل (چارٹرڈ اکاؤنٹنٹ) کو، اے بی ایل اسلامک ڈیڈیکٹیڈ اسٹاک فنڈ (اے بی ایل - آئی ڈی ایس ایف) کے لئے 30 جون 2023 کو ختم ہونے والے سال کے لئے دوبارہ آڈیٹر مقرر کیا گیا ہے۔

مقامی محاذ پر، افراد، کمپنیاں اور بینک بالترتیب ~ USD 157 ملین، ~ USD 111 ملین، اور ~ USD 115 ملین کی خالص خریداری کے ساتھ سب سے آگے رہے۔

انڈیکس کی مضبوطی میں حصہ ڈالنے والے شعبوں میں فرٹیلائزر اور کیمیکلز نے بالترتیب 1685 اور 1400 پوائنٹس کا اضافہ کیا۔ دوسری طرف، سیمنٹ، اور فوڈ اینڈ پراسسنگ سیکٹرز نے بالترتیب 7,089 اور 1006 پوائنٹس کو گھٹاتے ہوئے انڈیکس کو منفی طور پر متاثر کیا۔

آگے بڑھتے ہوئے، ہمیں یقین ہے کہ مارکیٹ کی سمت کا تعین بین الاقوامی اجناس کی قیمتوں اور IMF کے 7 ویں اور 8 ویں جائزے کی منظوری کے ذریعے متعین افراط زر کے منظر نامے سے کیا جائے گا جس سے فاریکس کے ذخائر میں بہتری آئے گی اور اس کے ساتھ ہی اسٹاک مارکیٹوں میں کچھ بہتر کارکردگی ہوگی۔

## سیکٹر کا جائزہ

### پاور سیکٹر

پاور سیکٹر نے بینچ مارک KSE-100 انڈیکس سے قدرے کم کارکردگی کا مظاہرہ کیا کیونکہ اس نے YOY %12.28 کے مارکیٹ ریٹرن کے مقابلے میں منفی YOY %13.67 پوسٹ کیا۔ پاور سیکٹر سال کے دوران روشنی میں رہا کیونکہ حکومت نے طویل انتظار کے دوران گردش کی قرض کی دوسری قسط ادا کر دی ہے۔ آگے بڑھتے ہوئے ہم توقع کرتے ہیں کہ پاور سیکٹر کارکردگی کا مظاہرہ کرے گا کیونکہ حکومت آئی ایم ایف کی ضرورت کی وجہ سے بقایا ادائیگیوں کو ختم کر دے گی اور مستقبل میں گردش قرضوں کے ڈھیر کو کم کرنے کے لیے ٹیرف میں بھی اضافہ کرے گی۔

### کھاد کا شعبہ

فرٹیلائزر سیکٹر نے FY22 کے دوران %12.28 کے بینچ مارک کی کمی کے مقابلے میں %1.9 کی منفی واپسی پوسٹ کر کے بینچ مارک سے بہتر کارکردگی کا مظاہرہ کیا۔ اس شعبے کی اس زبردست کارکردگی کو سخت معاشی صورتحال کے درمیان سرمایہ کاروں کی جانب سے ڈیویڈنڈ ادا کرنے والے اسٹاک کو پسند کرنے سے منسوب کیا جا سکتا ہے۔ کھاد کے شعبے کے اندر، اینگرو فرٹیلائزر نے ~ %100 ادائیگی کے تناسب کی وجہ سے %26.10 منافع پوسٹ کر کے زبردست کارکردگی کا مظاہرہ کیا۔ آگے بڑھنے والا شعبہ کارکردگی دکھا سکتا ہے کیونکہ مقامی کھادوں کے پاس قیمت بڑھانے کی کافی گنجائش ہے، کیونکہ کھاد کی مصنوعات بین الاقوامی قیمت کے مقابلے میں کافی رعایت پر فروخت ہو رہی ہیں۔

### ٹیکنالوجی اور کمیونیکیشن

ٹیک سیکٹر نے %12.28 سالانہ کی بینچ مارک کمی کے مقابلے میں YOY %36.5 کی منفی واپسی پوسٹ کی۔ اس کمزور کارکردگی کو بین الاقوامی مارکیٹ کے مطابق متعدد (P/E) میں کمی کی وجہ قرار دیا جا سکتا ہے۔ آگے بڑھتے ہوئے ہم امید کرتے ہیں کہ یہ شعبہ آئی ٹی سیکٹر کے لیے حکومت کی معاون پالیسیوں کی وجہ سے کارکردگی دکھائے گا۔

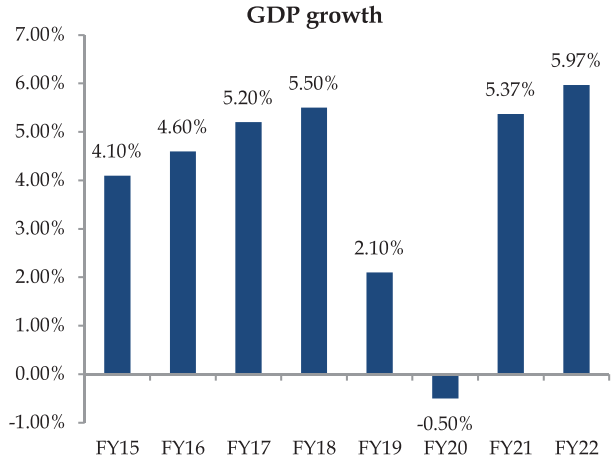
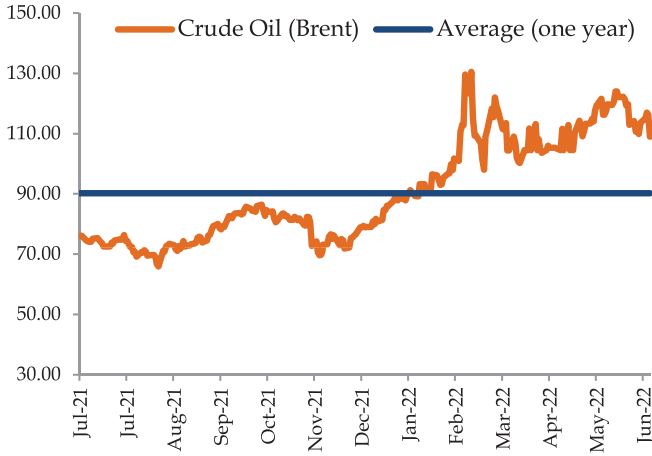
### آٹوموبائل سیکٹر

پاکستان آٹوموبائل سیکٹر نے مالی سال 22 میں 234180 یونٹس کے قریب YOY %54 کی مسافر کاروں کی فروخت میں شاندار اضافہ دیکھا ہے۔ مذکورہ مدت میں درج پلیئرز INDU، HCAR اور PSMC کے YOY حجم میں بالترتیب %30، %35 اور %71 اضافہ ہوا۔ شرح سود میں اضافے کی توقع میں آٹو فنانسنگ میں بھی YOY %24.8 اضافہ ہوا ہے۔ لیکن روپیے کی قدر میں کمی کی وجہ سے کاروں کی بڑھتی ہوئی قیمتوں، آٹوز پر نئے ٹیکس کے نفاذ کے ساتھ ساتھ آٹو فنانسنگ پر اعلیٰ شرح سود کی وجہ سے، ہم آگے بڑھتے ہوئے آٹوز کی فروخت پر نقصان کی توقع کرتے ہیں۔

ترسیلات زر میں 6% کا اضافہ ہو کر bn31 امریکی ڈالر تک پہنچ گیا ہے۔ اس اضافے کی وجہ حکومتی کریک ڈاؤن کی وجہ سے غیر قانونی چینلز کے ذریعے ہونے والی لین دین میں کمی کو قرار دیا جا سکتا ہے۔ 30 جون 2022 تک ملک کے زرمبادلہ کے ذخائر 9.7 بلین امریکی ڈالر تھے جو ~ 2 ماہ کا کل درآمدی احاطہ فراہم کرتے ہیں۔

مالیاتی طرف، مالی سال 22 کے دوران ٹیکس کی وصولی ~PKR 6.25tr تک پہنچ گئی ہے۔

(USD/barrel)



## میوچل فنڈ انڈسٹری کا جائزہ

اوپن اینڈ میوچل فنڈ انڈسٹری کے کل اثاثہ جات زیر انتظام (AUMs) میں مالی سال 22 کے دوران 18.5 فیصد اضافہ ہوا (1073 بلین روپے سے 1274 بلین روپے تک)، بنیادی طور پر کرنسی مارکیٹ میں کافی بہاؤ اور فکسڈ انکم فنڈز بڑھنے کی وجہ سے شرح سود، بڑھتے ہوئے T-Bills اور PIBs کی پیداوار کے ساتھ ایکویٹی مارکیٹ فنڈز، بشمول روایتی اور اسلامی، میں 25 فیصد کمی دیکھی گئی جو اس مدت کو 183 بلین روپے پر بند کرتی ہے۔ اگرچہ، کل منی مارکیٹ اور فکسڈ انکم فنڈز کے AUMs بالترتیب 44% اور 21% بڑھ کر PKR 682 بلین اور PKR 298 بلین ہو گئے۔

## اسلامی اسٹاک مارکیٹ جائزہ

مالی سال 22 کے دوران، KMI-30 انڈیکس نے تھکا دینے والی کارکردگی دکھائی، جس میں 10.25% سال کی کمی واقع ہوئی، اور یہ 68,766 پوائنٹس پر بند ہوا۔ مالی سال 22 میں KSE-100 انڈیکس کی یہ کمی خاص طور پر ملک کی سیاسی قیادت میں تبدیلی اور کمیونٹی سپر سائیکل کی وجہ سے بڑھتی ہوئی مہنگائی کی وجہ سے تھی۔ مزید برآں، آئی ایم ایف کے چھٹے اور ساتویں جائزے کی منظوری میں تاخیر نے بیرونی کھاتے پر دباؤ بڑھایا۔ اس کی وجہ سے زرمبادلہ کے ذخائر میں کمی ہوئی اور ساتھ ہی PKR USD اور PKR کے مقابلے میں جون 22 میں USD/211 کی اب تک کی کم ترین سطح کو چھونے لگا۔ فروری میں یوکرین روس جنگ کے آغاز نے بین الاقوامی اشیاء کو اپنی بلند ترین سطح پر لے لیا جس کے نتیجے میں عالمی اور قومی معیشت میں مہنگائی میں اضافہ ہوا اور تیل کی قیمتیں بین الاقوامی سطح پر 14 سال کی بلند ترین سطح کو چھو گئیں۔ تاہم، مثبت پہلو سے ملک کو مذکورہ مالی سال میں اب تک کی سب سے زیادہ گھریلو ترسیلات زر موصول ہوئی USD31.24bn، تقریباً 6.1% YOY کی بنیاد پر اضافہ ہوا۔

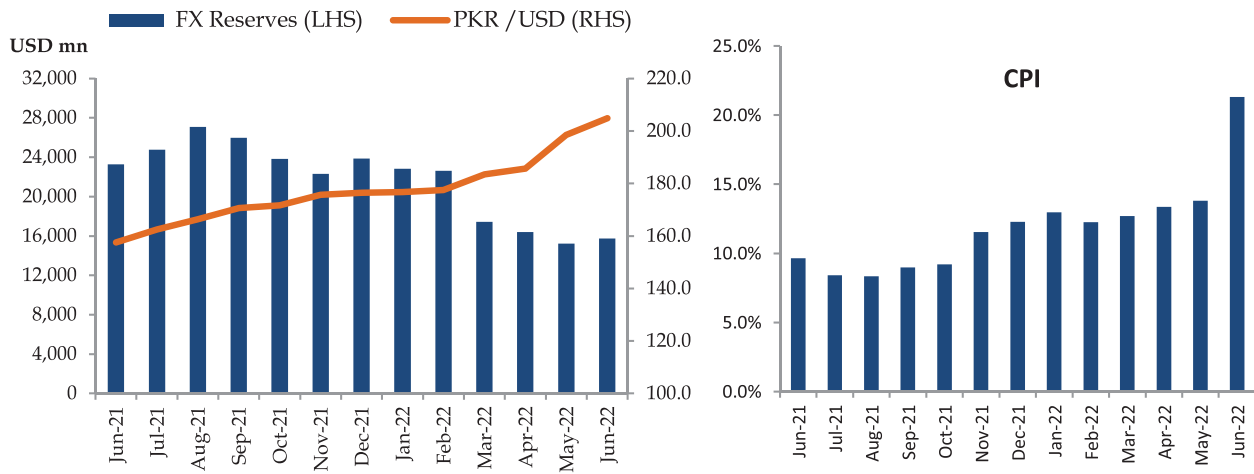
اوسط تجارتی حجم میں ~59% YOY کی کمی ہوئی جبکہ قیمت ~53% YOY کی کمی سے بالترتیب 52 ملین اور ~21 USD ملین ہو گئی۔ مذکورہ مدت کے دوران غیر ملکیوں نے 297 ملین امریکی ڈالر کے حصص فروخت کئے۔

## مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

اے بی ایل اسلامک ڈیڈیکٹڈ اسٹاک فنڈ (اے بی ایل - آئی ڈی ایس ایف) کی انتظامیہ کمپنی، اے بی ایل ایسٹ مینجمنٹ کمپنی لمیٹڈ کے بورڈ آف ڈائریکٹرز 30 جون، 2022 کو ختم ہونے والے سال کے لئے اے بی ایل اسلامک ڈیڈیکٹڈ اسٹاک فنڈ کے آڈٹ شدہ فنانشل اسٹیٹمنٹ پیش کرنے پر خوشی محسوس کرتے ہیں۔

### اقتصادی کارکردگی کا جائزہ

پاکستان کی معیشت نے وبائی امراض سے نجات حاصل کی اور مالی سال 22 میں حقیقی جی ڈی پی کی شرح نمو 5.97 فیصد پوسٹ کر کے V کی شکل کی نمو کو برقرار رکھا جبکہ گزشتہ سال کی نظر ثانی شدہ GDP نمو 5.37 فیصد تھی۔ تینوں شعبوں (زراعت، خدمات اور مینوفیکچرنگ) نے ترقی کی اس رفتار میں اپنا حصہ ڈالا ہے۔ زرعی شعبے نے 4.40 فیصد کی غیر معمولی نمو دکھائی اور 3.5 فیصد کے ہدف کو عبور کیا اور گزشتہ سال 3.48 فیصد کی ترقی ہوئی۔ اس ترقی کی وجہ فصلوں کی زیادہ پیداوار، بہتر پیداواری قیمتیں اور زرعی قرضہ جات کو قرار دیا جا سکتا ہے۔ تاہم، یہ اعلیٰ نمو غیر پائیدار ہے اور اس کے نتیجے میں میکرو اکنامک عدم توازن پیدا ہوتا ہے۔ تاریخی طور پر، معیشت نے 'بوم-بسٹ' ترقی کے چکر دکھائے تھے۔ اس طرح کے غیر مستحکم ترقی کے چکروں کی وجہ میں وسیع پیمانے پر معاشی چینجز جیسے جڑواں خسارہ، شرح مبادلہ پر دباؤ، افراط زر، توانائی کے شعبے میں رکاوٹیں، اور نجی شعبے کے لیے معاون ماحول کی عدم موجودگی شامل ہیں۔



FY22 کے دوران، SPLY میں 8.90% YOY کے مقابلے میں اوسطا مہنگائی 12.09% بڑھ گئی۔ ٹرانسپورٹ، ہاؤسنگ اور خوراک سمیت کئی شعبوں میں قیمتوں میں اضافہ دیکھا گیا۔ ہیڈ لائن افراط زر پر دباؤ کی وجہ بجلی، گیس کی قیمتوں میں ایڈجسٹمنٹ، عالمی ایندھن اور اجناس کی قیمتوں میں تیزی سے اضافے کے ساتھ شرح مبادلہ میں کمی کو قرار دیا جا سکتا ہے۔ آگے بڑھتے ہوئے ہم توقع کرتے ہیں کہ پورے سال کی افراط زر دوبرے ہندسے میں رہے گی۔ یہ مقالہ سیاسی عدم استحکام اور شرح مبادلہ میں کمی کی وجہ سے پٹرولیم کی بلند قیمتوں پر مبنی ہے۔ مالیاتی محاذ پر، اسٹیٹ بینک پاکستان (SBP) پالیسی ریٹ میں اضافہ کر کے مالیاتی سختی جاری رکھ سکتا ہے۔

ادائیگی کے توازن کے محاذ پر، ملک نے SPLY میں USD 1.18bn کے خسارے کے مقابلے میں USD 15.20bn کا مجموعی خسارہ پوسٹ کیا۔ اس کے پیچھے بنیادی وجہ تجارتی خسارہ تھا کیونکہ برآمدات میں 25 فیصد اضافہ ہوا جبکہ درآمدات میں 36 فیصد اضافہ ہوا اور مالی سال 22 کے دوران بالترتیب USD 36bn اور USD 76bn پر بند ہوا۔



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