

## DIRECTORS' REPORT

The Board of Directors of NBP Fund Management Limited is pleased to present the unaudited Condensed Interim financial statements of **NBP Islamic Sarmaya Izafa Fund (NISIF)** for the quarter ended September 30, 2024.

### Fund's Performance

Contrary to positive return of the KSE-100 Index, the Islamic benchmark KMI-30 Index fell by 1.3% during 1QFY25. The key reason for KMI-30 decline was significant underperformance of the Power sector, as the listed IPPs remained embroiled in another contractual tariff negotiations with the government. With around 13% weight of power sector in KMI-30 Index, the overall KMI-30 Index declined during the period under review.

Investors looked past several positive developments that took place during the 1Q mainly pertaining to overall improvement on the economic front. During mid-July, Pakistani authorities and IMF reached Staff Level Agreement (SLA) for a 37-month Extended Fund Facility Arrangement (EFF) of USD 7 billion. The international ratings agencies, both Fitch Ratings and Moody's, upgraded Pakistan's Long-Term Foreign-Currency Issuer Default Rating by one notch. Other economic indicators also pointed towards steady recovery. Inflation finally cooled off to a single digit in 1Q, averaging around 9.2%, with Sept-24 inflation reading at 6.9% (lowest since Jan-21). As a result, central bank was able to cut Policy Rate by another 300 basis points to 17.5%. Related to this, the secondary market yields on government instruments fell sharply across all tenures. The yields on short-term papers saw a decline in the range of around 3% to 5.5%, while longer tenure papers also saw yield compression of around 2% to 4%. Current Account Deficit (CAD) was recorded at merely USD 98 million, down from USD 1.2 bn in same period last year, despite lifting of import restrictions & clearing of backlog of pending payments due to significant improvement in workers' inflows, which improved from USD 6.3 bn in 1QFY24 to USD 8.8 bn in the recent quarter. Both inflation and CAD benefited from softening of commodities in international market as Bloomberg Commodity Index was seen at 93.3 level during 1Q, which is the lowest reading since Aug-21. The FX reserves of the country further increased by around USD 1.3 bn, and surpassed the USD 10 bn mark. Other than the tariff renegotiation in IPPs space, investors were also concerned about the delay in IMF program, since IMF board accorded its nod towards end of Sept-24. Market participants were also perturbed by the Index downgrade by FTSE from Emerging status to Frontier status for Pakistan, which entailed an outsized foreign outflow bulk of which took place towards end of the period.

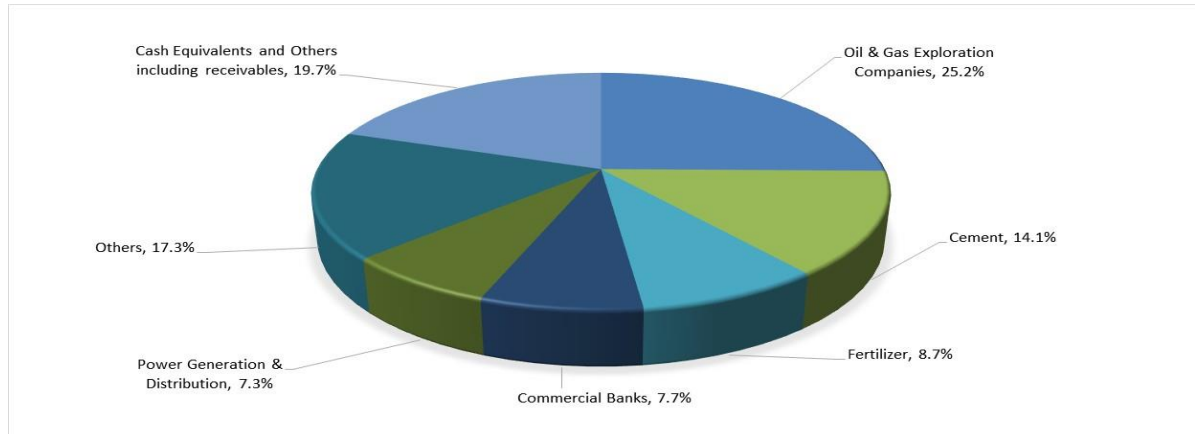
In terms of sector-wise performance, Automobile Assembler, Cements, Fertilizers, Leather & Tanneries, Miscellaneous, Oil & Gas Exploration, Pharmaceutical, and Transport sectors outperformed the market. On the contrary, Auto Parts & Accessories, Cable & Elec. Goods, Commercial Banks, Chemicals, Engineering, Food & Personal

Care, Glass & Ceramics, Investment Banks/Companies, Oil & Gas Marketing Companies, Paper & Board, Power Generation & Distribution, Refinery, Sugar & Allied, Technology & Communication, and, Textile Composite sectors lagged behind the market. Regarding participants' market activity, Individuals, Mutual Funds and Banks/DFIs emerged as the largest net buyers with inflows of around USD 47 million, USD 19 million, and USD 8 million, respectively. Conversely, Foreigner and Insurance reduced their net holdings by around USD 22 million and USD 19 million, respectively.

Two Monetary Policy Committee (MPC) meetings were held during the quarter, where MPC reduced the policy rate by 300 basis point to 17.5%. The decision was taken amidst sharp fall in inflation & global oil prices, increase in FX reserves, decline in sovereign yields, and improved business confidence. Inflation as measured by CPI drastically decelerated and averaged 9.2% for the quarter compared to 23.8% in FY24. The MPC assessed that the ease in inflation was attributed to contained demand reinforced by improved supplies of major food items, favorable global commodity prices, and delay in upward adjustments in administered energy prices. However, MPC also noted that near-term inflation outlook remained susceptible to risks, owing to the uncertainty stemming from the timing and magnitude of adjustments in administered energy prices, future course of global commodity prices, and any additional taxation measures to meet the shortfall in revenue collection. The SBP's FX reserves increased during the period and were recorded at USD 10.7 billion as of 27-Sep-24 against USD 9.4 billion at June-24 end. The fresh issuance of long term Corporate Sukuks remained occasional whereas the secondary market witnesses thin trading activity. On the other hand, sizable issuance of short term sukuk from the corporates was witnessed to meet their increasing working capital requirements.

The size of NBP Islamic Sarmaya Izafa Fund has decreased from Rs. 1,244 million to Rs. 1,159 million during the period, i.e., a decline of 6.8%. During the period, the unit price of NBP Islamic Sarmaya Izafa Fund has increased from Rs. 20.5921 on June 30, 2023 to Rs. 21.1365 on September 30, 2024, thus showing an increase of 2.6%. The Benchmark decrease during the same period was 0.5%. Thus, the Fund has outperformed its Benchmark by 3.1% during the period under review. Since inception the NAV of the Fund has increased from Rs.2.8052 (Ex-Div) on October 26, 2007 to Rs. 21.1365 on September 30, 2024, thus showing an increase of 653.5%. During the said period, the Benchmark increased by 404.1%, translating into outperformance of 249.4%. This performance is net of management fee and all other expenses.

The Fund has earned a total income of Rs. 44.57 million during the period. After deducting total expenses of Rs. 13.49 million, the net income is Rs. 31.08 million. The asset allocation of the Fund as on September 30, 2024 is as follows:



### NISIF Performance versus Benchmark



### Acknowledgement

The Board takes this opportunity to thank its valued unit-holders for their confidence and trust in the Management Company, and providing the opportunity to serve them. It also offers its sincere gratitude to the Securities & Exchange Commission of Pakistan and State Bank of Pakistan for their patronage and guidance.

The Board also wishes to place on record its appreciation for the hard work, dedication and commitment shown by the staff and the Trustee.

On behalf of the Board of  
**NBP Fund Management Limited**

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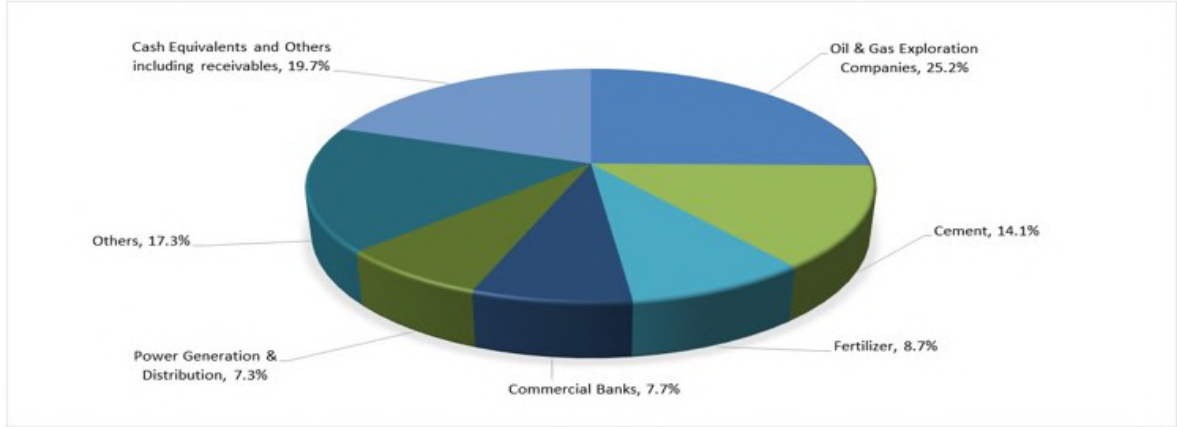
**Chief Executive**

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**Director**

Date October 30, 2024  
 Place: Karachi.





### NISIF کی کارکردگی بہ مقابلہ شیڈ مارک



### اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ کمیٹی پر اعتماد، انتہا اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر یوزر ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی سرپرستی اور رہنمائی کے لئے ان کے حلقوں رویہ کا بھی اعتراف کرتا ہے۔

بورڈ اپنے اسٹاک اور رٹرن کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا شراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

منجانب بورڈ آف ڈائریکٹر

NBP فنانڈ مینجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو

تاریخ: 30 اکتوبر 2024

مقام: کراچی

**NBP ISLAMIC SARMAYA IZAF A FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)**  
**AS AT SEPTEMBER 30, 2024**

	Un-Audited September 30, 2024	Audited June 30, 2024
	Note -----	Rupees in '000 -----
<b>ASSETS</b>		
Bank balances	286,111	283,300
Investments	4 931,188	1,049,736
Accrued profit and dividend receivable	3,939	4,913
Receivable against transfer of units	510	2
Receivable against sale of investments	-	11,806
Deposits, prepayments and other receivables	6,436	6,466
<b>Total assets</b>	<b>1,228,185</b>	<b>1,356,223</b>
<b>LIABILITIES</b>		
Payable to NBP Fund Management Limited - The Management Company	29,752	26,557
Payable to Central Depository Company of Pakistan Limited - The Trustee	208	208
Payable to the Securities and Exchange Commission of Pakistan	93	97
Payable against redemption of units	6,786	1,528
Payable against purchase of investments	2,263	12,500
Accrued expenses and other liabilities	29,953	70,881
<b>Total liabilities</b>	<b>69,055</b>	<b>111,771</b>
<b>NET ASSETS</b>	<b>1,159,130</b>	<b>1,244,452</b>
<b>UNIT HOLDERS FUND (AS PER STATEMENT ATTACHED)</b>	<b>1,159,130</b>	<b>1,244,452</b>
<b>Contingencies and commitments</b>	5	-----Number of units-----
<b>NUMBER OF UNITS IN ISSUE</b>	<b>54,840,177</b>	<b>60,433,412</b>
<b>NET ASSET VALUE PER UNIT</b>	<b>21.1365</b>	<b>20.5921</b>

The annexed notes from 1 to 13 form an integral part of these financial statements.

For NBP Fund Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

**NBP ISLAMIC SARMAYA IZAFI FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

	Quarter Ended	
	September 30, 2024	September 30, 2023
Note	----- Rupees in '000 -----	
<b>INCOME</b>		
Return / income on:		
-Bank balances	10,733	14,178
-Sukuks	-	1,535
Dividend income	15,506	10,525
Net realized gain on investments	4,272	37,518
Net unrealised gain on re-measurement of investments at fair value through profit or loss	4.1 14,060	77,457
<b>Total income</b>	<b>44,571</b>	<b>141,213</b>
<b>EXPENSES</b>		
Remuneration of NBP Fund Management Limited - Management Company	7,549	6,236
Sindh Sales Tax on remuneration of the Management Company	1,132	811
Reimbursement of operational expenses to the Management Company	7 302	624
Sindh Sales Tax on operational expenses	45	-
Reimbursement of selling and marketing expenses to the Management Company	2,204	4,054
Sindh Sales Tax on selling and marketing expenses	331	-
Remuneration of Central Depository Company of Pakistan Limited ' - Trustee	554	563
Sindh Sales Tax on remuneration of the Trustee	83	73
Annual fee to the Securities and Exchange Commission of Pakistan	287	296
Securities transaction cost	446	520
Settlement and bank charges	138	138
Auditors' remuneration	249	249
Fund rating fee	68	68
Legal and professional charges	37	36
Annual listing fee	7	7
Printing charges	9	9
Shariah advisor fee	46	46
<b>Total expenses</b>	<b>13,487</b>	<b>13,730</b>
<b>Net income from operating activities</b>	<b>31,084</b>	<b>127,483</b>
<b>Net income for the year before taxation</b>	<b>31,084</b>	<b>127,483</b>
Taxation	6 -	-
<b>Net income for the year after taxation</b>	<b>31,084</b>	<b>127,483</b>
<b>Allocation of net income for the year</b>		
Net income for the year after taxation	31,084	127,483
Income already paid on units redeemed	(2,070)	(27,233)
	<b>29,014</b>	<b>100,250</b>
<b>Accounting income available for distribution:</b>		
Relating to capital gain	-	114,975
Excluding capital gain	29,014	(14,725)
	<b>29,014</b>	<b>100,250</b>

The annexed notes from 1 to 13 form an integral part of these financial statements.

**For NBP Fund Management Limited**  
**(Management Company)**

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

**NBP ISLAMIC SARMAYA IZAFI FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

	Quarter Ended	
	September 30, 2024	September 30, 2023
	----- Rupees in '000 -----	
Net income for the year after taxation	31,084	127,483
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>31,084</b>	<b>127,483</b>

The annexed notes from 1 to 13 form an integral part of these financial statements.

**For NBP Fund Management Limited**  
**(Management Company)**

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director



**NBP ISLAMIC SARMAYA IZAFI FUND**  
**CONDENSED INTERIM STATEMENT OF CASHFLOWS (UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

	Quarter Ended	
	September 30, 2024	September 30, 2023
	----- Rupees in '000 -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the year before taxation	31,084	127,483
<b>Adjustments for non-cash items</b>		
Net realized (gain) on investments	(4,272)	(37,518)
Net unrealised (gain) on re-measurement of investments at fair value through profit or loss	(14,060)	(77,457)
	<u>12,752</u>	<u>12,508</u>
<b>Working Capital Changes</b>		
<b>Increase in assets</b>		
Investments - net	136,881	345,333
Receivable against sale of investment	11,806	-
Dividend and Profit Receivables	974	(15,302)
Advance, Deposits, prepayments and other receivables	30	44
	<u>149,691</u>	<u>330,075</u>
<b>(Decrease) in liabilities</b>		
Payable to the Management Company	3,195	(1,198)
Payable to Central Depository Company of Pakistan Limited - Trustee	(0)	(18)
Payable to the Securities and Exchange Commission of Pakistan	(4)	(362)
Payable against purchase of investments	(10,237)	-
Accrued expenses and other liabilities	(40,928)	(8,245)
	<u>(47,974)</u>	<u>(9,823)</u>
<b>Net cash generated from operating activities</b>	<u>114,469</u>	<u>332,761</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amounts received on issuance of units - net	46,122	36,157
Amounts paid on redemption of units - net	(157,779)	(321,523)
<b>Net cash used in financing activities</b>	<u>(111,657)</u>	<u>(285,366)</u>
<b>Net increase in cash and cash equivalents during the year</b>	<u>2,812</u>	<u>47,395</u>
Cash and cash equivalents at the beginning of the year	<u>283,300</u>	<u>243,176</u>
<b>Cash and cash equivalents at the end of the year</b>	<u><u>286,112</u></u>	<u><u>290,571</u></u>

The annexed notes from 1 to 13 form an integral part of these financial statements.

For NBP Fund Management Limited  
Management Company

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

**NBP ISLAMIC SARMAVA IZAFI FUND**  
**NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

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**1. LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** NBP Islamic Sarmaya Izafa Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on August 17 2007 in accordance with the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (The NBFC Rules). The Trust Deed was amended through supplemental trust deed executed on February 19, 2019 for the change of name and categorization of the Fund as a shariah compliant asset allocation scheme.
- 1.2** During the year ended June 30, 2021 the Trust Act, 1882 was repealed due to promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on October 14, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.3** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by SECP. The registered office of the Management Company is situated at 7th floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi.
- 1.4** The Fund is an open-ended mutual fund and categorized as an Islamic Asset Allocation Scheme and its units are listed on Pakistan Stock Exchange Limited. Units of the Fund are offered for public subscription on a continuous basis. The units of the Fund are transferable and can be redeemed by surrendering them to the Fund.
- 1.5** The investment objective of the Fund is to generate income by investing in shariah compliant equity and equity related securities and income by investing in shariah compliant bank deposits, debt and money market securities.
- 1.6** The Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM1' to the Management Company on June 21, 2024 and has assigned performance ranking of 3-star (Long Term) and 3-star (Short term) to the Fund on February 14, 2024.
- 1.7** Title of the assets of the Fund is held in the name of Central Depository Company of Pakistan as the trustee of 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 for financial reporting. The accounting and reporting standards comprise of:

- International Financial Reporting 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; and
- The requirements of the Trust Deed, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (The "NBFC Regulation") and the directives issued by the SECP.

**NBP ISLAMIC SARMAYA IZAFI FUND**  
**NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

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Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

The accounting policies adopted and the methods of computation of balances used in the preparation of these financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2024. Except for the adaption of any new amended standard, as set out in note 4.

The Financial statements are being distributed to the unitholders as required by section 235 of the companies Act (The Act).

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these financial statements give a true and fair view of the state of the Fund is required at all the times, meet the minimum equity requirement of Rs. 100 million as per NBFC Regulations, 2008.

### **3 SUMMARY OF ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below.

These policies have been consistently applied to all the periods presented in the financial statements.

The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2024.

The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2023. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2024.

**NBP ISLAMIC SARMAYA IZAF A FUND**  
**NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

**4 INVESTMENTS**

September  
30, 2024

June 30, 2024

Note -----Rupees in '000-----

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

Listed equity securities	4.1	<b>931,188</b>	1,049,736
Sukuks	4.2	-	-
		<b>931,188</b>	<b>1,049,736</b>

**4.1 Listed Equity Securities**

Name of the investee company	As at July 01, 2024	Acquired during the year	Bonus / right issue	Sold during the year	As at September 30, 2024	Market value as at September 30, 2024	Market value as a percentage of net assets	Market value as a percentage of total investment	Investment as a percentage of paid up capital of the investee company
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----- Number of shares ----- Rupees in '000 ----- % -----

All shares have a nominal face value of Rs. 10 each except for shares of Thal limited, Agriautos Industries Company Limited, Synthetic Products Enterprise Limited, Shabbir Tiles & Ceramics Limited which have a face value of Rs. 5.

**OIL AND GAS MARKETING COMPANIES**

Pakistan State Oil Company Limited	131,251	37,700	-	55,500	113,451	18,299	1.58%	1.97%	0.02
Hascol Petroleum Limited	3,424	-	-	-	3,424	23	0.00%	0.00%	-
	<b>134,675</b>	<b>37,700</b>	<b>-</b>	<b>55,500</b>	<b>116,875</b>	<b>18,321</b>	<b>1.58%</b>	<b>1.97%</b>	

**OIL AND GAS EXPLORATION COMPANIES**

Mari Petroleum Company Limited	42,520	-	204,781	42,519	204,782	87,143	7.52%	9.36%	0.15
Oil & Gas Development Company Limited	879,890	-	-	118,900	760,990	109,149	9.42%	11.72%	0.02
Pakistan Oilfields Limited	-	-	-	-	-	-	-	0.00%	-
Pakistan Petroleum Limited	1,066,081	32,170	-	197,300	900,951	96,240	8.30%	10.34%	0.03
	<b>1,988,491</b>	<b>32,170</b>	<b>204,781</b>	<b>358,719</b>	<b>1,866,723</b>	<b>292,531</b>	<b>25.24%</b>	<b>31.41%</b>	

**FOOD AND PERSONAL CARE PRODUCTS**

Al Shabeer Corporation Limited	11,788	-	-	-	11,788	74	0.01%	0.01%	-
	<b>11,788</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,788</b>	<b>74</b>	<b>0.01%</b>	<b>0.01%</b>	

**ENGINEERING**

Mughal Iron & Steel Industries Limited	315,561	-	-	258,300	57,261	4,436	0.38%	0.48%	0.02
	<b>315,561</b>	<b>-</b>	<b>-</b>	<b>258,300</b>	<b>57,261</b>	<b>4,436</b>	<b>0.38%</b>	<b>0.48%</b>	

**CEMENT**

Lucky Cement Limited	38,450	750	-	2,800	36,400	32,179	2.78%	3.46%	0.01
Attock Cement Pakistan Limited	16,691	-	-	-	16,691	1,567	0.14%	0.17%	0.01
Kohat Cement Company Limited	407,123	1,000	-	10,300	397,823	120,918	10.43%	12.99%	0.20
Fauji Cement Company Limited	-	48,000	-	7,500	40,500	1,024	0.09%	0.11%	-
Maple Leaf Cement Factory Limited	-	70,000	-	-	70,000	2,271	0.20%	0.24%	-
Fecto Cement Limited	170,700	-	-	-	170,700	5,200	0.45%	0.56%	0.34
	<b>632,964</b>	<b>119,750</b>	<b>-</b>	<b>20,600</b>	<b>732,114</b>	<b>163,159</b>	<b>14.08%</b>	<b>17.52%</b>	

**TRANSPORT**

Pakistan National Shipping Corporation	99,300	-	-	-	99,300	36,762	3.17%	3.95%	0.08
	<b>99,300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>99,300</b>	<b>36,762</b>	<b>3.17%</b>	<b>3.95%</b>	

**TEXTILE COMPOSITE**

Nishat Mills Limited	123,400	-	-	-	123,400	7,581	0.65%	0.81%	0.04
Kohinoor Textile Mills Limited	197,280	500	-	-	197,780	14,163	1.22%	1.52%	0.07
Interloop Limited	1	-	-	-	1	0	0.00%	0.00%	-
Millat Tractors Limited	2	-	-	-	2	1	0.00%	0.00%	-
Synthetic Products Enterprises Limited	590	-	-	-	590	22	0.00%	0.00%	-
	<b>321,273</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>321,773</b>	<b>21,767</b>	<b>1.88%</b>	<b>2.34%</b>	

**FERTILIZER**

Engro Corporation Limited	213,381	-	-	47,700	165,681	50,321	4.34%	5.40%	0.03
Fatima Fertilizer Company Limited	265,000	126,500	-	-	391,500	23,314	2.01%	2.50%	0.02
Fauji Fertilizer Bin Qasim Limited	-	614,000	-	63,094	550,906	27,611	2.38%	2.97%	0.04
Engro Fertilizers Limited	31,200	-	-	31,200	-	-	0.00%	0.00%	-
	<b>509,581</b>	<b>740,500</b>	<b>-</b>	<b>141,994</b>	<b>1,108,087</b>	<b>101,246</b>	<b>8.73%</b>	<b>10.87%</b>	

**NBP ISLAMIC SARMAYA IZAFI FUND**  
**NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

Name of the investee company	As at July 01, 2024	Acquired during the year	Bonus / right issue	Sold during the year	As at September 30, 2024	Market value as at September 30, 2024	Market value as a percentage of net assets	Market value as a percentage of total investment	Investment as a percentage of paid up capital of the investee company
	----- Number of shares -----				----- Rupees in '000 -----		----- % -----		
<b>POWER GENERATION AND DISTRIBUTION</b>									
The Hub Power Company Limited	691,114	86,800	-	70,500	707,414	84,423	7.28%	9.07%	0.05
Lalpir Power Limited	18,000	-	-	-	18,000	326	0.03%	0.03%	-
	<b>709,114</b>	<b>86,800</b>	<b>-</b>	<b>70,500</b>	<b>725,414</b>	<b>84,749</b>	<b>7.31%</b>	<b>9.10%</b>	
<b>COMMERCIAL BANKS</b>									
Meezan Bank Limited	479,779	-	-	90,200	389,579	88,883	7.67%	9.55%	0.02
	<b>479,779</b>	<b>-</b>	<b>-</b>	<b>90,200</b>	<b>389,579</b>	<b>88,883</b>	<b>7.67%</b>	<b>9.55%</b>	
<b>AUTOMOBILE PARTS AND ACCESSORIES</b>									
Baluchistan Wheels Limited	-	-	-	-	-	-	-	-	-
Thal Limited	1	-	-	-	1	0	0.00%	0.00%	-
Panther Tyres Limited	-	-	-	-	-	-	-	-	-
Agriautos Industries Limited	1,750	-	-	-	1,750	146	0.01%	0.02%	-
	<b>1,751</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,751</b>	<b>146</b>	<b>0.01%</b>	<b>0.02%</b>	
<b>PHARMACEUTICALS</b>									
Haleon Pakistan Limited (GlaxoSmithKline Consumer I	15,877	-	-	-	15,877	8,723	0.75%	0.94%	0.01
IBL Healthcare Limited	-	-	-	-	-	-	-	-	-
Ferozsons Laboratories Limited	600	-	-	-	600	174	0.02%	0.02%	-
The Searle Company Limited	65,786	-	-	-	65,786	3,747	0.32%	0.40%	0.02
AGP Limited	56,994	-	-	-	56,994	6,312	0.54%	0.68%	0.02
Citi Pharma Limited	73,316	-	-	-	73,316	2,555	0.22%	0.27%	0.03
	<b>212,573</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>212,573</b>	<b>21,511</b>	<b>1.86%</b>	<b>2.31%</b>	
<b>TECHNOLOGY AND COMMUNICATION</b>									
Avanceon Limited	22,647	-	-	-	22,647	1,155	0.10%	0.12%	0.01
Systems Limited	159,141	-	-	12,500	146,641	59,520	5.13%	6.39%	0.05
	<b>181,788</b>	<b>-</b>	<b>-</b>	<b>12,500</b>	<b>169,288</b>	<b>60,676</b>	<b>5.23%</b>	<b>6.52%</b>	
<b>GLASS AND CERAMICS</b>									
Tariq Glass Industries Limited	125,789	-	-	-	125,789	14,024	1.21%	1.51%	0.07
Shabbir Tiles & Ceramics Limited	1,474,000	-	-	-	1,474,000	20,430	1.76%	2.19%	0.62
Ghani Glass Limited	99,000	-	-	-	99,000	2,476	0.21%	0.27%	0.01
	<b>1,698,789</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,698,789</b>	<b>36,930</b>	<b>3.19%</b>	<b>3.97%</b>	
<b>Grand Total</b>					<b>1,008,313</b>	<b>7,511,315</b>	<b>931,188</b>	<b>80.34%</b>	<b>100%</b>
Carrying value before mark to market as at September 30, 2024						<b>917,128</b>			

**4.1.1**

Investments include shares with market value of Rs. 109.839 million (June 30, 2024: Rs. 122.042 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular number 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan, the breakup of which is as follows:

Name of Investee Company	Shares pledged	Market value
	---Rs in '000---	
Engro Corporation Limited	200,000	60,744
The Hub Power Company Limited	62,000	7,403
Pakistan Petroleum Limited	345,000	36,853
Pakistan State Oil Company Limited	30,000	4,839
		<b>109,839</b>

**NBP ISLAMIC SARMAYA IZAFI FUND**  
**NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

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**4.1.2** The Finance Act, 2014 introduced amendments to the Income Tax Ordinance, 2001 as a result of which companies are liable to withhold 5% of the bonus shares to be issued. The shares so withheld shall only be released if the Fund deposits tax equivalent to 5% of the value of the bonus shares issued to the Fund including the 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 has been filed by Collective Investment Schemes (CISs) through their Trustees in the Honourable 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 to 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 Honourable High Court of Sindh in favour of CISs.

During the year ended June 30, 2018, the Honourable Supreme Court of Pakistan (HSC) 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% 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 during the prior year. During the prior year, the CISs have filed a fresh constitutional petition vide CP 4653 dated July 11, 2019 as a result Honourable High Court 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 Fund has included these shares in its 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 % of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the prior year were not withheld by the investee companies.

As at December 31, 2022, the bonus shares of the Fund have been withheld by a investee company at the time of declaration of bonus shares. The Fund has included these shares in its portfolio, as the management believes that the decision of the constitutional petition will be in favour of the CISs.

**NBP ISLAMIC SARMAVA IZAFI FUND**  
**NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

**4.2 Sukuks**

Name of the investee company	Number of certificates				Market value as at September 30, 2024	Market value as at June 30, 2024	Investment as a percentage of	
	As at July 1, 2024	Acquired during the year	Sold / matured during the year	As at September 30, 2024			Net assets	Market value of total investments

Rupees in '000 ----- % -----

All sukuk have a face value of Rs. 5,000, 100,000 and 1,000,000 each

The HUB Power Company Limited	45,000	-	45,000	-	-	45,134	-	-
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Market value as at September 30, 2024				-	
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Carrying value as at September 30, 2024				-	
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**4.3 Non-performing Sukuks**

Name of the investee company	Note	Number of certificates				Market value as at September 30, 2024	Investment as a percentage of		
		As at July 1, 2024	Purchased during the year	Sold / matured during the year	As at September 30, 2024		Net assets	Market value of total investments	Issue size

Rupees in '000 ----- % -----

All sukuk have a face value of Rs. 5,000 each.

Eden Housing Limited	5.3.1	5,000	-	-	5,000	-	-	-	-
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Carrying value as at September 30, 2024				4,922	
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Accumulated impairment				4,922	
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**4.3.1** This represents investment in privately placed sukuk with a term of five years. On May 6, 2011, the investee company defaulted its principal and profit payment and therefore it was classified as non performing asset by MUFAP. The amount of provision as per Circular no. 1 of 2009 and Circular no. 33 of 2012 has been maintained by valuing the investment in terms of the said circulars.

**4.3.2** The sukuk held by the Fund are generally secured against hypothecation of stocks and receivables and mortgage of fixed assets of the issuer.

**NBP ISLAMIC SARMAYA IZAFI FUND**  
**NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

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**5 CONTINGENCIES AND COMMITMENTS**

There is no contingencies and commitments as of September 30, 2024 and June 30, 2024

**6 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 accumulated losses and 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 intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2025 to the unit holders in the manner as explained above, therefore, no provision for taxation has been made in these condensed interim financial statements during the period.

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

**7 REIMBURSEMENT OF SELLING AND MARKETING EXPENSES**

The SECP vide circular 11 of 2019 dated July 05, 2019 has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) and prescribed revised conditions for charging of selling and marketing expenses to CIS. The said circular also supersedes circular No. 40 of 2016, circular No. 05 of 2017 and circular No. 5 of 2018. These expenses shall be counted in the total expense ratio cap of the fund. Accordingly, the Management Company has charged selling and marketing expenses at the rate of 0.73% per annum of the net assets of the Fund.

**8 EARNINGS / (LOSS) PER UNIT**

Earnings / (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.

**9 DETAILS OF NON-COMPLIANT INVESTMENTS**

The Securities and Exchange Commission of Pakistan vide circular no. 7 of 2009 dated March 6, 2009, required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. The Board has approved the category of the fund as 'Islamic Asset Allocation Scheme'.

The Securities and Exchange Commission of Pakistan vide its circular no. 16 dated July 7, 2010, prescribed specific disclosures for the schemes holding investments that are non-compliant either with the minimum investment criteria specified for the category assigned to such schemes or with the investment requirements of their constitutive documents.

**NBP ISLAMIC SARMAYA IZAF A FUND**  
**NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

The following are the details of non-compliant investments:

Names of non-compliant investment	Non-compliance of clause	Type of investment	Value of investment before provision	Provision held	Value of investment after provision	% of Net Assets	% of Gross assets
Eden Housing Limited	Rating is below investment grade as prescribed in clause 9 (v) of the annexure of circular no. 7 of 2009	Sukuks	4,922	(4,922)	-	-	-
-----Rupees in '000-----							

9.1 At the time of purchase, these sukuks were in compliance with the aforementioned circular. However, they were subsequently defaulted or were downgraded to non investment grade.

**10 TOTAL EXPENSE RATIO**

Total expense ratio (TER) of the Fund for the quarter ended September 30, 2024 is 4.47% (September 2023: 4.42%) per annum which includes 0.64% (September 2023: 0.38%) representing government levies on Collective Investment Schemes such as sales tax and Securities and Exchange Commission of Pakistan fee for the year.

**11 TRANSACTIONS WITH CONNECTED PERSONS AND RELATED PARTIES**

11.1 Connected persons include NBP Fund Management Limited being the Management Company (NBP Funds), Central Depository Company of Pakistan Limited (CDC) being the Trustee, National Bank of Pakistan (NBP) and its connected persons, and Baltoro Growth Fund being the sponsor, NAFA Pension Fund, NAFA Provident Fund Trust being associates Management Company and other collective investment schemes managed by the Management Company and directors and officers of the Management Company, 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 and unit holders holding 10% or more units of the fund.

11.2 The transactions with connected persons and related parties are carried out in the normal course of business, at contracted rates and terms determined in accordance with the market norms.

11.3 Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations.

11.4 **Details of transaction with connected persons and related parties are as follows:**

	(Un-audited)	
	Quarter ended September 30, 2024	Quarter ended September 30, 2023
	----- Rupees in '000' -----	

**NBP Fund Management Limited - The Management Company**

Remuneration of the Management Company	7,549	6,236
Sindh Sales Tax on remuneration of the Management Company	1,132	811
Reimbursement of operational expenses to the Management Company	302	624
Reimbursement of selling and marketing expense to the Management Company	2,204	4,054
Sales Tax Expense On Reimbursement of Selling & Marketing	331	-
Sales Tax Expense On Reimbursement on Nav Related Expense	45	-
Sales load paid to Management Company	206	144
Sindh Sales Tax on sales load/Transfer load	31	19
ADC charges for the year including sindh sales tax	467	302

**NBP ISLAMIC SARMAYA IZAFI FUND**  
**NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

	(Un-audited)	
	Quarter ended September 30, 2024	Quarter ended September 30, 2023
	----- Rupees in '000' -----	
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee	554	563
Sindh sales tax on remuneration of the Trustee	83	73
Settlement charges	46	46
<b>Employees of the Management Company</b>		
Units Issued / Transferred In: 321,395 units (2023: 303,595 units)	6,776	4,969
Units Redeemed / Transferred Out: 1,156,629 units (2023: 305,197 units)	24,115	5,092
<b>Taurus Securities Limited (Subsidiary of Parent of the Management Company)</b>		
Brokerage Charges	117	61
<b>K-Electric limited</b>		
Purchase of short term sukuk	-	50,000
Income on sukuk certificate	-	784
<b>Portfolio managed by Management Company</b>		
Units issued / transferred in: Nil Units (2023: Nil units)	-	-
Units redeemed / transferred out: Nil Units (2023: 1,607,532 units)	-	25,879
	(Un-auditd)	Audited
<b>11.5 Details of amounts outstanding as at year end with connected persons are as follows:</b>	<b>September 30, 2024</b>	<b>June 30, 2024</b>
	----- Rupees in '000' -----	
<b>NBP Fund Management Limited - Management Company</b>		
Remuneration of the Management Company	2,464	2,556
Sindh sales tax on remuneration of the Management Company	370	332
Reimbursement of operational expenses	898	596
Sindh sales tax on operational expenses	45	-
Sales load and transfer load payable to Management Company	880	675
Sindh sales tax and Federal Excise Duty on sales and transfer load	17,669	17,638
ADC charges payable including sindh	479	348
Reimbursement of selling and marketing expenses	6,616	4,412
Sindh sales tax on selling and marketing expenses	331	-

**NBP ISLAMIC SARMAYA IZAFI FUND**  
**NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

	(Un-auditd) September 30, 2024	Audited June 30, 2024
	----- Rupees in '000' -----	
<b>Central Depository Company of Pakistan Limited (Trustee)</b>		
Remuneration of the Trustee	181	184
Sindh Sales Tax on remuneration of the Trustee	27	24
CDC charges	103	63
Security deposit	100	100
<b>National Bank of Pakistan (Parent of the Management Company)</b>		
Bank balances	1,255	2,243
Mark-up accrued	13	12
<b>Employees of the Management Company</b>		
Units held: 97,269 units (June 30, 2024: 932,503 units)	2,056	19,202

**12 GENERAL**

Figures in these financial statements have been rounded off to the nearest thousand of rupees.

**13 DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue by the Board of Directors of the Management Company on October 30, 2024.

**For NBP Fund Management Limited  
(Management Company)**

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Chief Executive Officer**

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**Director**