



FINANCIAL STATEMENTS
OF
NIT- ISLAMIC INCOME FUND
FOR THE YEAR ENDED JUNE 30, 2023
MANAGED BY NATIONAL INVESTMENT TRUST LIMITED

BDO Ebrahim & Co. Chartered Accountants

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INDEPENDENT AUDITOR’S REPORT

TO THE UNIT HOLDERS OF NIT- ISLAMIC INCOME FUND REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of NIT ISLAMIC INCOME FUND (“the Fund”), which comprise the statement of assets and liabilities as at June 30, 2023, the income statement, the statement of comprehensive income, the cash flow statement and the statement of movement in unit holders’ fund 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 present fairly, in all material respects, the financial position of the Fund as at June 30, 2023, and its financial performance and its cash flows for the year then ended in accordance with approved 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 National Investment Trust (The Management Company) in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 year. 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:

S.NO	Key audit matter	How the matter was addressed in our audit
1	<p>Existence and valuation of bank balances & investments</p> <p>As disclosed in note 4 and 5 to the accompanying financial statements of the Fund for the year ended 30 June 2023, the balances with banks and investments constitute the most significant component of the Net Assets Value. Balances with banks amounted to Rs. 288.02 million and investments of the Fund as at June 30, 2023 amounted to Rs. 515.32 million and these represents 99.40% of the total assets.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> We obtained independent confirmations for verifying the existence of bank balances as at June 30, 2023 and reconciled it with the books and records of the Fund. We tested controls over acquisition, disposal and periodic valuation of investment portfolio.

S.NO	Key audit matter	How the matter was addressed in our audit
	<p>In view of the significance of bank balances and investments in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.</p>	<ul style="list-style-type: none"> • We performed substantive audit procedures on period-end balance of portfolio including review of Custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the Fund. • We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9. • We assessed the Fund's Compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such regulations and the applicability of disclosures in this regard. • We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards.

Other matter

The financial statements of the Fund for the year ended June 30, 2022 were audited by another firm of Chartered Accountants who expressed an unmodified opinion thereon via their report dated August 25, 2022.

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.