



FINANCIAL STATEMENTS  
OF  
NIT - INCOME FUND  
FOR THE YEAR ENDED  
JUNE 30, 2024

**BDO Ebrahim & Co. Chartered Accountants**

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

**INDEPENDENT AUDITOR'S REPORT****TO THE UNIT HOLDERS OF NIT INCOME FUND REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS****Opinion**

We have audited the financial statements of **NIT INCOME FUND ("THE FUND")**, which comprise the statement of assets and liabilities as at June 30, 2024, 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 material 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, 2024, 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 Limited (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.	<b>Existence and valuation of bank balances &amp; investments</b>  As disclosed in note 4 & 5 to the accompanying financial statements of the Fund for the year ended June 30, 2024, the balances with banks and investment constitute the most significant component of the Net Assets Value. Balances with banks amounted to Rs. 374.767 million and investments of the Fund as at June 30, 2024 amounted to Rs. 2,217.415 million and these represents 98.34% of the total assets.	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"><li>We obtained independent confirmations for verifying the existence of balances as at June 30, 2024 and reconciled it with books &amp; records of the Fund.</li></ul>

S.NO	Key audit matter	How the matter was addressed in our audit
	<p>In view of the significance of these bank balances and investments in relation to the total assets and the 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"> <li>• We tested controls over acquisition, disposals and periodic valuation of investment portfolio.</li> <li>• We performed substantive audit procedures on year-end balance of investment portfolio including review of custodian's statement and related reconciliations and valuation on such investments in accordance with the accounting policy of the Fund.</li> <li>• We evaluated the appropriateness of the classification of investments in accordance with the requirements of IFRS 9.</li> <li>• We assessed the Funds' 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.</li> <li>• 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.</li> </ul>

**Other matter**

The financial statements of the Fund for the year ended June 30, 2023 were audited by another firm of Chartered Accountants who expressed an unmodified opinion thereon via their report dated September 30, 2023.

**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 the approved 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 is responsible for overseeing the Fund's financial reporting process.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 the 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 were of most significance in the audit of the financial statements of the current year 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 Zulfikar Ali Causer.

KARACHI

DATED: 18 SEP 2024

UDIN: AR202410067DkshHa408



BDO EBRAHIM & CO.  
CHARTERED ACCOUNTANTS

**NIT - INCOME FUND  
STATEMENT OF ASSETS AND LIABILITIES  
AS AT JUNE 30, 2024**

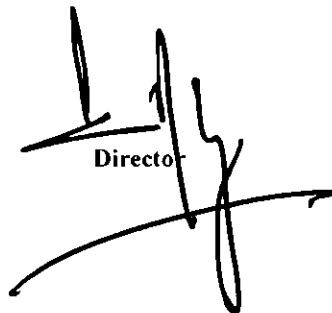
	Note	2024 -----Rupees in '000-----	2023
<b>ASSETS</b>			
Bank balances	4	374,767	316,133
Investments	5	2,217,415	2,111,971
Receivable against Marginal Trading System		-	4,688
Mark up receivable	6	43,280	66,820
Security deposits	7	350	350
<b>Total assets</b>		<b>2,635,812</b>	<b>2,499,962</b>
<b>LIABILITIES</b>			
Payable to National Investment Trust Limited - Management Company	8	3,485	3,696
Payable to Central Depository Company of Pakistan Limited - Trustee	9	176	201
Annual fee payable to the Securities and Exchange Commission of Pakistan	10	156	660
Payable against redemption of units		514	-
Accrued expenses and other liabilities	11	26,843	62,219
Dividend Payable		30,351	1,538
<b>Total liabilities</b>		<b>61,525</b>	<b>68,314</b>
<b>NET ASSETS</b>		<b>2,574,287</b>	<b>2,431,648</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>			
		<b>2,574,287</b>	<b>2,431,648</b>
<b>Contingencies and Commitments</b>			
	12		
-----Number of units-----			
Number of units in issue	13	250,950,084	239,118,051
-----Rupees-----			
Net asset value per unit		10.2581	10.1692

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

**For National Investment Trust Limited  
(Management Company)**

  
Managing Director

  
Director

  
Director

  
Chief Financial Officer

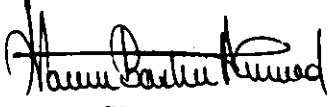
**NIT - INCOME FUND  
INCOME STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2024**

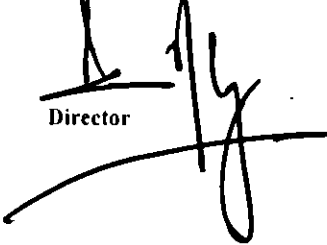
	Note	2024	2023
-----Rupees in '000-----			
<b>INCOME</b>			
Income from government securities		246,051	216,993
Income from term finance certificates and sukus		197,973	210,165
Income from letters of placement		422	11,118
Income from marginal trading system		125	23,560
Profit on bank balances		128,191	117,309
Loss on sale of investments-net		(9)	(4,783)
Amortization of premium on term finance certificates and sukus - net		(90)	(4,379)
Net unrealized (diminution)/appreciation on re-measurement of investments - classified as 'financial assets at fair value through profit or loss'		(3,345)	(1,117)
<b>TOTAL INCOME</b>		<b>569,318</b>	<b>568,866</b>
<b>EXPENSES</b>			
Remuneration of National Investment Trust Limited - Management Company		31,696	40,138
Sindh sales tax on Management Company's remuneration		4,120	5,218
Remuneration of Central Depository Company of Pakistan Limited - Trustee		1,947	2,476
Sindh Sales Tax on remuneration of Trustee		253	322
Annual fee - Securities and Exchange Commission of Pakistan		1,946	660
Central depository charges		8	7
Allocation of expenses related to registrar services accounting, operations and valuation services		5,630	5,090
Laga and levy Charges		1	753
Settlement and bank charges		119	190
Securities transaction costs	14	637	349
Auditors' remuneration		1,002	1,002
Legal and professional charges		43	38
Annual listing fee		31	28
Printing charges		45	29
Rating fee charges		533	484
<b>TOTAL EXPENSES</b>		<b>48,011</b>	<b>56,784</b>
Net income for the year before taxation		521,307	512,082
Taxation	15	-	-
<b>Net income for the year after taxation</b>		<b>521,307</b>	<b>512,082</b>
Allocation of net income for the year			
- Net income for the year		521,307	512,082
- Income already paid on units redeemed		(68,277)	(305,655)
		<u>453,030</u>	<u>206,427</u>
Accounting income available for distribution:			
- Relating to capital gains		-	-
- Excluding capital gains		453,030	206,427
		<u>453,030</u>	<u>206,427</u>

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

For National Investment Trust Limited  
(Management Company)

  
Managing Director

  
Director

  
Director

  
Chief Financial Officer

**NIT - INCOME FUND  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2024**

	2024	2023
Note	-----Rupees in '000-----	
Net income for the year after taxation	521,307	512,082
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>521,307</u>	<u>512,082</u>

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

**For National Investment Trust Limited  
(Management Company)**

  
Managing Director

  
Director

  
Director

  
Chief Financial Officer



NIT - INCOME FUND  
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND  
FOR THE YEAR ENDED JUNE 30, 2024

Note	June 30					
	2024			2023		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets at the beginning of the year	2,397,472	34,176	2,431,648	3,359,453	356,560	3,716,013
Issue of 221,385,864 units (2023: 965,621,848 units)						
Capital value	2,251,317	-	2,251,317	9,783,584	-	9,783,584
Element of income	120,703	-	120,703	690,241	-	690,241
Amount received on issuance of units	2,372,020	-	2,372,020	10,473,825	-	10,473,825
Issue of 2,472,721 units in lieu of refund of capital (2023: 36,303,120 units)	2,473	-	2,473	234,968	-	234,968
Redemption of 241,228,383 units (2023: 1,118,016,233 units)						
Capital value	(2,453,100)	-	(2,453,100)	(11,327,629)	-	(11,327,629)
Element of loss	(95,124)	(68,277)	(163,401)	(466,590)	(305,655)	(772,245)
Amount paid / payable on redemption of units	(2,548,224)	(68,277)	(2,616,501)	(11,794,219)	(305,655)	(12,099,874)
Total comprehensive income for the year	-	521,307	521,307	-	512,082	512,082
Issue of 29,201,831 units under CIP (2023: 35,423,425 units)	296,960	-	296,960	358,413	-	358,413
Interim distribution for the year ended 30 June 2024 (Date: June 14, 2023 @ Rs 2.1572 per unit)		(431,147)	(431,147)	-	-	-
Interim distribution for the year ended 30 June 2023 (Date: June 14, 2024 @ Rs 2.1572 per unit)					(196,006)	(196,006)
Final distribution for the year ended June 30, 2022 (Date: July 5, 2022 @ Rs 1.0339 per unit)					(332,805)	(332,805)
Refund of capital	(2,473)	-	(2,473)	(234,968)	-	(234,968)
Net assets at the end of the year	2,518,228	56,059	2,574,287	2,397,472	34,176	2,431,648
Undistributed Income brought forward						
- Realized Income		35,293			356,560	
- Unrealized loss		(1,117)			-	
		34,176			356,560	
Accounting income available for distribution						
-Relating to capital gains		-			-	
-Excluding capital gains	453,030			206,427		
	453,030			206,427		
Interim distribution for the year ended 30 June 2023 (Date: June 15, 2023 @ Rs. 1.6798 per unit)		(431,147)			(196,006)	
Final distribution for the year ended June 30, 2022 (Date: July 5, 2022 @ Rs 1.0339 per unit)					(4,086)	
					(332,805)	
Undistributed income carried forward		56,059			34,176	
Undistributed loss carried forward comprising						
-Realized ncome		59,404			35,293	
-Unrealized loss		(3,345)			(1,117)	
		56,059			34,176	
Net assets value per unit at beginning of the year			(Rupees) 10.1692			(Rupees) 11.1658
Net assets value per unit at end of the year			10.2581			10.1692

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

For National Investment Trust Limited  
(Management Company)

Managing Director

Director

Director

Chief Financial Officer


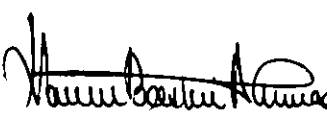
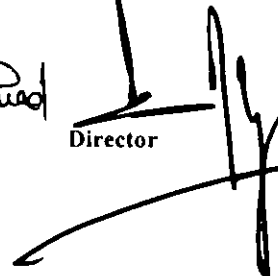

**NIT - INCOME FUND  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2024**

	2024	2023
	-----Rupees in '000-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the year before taxation	521,307	512,082
Adjustments:		
Net unrealised diminution on re-measurement of		
-investments classified as 'financial assets at fair value through profit and loss	3,345	1,117
	<u>524,652</u>	<u>513,199</u>
<b>Increase / (decrease) in assets</b>		
Investments	(105,444)	228,778
Mark up receivable	4,688	242,102
Profit and other receivable	23,540	(5,962)
	(77,216)	464,918
<b>(Decrease) / increase in liabilities</b>		
Payable to National Investment Trust Limited - Management Company	(211)	(1,178)
Payable to Central Depository Company of Pakistan Limited - Trustee	(25)	(74)
Payable to Securities and Exchange Commission of Pakistan	(504)	(108)
Accrued expenses and other liabilities	(35,200)	38,329
	<u>(35,940)</u>	<u>36,969</u>
Net cash generated from operating activities	411,496	1,015,086
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issue of units including CIP	2,668,980	10,832,238
Payments on redemption of units	(2,615,987)	(12,099,874)
Dividend paid	(402,334)	(528,582)
Net cash generated from financing activities	<u>(349,341)</u>	<u>(1,796,218)</u>
Net increase/(decrease) increase in cash and cash equivalents during the year	62,155	(781,132)
Cash and cash equivalents at the beginning of the year	942,027	1,723,159
Cash and cash equivalents at the end of the year	<u>1,004,182</u>	<u>942,027</u>

23

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

**For National Investment Trust Limited  
(Management Company)**

 Managing Director  
 Director  
 Director  
 Chief Financial Officer

## NIT - INCOME FUND

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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

- 1.1. NIT - Income Fund (the "Fund") was established under a Trust Deed executed on September 17, 2009 between National Investment Trust Limited (the Management Company), and the Central Depository Company of Pakistan Limited, as the Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan ("SECP") vide its letter no. NBFC-II/NITL/1026/2009 dated November 20, 2009 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 ("the NBFC Rules"). The Fund is categorized as an "Income Scheme" in accordance with the criteria for categorisation of open end collective investment scheme as specified by Securities and Exchange Commission of Pakistan (SECP).

During the year ended, June 30, 2021, the Trust Act, 1882 has been repealed due to the 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 November 01, 2021, the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

The Management Company has been licensed by the SECP to act as an asset management company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 6th floor, National Bank of Pakistan Building, I. I. Chundrigar Road, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

- 1.2 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Sindh Trusts Act, 2020 (the Sindh Trust Act) have been introduced as part of this Act. The Management Company after fulfilling the requirement for registration of Trust Deed under the Sindh Trust Act, has submitted Collective Investment Scheme Trust Deed to Registrar acting under the Sindh Trust Act for registration. Subsequently on November 18, 2021 trust deed of the fund has been registered under the Sindh Trust Act.

- 1.3 The Management Company has been licensed by the SECP to act as an asset management company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 6th floor, National Bank of Pakistan Building, I. I. Chundrigar Road, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

1.4 The Fund is an open-ended mutual fund and is listed on Pakistan Stock Exchange Limited. The units are transferable and can be redeemed by surrendering them to the Fund.

1.5 The Management Company has been assigned a quality rating of "AM-1" with 'stable outlook' (2023: AM1) by VIS Credit Rating Company Limited (VIS) on December 28, 2023, and Pakistan Credit Rating Agency Limited (PACRA) has also assigned an asset manager rating of "AM1" with 'stable outlook' (2023: "AM1") on May 24, 2024.

\*Furthermore, PACRA has maintained the stability rating of AA-(f) with stable outlook to the fund on March 08, 2024

1.6 The objective of the Fund is to generate competitive stream of return with moderate level of risk for its unit holders, by investing primarily in fixed income securities / instruments. The performance of the Fund is measured against benchmark given in the offering document.

1.7 Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

## 2. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

### 2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- The NBFC rules, the Non-Banking Finance Companies, Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of 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 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 requirements of the Trust Deed shall prevail.

### 2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for certain investments which are measured at fair value.

### 2.3 Functional and presentation currency

These financial statements have been presented in Pakistani Rupees which is the functional and presentation currency of the Fund.

### 2.4 Accounting Estimates And Judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making 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 period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future periods. The estimates and judgments that have a significant effect on the financial statements are in respect of the following:

	Note
Classification and valuation of financial assets	3.1
Impairment of financial assets	3.2
Provisions of financial assets	3.6

### 2.5 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

#### 2.5.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2024

The following standards, amendments and interpretations are effective for the year ended June 30, 2024. These standards, amendments and interpretations are either not relevant to the Fund's operations or are not expected to have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 Making Materiality Judgements- Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023

	<b>Effective date (annual periods beginning on or after)</b>
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023

Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023
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The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after January 1, 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting the Company to provide useful entity-specific accounting policy information that users need to understand other information in the financial statements.

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

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

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
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Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
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Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2024
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	<b>Effective date (annual periods beginning on or after)</b>
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
IFRS 17 Insurance Contracts	January 01, 2026
IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)	
IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.	
IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.	

### 3 SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION

#### 3.1 Financial assets

##### Classification

##### Debt instruments

A debt instrument is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument held for trading purposes is classified as measured at FVTPL.

In addition, on initial recognition, the Fund may irrevocably designate a debt instrument that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

##### Business model assessment

The Fund determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Fund's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- the objectives for the portfolio, in particular, whether management's strategy focuses on earning contractual revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;



- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Fund's original expectations, the Fund does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

#### **Assessments whether contractual cash flows are solely payments of principal and interest (SPPI)**

As a second step of its classification process the Fund assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium / discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Fund applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

#### **Initial Measurement**

Investments are initially measured at their fair value except in the case of financial assets recorded at FVTPL, transaction costs are added to, or subtracted from, this amount.

## **Subsequent Measurement**

### **Debt instruments at amortised cost**

After initial measurement, such debt instruments are subsequently measured at amortised cost.

Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the effective interest rate.

### **Debt instruments at fair value through profit or loss**

Financial assets at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss.

### **Debt instruments at fair value through other comprehensive income**

Financial assets at FVOCI are recorded in the statement of financial position at fair value. Changes in fair value are recorded in other comprehensive income.

## **3.2 Impairment**

IFRS 9 requires an expected credit loss model which requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

However, SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds and accordingly, basis defined in Circular No. 33 of 2012 dated, October 24, 2012 have been followed.

## **3.3 Derecognition**

The Fund derecognises a financial asset when the contractual right to the cash flows from the financial asset expires or it transfers the right to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

## **3.4 Offsetting of financial assets and 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 recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

### **3.5 Expenses**

All expenses, including remuneration of management company, trustee and annual fees of SECP, are recognized in the income statement on accrual basis.

#### **Preliminary expenses and flotation costs**

Preliminary expenses and flotation costs (formation costs) represent expenditure incurred prior to the commencement of operations of the Fund and include underwriting commission, commission to bankers to the issue, brokerage paid to the members of stock exchanges and other expenses. These costs are being amortised over a period of five years starting from the end of the initial offering period as per the requirement set out in the Trust Deed of the Fund and NBFC regulations.

### **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 Taxation**

The Fund's income is exempt from Income Tax as per Clause 99 of Part I of the Second Schedule of 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. 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.

### **3.8 Earnings per unit**

Earnings per unit (EPU) has not been disclosed as in the opinion of the management determination of weighted average units for calculating EPU is not practicable.

### **3.9 Net asset value per unit**

The net asset value (NAV) per unit, as disclosed on 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.

### **3.10 Unit holders' fund**

Unit holders' fund representing the units issued by the Fund, is carried at the net asset value representing the investors' right to a residual interest in the Fund assets.

### **3.11 Issue and redemption of units**

Units issued are recorded at the offer price, determined by the Management Company for the funds/cash received in bank during business hours, as of the close of the previous day on which the funds/cash were received in the bank. The offer price represents the net asset value per unit as of the close of the previous day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable.

Units redeemed are recorded at the redemption price, applicable to units as of the close of the previous day. The redemption price represents the net asset value per unit as of the close of the previous day on which applications were received less any back-end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

### **3.12 Revenue recognition**

- Gains / (losses) arising on sale of investments are included in the Income Statement on the date at which the transaction takes place.
- Income on commercial papers is recognised on an time proportion basis.
- Unrealised appreciation / (diminution) arising on remeasurement of investments classified as 'at fair value through profit or loss' are included in the Income Statement in the year in which they arise.
- Profit on bank deposits and certificate of investments is recognised on time proportion basis.
- Letter of replacement policy
- Sukkuk policy

**3.13 Distributions**

Distributions declared subsequent to year end reporting date are considered as non adjusting events and are recognized in the financial statements of the period in which such distributions are declared. Based on MUFAP's guidelines (duly condensed upon SECP) distribution for the year is deemed to comprise of the portion of amount of income of units already paid on units redeemed and the amount of cash distribution for the year.

The distribution per unit is announced based on units that were held for the entire period. The rate of distribution is adjusted with effect of refund of capital if any based on the period of investment made during the year. Resultantly, the rate of distribution per unit may vary depending on the period of investment.

**3.14 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 NAV per unit on the issuance or redemption date, as the case may be, of units and the NAV 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 NAV of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

**3.15 Cash and cash equivalents**

Cash and cash equivalents comprise of saving accounts maintained with banks. Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

Note

4 BALANCES WITH BANKS

In saving accounts

4.1 These carries mark-up rates ranging from 20% to 21% per annum (2023: 5.50% to 20% per annum).

5 INVESTMENTS

Fair value through profit or loss

Government securities:

- Market Treasury Bills
- Pakistan Investment Bonds
- Term finance certificates - unlisted
- Term finance certificates - listed
- Sukuk - unlisted
- Sukuk - listed

5.1	1,516,639	625,894
5.3	-	448,490
5.2	-	116,253
5.2	342,580	245,851
5.2	65,000	437,405
5.2	293,196	238,078
	<u>2,217,415</u>	<u>2,111,971</u>

5.1 Market Treasury Bills

Issue date	Tenor	Face value				Balance as at June 30, 2024		Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2023	Purchased during the year	Sold / matured during the year	As at June 30, 2024	Carrying value	Market value		
April 20, 2023	03 Months	100,000	-	100,000	-	-	-	0.00%	0%
June 15, 2023	03 Months	400,000	-	400,000	-	-	-	0.00%	0.00%
June 22, 2023	03 Months	150,000	-	150,000	-	-	-	0.00%	0.00%
October 19, 2023	03 Months	-	550,000	-	-	-	-	0.00%	0.00%
November 2, 2023	03 Months	-	150,000	-	-	-	-	0.00%	0.00%
January 25, 2024	03 Months	-	100,000	-	-	-	-	0.00%	0.00%
March 7, 2024	03 Months	-	225,000	-	-	-	-	0.00%	0.00%
April 18, 2024	03 Months	-	100,000	-	-	-	-	0.00%	0.00%
May 30, 2024	03 Months	-	200,000	-	-	-	-	0.00%	0.00%
November 2, 2023	06 Months	-	250,000	-	100,000	99,435	99,439	3.86%	4.48%
June 27, 2024	06 Months	-	100,000	-	200,000	194,308	194,379	7.55%	8.77%
July 13, 2023	12 Months	-	200,000	-	100,000	91,154	91,145	0.00%	4.11%
October 20, 2022	12 Months	-	150,000	150,000	200,000	198,905	198,879	7.73%	8.97%
October 19, 2023	12 Months	-	165,000	-	165,000	156,209	155,724	6.05%	7.02%
November 2, 2023	12 Months	-	250,000	-	250,000	234,974	234,166	9.10%	10.56%
December 28, 2023	12 Months	-	150,000	-	150,000	137,133	136,718	5.31%	6.17%
January 11, 2024	12 Months	-	250,000	-	250,000	227,353	226,332	8.79%	10.21%
January 25, 2024	12 Months	-	200,000	-	200,000	181,068	179,857	6.99%	8.11%
Total - June 30, 2024		650,000	5,040,000	2,075,000	1,615,000	1,520,539	1,516,639	58.92%	68.40%
Total - June 30, 2023		100,000	8,030,000	7,480,000	650,000	626,697	625,894	24.31%	28.23%

Name of the investee company	Date	Number of certificates			Balance as at June 30, 2024		Market value as a percentage of net assets (%)	Market value as a percentage of total investments	
		As at July 01, 2023	Purchased during the year	Sold / matured during the year	As at June 30, 2024	Carrying value			Market value
<b>Term Finance Certificate Listed</b>									
Samba Bank Limited	March 1, 2021	500	-	-	500	49,940	50,258	2.3%	
Soneri Bank Limited	December 26, 2023	2,000	-	-	2,000	196,240	198,141	7.7%	
Kashf Foundation	December 8, 2023	-	300	-	300	30,000	30,643	1.2%	
U Microfinance Bank Limited	June 23, 2021	750	-	-	750	25,024	25,110	1.0%	
TPL Corp Limited	June 28, 2022	400	-	-	400	40,852	38,428	1.5%	
Total - June 30, 2024		3,650	300	-	3,950	342,056	342,580	13.31%	
Total - June 30, 2023		13,500	2,000	13,000	2,500	250,095	245,851	9.55%	
<b>Term Finance Certificate Un Listed</b>									
Bank Al-Habib Limited	December 6, 2018	5,000	-	5,000	-	-	-	0.00%	
Total - June 30, 2024		5,000	-	5,000	-	-	-	0.00%	
Total - June 30, 2023		6,250	-	100	6,150	115,883	116,253	4.52%	
<b>Sukuk Listed</b>									
Hub Power Holding Company Ltd	November 12, 2020	1,500	-	-	1,500	114,778	114,694	4.5%	
K Electric Limited	August 3, 2020	13,646	-	-	13,646	45,152	45,126	1.8%	
K Electric Limited	April 11, 2023	20	-	20	-	-	-	0.0%	
K Electric Limited	February 10, 2023	42	-	42	-	-	-	0.0%	
K Electric Limited	February 27, 2023	107	-	107	-	-	-	0.0%	
K Electric Limited	March 21, 2023	35	-	35	-	-	-	0.0%	
K Electric Limited	September 22, 2023	-	50	50	-	-	-	0.0%	
K Electric Limited	October 24, 2023	-	37	37	-	-	-	0.0%	
K Electric Limited	February 14, 2024	-	50	50	-	-	-	0.0%	
Lucky Electric Power Company Ltd	February 14, 2023	11	-	11	-	-	-	0.0%	
Lucky Electric Power Company Ltd	March 27, 2023	63	-	63	-	-	-	0.0%	
Lucky Electric Power Company Ltd	April 12, 2023	15	-	15	-	-	-	0.0%	
Masood Textile Mills Limited	December 17, 2019	60	-	-	60	8,567	8,596	0.3%	
OBS AGP Private Limited	July 15, 2021	910	-	-	910	51,287	51,392	2.0%	
TPL Trakker Limited	March 30, 2021	59	-	-	59	23,380	23,388	0.9%	
Total - June 30, 2024		16,468	137	380	16,225	293,164	293,196	11.39%	
Total - June 30, 2023		16,146	-	-	16,146	234,653	238,078	9.25%	
<b>Sukuk Un Listed</b>									
Ghani Gases Corporation Ltd	February 2, 2017	685	-	685	-	-	-	0.0%	
Hub Power Company Limited	August 22, 2019	1,000	-	1,000	-	-	-	0.0%	
Pakistan Telecommunication Co Ltd	January 18, 2024	-	65	-	65	65,000	65,000	2.5%	
Total - June 30, 2024		1,685	65	1,685	65	65,000	65,000	2.52%	
Total - June 30, 2023		2,014	644	651	2,007	43,681	437,405	16.99%	
								19.73%	

5.3 Pakistan Investment Bond

Name of Investee Company	Issue Date	Face Value				Balance as at June 30, 2024		Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2023	Purchased during the year	Matured during the year	As at June 30, 2024	Carrying value	Market value		
Pakistan Investment Bond	December 30, 2021	200,000	-	200,000	-	-	-	-	
Pakistan Investment Bond	October 22, 2020	250,000	-	250,000	-	-	-	-	
Total - June 30, 2024		450,000	-	450,000	-	-	-	-	
Total - June 30, 2023		500,000	200,000	250,000	450,000	448,945	448,490	17.42%	

5.4 Significant terms and conditions of sukuk outstanding at the year end are as follows:

Name of security	Number of certificates	Unredeemed face value (Rupees)	Mark-up rate (per annum)	Issue date	Maturity date	Rating
<b>Listed Term Finance Certificates</b>						
Samba Bank Limited - TFC - (10-06-2021)	500	99,920	6 Months KIBOR + 1.35%	March 1, 2021	01 March 2031	AA-
Soneri Bank Limited - TFC - (26-12-22)	2,000	99,940	6 Months KIBOR + 1.7%	December 26, 2022	26 December 2032	A+
TPL Corp Limited - TFC - (28-06-22)	400	100,000	6 Months KIBOR + 2.5%	June 28, 2022	28 June 2027	AA-
U Microfinance Bank Limited - TFC - (23-06-21)	750	33,333	6 Months KIBOR + 1.35%	June 23, 2021	23 June 2025	AA-
Kashf Foundation - TFC - (08-12-23)	300	100,000	3 Months KIBOR + 1.5%	December 8, 2023	08 December 2026	AAA
<b>Listed Sukuks</b>						
Hub Power Holding Company Limited	1,500	100,000	6 Months KIBOR + 2.5%	November 12, 2020	12 November 2025	AA+
K-Electric Limited	13,646	4,250	3 Months KIBOR + 1.7%	August 3, 2020	03 August 2027	AA+
Masood Textile Limited	60	428,572	3 Months KIBOR + 2%	December 17, 2019	17 December 2024	A
OBS AGP Private Limited	910	81,250	3 Months KIBOR + 1.55%	July 15, 2021	15 July 2026	A+
TPL Trakker Limited	59	611,111	3 Months KIBOR + 3%	March 30, 2021	30 March 2026	A+
<b>Unlisted Sukuks</b>						
PTCL STS II ISSUE DATE 18 JAN 2024	65	65,000,000	6 Months KIBOR + 0.15%	January 18, 2024	18 July 2024	AA
K-Electric Limited	50	1,000,000	6 Months KIBOR + 0.1%	February 14, 2024	15 August 2024	AA



	Note	2024	2023
		-----Rupees in '000-----	
<b>5.3 Net unrealised diminution on re-measurement of investments classified as financial assets 'at fair value through profit or loss'</b>			
Market value of investments	5.1 & 5.2	2,217,415	2,111,971
Less: Carrying value of investments	5.1 & 5.2	(2,220,760)	(2,113,088)
		<u>(3,345)</u>	<u>(1,117)</u>
<b>6 MARK UP RECIEVABLE</b>			
Profit receivable on			
- term finance certificates and sukuks	6.1	34,916	39,656
- Pakistan investment bonds		-	20,330
- saving accounts		8,364	6,749
- marginal trading system		-	85
		<u>43,280</u>	<u>66,820</u>

#### 6.1 Receivable against redemption of Term Finance Certificates

The Term Finance Certificates (TFCs) of Summit Bank Limited (SBL) had an original maturity on October 27, 2018. The bullet principal amount due on October 27, 2018 amounting to Rs. 99.7 million was not received by the Fund. The non payment of final bullet principal amount was on account of deficit in the Capital Adequacy Ratio / Minimum Capital Requirements of SBL due to which the lock-in clause was invoked which states that neither profit nor principal payment shall be made if the capital adequacy ratio falls below the minimum level required. Potential merger of Summit Bank Limited with and into Sindh Bank Limited and subsequent fulfilment of Capital Adequacy Ratio / Minimum Capital Requirements was also in process as the shareholders of both banks had given their approval for agreed swap ratio. Thereafter, an extraordinary general meeting was called on November 19, 2018, wherein it was resolved that the maturity date of these certificates be extended for one year (i.e. upto October 27, 2019) on the existing terms and conditions of the TFC issue subject to compliance with all the applicable laws, rules, regulations and requisite approvals. The carrying amount of investment has been transferred to "Receivable against redemption of term finance certificates" and has been disclosed on the Statement of Assets and Liabilities.

The TFCs were classified as non-performing by the Mutual Funds Association of Pakistan (MUFAP) on November 13, 2018 in accordance with the criteria given in SECP's circulars 33 and 35 dated October 24, 2012 and November 26, 2012 respectively. The Fund along with other TFC holders (thereby forming simple majority of the total TFC holders) had consented to extend the maturity date for one year as stated above. However, no payment was received on October 27, 2019. Accordingly, the Management Company has maintained full provision against the outstanding amount of Rs. 99.7 million as at June 30, 2024. Furthermore, profit on installment due amounting to Rs. 4.82 million has also been reversed and no further markup is being accrued.

**Details of non-compliant investments with the investment criteria as specified by the SECP**

Details of non-compliant Instrument	Type of Instrument	Value of Instrument before	Provision held	Value of Instrument after
<b>Listed debt security</b>				
Summit Banl Limited	TFC	99,701	99,701	-
Total - June 30, 2024		99,701	99,701	-
Total - June 30, 2023		99,701	99,701	-

At the time of purchase / investment, the TFCs were in compliance with the investment requirement of the Constitutive Documents and investment restriction parameters laid down in NBFC Regulations and the NBFC Rules. However, subsequently they defaulted or downgraded upon default to non investment grade and became non-compliant with the investment restriction parameters laid down in the NBFC Regulations and the NBFC Rules and with the requirement of Constitutive Documents. Disclosure of the non-compliance is made as required by Circular No. 16 of 2010 dated 7 July 2010 issued by SECP.

	Note	2024	2023
-----Rupees in '000-----			
<b>7 SECURITY DEPOSITS</b>			
Security deposits with:			
- Central Depository Company of Pakistan Limited - Trustee		100	100
- National Clearing Company of Pakistan Limited		250	250
		<u>350</u>	<u>350</u>
<b>8 PAYABLE TO NATIONAL INVESTMENT TRUST LIMITED - MANAGEMENT COMPANY</b>			
On account of:			
-Management remuneration-payable	8.1	2,676	2,906
-Sindh sales tax on management fee	8.2	348	378
-Allocation of expenses related to registrar services-payable			
'accounting, operation and valuation service	8.3	461	412
		<u>3,485</u>	<u>3,696</u>

8.1 The Management Company has charged its remuneration at the rate of 10% of the gross earnings of the Fund, calculated on a daily basis, subject to the minimum of 0.5% and maximum of 1.25% of the average net assets of the Fund. The remuneration is payable to the Management Company monthly in arrears.

- 8.2 Sindh sales tax at the rate of 13% (2023: 13%) was charged on the management remuneration.
- 8.3 In accordance with Regulation 60(3)(s) 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 of Collective Investment Scheme (CIS).

The Management Company charged Rs.4.61 million (2023: 5.22 million) for allocation of such expenses to the fund which is lower than actual expenses incurred 5.63 million.

2024                      2023  
Note -----Rupees in '000-----

**9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE**

Trustee remuneration-payable	9.1	156	594
Sindh Sales Tax on trustee remuneration	9.2	20	77
		176	671

- 9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. Accordingly, the Fund has charged Trustee remuneration @ 0.075% of net assets (2023: 0.075%).
- 9.2 Sindh sales tax at the rate of 13% (2023: 13%) was charged on trustee remuneration.

**10 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)**

Annual fee payable to the Securities and Exchange Commission of Pakistan	10.1	156	660
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- 10.1 In accordance with the NBFC Regulations, a collective investment scheme is required to pay annual fee to the Securities and Exchange Commission of Pakistan an amount equal to 0.075% (2023: 0.02%) of average annual assets of the fund.

**11 ACCRUED EXPENSES AND OTHER LIABILITIES**

Federal excise duty payable	11.1	20,799	20,799
Auditors' remuneration payable		689	689
Legal and professional charges payable		1,042	1,042
Printing charges payable		-	3
Brokerage payable		48	48
Zakat payable		293	285
MTS charges payable		-	30
Withholding tax payable		3,972	39,323
		26,843	62,219

11.1 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered 'or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) 'were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan 'which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made till June 30, 2016 amounting to Rs. 20.79 million has been retained in these financial statements as the matter is pending before the Honourable Supreme Court of Pakistan whereas an amount of Rs. 1.580 million has been paid to the Management Company. Had the provision for FED not been recorded in the financial statements of the Fund (and the amount is refunded by the Management Company), the net asset value per unit of the Fund would have been higher by Re. 0.08 (2023: Re. 0.09).

## 12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2024 (2023: Nil).

## 13. NUMBER OF UNITS IN ISSUE

	2024	2023
	(Number of units)	
Total units in issue at beginning of the year	239,118,051	332,803,349
Units issued during the year	221,385,864	988,907,510
Issue of units in lieu of refund of capital	2,472,721	-
Units issued under Cumulative Investment Plan (CIP)	29,201,831	35,423,425
Units redeemed during the year	<u>(241,228,383)</u>	<u>(1,118,016,233)</u>
Total units in issue at end of the year	<u>250,950,084</u>	<u>239,118,051</u>

	2024	2023
Note	-----Rupees in '000-----	
<b>14. AUDITORS' REMUNERATION</b>		
Statutory audit fee	535	535
Interim review fee	263	263
Other certification	50	50
Out of pocket expenses	86	86
Sindh sale tax	68	68
	1,002	1,002

#### 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 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 Company distributed the income earned by the Fund for the year ending June 30, 2024 to the unit holders in the manner as explained above, accordingly no provision for taxation has been made in these condensed interim financial statements.

#### 16 TOTAL EXPENSE RATIO

Total Expense Ratio of the Fund is 1.85% (2023: 1.72% ) as at June 30, 2024 and this includes 0.24% (2023: 0.19%) representing Government Levy and SECP fee. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations 60(5) for a trustee of collective investment scheme categorised as an income fund

#### 17 RECONCILIATION OF LIABILITIES ARISING OUT OF FINANCING ACTIVITIES

	(Rupees in '000)			
Opening balance as at July 1, 2023	-	-	1,538	1,538
Receivable against issuance of units	2,668,980	-	-	2,668,980
Payable against redemption of units	-	2,616,501	-	2,616,501
Payable against dividends	-	-	431,147	431,147
	2,668,980	2,616,501	432,685	5,718,166
Amount received on issuance of units	(2,668,980)	-	-	(2,668,980)
Amount paid on redemption of units	-	(2,615,987)	-	(2,615,987)
Dividend paid	-	-	(402,334)	(402,334)
	(2,668,980)	(2,615,987)	(402,334)	(5,687,301)
Closing balance as at June 30, 2024	-	514	30,351	30,865

## 18 TRANSACTIONS WITH CONNECTED PERSONS

- 18.1 Connected persons include National Investment Trust Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by 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 the directors and officers of the Management Company and the Trustee and unit holders holding 10 percent or more units of the Fund.
- 18.2 The transactions with connected persons are in the normal course of business, at contracted terms determined in accordance with the market rates.
- 18.3 Remuneration to the Management Company and Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.
- 18.4 The details of significant transactions carried out by the Fund with connected persons and balances with them at the period end are as follows:

Details of the transactions with connected persons are as follows:

Transactions during the year	2024	2023
	-----Rupees in '000-----	
<b>National Investment Trust Limited - Management Company</b>		
Issue of 3,586,814 units (2023:134,439,333 units)	38,693	1,580,818
Issue 17,209,388 units under CIP (2023: 14,712,114 units)	175,006	149,036
Additional units 218,083 as refund of capital (2023:21,667,18)	-	-
Redemption of 19,388,408 (2023: 221,238,616) units	220,000	2,490
Remuneration of the Management Company	31,696	2,489,511
Sindh Sales Tax on the Management remuneration	4,120	5,218
Allocation of expenses related to registrar services, accounting, operation and valuation services	5,630	5,090
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee	1,947	2,476
Sindh Sales Tax on remuneration of the Trustee	253	322
Central depository charges	8	7

	June 30, 2024	June 30, 2023
	-----Rupees in '000-----	
<b>Key Management Personnel</b>		
Issuance of 88,615(2023: 32,754,518) units	1,150,408	342,211
Issue of 15,883 units under CIP (2023: 473,857 units)	162	4,788
Redemption units : Nil (2023: 37,350,064 units)	-	4,786
Additional units 296 (2023: Nil) as refund of capital units	-	-
<b>National Investment Trust Limited - Pension Fund</b>		
Issuance of Nil units (2023: 14,792) units	-	310
Issuance of 8,349,378 (2023: 6,120,372) under CIP	18,337	61,836
Additional units Nil (2023: 1) as refund of capital units	-	-
Redemption of 21,723,965 (2023: 1,904,728) units	242,000	19,999
<b>National Investment Trust Limited - Provident Fund</b>		
Issuance of Nil (2023: 93,445) units	-	1,086
Issuance of 16,110(2023: 373,966) under CIP	164	3,789
Additional units Nil (2023: 13,841) as refund of capital	-	-
Redemption of Nil (2023: 5,591,279 ) units	-	59,719
<b>18.5 Amounts outstanding as at year end:</b>		
<b>National Investment Trust Limited - Management Company</b>		
113,898,264 units held (2023: 112,272,387 units)	1,168,380	1,141,720
Management fee payable	2,676	2,906
Sindh Sales Tax	348	378
Allocation of expenses related to registrar services, accounting, operation and valuation services	461	412
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	156	178
Sindh Sales Tax on Trustee remuneration	20	23
Security Deposit	100	100
<b>Key Management Personnel</b>		
105,660 units held (2023: 866 units)	1,084	9
<b>National Investment Trust Limited - Pension Fund</b>		
8,439,377 units held (2023: 28,270,146 units)	86,572	287,485
<b>National Investment Trust Limited - Provident Fund</b>		
124,599 units held (2023: 108,488 units)	1,278	1,103

## **19. FINANCIAL RISK MANAGEMENT**

The fund's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance.

The fund's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. Risk of the fund is being managed by the Management Company in accordance with the approved policies of the investment committee which provide broad guidelines for management of above mention risks. The Board of Directors of Management Company has overall responsibility for the establishment and oversight of the fund's risk management framework.

The fund primarily invests in a mix of short term corporate debt and government securities, term deposit and income fund placement with scheduled banks, investment companies and listed companies.

### **19.1 Market risk**

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Board and regulations laid down by the SECP, the NBFC Regulations and the NBFC Rules.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

#### **19.1.1 Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The fund, at present is not exposed to currency risk as all transactions were carried out in Pak Rupee.



## 19.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

### a) Sensitivity analysis for variable rate instruments

Presently, the fund does not hold any variable profit based investment except balances with banks in deposit and variable rate term finance certificates account exposing the fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in KIBOR at year end, the net income for the year and the net assets would be higher / lower by Rs. 10.75 million (2023: Rs. 38.91 million).

### b) Sensitivity analysis for fixed rate instruments

As at June 30, 2024 the Fund does not hold any fixed rate instruments, therefore, the Fund is not exposed to fair value interest rate risk.

2024					
Yield / effective interest rate (%)	Exposed to yield / interest rate risk			Not exposed to interest rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		

(Rupees in '000)

#### On-balance sheet financial instruments

##### Financial assets

Balances with banks	7.50 - 21.85	374,767	-	-	-	374,767
Investments classified as:						
- Market Treasury Bills	21.98-26	1,516,639	-	-	-	1,516,639
- Term finance certificate		342,580	-	-	-	342,580
- Sukuk certificates	20.88 - 23.57	-	-	358,196	-	358,196
Mark up receivable		-	-	-	43,280	43,280
Security deposits with Central Depository		-	-	-	100	100
Company of Pakistan Limited - Trustee		-	-	-	250	250
		2,233,986	-	358,196	43,630	2,635,812

2024

Yield / effective interest rate (%)	Exposed to yield / interest rate risk			Not exposed to interest rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		

(Rupees in '000)

**Financial liabilities**

Payable to National Investment Trust Limited - Management Company	-	-	-	3,485	3,485
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	176	176
Accrued expenses and other liabilities	-	-	-	26,843	26,843
Payable against redemption of unit	-	-	-	514	514
	-	-	-	31,018	31,018
On-balance sheet gap	2,233,986	-	358,196	12,612	2,604,794
Off balance sheet financial instruments	-	-	-	-	-
Off balance sheet gap	-	-	-	-	-
Total interest rate sensitivity gap	2,233,986	-	-	12,612	2,604,794
Cumulative interest rate sensitivity gap	2,233,986	-	2,233,986		

2023

Yield / effective interest rate (%)	Exposed to yield / interest rate risk			Not exposed to interest rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		

(Rupees in '000)

On-balance sheet financial instruments

**Financial assets**

Balances with banks	5.50 - 20	316,133	-	-	-	316,133
Investments classified as:		-	-	-	-	-
-Market Treasury Bills	21.98-22	625,894	-	-	-	625,894
-Pakistan Investment Bonds	22.62-23.73	448,490	-	-	-	448,490
-Term finance certificates - unlisted		41,137	320,967	-	-	362,104
-Sukuk - unlisted		228,538	446,945	-	-	675,483
Receivable against Marginal Trading System		-	-	-	4,688	4,688
Mark up receivable		-	-	-	66,820	66,820
Security deposits with Central Depository Company of Pakistan Limited - Trustee		-	-	-	250	250
		-	-	-	100	100
		1,660,192	767,912	-	71,858	2,499,962

2023

Yield / effective interest rate (%)	Exposed to yield / interest rate risk			Not exposed to interest rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		

(Rupees in '000)

**Financial liabilities**

Payable to National Investment Trust Limited - Management Company	-	-	-	3,696	3,696
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	201	201
Accrued expenses and other liabilities	-	-	-	1,812	1,812
Payable against redemption of unit	-	-	-	1,538	1,538
	-	-	-	7,247	7,247
On-balance sheet gap	1,660,192	767,912	-	64,611	2,492,715
Off balance sheet financial instruments	-	-	-	-	-
Off balance sheet gap	-	-	-	-	-
Total interest rate sensitivity gap	1,660,192	767,912	-	64,611	2,425,895
Cumulative interest rate sensitivity gap	1,660,192	2,428,104	2,428,104		

**19.1.3 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 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 does not hold any security which exposes the Fund to price risk.

**19.2 Credit risk**

Credit risk represents the risk of loss if counterparties fail to perform as contracted. The fund is exposed to counter party credit risks on bank balances, investments and mark-up receivable.

The fund's maximum exposure to credit risk is the carrying amounts of following financial assets:

	2024	2023
	----- (Rupees in '000) -----	
Balances with banks	374,767	316,133
Investments	2,217,415	2,111,971
Mark up receivable	8,364	4,688
	<u>2,600,546</u>	<u>2,432,792</u>

The analysis below summaries the credit rating quality of the fund's financial assets.

2024				
Bank balances Name of the bank	Balance as at June 30, 2024	Rating agency	Published rating	Percentage of total bank balances
(Rupees in '000)				
Habib Bank Limited	838	VIS	AAA	0.22%
Allied Bank Limited	63,275	PACRA	AAA	16.88%
Bank Alhabib Limited	44,607	PACRA	AAA	11.90%
Bank Alfalah Limited	39	PACRA	AA+	0.01%
Soneri Bank Ltd	265,694	PACRA	AA+	70.90%
United Bank Limited	22	VIS	AAA	0.01%
MCB Bank Limited	283	PACRA	AAA	0.08%
National Bank of Pakistan	9	PACRA	AAA	0.00%
	<u>374,767</u>			<u>100.00%</u>
<b>Sukuks-Listed</b>				
Hub Power Holding Company Ltd	114,694	PACRA	AA+	39.12%
K Electric Limited	45,126	JCR-VIS	AA+	15.39%
K Electric Limited	50,000	JCR-VIS	A	17.05%
Masood Textile Mills Limited	8,596	JCR-VIS	A	2.93%
OBS AGP Private Limited	51,392	JCR-VIS	A+	17.53%
TPL Trakker Limited	23,388	PACRA	A+	7.98%
	<u>293,196</u>			<u>100.00%</u>

2023				
Bank balances Name of the bank	Balance as at June 30, 2023	Rating agency	Published rating	Percentage of total bank balances
(Rupees in '000)				
Habib Bank Limited	150,936	VIS	AAA	47.74%
Allied Bank Limited	4,012	PACRA	AAA	1.27%
Bank AlHabib Limited	20,361	PACRA	AAA	6.44%
Bank AlFalah Limited	32	PACRA	AA	0.01%
U Microfinance Bank	140,105	PACRA	A	44.32%
United Bank Limited	37	VIS	AAA	0.01%
MCB Bank Limited	17	PACRA	AAA	0.01%
Dubai Islamic Bank Limited	11	VIS	AA	0.00%
National Bank of Pakistan	7	PACRA	AAA	0.00%
JS Bank	517	PACRA	AA-	0.16%
Summit Bank Limited	91	VIS	Suspended	0.03%
Soneri Bank	7	PACRA	AA-	0.00%
	316,133			100.00%

#### Letter of placement

##### Name of the investee company

Pak Kuwait Investment Company Limited	1,000,000	VIS	CGR 9+	33.33%
PAK Brunei Investment Company Limited	2,000,000	VIS	A-1+	66.67%
	3,000,000			100.00%

#### Sukuks

Hub power co ltd	600,000	PACRA	PACRA	19.14%
K electric limited	94,000	VIS	A-1+	3.00%
K electric limited	291,000	VIS	A-1+	9.29%
K electric limited	238,000	VIS	A-1+	7.59%
K electric limited	500,000	VIS	A-1+	15.95%
K electric limited	250,000	VIS	A-1+	7.98%
Lucky electric power company limited	116,000	PACRA	A1+	3.70%
Lucky electric power company limited	157,000	PACRA	A1+	5.01%
Lucky electric power company limited	148,000	PACRA	A1+	4.72%
Lucky electric power company limited	600,000	PACRA	A1+	19.14%
Lucky electric power company limited	140,000	PACRA	A1+	4.47%
	3,134,000			54.98%

## Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the fund's total credit exposure. The fund's portfolio of financial instruments is mostly concentrated in government sector and deposits held with commercial banks, investment companies and listed companies.

### 19.3 Liquidity risk

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

The fund is exposed to daily cash redemptions, if any, 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, without incurring unacceptable losses or risking damage to the fund's reputation. Its 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.

In order to manage the fund's overall liquidity, the fund also has the ability to withhold daily redemption requests in excess of 10% 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 10% of the units then in issue. The fund did not withhold any redemptions during the year.

The table below analyses the fund's financial liabilities into relevant maturity groupings based on the remaining period at the statement of assets and liabilities date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2024			Total
	Upto three months	Over three months and upto one year	Over one year	
	(Rupees in '000)			
<b>Financial liabilities</b>				
Payable to National Investment Trust Limited - Management Company	3,485	-	-	3,485
Pakistan Limited - Trustee	176	-	-	176
Dividend payable	30,351	-	-	30,351
Accrued expenses and other liabilities	26,843	-	-	26,843
Payable against redemption of units	514	-	-	514
	<u>61,369</u>	<u>-</u>	<u>-</u>	<u>61,369</u>
<b>Unit holders' fund</b>	<u>2,574,287</u>	<u>-</u>	<u>-</u>	<u>2,574,287</u>

	2023			Total
	Upto three months	Over three months and		
		upto one year	Over one year	
----- (Rupees in '000) -----				
<b>Financial liabilities</b>				
Payable to National Investment Trust Limited - Management Company	3,696	-	-	3,696
Pakistan Limited - Trustee	201	-	-	201
Dividend payable	1,538	-	-	1,538
Accrued expenses and other liabilities	62,219	-	-	62,219
	<u>67,654</u>	<u>-</u>	<u>-</u>	<u>67,654</u>
<b>Unit holders' fund</b>	<u>2,431,648</u>	<u>-</u>	<u>-</u>	<u>2,431,648</u>

## 20. FINANCIAL INSTRUMENTS BY CATEGORY

	2024		
	At fair value through profit or loss	Amortised cost	Total
	-----Rupees in '000-----		
<b>Assets</b>			
Bank balances	374,767	-	374,767
Investments	2,217,415	-	2,217,415
Receivable against Marginal Trading System	-	-	-
Mark up receivable	43,280	-	43,280
Security deposits	350	-	350
	<u>2,635,812</u>	<u>-</u>	<u>2,635,812</u>
<b>Liabilities</b>			
Payable to National Investment Trust Limited - Management Company	-	3,485	3,485
Payable to Central Depository Company of Pakistan Limited - Trustee	-	176	176
Dividend payable	-	30,351	30,351
Accrued expenses and other liabilities	-	26,843	26,843
Payable against redemption of units	-	514	514
	<u>-</u>	<u>61,369</u>	<u>61,369</u>

	2023		
	At fair value through profit or loss	Amortised cost	Total
-----Rupees in '000-----			
<b>Assets</b>			
Bank balances	316,133	-	316,133
Investments	2,111,971	-	2,111,971
Receivable against Marginal Trading System	4,688	-	4,688
Mark up receivable	66,820	-	66,820
Security deposits with Central Depository	350	-	350
	<u>2,499,962</u>	<u>-</u>	<u>2,499,962</u>

	2023		
	At fair value through profit or loss	Amortised cost	Total
-----Rupees in '000-----			
<b>Liabilities</b>			
Payable to National Investment Trust Limited - Management Company			
Payable to Central Depository Company of Pakistan Limited - Trustee	-	3,696	3,696
Dividend payable	-	1,538	1,538
Accrued expenses and other liabilities	-	1,812	1,812
	<u>-</u>	<u>7,247</u>	<u>7,247</u>

## 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 restrictions on the subscription and redemption of units.

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 17, the fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short term borrowings or disposal of investments, where necessary.

As required under the NBFC Regulations, every open end scheme shall maintain minimum fund size (i.e. net assets of the fund) of Rs.100 million at all times during the life of scheme. The Fund has maintained and complied with the requirements of minimum fund size during the year.

## 22. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as 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 (i.e. an exit price).

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 significantly different from book value.

The following table shows financial instruments recognized at fair value, analyzed between those whose fair value is based on:

Level 1: quoted prices in active markets for identical assets or liabilities;

Level 2: those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly

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

The table below analyses financial instruments carried at fair value by valuation method:

June 30, 2024	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Financial assets measured at fair value				
Market Treasury Bills (Government securities)	-	1,516,639	-	1,516,639
-Pakistan Investment Bonds		-		-
-Term finance certificates - unlisted		-		-
-Term finance certificates - listed		342,580		342,580
-Sukuk - unlisted		65,000		65,000
-Sukuk - listed		293,196		293,196
	-	2,217,415	-	2,217,415
June 30, 2023				
Financial assets measured at fair value				
-Market Treasury Bills	-	625,894	-	625,894
-Pakistan Investment Bonds		448,490		448,490
-Term finance certificates - unlisted		116,253		116,253
-Term finance certificates - listed		245,851		245,851
-Sukuk - unlisted		437,405		437,405
-Sukuk - listed		238,078		238,078
	-	2,111,971	-	2,111,971

During the year, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

The fund has not disclosed the fair values of its financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are a reasonable approximation of their fair values.

	Note	2024 -----Rupees in '000-----	
<b>23. CASH AND CASH EQUIVALENTS</b>			
Balances with	4	374,767	316,133
Market Treasury Bills ( maturity of 3 months or less)		629,415	625,894
		1,004,182	942,027
<b>24. TRANSACTIONS WITH BROKERS / DEALERS</b>			

List of brokers by percentage of commission paid for the year ended June 30, 2024:

Particulars	Percentage (%)
Paramount capital (Pvt) Ltd	34.29
Akd securities limited	34.06
Summit capital (Pvt) limited	19.63
C&M management(Private) limited	9.00
Js Global capital limited	3.03
	<u>100.00</u>

List of brokers by percentage of commission paid for the year ended June 30, 2023:

Particulars	Percentage (%)
Icon Management (Private) Limited	30.71
BIPL Securitas Limited	54.22
JS Global Capital Limited	5.47
BMA Capital Management Limited	9.60
	<u>100.00</u>

25. PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

Details of members of the investment committee of the Fund are as follows:

S.No.	Name	Designation	Qualification	Experience in years
1	Mr. Adnan Afridi	Managing Director	Economics (A,B, Magna Cum Laude, 1992), from Harvard University & Corporate Law (JD), Magna Cum Laude, 1995) from Harvard Law School	29
2	Mr. Manzoor Ahmed	Chief Operating Officer	MBA, DAIBP, CFA Level-III	35
3	Mr. Shoaib Ahmed Khan *	Head of Fixed Income / Fund Manager	MBA / DAIBP	28
4	Mr. Aamir Amin	Head of Finance	FCA, CISA	26
5	Mr. Faisal Aslam	Head of Compliance	MBA (Finance), BBA (Hons), CIM-ADIMA (UK)	19
6	Mr. Ali Kamal	Head of Research	MBA, CFA Level-II	16
7	Salman H.Chawla	Incharge - Risk Management	MBA	17

\* He is also Fund Manager of Money Market Fund.

26. ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 363th, 364th, 365th, 366th and 367th Board meetings were held on Sep 27, 2023, October 20, 2023, February 23, 2024, April 30, 2024 and June 14, 2024 respectively. Information in respect of attendance by the Directors in the meetings is given below:

S. No.	Name of Director	Held during tenor of directorship	Number of meetings		Meetings not attended
			Attended	Leave granted	
1	Mr. Adnan Afridi	5	5	-	-
2	Mr. Mian Nusrat-Ud-Din	5	5	-	-
3	Mr. Iqbal Adamjee	5	5	-	-
4	Mr. Ahmad Ageel	5	5	-	-
5	Mr. Naeem Bashir Ahmad	5	5	-	-
6	Mr. Farmanullah Zarkoon	5	5	-	-
7	Mr. Syed Irfan Ali	3	3	-	-
8	Mr. Amjad Mahmood	4	4	1	363th meeting
9	Mr. Karim Akram Khan	2	2	-	-
10	Mr. Omair Safdar	2	2	-	-
11	Mr. Aftab Ahmad Khan*	3	2	1	365th meeting
12	Mr. Abdul Aleem Qureshi*	2	2	-	-
13	Mr. shoib Mir**	2	2	-	-
14	Ms. Zoya Tehseen Mohsin Nat	2	2	-	-
15	Mr. Aftab Manzoor****	2	2	-	-
16	Mr. Sohail Razi Khan*****	2	2	-	-
17	Syed Veqar-ul-islam*****	2	2	-	-

\* Mr. Abdul Aleem Qureshi has joined board during the year on 27 september 2023

\*\* Mr. Aftab Ahmed Khan has retired from the Board on 30-04-2024

\*\*\* Mr. shoib Mir has joined board during the year on 27 February 2024

\*\*\*\* Ms. Zoya Tehseen Mohsin Nathani has joined board during the year on 18 January 2024

\*\*\*\*\* Mr. Aftab Manzoor has joined board during the year on 18 January 2024

\*\*\*\*\* Mr. Sohail Razi Khan has joined board during the year on 18 January 2024

\*\*\*\*\* Syed Veqar-ul-islam has joined board during the year on 18 January 2024

27. **PATTERN OF UNIT HOLDING**

Category	2024		
	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total ---- (%) ----
Individuals	1,139	671,443	26.08
Insurance Companies	1	100,850	3.92
Banks / DFI's	1	1,168,380	45.39
Retirements Funds	20	366,997	14.25
Others	11	266,617	10.36
	<b>1,172</b>	<b>2,574,287</b>	<b>100</b>

Category	2023		
	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total ---- (%) ----
Individuals	1,137	403,801	16.61
Insurance Companies	1	99,976	4.11
Banks / DFI's	1	177,172	7.29
NBFC	1	1,141,720	46.95
Retirements Funds	21	531,998	21.88
Public Limited Companies	1	89	0.00
Others	8	76,891	3.16
	<b>1,170</b>	<b>2,431,647</b>	<b>100.00</b>

28. **GENERAL**

28.1 Figures have been rounded off to the nearest thousand rupees.


29. **CORRESPONDING FIGURES**

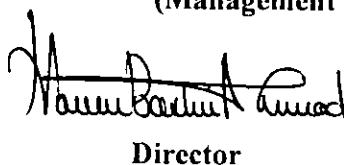
29.1 The comparative information has been reclassified or rearranged in these financial statements, wherever necessary, to facilitate comparative and to confirm with changes in presentation in the current year. Significant reclassification for better presentation are as under:

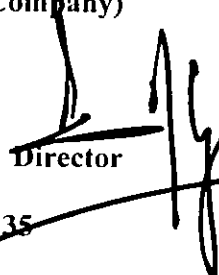
30. **DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on 12 AUG 2024 by the Board of Directors of the Management Company.

**For National Investment Trust Limited  
(Management Company)**

  
Managing Director

  
Director

  
Director

  
Chief Financial Officer