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**NIT - MONEY MARKET FUND**

**FINANCIAL STATEMENTS**

**FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

EY Ford Rhodes  
Chartered Accountants  
Progressive Plaza, Beaumont Road  
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## **INDEPENDENT AUDITOR'S REVIEW REPORT**

**To the unit holders of NIT – Money Market Fund**

**Report on review of Interim Financial Statements**

### ***Introduction***

We have reviewed the accompanying condensed interim statement of assets and liabilities of NIT – Money Market Fund (the Fund) as at 31 December 2020 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund, and condensed interim cash flow statement and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management Company is responsible for the preparation and presentation of this interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2020 and 31 December 2019 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-month period ended 31 December 2020.

### ***Scope of review***

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.

**Chartered Accountants**

**Karachi**

**Date: 26 February 2021**

**NIT - MONEY MARKET FUND  
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT DECEMBER 31, 2020**

		December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Bank balances	4	10,493,636	2,979,279
Investments	5	207,832	1,856,585
Profit receivable		33,079	11,122
Preliminary expenses and floatation costs		12	126
Security deposits		100	100
<b>Total assets</b>		<b>10,734,659</b>	<b>4,847,212</b>
<b>LIABILITIES</b>			
Payable to National Investment Trust Limited - Management Company	6	4,064	3,503
Payable to Central Depository Company of Pakistan Limited - Trustee	7	497	286
Payable to Securities and Exchange Commission of Pakistan		575	885
Payable against redemption of units		746	-
Accrued expenses and other liabilities	8	22,497	18,196
Dividend payable		245	2
<b>Total liabilities</b>		<b>28,624</b>	<b>22,872</b>
<b>NET ASSETS</b>		<b>10,706,035</b>	<b>4,824,340</b>
Unit holders' fund (as per statement attached)		<b>10,706,035</b>	<b>4,824,340</b>
Contingencies and commitments	9		
		----- (Number of units) -----	
Number of units in issue		<b>1,103,127,440</b>	<b>497,766,264</b>
		----- (Rupees) -----	
Net asset value per unit		<b>9.7052</b>	<b>9.6920</b>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For National Investment Trust Limited  
(Management Company)

  
Managing Director

  
Director

  
Director

  
Chief Financial Officer

**NIT - MONEY MARKET FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE SIX AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2020**

	Six months period ended December 31,		Quarter ended December 31,	
	2020	2019	2020	2019
	(Unaudited)			
Note	(Rupees in '000)			
<b>INCOME</b>				
Income from government securities	105,913	151,507	55,546	60,641
Income from letter of placements	10,927	6,272	5,240	-
Profit on bank deposits	88,759	131,161	61,317	84,527
(Loss) / gain on sale of investments - net	(1,274)	1,155	(166)	133
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	-	-	239	-
<b>Total income</b>	<b>204,325</b>	<b>290,095</b>	<b>122,176</b>	<b>145,301</b>
<b>EXPENSES</b>				
Remuneration of National Investment Trust Limited - Management Company	9,983	14,331	5,876	7,196
Sindh Sales Tax on remuneration to Management Company	1,298	1,863	764	935
Remuneration of Central Depository Company of Pakistan Limited - Trustee	1,869	1,381	1,095	683
Sindh Sales Tax on remuneration of Trustee	243	180	142	89
Annual fee - Securities and Exchange Commission of Pakistan	575	425	337	210
Allocation of expenses related to registrar services, accounting, operation and valuation services	2,621	2,129	1,432	1,053
Amortisation of preliminary expenses and floatation costs	114	113	57	56
Securities transaction costs	156	68	67	14
Auditors' remuneration	198	204	62	112
Legal and professional charges	16	184	15	91
Settlement and bank charges	109	287	82	219
Listing fee	10	28	-	-
Printing charges	21	30	21	12
<b>Total expenses</b>	<b>17,213</b>	<b>21,223</b>	<b>9,950</b>	<b>10,670</b>
<b>Net income from operating activities</b>	<b>187,112</b>	<b>268,872</b>	<b>112,226</b>	<b>134,631</b>
Provision for Sindh Workers' Welfare Fund	8.1 (3,742)	(5,377)	(2,245)	(2,693)
<b>Net income for the period before taxation</b>	<b>183,370</b>	<b>263,495</b>	<b>109,981</b>	<b>131,938</b>
Taxation	10 -	-	-	-
<b>Net income for the period</b>	<b>183,370</b>	<b>263,495</b>	<b>109,981</b>	<b>131,938</b>
<b>Allocation of net income for the period after taxation</b>				
Net income for the period	183,370	263,495	109,981	131,938
Income already paid on units redeemed	(29,714)	(28,147)	(18,017)	(15,122)
	<b>153,656</b>	<b>235,348</b>	<b>91,964</b>	<b>116,816</b>
Accounting income available for distribution:				
- Relating to capital gains	-	1,155	239	133
- Excluding capital gains	153,656	234,193	-91,725	116,683
	<b>153,656</b>	<b>235,348</b>	<b>91,964</b>	<b>116,816</b>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For National Investment Trust Limited  
(Management Company)

Managing Director

Director

Director

Chief Financial Office

**NIT - MONEY MARKET FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE SIX AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2020**

	Six months period ended December 31,		Quarter ended December 31,	
	2020	2019	2020	2019
	----- (Rupees in '000) -----			
Net income for the period after taxation	183,370	263,495	109,981	131,938
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>183,370</b>	<b>263,495</b>	<b>109,981</b>	<b>131,938</b>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements. *my hr*

For National Investment Trust Limited  
(Management Company)

  
Managing Director

  
Director

  
Director

  
Chief Financial Officer

**NIT - MONEY MARKET FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020**

	December 31,					
	2020			2019		
	Value	Undistributed income	Total (Unaudited)	Value	Undistributed Income	Total
Note	----- (Rupees in '000) -----					
Net assets at the beginning of the period	4,917,274	(92,934)	4,824,340	3,369,415	114,778	3,484,193
Issue of 1,807,577,963 units (2019: 578,458,521 units)						
Value	17,517,547	-	17,517,547	5,656,399	-	5,656,399
Element of income	27,735	-	27,735	32,285	-	32,285
Amount received on issuance of units	17,545,282	-	17,545,282	5,688,684	-	5,688,684
Issue of 1,582,516 units in lieu of refund of capital (2019: 17,713,944 unit)	15,338	-	15,338	173,492	-	173,492
Redemption of 1,212,487,571 units (2019: 507,115,466 units)						
Value	(11,751,430)	-	(11,751,430)	(4,958,778)	-	(4,958,778)
Element of income						
- Income already paid	-	(29,714)	(29,714)	-	(28,147)	(28,147)
- Refund / adjustment on units	(9,427)	-	(9,427)	(6,819)	-	-
Amount paid / payable on redemption of units	(11,760,857)	(29,714)	(11,790,571)	(4,965,597)	(28,147)	(4,993,744)
Total comprehensive income for the period	-	183,370	183,370	-	263,495	263,495
Issue of 8,842,885 units under CIP (2019: 24,879,398 units)	85,797	-	85,797	243,480	-	243,480
Final distribution for the year ended June 30, 2020: Nil (2019: 0.9974) [(Date of Distribution: July 05, 2019)]	-	-	-	-	(168,031)	(168,031)
Interim distribution for the period	14	(142,183)	(142,183)	-	(235,621)	(235,621)
Refund of capital	(15,338)	-	(15,338)	(180,128)	-	(180,128)
Net assets at the end of the period	<u>10,787,496</u>	<u>(81,461)</u>	<u>10,706,035</u>	<u>4,329,346</u>	<u>(53,526)</u>	<u>4,275,820</u>
Net assets at the end of the period						
Undistributed income brought forward						
- Realized income		(92,934)			114,778	
- Unrealized income		-			-	
		<u>(92,934)</u>			<u>114,778</u>	
Accounting income available for distribution						
- Relating to capital gains		-			1,155	
- Excluding capital gains		153,656			234,193	
		<u>153,656</u>			<u>235,348</u>	
Final distribution for the year ended June 30, 2020: Nil (2019: 0.9974) [(Date of Distribution: July 05, 2019)]					(168,031)	
Interim distribution for the period	14	(142,183)			(235,621)	
Undistributed income carried forward		<u>(81,461)</u>			<u>(53,526)</u>	
Undistributed income carried forward comprising						
- Realized income		(81,461)			(53,526)	
- Unrealized income		-			-	
		<u>(81,461)</u>			<u>(53,526)</u>	
				(Rupees)		(Rupees)
Net assets value per unit at beginning of the period				<u>9.6920</u>		<u>10.7758</u>
Net assets value per unit at end of the period				<u>9.7052</u>		<u>9.7784</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For National Investment Trust Limited  
(Management Company)

Managing Director

Director

Director

Chief Financial Officer

**NIT - MONEY MARKET FUND**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020**

	December 31,	
	2020	2019
	----- (Unaudited) -----	
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	183,370	263,495
<b>(Increase) / decrease in assets</b>		
Investments	1,648,753	(308,707)
Accrued income	(21,957)	(39,290)
Amortization of preliminary expenses and floatation costs	114	113
	1,626,910	(347,884)
<b>Increase / (decrease) in liabilities</b>		
Payable to National Investment Trust Limited - Management Company	561	1,064
Payable to Central Depository Company of Pakistan Limited - Trustee	211	(46)
Payable to Securities and Exchange Commission of Pakistan	(310)	(972)
Payable against redemption of units	746	-
Accrued expenses and other liabilities	4,301	5,927
	5,509	5,973
<b>Net cash generated from / (used in) operating activities</b>	1,815,789	(78,416)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issue of units - including CIP	17,631,079	5,932,164
Payments on redemption of units	(11,790,571)	(4,993,744)
Dividend paid	(141,940)	(363,236)
<b>Net cash generated from financing activities</b>	5,698,568	575,184
<b>Net increase in cash and cash equivalents during the period</b>	7,514,357	496,768
Cash and cash equivalents at the beginning of the period	2,979,279	3,360,422
<b>Cash and cash equivalents at the end of the period</b>	10,493,636	3,857,190

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For National Investment Trust Limited  
(Management Company)

Managing Director

Director

Director

Chief Financial Officer

**NIT - MONEY MARKET FUND**  
**NOTES TO AND FORMING PART OF THE FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020**

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

- 1.1 The NIT Money Market Fund (Formerly; NIT - Government Treasury Fund) ("the Fund") was established under a Trust Deed executed between National Investment Trust Limited (NITL) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter no. SCD/AMCW/NITL/78/ 2015 dated September 02, 2015 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the Trust Deed was executed on September 09, 2015.

Subsequently, the first supplemental trust deed of NIT Money Market Fund has been approved by SECP vide its letter no SCD/AMCW/NITL/NIT-GTF/319/2018 dated March 28, 2018 and registered on June 11, 2018 subject to the condition that the Management Company shall mention the former name (NIT-GTF) along with the new name NIT Money Market fund for a period of one year from the date of registration of the supplemental Trust Deed.

The Fund is categorised as Money Market Scheme as per criteria for categorisation of open end collective investment scheme as specified by SECP and other allied matters. The units of the Fund were initially issued at Rs. 10 per unit.

- 1.2 The Management Company of the Fund has been classified as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is situated at 6th floor, National Bank of Pakistan Building, I. I. Chundrigar Road, Karachi.
- 1.3 The Fund has received Rs. 759 million against IPO from various investors on January 22, 2016 and, accordingly commenced its business activities from January 25, 2016.
- 1.4 The Fund is an open-ended mutual fund and is listed on Pakistan Stock Exchange and units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The units of the Fund were initially offered for public subscription at par from January 22, 2016. The objective of the Fund is to invest primarily in fixed income securities issued by the Government of Pakistan (GoP), which are highly liquid and have low credit risk. After registration of first supplemental Trust Deed this has now been changed to invest in low risk, short tenor fixed income securities / money market instruments.
- 1.5 Pakistan Credit Rating Agency Limited (PACRA) has assigned "AAA(f)" rating to the Fund. The Management Company has been assigned a quality rating of 'AM1' by VIS dated December 31, 2020 and PACRA has assigned an asset manager rating of 'AM2++' with 'positive outlook' to the Management Company on November 5, 2020.
- 1.6 Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

- 2.1.1 This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017 along with part and the requirements VIII A of the repealed Companies Ordinance, 1984 and the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008, (the NBFC Regulations). Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations have been followed.
- 2.1.2 This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual financial statements of the Fund as at and for the year ended June 30, 2020.
- 2.1.3 This condensed interim financial information is being submitted to the unit holders as required under Regulation 38 (2)(f) of the Non-Banking Finance Companies and notified Entities Regulations, 2008 (NBFC Regulations).



- 2.1.4 These condensed interim financial statements are un-audited but subject to limited scope review by the auditors. Figures for the quarter ended December 31, 2020 as reported in these condensed interim financial statements have not been subject to limited scope review by the external auditors.
- 2.1.5 In compliance with schedule V of the NBFC Regulations the Directors of the Management Company, hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2020.

## 2.2 Functional and presentation currency

This condensed interim financial information is presented in Pak Rupees, which is the fund's functional and presentational currency.

## 2.3 Basis of measurement

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

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

- 3.1 The accounting policies adopted and the methods of computation of the of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2020.
- 3.2 The preparation of the condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements of the Fund as at and for the year ended June 30, 2020. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2020.

## 3.3 New / Revised Standards, Interpretations and Amendments

The Fund has adopted the following standards and amendment to IFRSs which became effective for the current period:

Amendments to IFRS 3: Definition of a Business  
 Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform  
 Amendments to IAS 1 and IAS 8 Definition of Material  
 Conceptual Framework for Financial Reporting issued on March 29, 2018  
 Amendments to IFRS 16 Covid-19 Related Rent Concessions

The adoption of the above amendments to accounting standards and interpretations did not have any effect on these condensed interim financial statements.

- 3.4 The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Fund as at and for the year ended June 30, 2020.

		December 31, 2020 (Un audited)	June 30, 2020 (Audited)
	Note	(Rupees in '000)	
<b>4. BANK BALANCES</b>			
In saving accounts	4.1	<u>10,493,636</u>	<u>2,979,279</u>
4.1 These represent balances with banks in savings accounts carrying mark-up rates ranging from 6.25% to 7.5% per annum (June 30, 2020: 6.50% to 7.80% per annum).			
<b>5. INVESTMENTS</b>			
<b>Fair value through profit or loss</b>			
- Market Treasury Bills	5.1	-	1,769,331
- Certificate of Placement/ Clean Investment	5.3	-	-
- Commercial papers	5.2	<u>207,832</u>	-
		<u>207,832</u>	1,769,331
<b>At amortised cost</b>			
- Commercial papers	5.4	-	87,254
		<u>207,832</u>	<u>1,856,585</u>
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## 5.1 Market Treasury Bills

Issue date	Tenor	Face value				Balance as at 31 December 2020		value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2020	Purchased during the period	Sold / matured during the period	As at December 31, 2020	Carrying value	Market value		
(Rupees in '000)									
August 29, 2019	12 Months	250,000	1,000,000	(1,250,000)	-	-	-	-	-
September 12, 2019	12 Months	-	360,000	(360,000)	-	-	-	-	-
September 26, 2019	12 Months	-	150,000	(150,000)	-	-	-	-	-
December 19, 2019	12 Months	-	3,600,000	(3,600,000)	-	-	-	-	-
January 30, 2020	12 Months	-	500,000	(500,000)	-	-	-	-	-
March 6, 2020	6 Months	-	250,000	(250,000)	-	-	-	-	-
March 26, 2020	12 Months	-	500,000	(500,000)	-	-	-	-	-
April 9, 2020	6 Months	375,000	-	(375,000)	-	-	-	-	-
April 23, 2020	3 Months	300,000	-	(300,000)	-	-	-	-	-
April 23, 2020	6 Months	375,000	750,000	(1,125,000)	-	-	-	-	-
May 7, 2020	6 Months	500,000	350,000	(850,000)	-	-	-	-	-
May 21, 2020	6 Months	-	372,000	(372,000)	-	-	-	-	-
June 4, 2020	6 Months	-	575,000	(575,000)	-	-	-	-	-
June 18, 2020	6 Months	-	150,000	(150,000)	-	-	-	-	-
July 2, 2020	3 Months	-	75,000	(75,000)	-	-	-	-	-
July 2, 2020	6 Months	-	75,000	(75,000)	-	-	-	-	-
July 16, 2020	3 Months	-	575,000	(575,000)	-	-	-	-	-
July 16, 2020	6 Months	-	375,000	(375,000)	-	-	-	-	-
August 27, 2020	3 Months	-	4,125,000	(4,125,000)	-	-	-	-	-
September 10, 2020	3 Months	-	1,775,000	(1,775,000)	-	-	-	-	-
October 8, 2020	3 Months	-	500,000	(500,000)	-	-	-	-	-
October 22, 2020	3 Months	-	500,000	(500,000)	-	-	-	-	-
November 5, 2020	3 Months	-	1,600,000	(1,600,000)	-	-	-	-	-
<b>Total December 31, 2020 (Un-audited)</b>		<b>1,800,000</b>	<b>18,157,000</b>	<b>(19,957,000)</b>	-	-	-	-	-
<b>Total June 30, 2020 (Audited)</b>		-	<b>27,404,000</b>	<b>(25,604,000)</b>	<b>1,800,000</b>	<b>1,764,263</b>	<b>1,769,331</b>	<b>36.69</b>	<b>95.31</b>

## 5.2 Commercial paper - At fair value through profit or loss

Name of Investee Company	Face value				Balance as at 31 December 2020		value as a percentage of net assets	Market value as a percentage of total investments
	As at July 01, 2020	Purchased during the period	Sold / matured during the period	As at December 31, 2020	Carrying value	Market value		
(Rupees in '000)								
K-Electric Limited	-	118,000	-	118,000	115,950	115,950	1.08	55.79
K-Electric Limited	-	94,000	-	94,000	91,882	91,882	0.86	44.21
<b>Total - 31 December 2020 (Un-audited)</b>	-	<b>212,000</b>	-	<b>212,000</b>	<b>207,832</b>	<b>207,832</b>	<b>1.94</b>	<b>100</b>

## 5.2.1 Significant terms and conditions of commercial papers outstanding at the period end are as follows:

Name of security	Interest / mark-up rates	Issue Date	Maturity Date	Carrying value as at December 31, 2020	Carrying value as a %age of net assets
(Rupees in '000)					
K-Electric Limited	8.04%	September 24, 2020	March 24, 2021	115,950	1.08
K-Electric Limited	7.84%	October 20, 2020	April 20, 2021	91,882	0.86

## 5.3 Certificate of Investment/Clean Placements

Name of Investee Company	Number of certificate				Balance as at 31 December 2020		value as a percentage of net assets	Market value as a percentage of total investments
	As at July 01, 2020	Purchased during the period	Sold / matured during the period	As at December 31, 2020	Carrying value	Market value		
(Rupees in '000)								
Pak Kuwait Investment Company Limited	-	1,550,000	(1,550,000)	-	-	-	-	-
Pak Oman Investment Company Limited	-	2,000,000	(2,000,000)	-	-	-	-	-
<b>Total December 31, 2020 (Un-audited)</b>	-	<b>3,550,000</b>	<b>(3,550,000)</b>	-	-	-	-	-
<b>Total June 30, 2020 (Audited)</b>	-	<b>1,025,000</b>	<b>(1,025,000)</b>	-	-	-	-	-

## 5.4 Commercial paper - At amortized cost

Name of Investee Company	Face value				Balance as at 31 December 2020		value as a percentage of net assets	Market value as a percentage of total investments
	As at July 01, 2020	Purchased during the period	Sold / matured during the period	As at December 31, 2020	Carrying value	Market value		
(Rupees in '000)								
K-Electric Limited	90,000	-	(90,000)	-	-	-	-	-
<b>Total December 31, 2020 (Un-audited)</b>	<b>90,000</b>	-	<b>(90,000)</b>	-	-	-	-	-
<b>Total June 30, 2020 (Audited)</b>	<b>129,000</b>	<b>540,000</b>	<b>(579,000)</b>	<b>90,000</b>	<b>87,254</b>	<b>87,254</b>	<b>1.81</b>	<b>4.70</b>

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		December 31, 2020 (Un audited)	June 30, 2020 (Audited)
6. PAYABLE TO NATIONAL INVESTMENT TRUST LIMITED - MANAGEMENT COMPANY	Note	-----Rupees in '000-----	
On account of:			
- Management remuneration	6.1	2,109	1,641
- Sindh Sales Tax	6.2	274	213
- Preliminary expenses and floatation costs		1,125	1,125
- Allocation of expenses related to registrar services, accounting, operation and valuation services Trust Deed registration fee and others	6.3	422	390
		134	134
		<u>4,064</u>	<u>3,503</u>

6.1 The Management Company has charged its remuneration at the rate of upto 5% (June 30, 2020: 5 percent) of Gross Earnings subject to a floor of 0.25% per annum (June 30, 2020: Nil) and a cap of 1% per annum (June 30, 2020: 1 percent) of Average Annual Net Assets.

6.2 During the period, Sindh Sales Tax at the rate of 13% (June 30, 2020: 13%) was charged on the management remuneration.

6.3 Management has charged expenses at the rate of 0.1 percent of the average annual net assets of the Fund being lower than actual expenses.

		December 31, 2020 (Un audited)	June 30, 2020 (Audited)
7. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	-----Rupees in '000-----	
Trustee remuneration	7.1	440	253
Sales tax payable on trustee remuneration	7.2	57	33
		<u>497</u>	<u>286</u>

7.1 The Trustee has charged its tariff at a flat rate of 0.065% p.a. of net assets.

7.2 During the period, Sindh Sales Tax at the rate of 13% (June 30, 2020: 13%) was charged on trustee remuneration.

		December 31, 2020 (Un audited)	June 30, 2020 (Audited)
8. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	-----Rupees in '000-----	
Provision for Sindh Workers' Welfare Fund	8.1	20,620	16,878
Federal excise duty	8.2	291	291
Capital gain tax		1,300	594
Auditors' remuneration		204	218
Legal and professional charges		15	80
Printing charges		15	33
Brokerage		32	72
Listing fee		10	-
Withholding tax payable		10	29
Zakat payable		-	1
		<u>22,497</u>	<u>18,196</u>

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- 8.1 There is no change in the status of the SWWF as reported in note 13.1 to the annual financial statements of the Fund for the year ended June 30, 2020. The provision for SWWF is being made on a daily basis. Had the SWWF not been provided, the NAV per unit of the Fund would have been higher by Rs. 0.0187 (June 30, 2020: Rs. 0.0339) per unit.
- 8.2 There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty, as reported in note 13.2 to the annual financial statements of the Fund for the year ended June 30, 2020. Had the provision not been made, the Net Asset Value per unit of the Fund would have been higher by Rs. 0.0003 (June 30, 2020: Rs. 0.0006) per unit.

## 9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2020 (June 30, 2020: Nil).

## 10. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Provided that for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains / loss to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute in cash at least 90 percent of the Fund's accounting income for the year ending June 30, 2021 as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash.

## 11. TOTAL EXPENSE RATIO

Total Expense Ratio of the Fund is 0.73% as on December 31, 2020 (December 31, 2019: 1.25%) and this includes 0.2% (December 31, 2019: 0.37%) representing Government Levy, Sindh Workers' Welfare Fund (SWWF) and SECP fee. This ratio is within the maximum limit of 2.0% prescribed under the NBFC Regulations 60(5) for a collective investment scheme categorised as an Money Market Scheme.

## 12. TRANSACTIONS WITH CONNECTED PERSONS

- 12.1 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 10% or more of the capital of the Management Company or the net assets of 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.
- 12.2 The transactions with connected persons are in the normal course of business, at contracted terms determined in accordance with the market rates.
- 12.3 Remuneration to the Management Company and the trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively. *myh*

12. Details of transactions and balances at year end with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Details of the transactions with connected persons are as follows:

Transactions during the period	Six months period ended		Quarter ended	
	December 31,		December 31,	
	2020	2019	2020	2019
	(Unaudited)		(Unaudited)	
	Rupees in '000		Rupees in '000	
<b>National Investment Trust Limited - Management Company</b>				
Issue of 31,129,826 units (2019: 10,174,136 units)	302,433	100,013	-	100,000
Issue of 1,117,615 units under CIP (2019: 10,558,991 units)	11,413	103,370	7,907	22,237
49,650,663 units redeemed (2019: 6,125,887 units)	482,437	60,000	180,000	60,000
Additional 74,606 units issued as refund of capital (2019: 16,720 units)	-	-	-	-
Remuneration of the Management Company	9,983	14,331	5,876	7,196
Sindh Sales Tax on Management remuneration	1,298	1,863	764	935
Allocation of expenses related to registrar services, accounting, operation and valuation services	2,621	2,129	1,432	1,053
<b>Central Depository Company of Pakistan Limited - Trustee</b>				
Remuneration of the Trustee	1,869	1,381	1,095	683
Sindh Sales Tax on Trustee Remuneration	243	180	142	89
<b>Engro Corporation Limited</b>				
Issue of 51,558,617 units (2019: 3,967,409 units)	500,000	66,305	500,000	-
Issue of 3,015,925 units under CIP (2019: Nil units)	29,230	-	19,695	-
Additional nil units issued as refund of capital (2019: 7,038,697 units)	-	-	-	-
<b>Fauji Fertilizer Company Limited</b>				
Issue of 756,188,530 units (2019: Nil units)	7,340,000	-	4,600,000	-
Issue of 254,232 units under CIP (2019: Nil units)	2,464	-	2,464	-
519,607,623 units redeemed (2019: Nil units)	5,053,081	-	3,460,998	-
Additional 334,500 units issued as refund of capital (2019: Nil units)	-	-	-	-
<b>Mari Petroleum Company Limited</b>				
Issue of 149,495,285 units under CIP (2019: Nil units)	1,450,000	-	1,450,000	-
Additional 52,561 units issued as refund of capital (2019: Nil units)	-	-	-	-

December 31, 2019  
(Un audited)  
June 30, 2019  
(Audited)  
Rupees in '000

12.5 Amounts outstanding as at period end:

<b>National Investment Trust Limited - Management Company</b>		
42,614,934 units held (June 30, 2020: 59,883,549 units)	413,586	580,391
Management remuneration	2,109	1,641
Sindh Sales Tax	274	213
Preliminary expenses & floatation costs	1,125	1,125
Allocation of expenses related to registrar services, accounting, operation and valuation services	422	390
Others	134	134
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	440	253
Sindh Sales Tax on Trustee remuneration of Trustee	57	33
<b>Engro Corporation Limited</b>		
169,622,854 units held (June 30, 2020: 115,048,312 units)	1,646,224	1,115,048
<b>Fauji Fertilizer Company Limited</b>		
237,169,638 units held (June 30, 2020: Nil units)	2,301,779	-
<b>Mari Petroleum Company Limited</b>		
200,748,604 units held (June 30, 2020: 51,200,758 units)	1,948,305	496,238

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## 13. 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 financial 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 (derived from prices); and
- Level 3: those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at December 31, 2020 and June 30, 2020, the Fund held the following instruments measured at fair values:

	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
<b>December 31, 2020 (Un-audited)</b>				
At fair value through profit or loss	-	207,832	-	207,832
<b>June 30, 2020 (Audited)</b>				
At fair value through profit or loss	-	1,769,331	-	1,769,331

During the period ended December 31, 2020, 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.

The valuation of commercial paper have been done based on the amortization of commercial papers to its fair value as per the guidelines of circular number 33 of 2012 as the residual maturity of this investment is less than 3 or 6 months and they are placed with counterparties having high credit rating.

14. INTERIM DISTRIBUTION DURING THE PERIOD	Declaration Date	Rs. Per Unit	December 31, 2020
			(Un audited) -----Rupees in '000-----
For the month ended July 31, 2020	July 31, 2020	0.0475	17,134
For the month ended August 31, 2020	August 31, 2020	0.0498	18,625
For the month ended September 30, 2020	September 30, 2020	0.0519	25,893
For the month ended October 31, 2020	November 2, 2020	0.0575	26,232
For the month ended November 30, 2020	December 1, 2020	0.0493	29,866
For the month ended December 31, 2020	December 24, 2020	0.0397	24,433
			<u>142,183</u>

## 15. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 23-02-2021 by the Board of Directors of the Management Company.

## 16. GENERAL

Figures have been rounded off to the nearest thousand rupees. *cyh*

For National Investment Trust Limited  
(Management Company)

  
Managing Director

  
Director

  
Director

  
Chief Financial Officer