



FINANCIAL STATEMENTS OF  
NIT GOVERNMENT BOND FUND  
FOR THE HALF YEAR ENDED  
DECEMBER 31, 2023

**BDO Ebrahim & Co. Chartered Accountants**

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**TRUSTEE REPORT TO THE UNIT HOLDERS**

**NIT GOVERNMENT BOND FUND**

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

We, Central Depository Company of Pakistan Limited, being the Trustee of NIT Government Bond Fund (the Fund) are of the opinion that National Investment Trust Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2023 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, February 27, 2024

**DRAFT****REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS****Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NIT Government Bond Fund** ("the Fund") as at December 31, 2023 and the related condensed interim income statement, condensed interim comprehensive income, condensed interim statement of movement in unit holders' fund, condensed interim statement of cash flows, together with notes to the financial statements for the half year ended then added (here-in-after referred to as "interim financial statement"). Management is responsible for the preparation and fair presentation of this condensed interim financial statement in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial statement based on our review.

**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 condensed interim financial statement 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 condensed interim financial statement as at and for the half year ended December 31, 2023 does not present fairly, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

**Other matter**

The financial statements of the Fund for the year ended June 30, 2023 were audited and condensed interim financial statement of the Fund for the half year ended December 31, 2022 was reviewed by another firm of Chartered Accountants who through their audit report dated September 30, 2023 and review report dated February 28, 2023 expressed an unmodified opinion and conclusion thereon, respectively.

The figures for the quarter ended December 31, 2023 and December 31, 2022 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditor's report is Zulfikar Ali Causer.

**KARACHI****DATED:****UDIN:****BDO EBRAHIM & CO.  
CHARTERED ACCOUNTANTS**




**NIT - GOVERNMENT BOND FUND  
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT DECEMBER 31, 2023**

	December 31, 2023 (Un-Audited)	June 30, 2023 (Audited)
Note	----- (Rupees in '000) -----	
<b>ASSETS</b>		
Bank balances	4 158,154	367,666
Receivable against sale of investment	275,000	-
Investments	5 2,686,784	1,546,963
Profit and other receivables	6 55,468	58,540
Security Deposit	100	100
<b>Total assets</b>	3,175,506	1,973,269
<b>LIABILITIES</b>		
Payable to National Investment Trust Limited - Management Company	7 3,200	2,343
Payable to Central Depository Company of Pakistan Limited - Trustee	8 163	110
Payable to the Securities and Exchange Commission of Pakistan	9 195	503
Payable against redemption of units	105	-
Accrued expenses and other liabilities	10 33,404	45,679
Dividend payable	5,891	5,894
<b>Total liabilities</b>	42,958	54,529
<b>NET ASSETS</b>	<u>3,132,548</u>	<u>1,918,740</u>
<b>REPRESENTED BY:</b>		
<b>Unit Holders' Fund (as per statement attached)</b>	<u>3,132,548</u>	<u>1,918,740</u>
<b>Contingencies and commitments</b>	11	
	----- (Number of units) -----	
<b>Number of units in issue</b>	<u>284,579,378</u>	<u>193,490,462</u>
	----- (Rupees) -----	
<b>Net asset value per unit</b>	<u>11.0076</u>	<u>9.9165</u>

The annexed notes from 1 to 19 form an integral part of these financial statements.

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

  
MANAGING DIRECTOR

  
DIRECTOR

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER



**NIT - GOVERNMENT BOND FUND  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

	Half year ended		Quarter ended	
	2023	2022	2023	2022
	(Un-Audited)		(Un-Audited)	
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Net income for the period	221,587	178,606	129,023	80,483
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>221,587</u>	<u>178,606</u>	<u>129,023</u>	<u>80,483</u>

The annexed notes from 1 to 19 form an integral part of these financial statements.

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

  
MANAGING DIRECTOR

  
DIRECTOR

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

**NIT - GOVERNMENT BOND FUND  
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**





	Half year ended December 31,					
	2023			2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
<b>Net assets at the beginning of the period</b>	1,946,531	(27,791)	1,918,740	2,809,264	198,951	3,008,215
<b>Issue of 183,009,159 units</b> (2022: 58,973,742) units						
Capital value	1,814,803	-	1,814,803	579,411	-	579,411
Element of income	155,873	-	155,873	36,161	-	36,161
Total proceeds on issuance of units	1,970,676	-	1,970,676	615,572	-	615,572
Issuance of Nil units in lieu of refund of capital (2022: 150,678)	-	-	-	1,480	-	1,480
<b>Redemption of 91,920,243 units</b> (2022: 101,342,505)						
Capital value	(911,523)	-	(911,523)	(1,120,025)	-	(1,120,025)
Element of loss	(51,571)	(15,361)	(66,932)	(5,078)	(48,390)	(53,468)
Total payment on redemption of units	(963,094)	(15,361)	(978,455)	(1,125,103)	(48,390)	(1,173,493)
Total comprehensive income for the period	-	221,587	221,587	-	178,606	178,606
<b>Issue of Nil units under CIP</b> (2022: 11,933,155 units)	-	-	-	117,242	-	117,242
<b>Final distribution for the period ended June 30, 2023: Nil per uni</b> (2022: Rs 0.8753 per unit [(Date of Distribution: 5 July 2022)])	-	-	-	-	(244,598)	(244,598)
Refund of capital	-	-	-	(1,480)	-	(1,480)
<b>Net assets at end of the period</b>	<u>2,954,113</u>	<u>178,435</u>	<u>3,132,548</u>	<u>2,416,975</u>	<u>84,569</u>	<u>2,501,544</u>

	(Rupees in '000)	(Rupees in '000)
Undistributed income/loss brought forward		
- Realised income	(7,479)	204,895
- Unrealised (loss) / income	(20,312)	(5,944)
	(27,791)	198,951
Accounting income available for distribution:		
- Relating to capital gains	-	-
- Excluding capital gains	206,226	130,216
	206,226	130,216
Final distribution for the period ended June 30, 2023: Nil per unit (2022: Rs 0.8753 per unit [(Date of Distribution: 5 July 2022)])	-	(244,598)
Undistributed accounting income carried forward	<u>178,435</u>	<u>84,569</u>
Undistributed accounting income carried forward comprising:		
- Realised income	203,636	94,802
- Unrealised loss	(25,201)	(10,233)
	<u>178,435</u>	<u>84,569</u>

	(Rupees)	(Rupees)
Net asset value per unit at beginning of the period	9.9165	10.7002
Net asset value per unit at end of the period	<u>11.0076</u>	<u>10.5021</u>

The annexed notes from 1 to 19 form an integral part of these financial statements.

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




  
**MANAGING DIRECTOR      DIRECTOR      DIRECTOR      CHIEF FINANCIAL OFFICER**



**NIT - GOVERNMENT BOND FUND  
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

	December 31, 2023	December 31, 2022
	----- (Un-Audited) -----	
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	221,587	178,606
Adjustment for:		
Net unrealised diminution on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	4,889	10,233
	<u>226,476</u>	<u>188,839</u>
Decrease / (increase) in assets		
Investments	(1,669,455)	381,640
Markup receivables	3,072	(1,497)
Receivable against sale of investments	(275,000)	-
	<u>(1,941,383)</u>	<u>380,143</u>
Increase / (decrease) in liabilities		
Payable to National Investment Trust Limited - Management Company	857	(313)
Payable to Central Depository Company of Pakistan Limited - Trustee	53	(25)
Payable to the Securities and Exchange Commission of Pakistan	(308)	(357)
Payable against redemption of units	105	-
Accrued expenses and other liabilities	(12,275)	6,553
	<u>(11,568)</u>	<u>5,858</u>
Net cash generated from operating activities	<u>(1,726,475)</u>	<u>574,840</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of units	1,970,676	732,814
Payments on redemption of units	(978,455)	(1,173,373)
Dividend paid	(3)	(242,682)
Net cash used in financing activities	<u>992,218</u>	<u>(683,241)</u>
Net decrease in cash and cash equivalents during the period	<u>(734,257)</u>	<u>(108,401)</u>
Cash and cash equivalents at beginning of the period	1,089,618	1,728,118
Cash and cash equivalents at end of the period	<u>355,361</u>	<u>1,619,717</u>

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The annexed notes from 1 to 19 form an integral part of these financial statements.

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

  
MANAGING DIRECTOR

  
DIRECTOR

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER



**NIT - GOVERNMENT BOND FUND**  
**NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1 NIT - Government Bond Fund (the Fund) was established under a Trust Deed executed between National Investment Trust Limited (Management Company) and 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/896/2009 dated September 24, 2009 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Trust Deed was executed on September 4, 2009. The Fund is categorised as an Income Scheme as per the criteria for categorisation of open-end collective investment schemes as specified by SECP. The units of the Fund were initially issued at Rs. 10 per unit.
- 1.2 During 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 1, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.3 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (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. Units are offered for public subscription on a continuous basis. 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 "AM1" with 'stable outlook' (2022: "AM 1") by VIS Credit Rating Company Limited (VIS) on May 24, 2023 and Pakistan Credit Rating Agency Limited (PACRA), on December 28, 2023.
- Furthermore, PACRA has maintained the stability rating of "AA(f)" with 'stable outlook' to the Fund (2022: "AA(f)") on September 8, 2023.
- 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 government securities. 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 BASIS OF PREPARATION**

### **2.1 Statement of compliance**

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

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

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

2.1.2 The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the published audited annual financial statements of the Fund for the year ended June 30, 2023.

2.1.3 The comparative statement of assets and liabilities presented in this condensed interim financial statements have been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2023, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial information for the half year ended December 31, 2022.

2.1.4 This condensed interim financial statement is unaudited, but has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2023 have not been reviewed.

2.1.5 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial statement gives a true and fair view of the state of the Fund's affairs as at December 31, 2023.

## **2.2 Basis of measurement**

This condensed interim financial statement have been prepared under the historical cost basis, unless stated otherwise.

## **2.3 Functional and presentation currency**

Items included in the condensed interim financial statements are measured using the currency of the primary economic environment in which the Fund operates. This condensed interim financial statements is presented in Pakistani Rupee ('Rupees' or 'Rs.') which is the Fund's functional and presentation currency.

## **3 SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENTS AND CHANGES THEREIN**

3.1 The accounting policies applied in the preparation of this condensed interim financial statements are the same as those applied in the preparation of the audited financial statements of the Fund for the year ended June 30, 2023.

3.2 The preparation of this condensed interim financial statement in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2023.

3.4 There are certain standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan effective for the first time in this condensed interim financial statement and are mandatory for the Fund's accounting period beginning on or after July 01, 2023. These standards, interpretations and amendments are either not relevant to the Fund's operations or are not expected to have a significant effect on this condensed interim financial statement.

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in annual audited financial statements of the Fund for the year ended June 30, 2023.



	<b>December 31, 2023 (Un-Audited)</b>	<b>June 30, 2022 (Audited)</b>
<b>Note</b>	----- <b>(Rupees in '000)</b> -----	

#### 4 BANK BALANCES

In savings accounts	4.1	<u>158,154</u>	<u>367,666</u>
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4.1 The balances in saving accounts carry profit rates ranging from 5.5% to 23.75% per annum (June 30, 2023: 5.50% to 23% per annum).

#### 5 INVESTMENTS

- Market Treasury Bills	5.1	2,281,042	721,952
- Pakistan Investment Bonds	5.2	<u>405,742</u>	<u>825,011</u>
		<u>2,686,784</u>	<u>1,546,963</u>

#### 5.1 Details of Government Securities - Market treasury bills

Issue date	Tenure	Face value				Balance as at December 31, 2023			Market value as a percentage of	
		As at July 1, 2023	Purchased during the year	Sold / matured during the year	As at December 31, 2023	Carrying value	Market value	Appreciation / (Diminution)	net assets	total investments
(Rupees in '000)										
-----										
(%)										
April 20, 2023	3 Months	200,000	-	200,000	-	-	-	-	-	-
June 15, 2023	3 Months	-	30,000	30,000	-	-	-	-	-	-
June 22, 2023	3 Months	550,000	225,000	775,000	-	-	-	-	-	-
August 10, 2023	3 Months	-	1,025,000	1,025,000	-	-	-	-	-	-
August 24, 2023	3 Months	-	100,000	100,000	-	-	-	-	-	-
September 7, 2023	3 Months	-	450,000	450,000	-	-	-	-	-	-
November 2, 2023	3 Months	-	200,000	-	200,000	197,265	197,207	(58)	6.30%	7.34%
November 2, 2023	6 Months	-	400,000	-	400,000	373,666	373,378	(288)	11.92%	13.90%
November 16, 2023	6 Months	-	300,000	-	300,000	278,763	277,902	(861)	8.87%	10.34%
October 19, 2023	12 Month	-	250,000	-	250,000	214,233	213,764	(469)	6.82%	7.96%
November 2, 2023	12 Month	-	400,000	-	400,000	340,095	339,652	(443)	10.84%	12.64%
November 16, 2023	12 Month	-	200,000	-	200,000	169,230	168,658	(572)	5.38%	6.28%
November 30, 2023	12 Month	-	600,000	-	600,000	504,154	502,518	(1,636)	16.04%	18.70%
December 14, 2023	12 Month	-	250,000	-	250,000	208,187	207,963	(224)	6.64%	7.74%
Total as at December 31, 2023		750,000	4,430,000	2,580,000	2,600,000	2,285,593	2,281,042	(4,551)		
Total as at June 30, 2023		875,000	11,558,100	11,683,100	750,000	722,859	721,952			

#### 5.2 Details of Government Securities - Pakistan Investments Bond

Issue date	Tenure	Balance as at December 31, 2023				Balance as at December 31, 2023			Market value as a percentage of	
		As at June 30, 2023	Purchased during the year	Sold / matured during the year	As at December 31, 2023	Carrying value	Market value	Appreciation / (Diminution)	Net assets	Total investments
(Rupees in '000)										
-----										
(%)										
December 30, 2021	2 Years	275,000	-	275,000	-	-	-	-	-	-
October 22, 2020	3 Years	250,000	-	250,000	-	-	-	-	-	-
October 7, 2021	3 Years	137,500	-	-	137,500	136,385	136,730	345	4.36%	5.09%
August 4, 2022	3 Years	100,000	-	-	100,000	87,829	87,570	(259)	2.80%	3.26%
July 4, 2023	3 Years	-	100,000	100,000	-	-	-	-	-	-
October 13, 2022	5 Years	100,000	-	-	100,000	84,410	84,272	(138)	2.69%	3.14%
September 21, 2023	5 Years	-	100,000	-	100,000	97,456	97,170	(286)	3.10%	3.62%
Total as at December 31, 2023		862,500	200,000	625,000	437,500	406,080	405,742	(338)		
Total as at June 30, 2023		450,000	612,500	200,000	862,500	844,416	825,011			

		<b>December 31, 2023</b>	<b>December 31, 2022</b>
		<b>(Un-Audited)</b>	<b>(Un-Audited)</b>
	<b>Note</b>	<b>-----Rupees in '000-----</b>	
<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	2,686,784	1,770,757
Less: Carrying value of investments	5.1 - 5.2	<u>(2,691,673)</u>	<u>(1,780,990)</u>
		<u>(4,889)</u>	<u>(10,233)</u>

		<b>December 31, 2023</b>	<b>June 30, 2023</b>
		<b>(Un-Audited)</b>	<b>(Audited)</b>
	<b>Note</b>	<b>-----Rupees in '000-----</b>	
<b>6 PROFIT AND OTHER RECEIVABLES</b>			
Profit on saving accounts		4,101	5,450
Markup on Pakistan Investment Bonds		35,742	37,465
Withholding tax receivable on NSB Markup amount		<u>15,625</u>	<u>15,625</u>
		<u>55,468</u>	<u>58,540</u>
<b>7 PAYABLE TO NATIONAL INVESTMENT TRUST LIMITED - MANAGEMENT COMPANY</b>			
Remuneration payable	7.1	2,514	1,787
Sindh sales Tax	7.2	321	226
Allocation of expenses related to registrar services, accounting, operation and valuation services	7.3	<u>365</u>	<u>330</u>
		<u>3,200</u>	<u>2,343</u>

7.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the offering document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged remuneration at the rate of 10% of the daily gross earnings with floor of 0.5% and cap of 1% per annum of the daily average net assets. The remuneration is payable to the Management Company monthly in

7.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2023: 13%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

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

Accordingly, the management company, based on its own discretion while keeping in view the overall return as the total expense ratio limit as defined under NBFC Regulations, 2008, has charged its fees.

		<b>December 31, 2023 (Un-Audited)</b>	<b>June 30, 2023 (Audited)</b>
	<b>Note</b>	<b>-----Rupees in '000-----</b>	
<b>8 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>			
Trustee fee payable	8.1	144	97
Sindh Sales Tax	8.2	19	13
		163	110
		163	110

8.1 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 @ 0.055% of net assets (June 30, 2023: 0.055%).

8.2 During the reporting period, Sindh Sales Tax at the rate of 13% (June 30, 2023: 13%) was charged on the Trustee remuneration.

## **9 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay fee to the Securities and Exchange Commission of Pakistan (SECP). The Commission vide S.R.O 592(1)/2023 dated, May 17, 2023 has revised the rate of fee at 0.075% of average net assets, payable monthly to the Commission (30 June, 2023: 0.02%).

## **10 ACCRUED EXPENSES AND OTHER LIABILITIES**

Federal excise duty	10.1	29,849	29,849
Capital gain tax		636	13,059
Auditors' remuneration		639	689
Legal and professional charges		1,944	1,944
Printing charges		6	23
Brokerage		43	-
Zakat Payable		-	115
Mutual fund rating fee		287	-
		33,404	45,679
		33,404	45,679



10.1 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.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

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. 29.85 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. 2.023 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. 0.1120 (June2023: Re. 0.165) .

## 11 CONTINGENCIES

There were no contingencies and commitments outstanding as at December 31, 2023 and (June 30, 2023:Nil)

<b>December 31, 2023 (Un-audited)</b>	<b>June 30, 2023 (Audited)</b>
-----	-----
<b>(Rupees in '000)</b>	<b>(Rupees in '000)</b>

## 12. CASH AND CASH EQUIVALENTS

Bank balances	158,154	367,666
Market Treasury Bills ( maturity of 3 months or less)	197,207	721,952
	<u>355,361</u>	<u>1,089,618</u>

## **13 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 intends to distribute 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.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds as per Section 4B of the Income Tax Ordinance, 2001.

## **14 TOTAL EXPENSE RATIO**

The annualised total expense ratio (TER) of the Fund based on the current period results is 1.52% which includes 0.21% representing Government levies on the Fund such as provision for Sindh Worker's Welfare Fund, sales tax, federal excise duties, annual fee to the SECP etc. The prescribed limit for the ratio is 2.5% (excluding Government levies) under the NBFC Regulations for a collective investment scheme categorised as an 'income scheme'.

## **15 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS**

Connected persons/related parties comprise of 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 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.

The transactions with connected persons are in the normal course of business, at contracted terms determined in accordance with the market rates.

Remuneration to the Management Company and the Trustee is determined in accordance with the provisions of NBFC Rules, NBFC Regulations and the Trust Deed respectively. Other transactions with the related parties / connected persons have been carried out at agreed / commercial terms.

Details of transaction with the related parties and balances with them at the half year end are as follows:

	Half year ended December 31,		Quarter ended December 31,	
	2023	2022	2023	2022
----- (Un-audited) -----				
----- Rupees in '000 -----				
<b>National Investment Trust Limited -</b>				
<b>Management Company</b>				
Issue of units: 6,254,601 (2022: 46,667,108 units)	66,849	489,221	62,447	489,221
Issue of Nil units under CIP ( 2022: 8,269,336 units)	-	81,245	-	-
Redemption of Nil units (2022: 92,109,309 units)	-	950,091	-	750,091
Remuneration of the Management Company	10,453	13,308	5,943	6,288
Sindh Sales Tax on Management remuneration	1,359	1,730	773	817
Allocation of expenses related to registrar services, accounting, operation and valuation services	2,108	2,090	1,048	1,036
<b>Central Depository Company of</b>				
<b>Pakistan Limited - Trustee</b>				
Remuneration of the Trustee	598	742	341	354
Sindh Sales Tax on Trustee Remuneration	78	96	45	46
<b>National Investment Trust Limited -</b>				
<b>Employees Pension Fund</b>				
Issue of units: 66,182 (2022: Nil units)	717	-	717	-
Issue of Nil units under CIP (2022: 1,124,544 units)	-	11,049	-	-
Redemption of 7,301,760 units (2022: Nil units)	75,000	-	-	-
Additional units: Nil as refund of capital (2022 : 760 units)	-	-	-	-
<b>National Investment Trust Limited -</b>				
<b>Employees Benevolent Fund</b>				
Issue of Nil units under CIP (2022: 156,945 units)	-	1,542	-	-
Redemption of 1,230,022 units (2022: Nil units)	13,000	-	10,000	-
<b>Bank Al Habib Limited</b>				
Redemption of 13,258,731 units (2022: Nil units)	134,192	-	-	-
<b>Key Management Personnel</b>				
Issue of 166,080 units (2022: 897 units)	1,716	9	812	6
Issue of Nil units under CIP (2022: 109,857 units)	-	1,079	-	-
Redemption of 3 units (2022: 652 units)	0.033	7	-	7



	<b>December 31, 2023 (Un-Audited)</b>	<b>June 30, 2023 (Audited)</b>
<b>16 Amounts outstanding as at period end:</b>	<b>-----Rupees in '000-----</b>	
<b>National Investment Trust Limited - Management Company</b>		
Units held 47,221,390 (June 30, 2023: 40,966,788 units)	519,796	406,247
Management fee payable	2,514	1,787
Sindh Sales Tax payable	321	226
Sales Load payable	-	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	365	330
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	144	97
Sindh Sales Tax on Trustee remuneration of Trustee	19	13
Security Deposit	100	100
<b>National Investment Trust Limited - Employees' Pension Fund</b>		
485,402 units held (June 30, 2023: 7,720,980 units)	5,343	76,565
<b>National Investment Trust Limited - Employees Benevolent Fund</b>		
1,220,253 units held (June 30, 2023: 2,450,275 units)	13,432	24,298
<b>Bank Al Habib Limited</b>		
35,356,527 units held (June 30, 2023: 48,615,258 units)	389,192	482,093
<b>Key Management Personnel</b>		
567,667 units held (June 30, 2023: 401,591 units)	6,249	3,983

## **17 FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair value is the amount for which an asset could be exchanged or liability can be settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates.

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

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

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

Level 1: quoted prices 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).

	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
<b>December 31, 2023</b>				
<b>Investments</b>				
Market Treasury Bills	-	2,281,042	-	2,281,042
Pakistan Investment Bonds	-	405,742	-	405,742
	-	2,686,784	-	2,686,784
<b>June 30, 2023</b>				
<b>Investments</b>				
Market Treasury Bills	-	721,952	-	721,952
Pakistan Investment Bonds	-	825,011	-	825,011
	-	1,546,963	-	1,546,963

**18 GENERAL**





Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.

**19 DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information was authorized for issue by Board of Directors of the Management Company on \_\_\_\_\_.

**23 FEB 2024**

For National Investment Trust Limited  
(Management Company)

 <b>MANAGING DIRECTOR</b>	 <b>DIRECTOR</b>	 <b>DIRECTOR</b>	 <b>CHIEF FINANCIAL OFFICER</b>
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