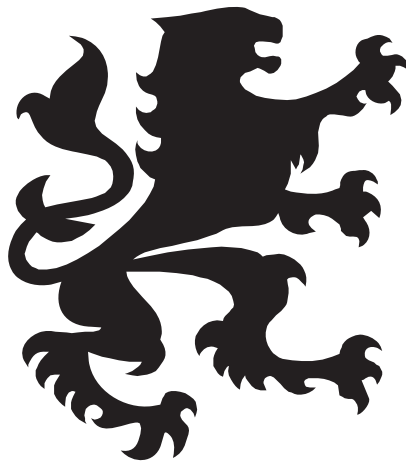


# LAKSON INCOME FUND

Quarterly Report (March 31, 2023)



**LAKSON INVESTMENTS**

WE MANAGE YOUR MONEY, AS WE MANAGE OUR OWN

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## **Fund's Information**

**Management Company**

Lakson Investments Limited  
Head Office  
Lakson Square, Building No.2,  
Sarwar Shaheed Road,  
Karachi-74200, Pakistan.  
Phone: (9221) 3840.0000  
Fax: (9221) 3568.1653  
Web site: [www.li.com.pk](http://www.li.com.pk)  
E-mail: [info@li.com.pk](mailto:info@li.com.pk)

**Board of Directors of  
the Management Company**

Mr. Iqbal Ali Lakhani - Chairman  
Mr. Babar Ali Lakhani - Chief Executive Officer  
Mr. Jamil Ahmed Mughal  
Mr. Amin Mohammed Lakhani  
Ms. Roxanne Davies

**Chief Financial Officer &  
Company Secretary  
of the Management Company**

Mr. Junaid Arshad

**Audit Committee**

Mr. Amin Mohammed Lakhani  
Mr. Iqbal Ali Lakhani  
Mr. Jamil Ahmed Mughal

**Human Resource and  
Remuneration Committee**

Mr. Babar Ali Lakhani  
Mr. Iqbal Ali Lakhani

**Trustee**

Central Depository Company of Pakistan Limited  
CDC House, 99-B, Block-B, S.M.C.H.S,  
Main Shahra-e-Faisal,  
Karachi, Pakistan.

**Auditors**

Yousuf Adil Chartered Accountants  
Cavish Court, A-35 Shahrah-e-Faisal,  
K.C.H.S.U Block 7 & 8 Bangalore Town,  
Karachi, Pakistan.

**Bankers to the Fund**

AlBaraka Bank Pakistan limited  
Allied Bank Limited  
Askari Bank Limited  
Bank Al-Falah Limited  
Dubai Islamic Bank Pakistan Limited  
Faysal Bank Limited  
FINCA Microfinance Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
JS Bank Limited  
National Bank of Pakistan  
MCB Bank Limited  
Silk Bank Limited  
Sindh Bank Limited  
Soneri Bank Limited  
Telenor Microfinance Bank Limited  
United Bank Limited  
U Microfinance Bank Limited  
NRSP Microfinance Bank Limited  
Mobilink Microfinance Bank Limited

**Legal Adviser**

Fazleghani Advocates  
F-72/I, Block 8, KDA-5,  
Kehkashan, Clifton,  
Karachi, Pakistan.

**Registrar**

Lakson Investments Limited  
Lakson Square, Building No.2,  
Sarwar Shaheed Road,  
Karachi-74200, Pakistan

**Distributors**

Adam Securities  
Amir Noorani  
BMA Capital Management Limited  
Elixir Securities (Pvt.) Limited  
Ismail Iqbal Securities  
Metro Capital Pvt. Limited  
Pearl Securities Pvt. Limited  
Rabia Fida  
Topline Securities (Pvt.) Limited  
Vector Capital (Pvt.) Limited  
Pyramid Financial Consultants

**Rating by PACRA**

A+(f) : Fund Stability Rating  
AM2+ : Asset Manager Rating

**LAKSON INCOME FUND**  
**REVIEW REPORT OF THE DIRECTORS' OF THE MANAGEMENT COMPANY**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

The Board of Directors of Lakson Investments Limited, the Management Company of the Lakson Income Fund ("LIF") is pleased to submit its review report together with Condensed Interim Financial Information for the nine months period ended March 31, 2023.

**Fund Objective**

The investment objective of the Scheme is to provide competitive total returns through investment in a diversified portfolio of fixed income securities. The Scheme shall invest in various fixed income securities with a mix of short term, medium term, and longer-term maturities depending on the assessment by the Management Company of interest rate trends and prospective returns.

**Principal activities**

The Fund is an open-end income fund and is listed on Pakistan Stock Exchange Limited. LIF invests in Investment-grade Debt Securities, Government Securities, Certificate of Investments, Clean Placements, Term Deposit Receipts, and other fixed income instruments. The overall duration of the portfolio is kept below 4 years while at least 25% of Net Assets are kept in the form of cash or Treasury Bills of maximum 90 days maturity. LIF is managed through a team-driven, top-down process utilizing active sector rotation, duration, and yield curve management. Economic conditions are constantly monitored to forecast interest rate changes. The added value for LIF comes from identifying opportunities to shift investments between various maturities and between different instruments. LIF is allowed to borrow up to 15% of Net Assets to meet redemptions however LIF did not utilize this facility during the period under review.

**Fund performance**

The LIF yielded an annualized return of 7.15% in the 3QFY23 against the benchmark return of 17.10% p.a. The LIF underperformed by -9.95%. As of March 31, 2023, the LIF portfolio was invested 0.7% in cash, 85.2% in TFCs/Sukuks, 8.4% in Tbills and 5.7% in others while the weighted average maturity of the LIF portfolio stood at 2107 days. The fund size of the LIF as of March 31, 2023 is PKR 566 million.

**Earning per Unit (EPU)**

EPU has not been disclosed as we feel the determination of weighted average units for calculating EPU is not practicable for open end funds

**Economic Review**

The economic uncertainty remained high throughout 3QFY23, and to fulfill a key IMF condition, the PKR was allowed to find its value based on market forces. As a result, the currency devalued by 20% on a quarter-on-quarter basis in 3QFY23 and closed at 283.8. Following the switch to a floating exchange rate, the IMF staff visited Pakistan for the ninth review of the extended funded facility (SLA). However, at the conclusion of these discussions, the IMF staff departed without the SLA, and both parties agreed to remain engaged virtually. Meanwhile, the government fulfilled prior actions of the IMF by imposing new taxes of PKR 170bn and increasing electricity and gas tariffs. The stumbling block remained differences between the amount of external financing gap and assurances of financing commitments by China, KSA and UAE.

In 3QFY23, the foreign exchange reserves held by the State Bank of Pakistan (SBP) decreased by USD 1.3bn, primarily due to debt repayments and lower-than-expected FX inflows. However, the decline in FX reserves was mitigated by inflows from China. Pakistan received a commercial loan of USD 700mn from the China Development Bank, in addition to USD 1bn as part of a previously agreed rollover. Furthermore, China rolled over USD 2bn SAFE deposits.

Inflation continued to set all-time records in 3QFY23, averaging 31.5% for the quarter. In March-23, the CPI reached 35.4%. The main drivers of inflation were the ongoing devaluation of the PKR, rising energy prices, the imposition of new taxes of PKR 170bn, supply chain disruptions due to import restrictions, and the second-round impact of all these factors. We anticipate that inflation will remain elevated in near term.

During the third quarter of FY23, there was a 15% QoQ decline in imports, totaling USD 12.7bn, while exports decreased by 4% to USD 6.8bn. This resulted in a 25% reduction in the trade deficit, which reached USD 5.9bn. Resultantly the current account deficit for the first two months of CY23 plummeted by 89% to USD 316mn. The primary reasons for this decline are the import restrictions imposed by the State Bank of Pakistan and the decrease in demand due to the economic slowdown. We anticipate that the current account deficit will persist at these low levels in the future.

In terms of the fiscal performance, FBR tax collection decreased by 4% to Rs 1.7 trillion during 3QFY23, falling short of the quarterly target by almost PKR 60bn. The primary reasons behind this underwhelming outcome were the economic slowdown and the reduction in imports. Given the weak growth prospects and the probability that import restrictions will continue, we anticipate that FBR will fall short of the annual tax collection target for FY23.

### **Fixed Income Market Review**

During 3QFY23, the State Bank of Pakistan raised the policy rate by 4% to an all-time high of 20%. This action was taken in response to higher-than-anticipated inflation and to counter the entrenched high inflation expectations. During the quarter, both the 3-month and 6-month KIBOR rates increased by 4.98% and 5.03%, respectively to 21.98% and 22.07%. Additionally, T-bill yields also increased QoQ by 4.9%, 4.33%, and 4.39%, with 3-month, 6-month, and 12-month rates reaching 21.60%, 21.32%, and 21.39% respectively. Similarly, PIBs demonstrated a comparable trend, with yields on 3-year, 5-year, and 10-year bonds rising by 2.6%, 0.62%, and 1.52%, respectively, to 18.33%, 15.23%, and 15.22%.

### **Future Outlook**

The market's performance in 4QFY23 is likely to hinge on two key factors: the direction of the IMF program and the political climate. Pakistan has successfully fulfilled all the prior actions requested by the IMF, and the only outstanding issue is the verification of financial commitments by the IMF from friendly nations. China has already fulfilled its commitments, and some of the promised inflows have already materialized.

According to news reports citing top officials from the finance ministry, KSA has given the green light for a USD 2bn deposit, and the IMF is satisfied with the provided assurance. However, the UAE has yet to provide confirmation of a USD 1bn deposit. Ultimately, the resolution of this issue will play a crucial role in preventing a sovereign default and creating conditions for a potential stock market rally.

As mentioned above, the second crucial factor to keep an eye on will be the state of domestic politics. The Supreme Court has recently reaffirmed its original decision and announced that Punjab assembly elections will be held on May 14th, 2023. Additionally, the court has ordered another application to be submitted for the date of the KP elections. The election commission has accepted the court's decision and agreed to hold the elections on the announced date.

However, the federal cabinet and parliament have rejected the court's decision, citing concerns over funding and security challenges. This rejection has led to increased uncertainty around the upcoming elections and heightened political tensions. We believe that a timely and peaceful resolution of this issue is critical for carrying out structural reforms, remaining in the IMF program, and restoring investor confidence in the economy.

On the global front, along with rate hikes from other central banks, The US Federal Reserve raised the fed funds rate by 50bps during the quarter, leading to a rapid rise in interest rates to control inflation. However, this also resulted in the collapse of Silicon Valley Bank and the distressed sale of Credit Suisse to UBS. High inflation has caused domestic political instability globally. Geopolitical tensions remain heightened as China

and the US carve out their spheres of influence, and other countries such as India, Iran, and Saudi Arabia adjust to a more multipolar world.

In the previous few decades, globalization has been an important force for deflation. However, it seems that globalization is slowly being reversed, and supply chains are now being rearranged to be more robust, rather than optimized for cost. The outlook for the global economy depends greatly on how these forces interact and the pace of global inflation and monetary tightening.

#### **Acknowledgement**

The Board is thankful to its valued investors, the Securities & Exchange Commission of Pakistan, the State Bank of Pakistan, the Trustee of the Fund – Central Depository Company of Pakistan Limited and the management of the Pakistan Stock Exchange Limited for their continued cooperation and support. The Directors of the Management Company also acknowledge the efforts put in by the team of the Management Company for the growth and the prudent management of the Fund.

For and on Behalf of the Board

**Chief Executive Officer**

Dated: April 28, 2023

**Director**

## 31 مارچ 2023ء کو ختم ہونے والی نو ماہ کی مدت کے لیے میںجمنٹ کمپنی کے ڈائریکٹرز کی جائزہ رپورٹ

لیکسن انکم فنڈ ("LIF") کی میںجمنٹ کمپنی، لیکسن انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز کے لیے 31 مارچ 2023ء کو ختم ہونے والی نو ماہ کی مدت کے لیے اپنی جائزہ رپورٹ مع مختصر عبوری مالیاتی گوشوارے پیش کرنا باعث مسرت ہے۔

### فنڈ کا مقصد

اس اسکیم کی سرمایہ کاری کا مقصد فلکسڈ انکم سیکیورٹیز کے متنوع پورٹ فولیو میں سرمایہ کاری کے ذریعے مسابقتی مجموعی منافع جات فراہم کرنا ہے۔ یہ اسکیم مختصر مدتی، وسط مدتی اور طویل مدتی میچورٹیز کے امتزاج کے ساتھ مختلف فلکسڈ انکم سیکیورٹیز میں سرمایہ کاری کرے گی، جس کا انحصار میںجمنٹ کمپنی کی جانب سے شرح سود کے رجحانات اور ممکنہ منافع کے تخمینے پر ہوگا۔

### نمایاں سرگرمیاں

LIF ایک اوپن اینڈ انکم فنڈ ہے اور پاکستان اسٹاک ایکسچینج لمیٹڈ میں لسٹڈ ہے۔ LIF انویسٹمنٹ گریڈڈ ڈیٹ سیکیورٹیز، گورنمنٹ سیکیورٹیز، سرٹیفکیٹس آف انویسٹمنٹس، Clean Placements، ٹرم ڈپازٹ ریسیٹس اور دیگر فلکسڈ انکم انسٹرومنٹس میں سرمایہ کاری کرتا ہے۔ پورٹ فولیو کا مجموعی دورانیہ 4 سال سے کم رکھا جاتا ہے اور خالص اثاثوں کا کم از کم 25% کیش یا زیادہ سے زیادہ 90 دن کی میچورٹی والے ٹریژری بلز کی شکل میں رکھا جاتا ہے۔ LIF کا نظم و نسق فعال سیکیٹر گردش، دورانیہ اور yield curve management سے استفادہ کرتے ہوئے ٹیم کے بل بوتے پر پیش قدمی کرنے والے ٹاپ ڈاؤن پروسس کے ذریعے چلایا جاتا ہے۔ شرح سود میں تبدیلیوں کی پیش گوئی کے لیے معاشی صورت حال کی مسلسل نگرانی کی جاتی ہے۔ LIF کی قدر و قیمت میں اضافہ مختلف میچورٹیز اور مختلف انسٹرومنٹس کے درمیان سرمایہ کاری کو منتقل کرنے کے مواقع کی نشاندہی سے ہوتا ہے۔ LIF کو ریڈیمپشنز کی تکمیل کے لیے خالص اثاثوں کے 15% تک قرض لینے کی اجازت ہے، تاہم LIF نے اس سہولت کو زیر جائزہ مدت کے دوران استعمال نہیں کیا۔



## فنڈ کی کارکردگی

LIF نے سالانہ بیچ مارک منافع 17.10% کے مقابلے میں مالی سال 2023ء کی تیسری سہ ماہی میں 7.15% سالانہ منافع حاصل کیا۔ LIF نے 9.95% کم تر کارکردگی کا مظاہرہ کیا۔ 31 مارچ 2023ء کے مطابق LIF پورٹ فولیو کے 0.7% کی کیش میں، 85.2% کی TFCs/صلکوکس میں، 8.4% کی ٹی بلز میں اور 5.7% کی دیگر میں سرمایہ کاری کی گئی، جبکہ LIF پورٹ فولیو کی تخمینہ شدہ اوسط مہجورٹی 2107 دن رہی۔ 31 مارچ 2023ء کے مطابق LIF کے فنڈز کا حجم 566 ملین روپے ہے۔

## فی شیئر آمدنی (EPU)

فی شیئر آمدنی (EPU) ظاہر نہیں کی گئی، کیوں کہ ہم محسوس کرتے ہیں کہ EPU شمار کرنے کے لیے موزوں اوسط یونٹس کا تعین اوپن اینڈ فنڈز کے لیے قابل عمل نہیں ہے۔

## معاشی جائزہ

مالی سال 2023ء کی تیسری سہ ماہی کے دوران زیادہ تر معاشی غیر یقینی کی صورتحال رہی اور آئی ایم ایف کی ایک اہم شرط کو پورا کرنے کے لیے پاکستانی روپے کی قدر کا تعین مارکیٹ فورسز کی بنیاد پر کرنے کی اجازت دی گئی۔ اس کے نتیجے میں مالی سال 2023ء کی تیسری سہ ماہی میں سہ ماہی بنیادوں پر کرنسی کی قدر میں 20 فیصد کمی ہوئی اور ڈالر کے مقابلے میں اس کی قدر 283.8 پر جا پہنچی۔ فلوئنگ ایکسچ ریٹ میں تبدیلی کے بعد آئی ایم ایف کے عملے نے توسیعی مالی سہولت (ایس ایل اے) کے نوے جانزے کے لیے پاکستان کا دورہ کیا۔ تاہم ان مذاکرات کے اختتام پر آئی ایم ایف کا عملہ ایس ایل اے کے بغیر ہی چلا گیا اور فریقین نے ورچوئل طور پر مصروف رہنے پر اتفاق کیا۔ دریں اثناء حکومت نے آئی ایم ایف کے سابقہ مطالبات کو پورا کرتے ہوئے 170 ارب روپے کے نئے ٹیکس عائد کیے اور بجلی و گیس کے نرخوں میں اضافہ کر دیا ہے۔ اصل مسئلہ یار کاوٹ بیرونی فنانسنگ کی ضرورت اور چین، سعودی عرب اور متحدہ عرب امارات کی جانب سے کرائی جانے والی مالی یقین دہانیوں کے مابین پائے جانے والے فرق کا ہے۔

مالی سال 2023ء کی تیسری سہ ماہی کے دوران اسٹیٹ بینک آف پاکستان کے زرمبادلہ کے ذخائر میں 1.3 ارب ڈالر کی کمی واقع ہوئی جس کی بنیادی وجہ قرضوں کی ادائیگی اور زرمبادلہ کی توقع سے کم آمد ہے۔ تاہم زرمبادلہ ذخائر میں اس کمی کو چین کی جانب سے کی جانے والی سرمایہ کاری کی مدد سے کم کیا گیا۔ پاکستان کو چائنا ڈیولپمنٹ بینک سے 70 کروڑ ڈالر کا کمرشل قرضہ ملا ہے، اس کے علاوہ پہلے سے طے شدہ ”رول اوور“ کے ذریعے بھی ایک ارب ڈالر کا مزید ریلیف ملا۔ مزید برآں، چین نے 2 ارب امریکی ڈالر کے سیف ڈپازٹس بھی ”رول اوور“ کیے ہیں۔

مالی سال 2023ء کی تیسری سہ ماہی میں افراط زر نے نیاریکارڈ قائم کیا، جو سہ ماہی کے دوران اوسط 31.5 فیصد رہا۔ مارچ 2023ء

میں کنزیومر پرائس انڈیکس 35.4 فیصد تک پہنچ گیا۔ افراط زر کی بنیادی وجوہات میں روپے کی قدر میں کمی، توانائی کی قیمتوں میں اضافہ، 170 ارب روپے کے نئے ٹیکسوں کا نفاذ، درآمدی پابندیوں کی وجہ سے سپلائی چین میں خلل اور ان تمام عوامل کے دوسرے مرحلے کے اثرات شامل ہیں۔ ہم توقع کرتے ہیں کہ مستقبل قریب میں افراط زر کی شرح بلند رہے گی۔

مالی سال 2023ء کی تیسری سہ ماہی کے دوران درآمدات میں 15 فیصد کمی ریکارڈ کی گئی، جس کے بعد مجموعی برآمدات 12 ارب 70 کروڑ ڈالر رہیں جبکہ برآمدات 4 فیصد کم ہو کر 6 ارب 80 کروڑ ڈالر رہیں۔ اس کے نتیجے میں تجارتی خسارہ 25 فیصد کم ہوا جو 5.9 ارب ڈالر رہ گیا۔ مالی سال 2023 کے پہلے دو ماہ میں کرنٹ اکاؤنٹ خسارہ 89 فیصد کم ہو کر 316 ملین ڈالر رہ گیا۔ اس کمی کی بنیادی وجوہات اسٹیٹ بینک آف پاکستان کی جانب سے عائد درآمدی پابندیاں اور معاشی سست روی کی وجہ سے طلب میں کمی ہیں۔ ہم توقع کرتے ہیں کہ کرنٹ اکاؤنٹ خسارہ مستقبل میں انہی کم ترین سطحوں پر برقرار رہے گا۔

مالی کارکردگی کے لحاظ سے ایف بی آر کی ٹیکس وصولی مالی سال 2023ء کی تیسری سہ ماہی کے دوران 4 فیصد کم ہو کر 1.7 ٹریلین روپے رہ گئی جو سہ ماہی ہدف سے تقریباً 60 ارب روپے کم ہے۔ ان مایوس کن نتائج کی بنیادی وجوہات میں معاشی سست روی اور درآمدات میں کمی شامل ہیں۔ کم شرح نمو اور درآمدی پابندیاں جاری رہنے کی توقع کے پیش نظر ہمارا یہ خیال ہے کہ ایف بی آر مالی سال 2023ء کے لئے سالانہ ٹیکس وصولی کا اپنا ہدف پورا نہیں کر پائے گا۔

### فلسڈ انکم مارکیٹ کا جائزہ

مالی سال 2023ء کی تیسری سہ ماہی کے دوران اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ کو 4 فیصد بڑھا کر 20 فیصد کی بلند ترین سطح پر پہنچا دیا۔ یہ اقدام توقع سے زیادہ افراط زر کے جواب میں اور افراط زر کی بلند شرح کا مقابلہ کرنے کے لئے کیا گیا تھا۔ سہ ماہی کے دوران، 3 ماہ اور 6 ماہ کے KIBOR کی شرحیں 4.98 فیصد اور 5.03 فیصد بڑھ کر 21.98 فیصد اور 22.07 فیصد ہو گئیں۔ مزید برآں، ٹی بل کے منافع میں بھی سہ ماہی بنیادوں پر 4.9 فیصد، 4.33 فیصد اور 4.39 فیصد کا اضافہ ہوا، 3 ماہ، 6 ماہ اور 12 ماہ کی شرحیں بالترتیب 21.60 فیصد، 21.32 فیصد اور 21.39 فیصد تک پہنچ گئیں۔ پی آئی بیز نے بھی اسی طرح کے رجحان کا مظاہرہ کیا، 3 سالہ، 5 سالہ اور 10 سالہ بانڈز پر منافع بالترتیب 2.6 فیصد، 0.62 فیصد اور 1.52 فیصد بڑھ کر 18.33 فیصد، 15.23 فیصد اور 15.22 فیصد ہو گیا۔

### مستقبل کا منظر نامہ

مالی سال 2023ء کی چوتھی سہ ماہی میں مارکیٹ کی کارکردگی دو اہم عوامل پر منحصر ہونے کا امکان ہے: آئی ایم ایف پروگرام کی سمت اور سیاسی ماحول۔ پاکستان نے آئی ایم ایف کی جانب سے کیے گئے تمام پیشگی مطالبات کامیابی سے پورے کیے ہیں اور اب واحد اہم مسئلہ آئی ایم ایف کی جانب سے دوست ممالک کے مالی وعدوں کی تصدیق ہے۔ چین پہلے ہی اپنے وعدوں کو پورا کر چکا ہے اور بعض دیگر وعدوں پر

بھی عمل درآمد ہو چکا ہے۔

وزارت خزانہ کے اعلیٰ حکام کے حوالے سے خبروں کے مطابق سعودی عرب نے 2 ارب ڈالر کے ڈپازٹ کے لیے گرین سگنل دے دیا ہے اور آئی ایم ایف فراہم کردہ یقین دہانی سے مطمئن ہے۔ تاہم متحدہ عرب امارات نے ابھی تک ایک ارب ڈالر جمع کرانے کی تصدیق نہیں کی ہے۔ بالآخر، اس مسئلے کا حل ڈیفالٹ کو روکنے اور اسٹاک مارکیٹ کی ممکنہ تیزی کے لئے موافق حالات پیدا کرنے میں اہم کردار ادا کرے گا۔

جیسا کہ اوپر ذکر کیا گیا ہے، دوسرا اہم عنصر، جس پر نظر رہے گی، وہ داخلی سیاست ہے۔ سپریم کورٹ نے حال ہی میں اپنے اصل فیصلے کی توثیق کی ہے اور اعلان کیا ہے کہ پنجاب اسمبلی کے انتخابات 14 مئی 2023ء کو ہوں گے۔ اس کے علاوہ عدالت نے کے پی انتخابات کی تاریخ کے لیے ایک اور درخواست جمع کرانے کا حکم دیا ہے۔ الیکشن کمیشن نے عدالت کے فیصلے کو تسلیم کرتے ہوئے اعلان کردہ تاریخ پر انتخابات کرانے پر اتفاق کر لیا۔

تاہم وفاقی کابینہ اور پارلیمنٹ نے فنڈنگ اور سیکیورٹی چیلنجز سے متعلق خدشات کا حوالہ دیتے ہوئے عدالتی فیصلے کو مسترد کر دیا ہے۔ اس انکار کی وجہ سے آنے والے انتخابات کے بارے میں غیر یقینی صورتحال اور سیاسی تناؤ میں اضافہ ہوا ہے۔ ہم سمجھتے ہیں کہ اس مسئلے کا بروقت اور پرامن حل، ڈھانچا جاتی (اسٹرکچرل) اصلاحات، آئی ایم ایف پروگرام کے برقرار رہنے اور معیشت میں سرمایہ کاروں کے اعتماد کی بحالی کے لیے ضروری ہے۔

عالمی محاذ پر، دیگر مرکزی بینکوں کی جانب سے شرح سود میں اضافے کے ساتھ ساتھ، امریکی فیڈرل ریزرو نے سہ ماہی کے دوران فیڈ فنڈز کی شرح میں 50 بی پی ایس کا اضافہ کیا، جس کے نتیجے میں افراط زر پر قابو پانے کے لئے شرح سود میں تیزی سے اضافہ ہوا۔ تاہم، اس کے نتیجے میں سلیکون ویلی بینک کا زوال اور کریڈٹ سوس کی یو بی ایس کو پریشان کن فروخت بھی سامنے آئی۔ افراط زر میں اضافے کی وجہ سے عالمی سطح پر داخلی سیاسی عدم استحکام پیدا ہوا ہے۔ جغرافیائی سیاسی (جیوپولیٹیکل) تناؤ میں اضافہ ہو رہا ہے کیونکہ چین اور امریکا اپنے اثر و رسوخ کو بڑھا رہے ہیں جبکہ ہندوستان، ایران اور سعودی عرب جیسے دیگر ممالک زیادہ کثیر قطبی دنیا میں خود کو ایڈجسٹ کر رہے ہیں۔ گزشتہ چند ہائیوں کے دوران گلوبلائزیشن ”تفریط زر“ (ڈی فلیشن) کی ایک اہم قوت رہی ہے۔ تاہم، ایسا لگتا ہے کہ گلوبلائزیشن آہستہ آہستہ پلٹ رہی ہے اور سپلائی چین کو اب لاگت کے حوالے سے موزوں بنانے کے بجائے زیادہ مضبوط بنانے کے لئے دوبارہ ترتیب دیا جا رہا ہے۔ عالمی معیشت کے مستقبل کا اس بات پر بہت زیادہ انحصار ہے کہ یہ قوتیں کس طرح تعامل کرتی ہیں اور عالمی افراط زر اور مالیاتی سختی کی رفتار کیا رہتی ہے۔

اظہار تشکر

بورڈ اپنے قابل قدر سرمایہ کاروں، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان، فنڈ کے ٹرسٹی سینٹرل ڈپازٹری کمپنی

آف پاکستان لمیٹڈ اور پاکستان اسٹاک ایکسچینج لمیٹڈ کی انتظامیہ کا ان کے مسلسل تعاون اور مدد پر شکریہ ادا کرتا ہے۔ مینجمنٹ کمپنی کے ڈائریکٹر زفنڈ کی ترقی اور دانشمندانہ انتظام و انصرام کے لیے مینجمنٹ کمپنی کی ٹیم کی کاوشوں کا بھی اعتراف کرتے ہیں۔

برائے ومنجانب بورڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

تاریخ: 28 اپریل 2023ء

**LAKSON INCOME FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT MARCH 31, 2023**

		March 31, 2023 (Unaudited)	June 30, 2022 (Audited)
	Note	(Rupees)	
<b>ASSETS</b>			
Bank balances	5	3,916,394	698,062,481
Investments	6	553,972,240	1,882,696,942
Mark-up accrued		15,648,415	61,398,680
Deposits, prepayments and other receivables		18,311,595	26,490,862
<b>TOTAL ASSETS</b>		<b>591,848,644</b>	<b>2,668,648,965</b>
<b>LIABILITIES</b>			
Payable to the Management Company	7.	19,199,548	21,454,226
Payable to the Trustee		40,558	224,169
Annual fee payable to Securities and Exchange Commission of Pakistan		191,638	799,510
Accrued expenses and other liabilities	8	5,995,662	27,824,423
<b>TOTAL LIABILITIES</b>		<b>25,427,405</b>	<b>50,302,328</b>
<b>NET ASSETS</b>		<b>566,421,239</b>	<b>2,618,346,637</b>
<b>UNIT HOLDERS' FUND (as per statement of movement in unit holders' fund)</b>			
		<b>566,421,239</b>	<b>2,618,346,637</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	9	(Number of units)	
Number of units in issue		5,301,536	25,822,658
<b>(Rupees)</b>			
Net assets value per unit		106.8410	101.3972

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

For Lakson Investments Limited  
 (Management Company)

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

**LAKSON INCOME FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE NINE MONTHS & QUARTER ENDED MARCH 31, 2023**

		Nine Months Ended		Quarter Ended	
		Mar 31		Mar 31	
		2023	2022	2023	2022
	Note	(Rupees)			
INCOME					
Realized gain / (loss) on sale of investment at fair value through profit or loss - net		(9,871,590)	3,333,382	(22,715)	(107,872)
Unrealised (loss) / gain on re-measurement of investments		(29,555,364)	30,729,732	(415,756)	17,781,932
		(39,426,954)	34,063,114	(438,471)	17,674,060
Markup on:					
- Bank balances		26,306,405	99,612,378	168,347	25,405,511
- Government and other debt securities		112,232,070	178,070,782	20,904,988	51,948,365
		138,538,475	277,683,160	21,073,335	77,353,876
Income from Margin Trading System		572,190	1,104,733	41,304	116,169
Dividend income on equity scripts		-	10,649,050	-	-
Reversal of Sindh Workers' Welfare Fund		-	25,648,166	-	-
		99,683,711	349,148,222	20,676,168	95,144,105
EXPENSES					
Remuneration to the Management Company	7.1	10,507,377	39,845,655	1,784,207	8,688,414
Sindh Sales tax on remuneration to the Management Company	7.2	1,363,573	5,241,238	229,563	1,190,876
Remuneration to the Trustee		814,556	2,794,167	126,603	676,710
Annual fee to the Securities and Exchange Commission of Pakistan		191,663	659,390	28,067	159,695
Annual Supervisory fee of SECP on PSX Listing Fee		1,880	1,871	(11,832)	614
Auditors' remuneration		530,090	357,866	112,894	97,839
Fees and subscription		1,385,783	970,653	507,613	173,144
Brokerage expenses		65,369	1,119,237	1,578	8,353
Printing charges		6,780	20,000	6,780	20,000
Bank and settlement charges		323,290	523,507	252,215	258,134
Others		332,274	2,975,000	332,274	-
		15,522,635	54,508,584	3,369,964	11,273,779
Net income from operating activities		84,161,076	294,639,638	17,306,204	83,870,326
Net income for the period before taxation		84,161,076	294,639,638	17,306,204	83,870,326
Taxation	10	-	-	-	-
Net income for the period after taxation		84,161,076	294,639,638	17,306,204	83,870,326
Allocation of Net Income for the period:					
Net income for the year after taxation		84,161,076	294,639,638	17,306,204	83,870,326
Income already paid on units redeemed		(55,500,216)	(113,467,814)	(3,501,467)	(47,505,762)
		28,660,860	181,171,825	13,804,737	36,364,564
Accounting income available for distribution					
Relating to capital gains		-	25,700,472	-	14,451,007
Excluding capital gains		28,660,860	155,471,352	13,804,737	21,913,556
Accounting income available for distribution		28,660,860	181,171,825	13,804,737	36,364,563

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

For Lakson Investments Limited  
(Management Company)

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

LAKSON INCOME FUND  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE NINE MONTHS & QUARTER ENDED MARCH 31, 2023

	Nine Months Ended Mar 31		Quarter Ended Mar 31	
	2023	2022	2023	2022
	(Rupees)			
Net income for the period after taxation	84,161,076	294,639,638	17,306,204	83,870,326
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	84,161,076	294,639,638	17,306,204	83,870,326

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

For Lakson Investments Limited  
(Management Company)

CHIEF EXECUTIVE OFFICE

CHIEF FINANCIAL OFFICER

DIRECTOR

LAKSON INCOME FUND  
CONDENSED STATEMENT OF MOVEMENT IN UNIT HOLDERS'S FUND (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2023

	Nine Month Ended Mar 31, 2023				Nine Month Ended Mar 31, 2022			
	Capital Value	Undistributed income	Unrealised (losses) / gains on investment	Total	Capital Value	Undistributed income	Unrealised (losses) / gains on investment	Total
	----- (Rupees) -----				-----			
Net assets at beginning of the period	2,575,601,975	42,744,662	-	2,618,346,637	5,064,663,876	35,610,953	-	5,100,274,829
Issuance of 35,559,619 units (2021:35,817,250 units)						-	-	
-Capital Value	3,605,645,786	-	-	3,605,645,786	3,622,108,956			3,622,108,956
-Element of Income /(loss)	43,184,592	-	-	43,184,592	114,217,672			114,217,672
	3,648,830,377	-	-	3,648,830,377	3,736,326,628	-	-	3,736,326,628
Redemption of 56,080,741 units (2021: 59,715,424 units)								
-Capital Value	(5,686,430,075)	-	-	(5,686,430,075)	(6,038,871,501)			(6,038,871,501)
-Element of Income /(loss)	(42,986,561)	(55,500,216)	-	(98,486,776)	(101,398,386)	(113,467,814)		(214,866,200)
	(5,729,416,635)	(55,500,216)	-	(5,784,916,851)	(6,140,269,887)	(113,467,814)	-	(6,253,737,701)
Total comprehensive income for the period	-	84,161,076	-	84,161,076	-	294,639,638	-	294,639,638
Net assets at end of the period	495,015,717	71,405,522	-	566,421,239	2,660,720,617	216,782,777	-	2,877,503,394
Undistributed income brought forward								
- Realized income		41,578,656				30,241,737		
- Unrealized income		1,166,006				5,369,216		
		42,744,662				35,610,953		
Accounting (loss) / income available for distribution								
Relating to capital gains		-				25,700,472		
Excluding capital gains		28,660,860				155,471,352		
		28,660,860				181,171,823		
Undistributed income at end of the period		71,405,522				216,782,777		
Undistributed income carried forward comprises of:								
- Realized income		100,960,886				186,053,045		
- Unrealized income		(29,555,364)				30,729,732		
		71,405,522				216,782,777		
			(Rupees)				(Rupees)	
Net assets value per unit at beginning of the period			101.3972				101.1275	
Net assets value per unit at end of the period			106.8410				108.4380	

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

For Lakson Investments Limited  
(Management Company)

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR



**LAKSON INCOME FUND**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2023**

	<b>Nine Month Ended Mar 31</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Rupees)</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	<b>84,161,076</b>	294,639,637
<b>Adjustments for non-cash charges and other items:</b>		
Unrealised appreciation in the fair value of investments classified as 'held for trading' - net	<b>29,555,364</b>	(30,729,732)
	<b>113,716,440</b>	263,909,905
<b>(Decrease) / Increase in assets</b>		
Investments - net	<b>1,299,169,338</b>	308,726,106
Receivable against Margin Trading System	-	83,186,083
Mark-up receivable	<b>45,750,265</b>	3,180,673
Deposits, prepayments and other receivables	<b>8,179,267</b>	156,304,744
	<b>1,353,098,870</b>	551,397,606
<b>(Decrease) in liabilities</b>		
Payable to the Management Company	<b>(2,254,678)</b>	(2,752,358)
Payable to the Trustee	<b>(183,611)</b>	(110,741)
Annual fee payable to Securities and Exchange		
Commission of Pakistan	<b>(607,872)</b>	(70,219)
Payable against purchase of investments	-	(152,218,844)
Accrued expenses and other liabilities	<b>(21,828,762)</b>	(43,457,007)
	<b>(24,874,923)</b>	(198,609,169)
<b>Net cash generated / (used in) operating activities</b>	<b>1,441,940,387</b>	616,698,243
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash received from issue of units	<b>3,648,830,377</b>	3,736,326,628
Cash paid on redemption of units	<b>(5,784,916,851)</b>	(6,253,737,701)
<b>Net cash (used in) / generated from financing activities</b>	<b>(2,136,086,474)</b>	(2,517,411,073)
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(694,146,087)</b>	(1,900,712,830)
Cash and cash equivalents at the beginning of the period	<b>698,062,481</b>	2,962,897,726
<b>Cash and cash equivalents at the end of the period</b>	<b>3,916,394</b>	1,062,184,896

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

**For Lakson Investments Limited**  
**(Management Company)**

**CHIEF EXECUTIVE OFFICER**

**CHIEF FINANCIAL OFFICER**

**DIRECTOR**

**LAKSON INCOME FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM**  
**FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2023**

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

The Lakson Income Fund (the "Fund") was established under the Trust Deed executed on August 18, 2009 between the Lakson Investments Limited as its Management Company and the Central Depository Company of Pakistan Limited (CDC) as its Trustee. The Fund has been registered as a Notified Entity on September 18, 2009 by the Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). The Management Company of the Fund has been licensed by SECP to undertake Asset Management and Investment Advisory Services as a Non-Banking Finance Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The registered office of the Management Company is located at 14-Ali Block, New Garden Town, Lahore.

The Fund is an open end mutual fund and is listed on Lahore Stock Exchange. 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 Fund is categorised as "Income Scheme" as per the Circular 07 of 2009 issued by Securities and Exchange Commission of Pakistan (SECP) and it primarily invests in Government securities, certificates of investment, certificates of deposits, term deposit receipts, commercial papers, reverse repo, preference shares, spread transactions and corporate debt securities, etc. subject to the guidelines issued by SECP from time to time.

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

The Pakistan Credit Rating Agency Limited (PACRA) has maintained A+(f) (Fund Stability Rating) to the Fund on March 06, 2023 and has also maintained asset manager rating of the Company to AM2+ (stable outlook), on August 26, 2022.

**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 (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

-Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance,

- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and 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 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 have been followed.

The comparative Statement of Assets and Liabilities presented in these condensed interim financial information as at 31 March has been extracted from the audited financial statements of the Company for the year ended 30 June 2022, whereas the comparative profit and loss account, statement of comprehensive income, the cash flow statement and statement of changes in equity for the nine months period ended 31 March 2023 have been extracted from the unaudited condensed interim financial information for the nine months period ended 31 March 2022.

**2.2** This condensed interim financial information do not include all the information required for a complete set of annual financial statements and should be read in conjunction with the latest annual financial statements as at and for the year ended 30 June 2022. However, selected explanatory notes are included to explain events and transactions that are significant.

**2.3** This condensed interim financial information is being submitted to the unit holders as required under Regulation 38 (g) of the Non-Banking Finance Companies and notified Entities Regulations, 2008 (NBFC Regulations) and are unaudited.

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

## 2.4 Basis of measurement

These financial statements have been prepared under the historical cost convention, except that investments are measured at fair value.

## 2.5 Functional And Presentation Currency

These financial statements are presented in Pakistan Rupees, which is the Fund's functional and presentation currency. All amount have been rounded off to the nearest of rupees, unless otherwise indicated.

## 2.6 Significant judgement and estimates

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended June 30, 2022.

## 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial informations are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2022.

## 4 FINANCIAL RISK MANAGEMENT

The Fund financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended June 30, 2022.

	Note	March 31, 2023 (Unaudited)	June 30, 2022 (Audited)
(Rupees)			
<b>5 BANK BALANCES</b>			
Local currency			
In profit and loss sharing accounts	5.1	3,908,920	698,055,008
In current accounts		7,474	7,473
		<u>3,916,394</u>	<u>698,062,481</u>
<b>5.1</b>	These represents profit and loss account maintained with banks carrying profit rates ranging from 10.75% to 17.50% (June 30, 2022: 10.75% to 16.26%) per annum.		
<b>6 INVESTMENTS</b>			
<b>At fair value through profit or loss</b>			
Government Securities			
-Market Treasury Bills	6.1	49,864,750	256,935,650
-Pakistan Investment Bonds	6.2	-	614,480,000
Term Finance Certificates - Unlisted	6.3	504,107,490	881,904,408
		<u>553,972,240</u>	<u>1,753,320,058</u>
<b>Classified at amortized cost</b>			
Commercial Paper		-	129,376,884
		<u>-</u>	<u>129,376,884</u>
		<u>553,972,240</u>	<u>1,882,696,942</u>

6.1 Market Treasury Bills

							Balance as at March 31, 2023			Market value as a percentage of net assets of Fund	Market value as a percentage of total investments
Name of security	Date of issue	Date of maturity	Number of holdings at the beginning of the period	Acquired during the period	Disposed / matured during the period	Number of holdings at the end of the period	Carrying value	Market value	Unrealised (diminution)/ appreciation		
----- (Rupees) -----											
Treasury Bills - 03 months	21-Apr-22	14-Jul-22	-	250,000	250,000	-	-	-	-	-	-
Treasury Bills - 03 months	28-Apr-22	21-Jul-22	-	320,000	320,000	-	-	-	-	-	-
Treasury Bills - 03 months	2-Jun-22	25-Aug-22	-	1,820,000	1,820,000	-	-	-	-	-	-
Treasury Bills - 03 months	30-Jun-22	22-Sep-22	-	1,664,000	1,664,000	-	-	-	-	-	-
Treasury Bills - 03 months	28-Jul-22	20-Oct-22	-	4,930,000	4,930,000	-	-	-	-	-	-
Treasury Bills - 03 months	11-Aug-22	3-Nov-22	-	2,030,000	2,030,000	-	-	-	-	-	-
Treasury Bills - 03 months	20-Oct-22	12-Jan-23	-	1,100,000	1,100,000	-	-	-	-	-	-
Treasury Bills - 03 months	3-Nov-22	26-Jan-23	-	1,450,000	1,450,000	-	-	-	-	-	-
Treasury Bills - 03 months	4-Jan-23	29-Mar-23	-	760,000	760,000	-	-	-	-	-	-
Treasury Bills - 03 months	12-Jan-23	6-Apr-23	-	500,000	-	500,000	49,869,844	49,864,750	(5,094)	8.80%	9.00%
Treasury Bills - 06 months	24-Mar-22	22-Sep-22	-	130,000	130,000	-	-	-	-	-	-
Treasury Bills - 06 months	21-Apr-22	14-Jul-22	-	670,000	670,000	-	-	-	-	-	-
Treasury Bills - 06 months	14-Jul-22	12-Jan-23	-	330,000	330,000	-	-	-	-	-	-
Treasury Bills - 1 year	28-Apr-22	4-May-23	2,900,000	-	2,900,000	-	-	-	-	-	-
Total as at March 31, 2023							49,869,844	49,864,750	(5,094)	8.80%	9.00%
Total as at June 30, 2022							259,534,852	256,935,650	(2,599,202)	9.81%	13.65%

6.2 Pakistan Investments Bonds

				----- (Number of Pakistan Investment Bonds) -----				Balance as at March 31, 2023			Market value as a percentage of net assets	Market value as a percentage of total investments
Name of security	Rate (%)	Date of issue	Tenure	Number of holdings at the beginning of the year	Acquired during the year	Disposed / matured during the year	Number of holdings at the end of the year	Carrying value	Market value	Unrealised (diminution)/ appreciation		
----- (Rupees) -----												
3 years Pakistan Investment Bond (face value of Rs. 100,000 each)	15.57%	22-Oct-20	3 years	650	-	650	-	-	-	-	-	-
10 years Pakistan Investment Bond (face value of Rs. 100,000 each)	16.44%	25-Jul-19	10 years	2,000	-	2,000	-	-	-	-	-	-
10 years Pakistan Investment Bond. (face value of Rs. 100,000 each)	16.54%	22-Aug-19	10 years	3,500	-	3,500	-	-	-	-	-	-
<b>Total as at March 31, 2023</b>								-	-	-	-	-
Total as at June 30, 2022								617,418,017	614,480,000	(2,938,017)	23.47%	32.64%

6.3 Term Finance Certificates - Un-listed

				----- (Number of certificates) -----				Balance as at March 31, 2023			Market value as a percentage of net assets	Market value as a percentage of total investments
Name of security	Note	Issue Date	Rate	Number of holdings at the beginning of the period	Acquired during the period	Disposed / matured during the period	Number of holdings at the end of the period	Carrying value	Market value	Unrealised (diminution) / appreciation		
----- (Rupees) -----												
Performing												
Commercial Banks												
Bank Al Habib Limited Tier-II TFC 10 years ( face value of Rs. 5000 each)	6.3.1	06-Dec-18		58,000	-	34,000	24,000	125,080,608	121,003,085	(4,077,523)	21.36%	21.84%
Samba Bank Limited TFC (face value of Rs. 100,000 each)		01-Mar-21		2,900	-	1,500	1,400	140,255,855	139,888,000	(367,855)	24.70%	25.25%
Jahangir Siddiqui Company Limited PPTFC (face value of Rs. 5,000 each)		18-Jul-17		15,000	-	-	15,000	10,194,237	9,453,900	(740,337)	1.67%	1.71%
Jahangir Siddiqui Bank Limited (face value of Rs. 100,000 each)		28-Dec-21		1,250	-	-	1,250	127,499,115	126,999,305	(499,810)	22.42%	22.93%
Total as at March 31, 2023								403,029,815	397,344,290	(5,685,525)	70.15%	71.73%
Total as at June 30, 2022								804,352,687	817,962,008	13,609,321	33.68%	46.84%

				----- (Number of certificates) -----				Balance as at December 31, 2022			Market value as a percentage of net assets	Market value as a percentage of total investments
Name of security	Note	Issue Date	Rate	Number of holdings at the beginning of the period	Acquired during the period	Disposed / matured during the period	Number of holdings at the end of the period	Carrying value	Market value	Unrealised (diminution) / appreciation		
----- (Rupees) -----												
Non-performing												
Silk Bank Limited PPTFC - 08 years (face value of Rs. 5,000 each)	6.3.1	10-Aug-17		16,000	-	-	16,000	63,934,400	36,763,200	(27,171,200)	-	-
NRSP Micro Finance Bank (face value of Rs. 100,000 each)	6.3.2	09-Jul-21		700	-	-	700	70,000,000	70,000,000	-	-	-
Total as at March 31, 2023								133,934,400	106,763,200	(27,171,200)	-	-
Total as at June 30, 2022								70,827,654	(6,885,254)	-	-	-

6.3.1

This represents unlisted term finance certificates issued by Silk Bank Limited. Total size of the issue is Rs. 2,000 million and the term of the TFCs is eight years commencing from the date of issue of TFCs which was August 2017 and ending on August 2025. Profit on the instrument shall be payable semi-annually in arrears on the outstanding balance and the first such profit payment shall fall due 6 months from the issue date and subsequently every six months thereafter. Profit rate shall be the average six months KIBOR + 1.85% per annum. The instrument will be structured to redeem 0.14% of the issue amount during the first 7 years and remaining 99.86% in the last two semi annual instalments of 49.93% each. The instrument is unsecured and subordinated to all other indebtedness of the Bank. The rating of the instrument is BBB+ rated on Dec 23, 2021.

During the previous year, the issuer defaulted the coupon payment which was due on February 10, 2022, as a result the investment was classified as non-performing asset on February 25, 2022 and the markup income / coupon was suspended accordingly. As per the requirements of Circular No. 33 of 2012 issued by the SECP on October 24, 2012, the profit accrued upto February 10, 2022 was reversed and an unrealised loss of Rs. 34.06 million, which is 54% of outstanding principal amount of Rs. 79.93 million was recorded as an unrealised loss as of March 31, 2023.

**6.3.2** This represent unlisted term finance certificates and carry rate of mark-up equal to the base rate of 3 months Karachi Inter Bank Offer Rate (KIBOR) per annum (plus margin of 3%) receivable quarterly in arrears with no floor or cap and will mature in July 2028. The principal shall be redeemed in last 4 equal quarterly installments of 25% each from Sep 01, 2027 to Jun 01, 2028. These term finance certificates are unsecured. The rating of the instrument is A-. Total face value of the individual investment is Rs. 100,000 (Rs. 70 million in total).  
During the period it was classified as non-performing as of October 10, 2022 due to an overdue payment. As per the requirements of Circular No. 33 of 2012 issued by the SECP on October 24, 2012, the profit accrued upto October 09, 2022 was reversed however, no provision for outstanding principal was recorded. The overdue profit amount was later received on 22 Nov 2022 and subsequently on Jan 09, 2023. The instrument will automatically be classified as " Performing" , as stated in Circular No. 33 of 2012 by SECP, after the timely receipt of profit due on April 09, 2023.

**6.3.3** The Securities and Exchange Commission of Pakistan (SECP), vide its circular No. 16 date July 07, 2010 prescribed certain disclosures for the schemes holding investments that were non-compliant either with the minimum investment criteria specified for category assigned to such schemes or with the investment requirement of their consecutive documents. The Securities and Exchange Commission of Pakistan vide circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorization criteria laid down in the circular. Lakson Asset Management Limited (the Management Company) classified Lakson Income Fund (the Fund) as an 'Income Scheme' in accordance with the said circular. As at March 31, 2023, the Fund is compliant with all the requirements of the said circular except for clause 9 (v) which requires the rating of any security in the portfolio shall not be lower than the investment grade. The following are the details of non-compliant investments held by the Fund:

Name of Non-compliant investment	Note	Type of Investment	Value of investment before provision	Provision held (if any)	Value of Investment after provision	Investment as percentage of Net Assets	Investment as percentage of Gross Assets
----- (Rupees) -----							
Silk Bank Limited	6.3.1	Term Finance Certificate	70,827,654	34,060,774	36,766,880	6.49%	6.21%
NRSP	6.3.2	Term Finance Certificate	70,000,000	-	70,000,000	12.36%	11.83%

**6.4 Commercial Paper**

Issue date	Maturity date	Mark-up rate	Number of holdings at the beginning of the period	Acquired during the year	Disposed / matured during the period	Number of holdings at the end of the period	Carrying value	Market value	Unrealised (diminution)/appreciation	Market value as a percentage of net assets of Fund	Market value as a percentage of total investments
----- (Number) -----						----- (Rupees) -----					
Mughal Iron Commercial Paper	27-Jul-21	21-Jul-22	9.57%	130	-	130	-	-	-	-	-
<b>Total as at March 31, 2023</b>							-	-	-	-	-
Total as at June 30, 2022							129,376,884	129,376,884	-	4.94%	1.21%

		<b>March 31, 2023 (Unaudited)</b>	June 30, 2022 (Audited)
	<b>Note</b>	<b>(Rupees)</b>	
<b>7. PAYABLE TO THE MANAGEMENT COMPANY</b>			
Remuneration payable	7.1	<b>578,928</b>	2,553,971
Sindh Sales Tax on remuneration to Management Company	7.2	<b>75,261</b>	352,610
Federal Excise Duty on remuneration to Management Company	7.3	<b>18,545,360</b>	18,545,360
Sale Load Payable to Management Company		-	2,285
		<b>19,199,548</b>	<b>21,454,226</b>

7.1 The Management Company is entitled to remuneration for services rendered to the Fund under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, of an amount not exceeding 1.5% per annum of the average annual net assets of the Fund. The effective management fee rate for the period ended 31 March 2023 is 0.83%. Remuneration is paid to the Management company in arrears on a monthly basis..

7.2 The Sindh Revenue Board has levied Sindh Sales Tax (SST) at the rate of 13% (June 30, 2021: 13%) on the remuneration of management company through Sindh Sales Tax on Services Act, 2011. This includes Sindh Sales Tax charged on Federal Excise Duty which is not paid due to the case pending for adjudication in Supreme Court of Pakistan as disclosed in note 8.3.

7.3 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 30 June 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 01, 2016. However, being prudent the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 18.54 million (2022: 18.54 million) is being retained in these financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the net asset value of the Fund as at March 31, 2023 would have been higher by Rs. 3.50 (June 30, 2022: Re.0.72) per unit.

		<b>March 31, 2023 (Unaudited)</b>	June 30, 2022 (Audited)
	<b>Note</b>	<b>(Rupees)</b>	
<b>8 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Auditors' remuneration		<b>399,410</b>	311,079
Brokerage payable		<b>20,445</b>	25,310
NCCPL payable		<b>216,591</b>	869,290
Withholding tax payable		<b>83,654</b>	16,753,305
PACRA rating fee payable		<b>417,073</b>	-
Others		<b>4,858,489</b>	9,865,438
		<b>5,995,662</b>	<b>27,824,423</b>
<b>9 CONTINGENCIES AND COMMITMENTS</b>			

There are no contingencies and commitments as at March 31, 2023.

## 10 TAXATION

The Fund is exempt from taxation under Clause 99 of the Part I of the 2nd Schedule of the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its 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 not less than 90% of its accounting income for the year, the income distributed through bonus units 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 to the unit holders. 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.

## 11 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties include Lakson Investments Limited being the Management Company, Central Depository Company of Pakistan Limited (CDC) being the trustee and the custodian, SIZA Services (Private) Limited being holding company of the Management Company, associated companies of the Management Company, key management personnel and other funds being managed by the Management Company, staff retirement benefits of related parties and other entities having more than 10% holding in the units of the Fund as at March 31, 2023.

Transactions and balances with related parties other than those disclosed elsewhere are as follows:

	March 31, 2023 (Unaudited) (Rupees)	June 30, 2022 (Audited)
<b>11.1 Details of balance with related parties / connected persons for the period ended</b>		
<b>Lakson Investments Limited - Management Company</b>		
Remuneration payable	578,928	2,553,971
Sindh Sales Tax payable on Management Company's remuneration*	75,261	352,610
Federal Excise Duty	18,545,360	18,545,360
Sales load payable	-	2,285
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	35,892	167,176
Sindh Sales Tax payable on Trustee remuneration*	4,665	56,993
Security deposit	100,000	100,000
<b>11.2 Details of transaction with related parties / connected persons during the period ended</b>		
<b>Lakson Investments Limited - Management Company</b>		
Remuneration to the Management Company	10,507,377	39,845,655
Sindh Sales Tax on Remuneration to the Management Company	1,363,573	5,241,238
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration to the Trustee	720,846	2,472,714
Sindh Sales Tax on Trustee remuneration*	93,710	321,453
Settlement charges	12,882	467,458



11.3 Details of transaction and balances with directors, key management personnel, employees, associated company/ undertaking of the Mangement Company and connected person are as follows:

	Nine Months Ended March 31, 2023							
	-----Number of units-----				-----Rupees-----			
	Number of units as at July 01, 2022	Units issued during the period	Units redeemed during the period	Number of holdings at the end of the period	Balance as at July 01, 2022	Units issued during the period	Units redeemed during the period	Balance at the end of the period (Investment at current NAV)
Lakson Investments Limited - Management Company	4,731,345	-	2,486,627	2,244,718	479,745,098	-	-	239,827,844
Directors, Chief Executive and their spouse and minors	11,264,336	47,991	10,499,609	812,718	1,142,172,080	5,013,339	1,088,345,487	86,831,555
Other key management personnel	-	-	-	-	-	-	-	-
Associated companies								
Accuray Surgical Limited Employees Contributory Provident Fund	66,608	-	66,608	-	6,753,859	-	1,502,548	-
Alan Private Limited	28,819	-	-	28,819	2,922,197	-	-	3,079,082
Century Insurance Co. Ltd., GF	137,690	-	104,730	32,960	13,961,393	-	1,350,000	3,521,487
Century Insurance Company Limited	689,220	-	689,220	-	69,885,024	-	5,993,905	-
Century Insurance Company Limited Employees Contributory Provident Fund Trust	153,348	-	119,376	33,972	15,549,009	-	-	3,629,572
Century Paper & Board Mills Limited ECPFT	1,238,383	-	846,455	391,928	125,568,562	-	21,000,000	41,873,980
Century Paper & Board Mills Limited EGF	1,227,783	-	864,106	363,677	124,493,743	-	19,400,000	38,855,638
Clover Pakistan Limited Employees Contributory Provident Fund Trust	-	-	-	-	-	-	-	-
Colgate Palmolive Pakistan Limited	-	-	-	-	-	-	-	-
Colgate Palmolive Pakistan Limited ECPFT	459,111	-	253,617	205,494	46,552,576	-	-	21,955,168
Colgate Palmolive Pakistan Limited EGF	679,863	-	301,290	378,573	68,936,194	-	-	40,447,142
Cyber Internet Services (Pvt.) Ltd. Empl. CPFT	766,914	-	573,062	193,852	77,762,926	-	9,900,000	20,711,315
Gam Corporation Private Limited Employees Contributory Provident Fund	551,315	-	440,112	111,203	55,901,792	-	9,200,000	11,881,059
Hasanali & Gulbanoo Lakhani Foundation	140,840	1,872	-	142,712	14,280,750	195,550	-	15,247,448
Hasanali Karabhai Foundation ECPF Trust	27,072	-	21,827	5,245	2,745,072	-	263,000	560,409
Lakson Business Solutions Limited Employees Contributory Provident Fund Trust	5,630	-	-	5,630	570,916	-	-	601,567
Lakson Investments Limited ECPFT	106,345	-	92,728	13,617	10,783,081	-	1,674,000	1,454,902
Lakson Power Limited	-	-	-	-	-	-	-	-
Merit Packaging Limited Employees Contributory Provident Fund Trust	82,313	-	82,313	-	8,346,298	-	1,085,164	-
Merit Packaging Limited Employees Gratuity Fund	25,513	-	25,513	(0)	2,586,956	-	772,083	0
Premier Fashions Private Limited	-	-	-	-	-	-	-	-
Princeton Travels Private Limited Employees Contributory Provident Fund Trust	-	-	-	-	-	-	-	-
Siza Commodities Private Limited	-	5,859	-	5,859	-	612,103	-	626,034
Siza Foods Private Limited Employees Contributory Provident Fund Trust	468,090	-	365,795	102,294	47,462,965	-	6,400,000	10,929,212
Siza Private Limited	3,248	-	-	3,248	329,301	-	-	346,981
Siza Services Private Limited	-	1,340	-	1,340	-	140,027	-	143,214
Siza Services Private Limited Employees Countributory Provident Fund Trust	94,831	-	74,901	19,930	9,615,604	-	1,200,000	2,129,299
Sybrid (Private) Limited ECPFT	199,699	-	159,126	40,573	20,248,926	-	3,375,000	4,334,869
Sybrid Private Limited	682	-	-	682	69,170	-	-	72,884

\*Holding increased above 10% due to investment of Unit holder / divstment from other Unit holders.

	Nine Months Ended March 31, 2022							
	-----Number of units-----				-----Rupees-----			
	Number of units as at July 01, 2021	Units issued during the period	Units redeemed during the period	Number of holdings at the end of the period	Balance as at July 01, 2021	Units issued during the period	Units redeemed during the period	Balance at the end of the period (Investment at current NAV)
Lakson Investments Limited - Management Company	7,875,320	147,105	3,666,007	4,356,419	796,411,423	-	-	462,201,198.00
Directors, Chief Executive and their spouse and minors	31,355,748	841,642	20,025,827	12,171,563	3,170,928,406	21,000,000	110,501,150	1,291,361,443.00
<b>Associated companies</b>								
Accuray Surgical Limited Employees Contributory Provident Fund	79,613	5,916	32,036	53,494	8,051,064	-	-	5,675,482.00
Alan Private Limited	26,854	-	-	26,854	2,715,678	-	-	2,849,118.00
Century Insurance Co. Ltd., GF	127,516	47,121	55,879	118,758	12,895,374	4,925,774	-	12,599,807.00
Century Insurance Company Limited	109,155	1,362,520	837,071	634,605	11,038,572	93,941,441	-	67,329,396.00
Century Insurance Company Limited Employees Contributory Provident Fund Trust	166,337	11,862	15,413	162,786	16,821,245	1,240,000	-	17,271,088.00
Century Paper & Board Mills Limited ECPFT	1,521,895	243,825	683,280	1,082,440	153,905,437	17,395,832	-	114,843,104.00
Century Paper & Board Mills Limited EGF	1,410,190	257,992	656,443	1,011,739	142,608,989	20,036,434	-	107,342,110.00
Colgate Palmolive Pakistan Limited	1,986,901	122,521	2,109,422	-	200,930,331	-	-	-
Colgate Palmolive Pakistan Limited ECPFT	1,258,187	105,978	992,982	371,183	127,237,306	1,800,000	-	39,381,296.00
Colgate Palmolive Pakistan Limited EGF	1,593,954	113,448	1,182,074	525,328	161,192,583	2,400,000	-	55,735,555.00
Cyber Internet Services (Pvt.) Ltd. Empl. CPFT	862,306	323,358	516,726	668,938	87,202,850	33,795,000	-	70,972,043.00
Gam Corporation Private Limited Employees Contributory Provident Fund	562,630	168,030	216,349	514,311	56,897,365	17,565,000	-	54,566,626.00
Hasanali & Gulbanoo Lakhani Foundation	613,600	158,799	167,417	604,982	62,051,834	-	-	64,186,632.00
Hasanali Karabhai Foundation ECPF Trust	36,571	-	11,644	24,927	3,698,334	930,000	-	2,644,628.00
Lakson Business Solutions Limited Employees Contributory Provident Fund Trust	244	5,067	-	5,311	24,675	-	-	563,479.00
Lakson Investments Limited ECPFT	97,744	-	2,781	94,963	9,884,606	-	-	10,075,235.00
Merit Packaging Limited Employees Contributory Provident Fund Trust	56,775	125,374	73,051	109,098	5,741,514	13,400,000	-	11,574,920.00
Merit Packaging Limited Employees Gratuity Fund	88,373	61,666	75,279	74,760	8,936,941	3,353,962	-	7,931,775.00
Premier Fashions Private Limited	-	987,791	987,791	-	-	102,500,000	-	-
Siza Commodities Private Limited	-	2,775,937	2,417,231	358,706	-	288,800,000	-	38,057,497.00
Siza Private Limited	-	1,743,330	1,743,330	-	-	180,900,000	-	-
Siza Services Private Limited	-	2,601,986	2,143,149	458,837	-	270,000,000	-	48,681,022.00
Siza Foods Private Limited Employees Contributory Provident Fund Trust	485,455	152,154	259,468	378,141	49,092,851	15,905,430	-	40,119,450.00
Siza Services Private Limited Employees Countributory Provident Fund Trust	99,437	32,668	39,103	93,002	10,055,815	3,415,000	-	9,867,296.00
Sybrid Private Limited ECPFT	63,719	205,268	81,695	187,292	6,443,743	9,032,031	-	19,871,003.00
Sybrid Private Limited	115,673	-	115,037	636	11,697,721	-	-	67,442.00

12    **Total Expense Ratio (TER)**

Securities and Exchange Commission of Pakistan (SECP) vide its Directive No. SCD/PRDD/Direction/18/2016 dated 20 July 2016, required that Collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS / the Fund. TER of the Fund for the nine months period ended March 31, 2023 is 1.57% (March 31, 2022: 1.70%) which includes 0.18% (March 31, 2022: 0.19%) representing government levies (comprising of Government Levies and SECP fee, etc.). As per NBFC Regulation the total expense ratio of the Income Scheme shall be capped up to 2.5%.

13    **FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair value is 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.

Underlying the definition of fair value is the presumption that the Asset Management Company 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.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Fund is current bid price.

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.

IFRS 13, 'Fair Value Measurements' 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:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the assets or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	March 31, 2023 (Un-audited)			
	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
<b>Financial assets measured at fair value</b>				
Government securities	-	49,864,750	-	49,864,750
Term Finance Certificates - Listed	-	504,107,490	-	504,107,490
	-	553,972,240	-	553,972,240
	June 30, 2022 (Audited)			
	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
Financial assets measured at fair value				
Government securities				
- Market Treasury Bills	-	256,935,650	-	256,935,650
- Pakistan Investment Bonds	-	614,480,000	-	614,480,000
Term Finance Certificates - Listed	-	881,904,408	-	881,904,408
	-	1,753,320,058	-	1,753,320,058

**14 GENERAL**

- 14.1 The corresponding figures have been re-arranged wherever necessary
- 14.2 Figures have been rounded off to the nearest ruppee

**15 DATE OF AUTHORIZATION OF ISSUE**

This condensed interim financial statements were authorized for issue by Board of Directors of the Management Company on April 28, 2023

**For Lakson Investments Limited  
(Management Company)**

**CHIEF EXECUTIVE OFFICER**

**CHIEF FINANCIAL OFFICER**

**DIRECTOR**



A Lakson Group Company

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