

**NIT – SOCIAL IMPACT FUND**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

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## **TRUSTEE REPORT TO THE UNIT HOLDERS**

### **NIT SOCIAL IMPACT 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 Social Impact 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



**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 – Social Impact Fund** (the Fund) as at December 31, 2023 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the half year then ended. The Management Company (National Investment Trust Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

**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 statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

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

Chartered Accountants

Engagement Partner: **Shahbaz Akbar**

Dated:

Karachi

UDIN:

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan  
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

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


	Note	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
-----Rupees in '000-----			
<b>ASSETS</b>			
Bank balances	4	859,520	920,689
Investments	5	415,634	76,742
Deposits and other receivables	6	17,535	17,173
Preliminary expense and floatation cost	7	433	498
<b>Total assets</b>		<b>1,293,122</b>	<b>1,015,102</b>
<b>LIABILITIES</b>			
Payable to National Investment Trust Limited - Management Company	8	2,273	1,907
Payable to Central Depository Company of Pakistan Limited - Trustee	9	90	69
Payable to the Securities Exchange Commission of Pakistan	10	80	201
Payable against redemption of units		9,380	3,565
Accrued expenses and other liabilities	11	785	2,327
<b>Total liabilities</b>		<b>12,608</b>	<b>8,069</b>
<b>NET ASSETS</b>		<b>1,280,514</b>	<b>1,007,033</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>1,280,514</b>	<b>1,007,033</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	12		
----- (Number of units) -----			
<b>NUMBER OF UNITS IN ISSUE</b>		<b>113,619,675</b>	<b>99,449,122</b>
----- (Rupees) -----			
<b>NET ASSET VALUE PER UNIT</b>		<b>11.2702</b>	<b>10.1261</b>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

*AM*

For National Investment Trust Limited  
(Management Company)

  
\_\_\_\_\_  
Managing Director

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director


**NIT - SOCIAL IMPACT FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023**

	Half year ended		Quarter ended	
	December 31,		December 31,	
	2023	2022	2023	2022
Note-----Rupees in '000-----				
<b>INCOME</b>				
Income from Government securities	7,329	-	7,329	-
Income from term finance certificates	13,263	8,255	8,634	4,978
Profit on savings accounts with banks	116,080	69,879	54,363	39,471
Net unrealised (diminution) / appreciation on 're-measurement of investments classified as financial assets at ' fair value through profit or loss'	5.4 (252)	(396)	181	(4,335)
<b>Total income</b>	<b>136,420</b>	<b>77,738</b>	<b>70,507</b>	<b>40,114</b>
<b>EXPENSES</b>				
Remuneration of National Investment Trust Limited - Management Company	8.1 7,425	5,841	3,838	3,257
Sindh Sales Tax on remuneration of the Management Company	8.2 965	759	499	423
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1 447	352	232	197
Sindh Sales Tax on remuneration of the Trustee	9.2 58	46	30	26
Fee to the Securities and Exchange Commission of Pakistan	10.1 446	94	231	53
Central Depository Charges	3	3	2	1
Amortisation of preliminary expenses and floatation costs	7.1 65	65	33	33
Bank charges	5	59	-	37
Auditors' remuneration	287	276	205	124
Legal and professional charges	22	31	-	21
Printing charges	3	-	-	-
Rating fee	41	147	41	73
<b>Total operating expenses</b>	<b>9,767</b>	<b>7,673</b>	<b>5,111</b>	<b>4,245</b>
<b>Net income for the period before taxation</b>	<b>126,653</b>	<b>70,065</b>	<b>65,396</b>	<b>35,869</b>
Taxation	13 -	-	-	-
<b>Net income for the period after taxation</b>	<b>126,653</b>	<b>70,065</b>	<b>65,396</b>	<b>35,869</b>
<b>Allocation of net income for the period after taxation</b>				
Net income for the period after taxation	126,653	70,065		
Income already paid on units redeemed	(12,702)	(7,788)		
	<b>113,951</b>	<b>62,277</b>		
<b>Accounting income available for distribution:</b>				
- Relating to capital gains	-	-		
- Excluding capital gains	113,951	62,277		
	<b>113,951</b>	<b>62,277</b>		

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

*Almu*

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

  
**Managing Director**

  
**Director**

  
**Director**

**NIT - SOCIAL IMPACT FUND  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023**

	Half year ended December 31,		Quarter ended December 31,	
	2023	2022	2023	2022
	-----Rupees in '000-----			
Net income for the period after taxation	126,653	70,065	65,396	35,869
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>126,653</u>	<u>70,065</u>	<u>65,396</u>	<u>35,869</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

*AM*

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

  
\_\_\_\_\_  
Managing Director

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

**NIT - SOCIAL IMPACT FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND**  
**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 (audited)</b>	995,840	11,193	1,007,033	723,219	12,000	735,219
<b>Issuance of 77,751,092 (2022: 87,175,410) units</b>						
Capital value (at net asset value per unit at the beginning of the period)	787,315	-	787,315	868,668	-	868,668
Element of income	50,176	-	50,176	42,084	-	42,084
Total proceeds on issuance of units	837,491	-	837,491	910,752	-	910,752
Issuance of Nil (2022: 11,133) units in lieu of refund of capital	-	-	-	111	-	111
<b>Redemption of 63,580,539 (2022: 65,102,545) units</b>						
Capital value (at net asset value per unit at the beginning of the period)	(643,823)	-	(643,823)	(648,721)	-	(648,721)
Element of loss	(34,138)	(12,702)	(46,840)	(27,312)	(7,788)	(35,100)
Total payments on redemption of units	(677,961)	(12,702)	(690,663)	(676,033)	(7,788)	(683,821)
Total comprehensive income for the period	-	126,653	126,653	-	70,065	70,065
Issuance of Nil (2022: 1,037,582) units under CIP	-	-	-	10,382	-	10,382
Final distribution for the year ended June 30, 2022 (Date: July 5, 2022 @ Rs. 0.1615 per unit)	-	-	-	-	(11,567)	(11,567)
Refund of capital	-	-	-	(111)	-	(111)
<b>Net assets at the end of the period (un-audited)</b>	<u>1,155,370</u>	<u>125,144</u>	<u>1,280,514</u>	<u>968,320</u>	<u>62,710</u>	<u>1,031,030</u>
<b>Undistributed income brought forward</b>						
- Realised income		10,487			12,000	
- Unrealised income		706			-	
		<u>11,193</u>			<u>12,000</u>	
<b>Accounting income available for distribution</b>						
- Relating to capital gains		-			-	
- Excluding capital gains		113,951			62,276	
		<u>113,951</u>			<u>62,276</u>	
Final distribution for the year ended June 30, 2022 (Date: July 5, 2022 @ Rs. 0.1615 per unit)		-			(11,567)	
Undistributed income carried forward		<u>125,144</u>			<u>62,710</u>	
<b>Undistributed income carried forward</b>						
- Realised income		125,396			63,106	
- Unrealised loss		(252)			(396)	
		<u>125,144</u>			<u>62,710</u>	
		<b>(Rupees)</b>			<b>(Rupees)</b>	
Net asset value per unit at the beginning of the period		<u>10.1261</u>			<u>10.1676</u>	
Net asset value per unit at the end of the period		<u>11.2702</u>			<u>10.8038</u>	

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
**Managing Director**

\_\_\_\_\_  
**Director**

\_\_\_\_\_  
**Director**

NIT - SOCIAL IMPACT FUND  
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Half year ended December 31,	
	2023	2022
Note	-----Rupees in '000-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	126,653	70,065
<b>Adjustment for:</b>		
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	252	396
	126,905	70,461
<b>(Increase) / decrease in assets</b>		
Investments - net	(339,144)	(95,169)
Profit and other receivables	(362)	(2,199)
Preliminary expense and floatation cost	65	65
	(339,441)	(97,303)
<b>(Decrease) / increase in liabilities</b>		
Payable to National Investment Trust Limited - Management Company	366	294
Payable to Central Depository Company of Pakistan Limited - Trustee	21	17
Payable to the Securities Exchange Commission of Pakistan	(121)	75
Accrued expenses and other liabilities	(1,542)	421
	(1,276)	807
<b>Net cash used in operating activities</b>	(213,812)	(26,035)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance and conversion of units	837,491	921,134
Payments against redemption and conversion of units	(684,848)	(683,778)
Distribution paid	-	(11,567)
<b>Net cash generated from financing activities</b>	152,643	225,789
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	(61,169)	199,754
	920,689	726,240
<b>Cash and cash equivalents at the end of the period</b>	4 859,520	925,994

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.

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For National Investment Trust Limited  
(Management Company)

  
Managing Director

  
Director

  
Director



**NIT - SOCIAL IMPACT FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1 NIT - Social Impact Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered between National Investment Trust Limited as the Management Company, and Central Depository Company of Pakistan Limited as the Trustee. The Trust Deed was executed under the Trust Act, 1882 on August 16, 2021 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on May 24, 2021 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Trust Deed. The Fund is categorised as an 'Income Scheme' in accordance with the criteria for categorisation of open end collective investment schemes as specified by Securities and Exchange Commission of Pakistan (SECP). The Fund was required to be registered under the "Sindh Trust Act, 2021". Accordingly, on November 01, 2021, the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.2 The Management Company has been licensed by the SECP to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 6th floor, National Bank of Pakistan Building, I.I. Chundrigar Road, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).
- 1.3 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.
- 1.4 The Management Company has been assigned a quality rating of 'AM1' (2022: 'AM1') by VIS Credit Rating Company Limited (VIS) on December 28, 2023, whereas PACRA has assigned an asset manager rating of 'AM1' (2022: 'AM1') with 'stable outlook' to the Management Company on May 24, 2023.

Furthermore, VIS Credit Rating Company Limited (VIS) has assigned the rating of 'A+(f)' (2022: 'A+(f)') to the Fund on December 22, 2023.

- 1.5 The objective of NIT Social Impact Fund is to channelise funds of investors to leverage the strength of rated asset pool of microfinance sector for maximum of financial returns and to catalyse financially sustainable social initiatives.
- 1.6 Title to the assets of the Fund are held in the name of the 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 for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, 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 requirements of IAS 34: 'Interim Financial Reporting', 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.

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2.2 The disclosures made in these condensed interim financial statements are 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.

2.3 These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2023.

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

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2023.

3.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments 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. In preparing the condensed interim financial statements, the significant judgements made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the annual financial statements as at and for the year ended June 30, 2023. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2023.

#### 3.3 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period

There are certain amendments to standards that are mandatory for the Fund's accounting period beginning on July 1, 2023. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

#### 3.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2024. However, these are not expected to have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

	Note	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
-----Rupees in '000-----			
<b>4 BANK BALANCES</b>			
Balances with bank in:			
Savings accounts	4.1	859,520	920,689
		<u>859,520</u>	<u>920,689</u>
4.1	The balances in savings accounts carry profit rates ranging from 5.50% to 23.30% per annum (June 30, 2023: 5.5% to 22.90% per annum).		
	Note	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
-----Rupees in '000-----			
<b>5 INVESTMENTS</b>			
<b>At fair value through profit or loss</b>			
Government securities:			
-Market treasury bills	5.1	277,902	-
Term finance certificates	5.2	137,732	76,742
		<u>415,634</u>	<u>76,742</u>

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### 5.1 Market Treasury Bills - financial assets 'at fair value through profit or loss'

Issue date	Tenure	Face value				As at December 31, 2023			Market value as a percentage of	
		As at July 1, 2023	Purchased during the period	Sold / matured during the period	As at December 31, 2023	Carrying value	Market value	Unrealised diminution	Net assets	Total investments
(Rupees in '000)										
November 16, 2023	6 Months	-	300,000	-	300,000	278,332	277,902	(430)	21.70	66.86
Total as at December 31, 2023		-	300,000	-	300,000	278,332	277,902	(430)		
Total as at June 30, 2023		-	-	-	-	-	-	-		

5.1.1 This carries purchase yield of 21.46% (June 30, 2023: Nil) per annum. This will mature on May 16, 2024.

### 5.2 Term finance certificates - at fair value through profit or loss

Name of the investee companies	Number of certificates				As at December 31, 2023			Market value as a percentage of	
	As at July 1, 2023	Purchased during the period	Disposed / matured during the period	As at December 31, 2023	Carrying value	Market value	Unrealised appreciation	Net assets	Total investments
(Rupees in '000)									
U Microfinance Bank Limited (June 23, 2021)	1,150	-	-	1,150	57,554	57,732	178	4.51	13.89
Kashf Foundation (October 10, 2023)	-	800	-	800	80,000	80,000	-	6.25	19.25
Total as at December 31, 2023					137,554	137,732	178		
Total as at June 30, 2023					76,036	76,742	706		

5.2.1 These carry return at the rates of 22.81% to 23.42% (June 30, 2023: 19.95%) per annum. These have maturities up to October 10, 2026.

### 5.3 Significant terms and conditions of term finance certificates outstanding at the period end are as follows:

Name of securities	Number of certificates	Repayment frequency	Unredeemed face value	Mark-up rate (per annum)	Issue date	Maturity date	Rating
<b>Unlisted Term Finance Certificates</b>							
U Microfinance Bank Limited	1,150	Semi-annually	50,000	6 Months KIBOR + 1.35%	June 23, 2021	June 23, 2025	AA-
Kashf Foundation	800	Quarterly	100,000	3 Months KIBOR + 1.5%	October 10, 2023	October 10, 2026	AAA

### 5.4 Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'

	Note	December 31,	
		2023	2022
		----- (Unaudited) -----	
		----- Rupees in '000 -----	
Market value of investments	5.1 & 5.2	415,634	94,773
Less: carrying value of investments	5.1 & 5.2	(415,886)	(95,169)
		(252)	(396)
		December 31, 2023	June 30, 2023
		(Unaudited)	(Audited)
		----- Rupees in '000 -----	

### 6 DEPOSITS AND OTHER RECEIVABLES

Profit receivable on bank deposits	15,874	16,678
Profit receivable on term finance certificates	1,561	395
	17,535	17,173

### 7 PRELIMINARY EXPENSES AND FLOATATION COSTS

At the beginning of the period / incurred		498	627
Less: amortisation during the period	7.1	65	129
At the end of the period		433	498

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- 7.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These are being amortised over five years commencing from the end of the initial offering period in accordance with the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

	Note	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
-----Rupees in '000-----			
<b>8</b>	<b>PAYABLE TO NATIONAL INVESTMENT TRUST LIMITED - MANAGEMENT COMPANY</b>		
	Remuneration payable	1,335	1,012
	Sindh Sales Tax payable on remuneration of the Management Company	174	131
	Preliminary expenses and flotation cost payable	643	643
	Other payable	121	121
		2,273	1,907

- 8.1 The Management Company has charged its remuneration at the rate of 10% of the gross earnings of the Fund, calculated on a daily basis, subject to the minimum of 0.5% and maximum of 1.25% of the daily average net assets of the Fund and an amount of Rs. 7.42 million has been recorded in the Income Statement. The remuneration is payable to the Management Company monthly in arrears.

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

	Note	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
-----Rupees in '000-----			
<b>9</b>	<b>PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>		
	Remuneration payable	80	61
	Sindh Sales Tax payable on remuneration of the Trustee	10	8
		90	69

- 9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. Accordingly, the Fund has charged Trustee remuneration at the rate of 0.075% per annum of net assets during the current period and an amount of Rs. 0.45 million has been recorded in the Income Statement.

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

	Note	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
-----Rupees in '000-----			
<b>10</b>	<b>PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>		
	Fee payable	80	201
		80	201

- 10.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP).

Effective from July 1, 2023, the SECP vide SRO No. 592(I)/2023 dated May 17, 2023, has revised the rate of fee to 0.075% per annum of the daily net assets of the Fund, applicable to an "Income Scheme". Previously, the rate of fee applicable on all categories of CISs was 0.02% per annum of the daily net assets of the Fund. Accordingly, the Fund has charged the SECP fee at the rate of 0.075% per annum of the daily net assets during the period.

Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month. Previously, the Fund was required to pay SECP fee within three months of the close of accounting year.

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	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
<b>11 ACCRUED EXPENSES AND OTHER LIABILITIES</b>	-----Rupees in '000-----	
Capital gain tax payable	382	1,747
Auditors' remuneration payable	287	319
Printing charges payable	-	4
Rating fee payable	116	249
Listing fee payable	-	8
	<u>785</u>	<u>2,327</u>

## 12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2023 and June 30, 2023.

## 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 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, during the period ended.

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.

## 14 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund as at December 31, 2023 based on the current period results is 1.64% (2022: 1.63%) which includes 0.25% representing Government levies on the Fund such as sales tax, 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 AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

- 15.1** Connected persons include National Investment Trust Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and directors and their close family members and key management personnel of the Management Company.
- 15.2** Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 15.3** Remuneration to the Management Company of the Fund are determined in accordance with the provisions of the NBFC Regulations, 2008.
- 15.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.
- 15.5** The details of significant transactions carried out by the Fund with connected persons during the period and balances with them as at the period end are as follows:

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## 15.5.1 Transactions during the period

	Half year ended		Quarter ended	
	December 31,		December 31,	
	2023	2022	2023	2022
----- (Unaudited) -----				
----- Rupees in '000 -----				

**National Investment Trust Limited -  
Management Company**

Issue of Nil (2022: 274,854) units under CIP	-	2,750	-	-
Remuneration of the Management Company	7,425	5,841	3,838	3,257
Sindh Sales Tax on Management remuneration	965	759	499	423

**Central Depository Company of Pakistan  
Limited - Trustee**

Remuneration of the Trustee	447	352	232	197
Sindh Sales Tax on Trustee Remuneration	58	46	30	26

**Pakistan Microfinance Investment Company  
Limited**

Issue of Nil (2022: 274,854) units under CIP	-	2,750	-	-
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**National Bank of Pakistan**

Issue of Nil (2022: 323,455) units under CIP	-	3,237	-	-
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**Key Management Personnel**

Issuance of 89,091 (2022: Nil) units	904	-	-	-
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## 15.5.2 Amounts outstanding as at period / year end

	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
----- Rupees in '000 -----		

**National Investment Trust Limited - Management Company**

Units held 23,279,703 (June 30, 2023: 23,279,703)	262,367	235,733
Management remuneration payable	1,335	1,012
Sindh Sales Tax payable on management remuneration	174	131
Preliminary expenses and flotation cost payable	643	643
Other payable	121	121

**Central Depository Company of Pakistan Limited - Trustee**

Trustee remuneration payable	80	61
Sindh Sales Tax payable on Trustee remuneration	10	8
Security deposit	100	100

**Pakistan Microfinance Investment Company Limited**

Units held 13,321,540 (June 30, 2023: 13,321,540)	150,136	134,895
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**National Bank of Pakistan**

Units held 23,867,978 (June 30, 2023: 23,867,978)	268,997	241,690
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**Key management personnel**

Units held 89,091 (June 30, 2023: Nil)	1,004	-
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## 16 FAIR VALUE MEASUREMENT

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. 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.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

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### Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets 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 (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

As at December 31, 2023 and June 30, 2023, the Fund held the following financial instruments measured at fair value:

ASSETS	----- As at December 31, 2023 (Un-audited) -----			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	----- Rupees in '000 -----			
<b>Investments</b>				
Market treasury bills	-	277,902	-	277,902
Term finance certificates	-	137,732	-	137,732
	<u>-</u>	<u>415,634</u>	<u>-</u>	<u>415,634</u>
	<u><u>-</u></u>	<u><u>415,634</u></u>	<u><u>-</u></u>	<u><u>415,634</u></u>
ASSETS	----- As at June 30, 2023 (Audited) -----			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	----- Rupees in '000 -----			
<b>Investments</b>				
Term finance certificates	-	76,742	-	76,742
	<u>-</u>	<u>76,742</u>	<u>-</u>	<u>76,742</u>
	<u><u>-</u></u>	<u><u>76,742</u></u>	<u><u>-</u></u>	<u><u>76,742</u></u>

### 17 GENERAL


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

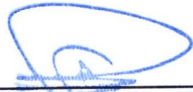
### 18 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 23 FEB 2024 by the Board of Directors of the Management Company.

*AK*

For National Investment Trust Limited  
(the Management Company)

  
Managing Director

  
Director

  
Director