



**NIT Income Fund
Condensed Interim Financial
Statements (Unaudited)
for the quarter ended
30 September 2019**

**NIT - INCOME FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2019**

	Note	September 30, 2019 (Unaudited)	June 30, 2019 (Audited)
-----Rupees in '000-----			
ASSETS			
Bank balances	4	2,127,658	2,409,365
Investments	5	1,858,827	1,526,986
Advance against subscription of TFC Investments		-	46,375
Receivable against Marginal Trading System		20	17,901
Advance Tax		64,368	64,368
Profit receivables		46,731	56,781
Security deposits		350	350
Receivable against Redemption of Term Finance Certificate		54,363	64,252
Total assets		4,152,317	4,186,378
LIABILITIES			
Payable to National Investment Trust Limited - Management Company	6	4,887	5,020
Payable to Central Depository Company of Pakistan Limited - Trustee	7	281	416
Annual fee payable to the Securities and Exchange Commission of Pakistan	8	204	3,461
Payable against redemption of units		860	-
Payable against MTS Investments		-	2,941
Accrued expenses and other liabilities	9	45,286	44,302
Dividend Payable		1,676	461
Total liabilities		53,194	56,601
NET ASSETS		4,099,123	4,129,777
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		4,099,123	4,129,777
CONTINGENCIES AND COMMITMENTS	10		
-----Number of units-----			
NUMBER OF UNITS IN ISSUE		394,061,841	375,211,674
-----Rupees-----			
NET ASSET VALUE PER UNIT		10.4022	11.0065

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

For National Investment Trust Limited
(Management Company)


Managing Director


Director


Director


Chief Financial Officer

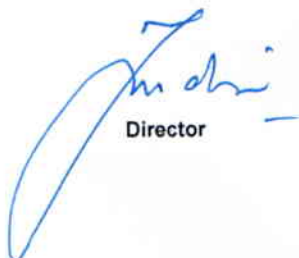
NIT - INCOME FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

		September 30,	
		2019	2018
		(Unaudited)	
		Rupees in '000	
INCOME			
	Note		
Income from government securities		40,208	40,038
Income from Term Finance Certificates		43,414	23,166
Income from Certificates of Investment		-	2,719
Income from letters of placement		-	206
Income from Marginal Trading System		222	5,689
Profit on bank balances		50,149	26,594
Gain / (Loss) on sale of investments-net		8,266	(437)
Net unrealised (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.8	3,551	-
Total income		145,810	97,975
EXPENSES			
Impairment Loss on Term Finance Certificate		9,889	-
Remuneration of National Investment Trust Limited - Management Company	6.1	11,942	9,749
Sindh sales tax on Management Company's remuneration	6.2	1,552	1,267
Remuneration of Central Depository Company of Pakistan Limited - Trustee		764	1,302
Sindh Sales Tax on Remuneration of Trustee		99	169
Annual fee - Securities and Exchange Commission of Pakistan		204	962
Central Depository Charges		1	2
Allocation of expenses related to registrar services accounting, operations and valuation services	6.3	1,045	1,273
Laga and Levy Charges		15	722
Settlement and bank charges		20	50
Securities transaction costs		36	61
Auditors' remuneration		230	248
Legal & professional charges		-	570
Annual listing fee		40	35
Total expenses		25,837	16,410
Net income from operating activities		119,973	81,565
Provision for Sindh Workers' Welfare Fund	9.1	(2,400)	(1,631)
Net income for the period before taxation		117,573	79,934
Taxation	11	-	-
Net income for the period		117,573	79,934
Allocation of net income for the period			
Net income for the period		117,573	79,934
Income already paid on units redeemed		(677)	(2,149)
		116,896	77,785
Accounting income available for distribution:			
-Relating to capital gains		11,777	-
-Excluding capital gains		105,119	77,785
		116,896	77,785

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

For National Investment Trust Limited
(Management Company)


Managing Director


Director


Director


Chief Financial Officer

**NIT - INCOME FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

	<u>September 30,</u>	
	<u>2019</u>	<u>2018</u>
	<u>(Unaudited)</u>	
Note	Rupees in '000	
Net income for the period	117,573	79,934
Other comprehensive income		
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'fair value through other comprehensive income' (FVOCI)	5.9	-
		(1,390)
Total comprehensive income for the period	<u>117,573</u>	<u>78,544</u>

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

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


Managing Director


Director


Director


Chief Financial Officer

NIT - INCOME FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

Note	September 30,						
	2019			2018			
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Unrealised appreciation / (diminution) 'fair value through other comprehensive income' investments	Total
(Unaudited)							
Rupees in '000							
Net assets at the beginning of the period	3,792,761	337,016	4,129,777	5,240,956	334,755	(1,824)	5,573,887
Issue of 1,980,917 units (2018: 11,056,005 units)							
Capital value	20,015		20,015	74,924			74,924
Element of income / (loss)	325		325	631			631
Amount received on issuance of units	20,340	-	20,340	75,555	-	-	75,555
Issue of 1,737,465 units in lieu of refund of capital	17,582	-	17,582	-	-	-	-
Redemption of 5,343,232 units (2018: 62,238,520 units)							
Capital value	(53,988)		(53,988)	(638,620)			(638,620)
Element of income / (loss)	(51)	(677)	(728)	(142)	(2,149)	-	(2,291)
Amount paid / payable on redemption of units	(54,039)	(677)	(54,716)	(638,762)	(2,149)	-	(640,911)
Total comprehensive income / (loss) for the period	-	117,573	117,573	-	79,934	(1,390)	78,544
Issue of 20,475,018 units under CIP (2018: 17,290,368 units)	207,195	-	207,195	177,579	-	-	177,579
Final distribution for the year ended June 30, 2019: Rs 0.9025 per unit [(Date of Distribution: 5 July 2019)](2018: 0.5746 per unit [(Date of Distribution: 5 July 2018)])	-	(321,046)	(321,046)	-	(257,164)	-	(257,164)
Refund of Capital	(17,582)	-	(17,582)	-	-	-	-
Net assets at the end of the period	3,966,257	132,866	4,099,123	4,855,328	155,376	(3,214)	5,007,490
Net assets at the end of the period							
Undistributed income brought forward							
-Realized income		337,016			334,755		
-Unrealized income		-			-		
		<u>337,016</u>			<u>334,755</u>		
Accounting income available for distribution							
-Relating to capital gains		11,777			-		
-Excluding capital gains		105,119			77,785		
		<u>116,896</u>			<u>77,785</u>		
Final distribution for the year ended June 30, 2019: Rs 0.9025 per unit [(Date of Distribution: 5 July 2019)](2018: 0.5746 per unit [(Date of Distribution: 5 July 2018)])		(321,046)			(257,164)		
Undistributed income carried forward		<u>132,866</u>			<u>155,376</u>		
Undistributed income carried forward comprising							
-Realized income		132,866			155,376		
-Unrealized income		-			-		
		<u>132,866</u>			<u>155,376</u>		
Net assets value per unit at beginning of the period			(Rupees)				(Rupees)
			11.0065				10.8371
Net assets value per unit at end of the period			<u>10.4022</u>				<u>10.4227</u>

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

For National Investment Trust Limited
(Management Company)


Managing Director


Director


Director


Chief Financial Officer

**NIT - INCOME FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

	<u>September 30,</u>	
	<u>2019</u>	<u>2018</u>
	------(Unaudited)-----	
	-----Rupees in '000-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	117,573	79,934
(Increase) / decrease in assets		
Investments	(331,841)	(529,762)
Profit receivables	10,050	(5,798)
Receivable against Marginal Trading System	17,881	57,163
Receivable against Redemption/subscription of investments	9,889	-
Receivable against subscription	46,375	
	(247,646)	(478,397)
Increase / (decrease) in liabilities		
Payable to National Investment Trust Limited - Management Company	(133)	(122)
Payable to Central Depository Company of Pakistan Limited - Trustee	(135)	(45)
Annual fee payable to the Securities and Exchange Commission of Pakistan	(3,257)	(2,844)
Payable on redemption of units	860	26,821
Payable against MTS Investments	(2,941)	307
Accrued expenses and other liabilities	984	2,494
	(4,622)	26,611
Net cash (used in) / generated from operating activities	(134,695)	(371,852)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issue of units-including CIP	227,535	253,134
Payments on redemption of units	(54,716)	(640,911)
Distribution paid	(319,831)	(256,838)
Net cash generated / (used in) from financing activities	(147,012)	(644,615)
Net increase in cash and cash equivalents during the period	(281,707)	(1,016,467)
Cash and cash equivalents at the beginning of the period	2,409,365	3,084,799
Cash and cash equivalents at the end of the period	2,127,658	2,068,332

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

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


Managing Director


Director


Director


Chief Financial Officer

NIT - INCOME FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 NIT - Income Fund (the "Fund") was established under a Trust Deed executed on 17 September 2009 between National Investment Trust Limited ("NITL"), as Management Company, and Central Depository Company of Pakistan Limited ("CDC"), as Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan ("SECP") vide its letter no. NBFC-II/NITL/1026/2009 dated 20 November 2009 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 ("NBFC Rules"). The Fund is categorized as an Income Scheme as per the criteria for categorisation of open end collective investment scheme as specified by Securities and Exchange Commission of Pakistan (SECP) and other allied matters.
- 1.2 The Management Company of the Fund has been licensed 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.
- 1.3 The Fund is an open-ended mutual fund and is listed on Pakistan Stock Exchange (PSX). Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The units of the Fund were initially offered for public subscription at par from 15 February 2010 to 19 February 2010 (both days inclusive). Prior to the public offer, units were offered and issued to core investors and pre IPO investors at par value of Rs. 10. Subsequent to the initial period i.e., after 19 February 2010 units are being offered in accordance with the basis specified in the offering document.
- 1.4 The objective of the Fund is to generate competitive stream of return with moderate level of risk for its unit holders, by investing primarily in fixed income securities / instruments.
- 1.5 Pakistan Credit Rating Agency Limited (PACRA) has assigned "AA-(f)" rating to the Fund and has assigned an asset manager rating of "AM2++" to the Management Company.
- 1.6 Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1 This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017 along with part and the requirements VIII A of the repealed Companies Ordinance, 1984 and the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008, (the NBFC Regulations). Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations have been followed.
- 2.1.2 This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual financial statements of the Fund as at and for the year ended 30 June 2019.
- 2.1.3 This condensed interim financial information is being submitted to the unit holders as required under Regulation 38 (2)(f) of the Non-Banking Finance Companies and notified Entities Regulations, 2008 (NBFC Regulations).

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

3.1 The accounting policies adopted and the methods of computation of the of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2019

3.2 The preparation of the condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgements made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements of the Fund as at and for the year ended June 30, 2018. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2019.

4 BANK BALANCES

These represent balances with banks in savings accounts carrying rates ranging from 4.00% to 14.40% per annum (30 June 2019: 4.00% to 13.60% per annum)

		September 30, 2019	June 30, 2019
	Note	(Unaudited)	(Audited)
-----Rupees in '000-----			
5 INVESTMENTS			
Fair value through profit or loss			
Government securities:			
'-Market Treasury Bills	5.1	49,834	49,693
'-Pakistan Investment Bonds	5.1	312,405	44,417
Term finance certificates - unlisted	5.2	755,188	735,989
Sukuk - Listed	5.3	166,140	183,916
Sukuk - Unlisted	5.4	17,115	18,285
Privately Placed Short term Sukuk-unlisted	5.5	370,000	250,000
Commercial Paper	5.6	188,145	244,686
		<u>1,858,827</u>	<u>1,526,986</u>

5.1 Market Treasury Bills

Issue date	Tenor	Face value			Balance as at		Market value as a percentage of net assets	Market value as a percentage of total Investments	
		As at 1 July 2019	Purchased during the period	Sales / matured during the period	As at 30 September 2019	Carrying value			Market value
Market Treasury Bills									
April 25, 2019	3 Months	50,000	-	50,000	-	-	-	-	
May 23, 2019	3 Months	-	50,000	50,000	-	-	-	-	
July 18, 2019	3 Months	-	2,500,000	2,450,000	50,000	49,837	49,834	1.22	
August 12, 2019	12 Months	-	300,000	300,000	-	-	-	-	
August 29, 2019	12 Months	-	500,000	500,000	-	-	-	-	
September 12, 2019	12 Months	-	500,000	500,000	-	-	-	-	
Total - 30 September 2019		50,000	3,850,000	3,850,000	50,000	49,837	49,834	1.22	2.68

Issue date	Tenor	Face value			Balance as at		Market value as a percentage of net assets	Market value as a percentage of total Investments	
		As at 1 July 2019	Purchased during the period	Sales / matured during the period	As at 30 September 2019	Carrying value			Market value
Pakistan Investment Bond									
July 12, 2018	3 Years	50,000	175,000	225,000	-	-	-	-	
July 12, 2018	5 Years	-	125,000	25,000	100,000	83,389	86,919	2.12	
September 19, 2019	3 Years	-	150,000	-	150,000	135,926	136,786	3.34	
September 19, 2019	5 Years	-	100,000	50,000	50,000	44,755	44,900	1.10	
September 19, 2019	10 Years	-	50,000	-	50,000	43,877	43,800	1.07	
Total - 30 September 2019		50,000	600,000	300,000	350,000	307,948	312,406	7.63	16.82

5.2 Term finance certificates - unlisted

Name of the investee company	Number of certificates			Balance as at		Market value as a percentage of net assets	Market value as a percentage of total Investments	
	As at 1 July 2019	Purchased during the period	Sales / matured during the period	As at 30 September 2019	Carrying value			Market value
JS Bank Limited	12,000	-	-	12,000	60,200	60,200	1.47	3.24
Bank Al-Falah Limited (5th Issue)	52,003	-	-	52,003	259,339	259,339	6.33	13.95
Habib Bank Limited	1,550	-	-	1,550	152,341	151,651	3.70	8.16
Bank Al-Habib Limited	25,000	-	-	25,000	124,975	124,975	3.05	6.72
Bank Al-Habib Limited	28,125	-	-	28,125	139,024	139,024	3.39	7.48
KASHF Foundation	-	20	-	20	20,000	20,000	0.49	1.08
Total - 30 September 2019	118,678	20	-	118,698	755,878	755,188	18.43	40.63

5.3 Sukuks - Listed

Fatima Fertilizer Company Limited	3,678	-	-	3,678	9,266	9,254	0.23	0.50
Dawood Hercules Corporation Ltd	1,750	-	-	1,750	157,195	156,886	3.83	8.44
Total - 30 September 2019	5,428	-	-	5,428	166,461	166,140	4.06	8.94

5.4 Sukuks - unlisted

Ghani Gasses Limited	285	-	-	285	17,008	17,115	0.42	0.92
Total - 30 September 2019	285	-	-	285	17,008	17,115	0.42	0.92

5.5 Privately Placed Short term Sukuk-unlisted

Hub Power Company Limited	50,000	-	-	50,000	250,000	250,000	6.10	13.45
Hub Power Company Limited	-	1,200	-	1,200	120,000	120,000	2.93	6.46
Total - 30 September 2019	50,000	1,200	-	51,200	370,000	370,000	9.03	19.91

5.6 Commercial Paper

Hascol Petroleum Limited	150	-	150	-	-	-	-	-
Hub Power Company Limited	96,000	-	96,000	-	-	-	-	-
Hub Power Company Limited	-	100,000	-	100,000	93,138	93,138	2.27	5.01
K-Electric Limited	-	50,000	-	50,000	47,067	47,067	1.15	2.53
TPL Corporation Limited	-	50,000	-	50,000	47,940	47,940	1.17	2.58
Total - 30 September 2019	96,150	200,000	96,150	200,000	188,146	188,146	4.59	10.12

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

Name of security	Number of certificates	Unredeem ed face value	Mark-up rate (per annum)	Issue date	Tenor	Secured / (Unsecured)	Rating
Unlisted term finance certificates							
Bank Al-Falah Limited TFC-5	52,003	4,987	6-months KIBOR + 1.25%	20 February 2013	8 years	Unsecured	AA
Habib Bank Limited	1,550	99,860	6-months KIBOR + 0.5%	19 February 2016	10 years	Unsecured	AAA
Bank Al-Habib Limited (5th issue)	28,125	4,993	6-months KIBOR + 0.75%	17 March 2016	10 years	Unsecured	AA
Bank Al-Habib Limited	25,000	4,999	6-months KIBOR + 1%	06 December 2018	10 years	Unsecured	AA
JS Bank Limited	12,000	4,995	6-months KIBOR + 1.40%	14 December 2016	7 years	Unsecured	A+
KASH Foundation	20	1,000,000	3-months KIBOR + 2.25%	30 September 2019	4 years	Unsecured	A
Listed Sukuk							
Fatima Fertilizer Company Limited	3,678	2,500	6-months KIBOR + 1.10%	28 November 2016	5 years	Secured	AA-
Dawood Hercules Corporation Ltd	1,750	90,000	3-months KIBOR + 1.00%	01 March 2018	5 years	Secured	AA
Unlisted Sukuk							
Ghani Gasses Limited	285	58,333	3-months KIBOR + 1.00%	02 February 2017	6 years	Secured	A
Privately Placed Short term Sukuk-unlisted							
Hub Power Company Limited	50,000	5,000	3-months KIBOR + 1.00%	27 February 2019	9 months	Unsecured	AA+
Hub Power Company Limited	1,200	100,000	3-months KIBOR + 1.00%	22 August 2019	4 years	Unsecured	AA+

		September 30	
		2019	2018
5.8	Net unrealised (diminution) on re-measurement of investments classified as 'fair value through profit or loss'	------(Unaudited)-----	
		-----Rupees in '000-----	
	Market value of investments	1,858,827	-
	Less: Carrying value of investments	(1,855,276)	-
		3,551	-

		September 30	
		2019	2018
5.9	Net unrealised (diminution) on re-measurement of investments classified as 'at fair value through other comprehensive income'	------(Unaudited)-----	
		-----Rupees in '000-----	
	Market value of investments	-	2,644,563
	Less: Carrying value of investments	-	(2,647,777)
		-	(3,214)
Less: Net unrealised appreciation at beginning of the period		-	(1,824)
		-	(1,390)

		September 30, 2019	June 30, 2019
		(Unaudited)	(Audited)
6	PAYABLE TO NATIONAL INVESTMENT TRUST LIMITED	-----Rupees in '000-----	
		-----Rupees in '000-----	
On account of:			
	-Management remuneration	6.1 3,704	4,130
	-Sindh Sales Tax	6.2 481	537
	-sales load	-	-
	-Allocation of expenses related to registrar services 'accounting, operation and valuation services	6.3 702	353
		4,887	5,020

6.1 The Management Company has its remuneration at the rate of 10% of gross earnings of the Fund subject to upper cap of 1.25 % and lower cap of 0.5% of the average annual net assets of the Fund. (30 June 2019; 10% of gross earnings of the Fund subject to upper cap of 1.25 % and lower cap of 0.5% of the average annual net assets of the Fund).

6.2 During the period, Sindh Sales Tax at the rate of 13% (30 June 2019: 13%) was charged on the management remuneration.

6.3 SECP vide SRO 639 dated 20 June 2019 has removed the maximum cap of 0.1%. Accordingly, the Management Company can now charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from 20 June 2019.

However, the management continued to charge expenses at the rate of 0.1 percent of the average annual net assets of the Fund being lower than actual expenses.

		September 30, 2019	June 30, 2019
		(Unaudited)	(Audited)
7	PAYABLE TO THE CENTRAL DEPOSITORY	-----Rupees in '000-----	
		-----Rupees in '000-----	
'COMPANY OF PAKISTAN LIMITED - TRUSTEE			
	Trustee remuneration	249	368
	Sindh Sales Tax on trustee remuneration	7.2 32	48
		281	416

7.1 The Trustee has revised its tariff structure with a flat rate of 0.075% p.a. of net assets w.e.f 1st July 2019.

7.2 During the period, Sindh Sales Tax at the rate of 13% (30 June 2019: 13%) was charged on trustee remuneration.

8 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

SECP vide S.R.O 685(1)/2019 dated: 28th June 2019 has revised rate of annual fee at 0.02% (30 June 2019: 0.075% of average annual net assets) of net assets is applicable on all categories of Collective Investment schemes, the Fund has charged SECP Fee accordingly w.e.f 1st July 2019.