

The objective of the Fund is to generate a stable Shariah Compliant income stream, while seeking maximum possible preservation of capital over the medium to long-term period by investing in a diversified portfolio of Shariah Compliant fixed income and money market instruments.



**NIT - ISLAMIC INCOME FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT MARCH 31, 2018**

	Note	March 31, 2018 (Unaudited)	June 30, 2017 (Audited)
-----Rupees in '000-----			
<b>ASSETS</b>			
Bank balances	5	583,723	450,853
Investments	6	86,382	8,074
Profit Receivable	7	3,898	2,134
Security deposits		100	100
Preliminary expenses and floatation costs	8	650	803
<b>Total assets</b>		<b>674,753</b>	<b>461,964</b>
<b>LIABILITIES</b>			
Payable to National Investment Trust Limited - Management Company	9	1,541	5,122
Payable to Central Depository Company of Pakistan Limited - Trustee	10	115	76
Payable to Securities and Exchange Commission of Pakistan		323	379
Payable against redemption of units		10	8,376
Accrued expenses and other liabilities	11	2,133	4,373
Dividend Payable		-	2,610
<b>Total liabilities</b>		<b>4,122</b>	<b>20,936</b>
<b>NET ASSETS</b>		<b>670,631</b>	<b>441,028</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>670,631</b>	<b>441,028</b>
Contingencies and commitments	12		
----- Number of units -----			
<b>Number of units in issue</b>		<b>64,786,284</b>	<b>43,988,959</b>
-----Rupees-----			
<b>Net asset value per unit</b>		<b>10.3515</b>	<b>10.0259</b>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For National Investment Trust Limited  
(Management Company)

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Director

**NIT - ISLAMIC INCOME FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE NINE AND THREE MONTHS PERIOD ENDED MARCH 31, 2018**

Nine months period ended,	04 July 2016 to 31 March	Three months period ended,	
2018	2017	2018	2017

------(Unaudited)-----

Note -----Rupees in '000-----

**INCOME**

Income from sukus	1,681	157	1,163	157
Profit on bank deposits	21,681	19,337	8,655	8,789
Amortization of premium on sukus-net	(30)	-	(18)	-
	<b>23,332</b>	<b>19,494</b>	<b>9,800</b>	<b>8,946</b>

**EXPENSES**

Remuneration of National Investment Trust Limited - Management Company	9.1	1,754	1,476	-	738	693
Sindh Sales Tax on remuneration to Management Company	9.2	228	192	-	96	90
Remuneration of Central Depository Company of Pakistan Limited - Trustee		732	586	-	298	280
Sindh Sales tax on Trustee remuneration	10.1	95	76	-	39	36
Annual fee - Securities and Exchange Commission of Pakistan		323	258	-	132	123
Allocation of expenses related to registrar services, accounting, operation and valuation services	9.3	430	343	-	174	164
Amortisation of preliminary expenses and floatation costs		153	151	-	50	51
Securities transaction costs		-	-	-	-	-
Auditors' remuneration		238	132	-	69	69
Legal & Professional Charges		71	-	-	-	-
Settlement and bank charges		186	42	-	85	2
Listing fee		-	100	-	-	38
Shariah Advisory Fee		27	28	-	9	10
Printing charges		97	-	-	80	-
Mutual Fund Rating Fee		145	-	-	-	-
		-	-	-	-	-
<b>Total expenses</b>		<b>4,479</b>	<b>3,384</b>	<b>1,770</b>	<b>1,556</b>	<b>1,556</b>
<b>Net income from operating activities</b>		<b>18,853</b>	<b>16,110</b>	<b>8,030</b>	<b>7,390</b>	<b>7,390</b>
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed		-	9,523	-	-	4,727
Provision for Sindh Workers' Welfare Fund	11.1	(377)	(473)	-	(157)	(473)
<b>Net income for the period before taxation</b>		<b>18,476</b>	<b>25,160</b>	<b>7,873</b>	<b>7,873</b>	<b>11,644</b>
Taxation	13	-	-	-	-	-
<b>Net income for the period</b>		<b>18,476</b>	<b>25,160</b>	<b>7,873</b>	<b>7,873</b>	<b>11,644</b>

**NIT - ISLAMIC INCOME FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE NINE AND THREE MONTHS PERIOD ENDED MARCH 31, 2018**

Nine months period ended,	04 July 2016 to 31 March	Three months period ended,	
2018	2017	2018	2017

------(Unaudited)-----

Note -----Rupees in '000-----

**Allocation of net income for the period after taxation**

Net income for the period	18,476	7,873
Income already paid on units redeemed	<u>(4,608)</u>	<u>(3,470)</u>
	<u>13,868</u>	<u>4,403</u>
Accounting income available for distribution:		
-Relating to capital gains	-	-
-Excluding capital gains	<u>13,868</u>	<u>11,343</u>
	<u>13,868</u>	<u>11,343</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

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

Sd/-  
**Managing Director**

Sd/-  
**Director**

Sd/-  
**Director**

**NIT - ISLAMIC INCOME FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE NINE AND THREE MONTHS PERIOD ENDED MARCH 31, 2018**

	Note	<table border="1"> <tr> <th>Nine months period ended,</th> <th>04 July 2016 to 31 March</th> <th colspan="2">Three months period ended,</th> </tr> <tr> <th>2018</th> <th>2017</th> <th>2018</th> <th>2017</th> </tr> </table>	Nine months period ended,	04 July 2016 to 31 March	Three months period ended,		2018	2017	2018	2017		
		Nine months period ended,	04 July 2016 to 31 March	Three months period ended,								
2018	2017	2018	2017									
		----- (Unaudited) -----										
		----- Rupees in '000 -----										
Net income for the period after taxation		18,476	25,160	7,873	11,644							
<b>Other comprehensive income for the period</b>												
Net unrealised (diminution) / appreciation in the fair value of investments classified as 'available for sale'	6.4	(55)	299	75	299							
<b>Total comprehensive income for the period</b>		<b>18,421</b>	<b>25,459</b>	<b>7,948</b>	<b>11,943</b>							

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

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Director

**NIT - ISLAMIC INCOME FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT**  
**IN UNIT HOLDERS' FUND (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018**

Note	Nine months period ended							
	2018				2017			
	Value	Undistributed income	Unrealised appreciation / (diminution) 'available for sale' investments	Total	Value	Undistributed income	Unrealised appreciation / (diminution) 'available for sale' investments	Total
	-----Rupees in '000-----							
<b>Net assets at the beginning of the period</b>	439,888	793	347	441,028	-	-	-	-
<b>Issue of 81,674,291 units</b> (2017: 105,198,964 units)	832,496	-	-	832,496	1,059,031	9,553	-	1,068,584
<b>Redemption of 60,876,966 units</b> (2017: 32,364,498 units)	(616,706)	(4,608)	-	(621,314)	(330,687)	-	-	(330,687)
Element of loss and capital losses included in the prices of units issued less those in units redeemed-net;	-	-	-	-	-	(9,523)	-	(9,523)
Total comprehensive income / (loss) for the period	-	18,476	(55)	18,421	-	25,160	299	25,459
<b>Net assets at the end of the period</b>	<b>655,678</b>	<b>14,661</b>	<b>292</b>	<b>670,631</b>	<b>728,344</b>	<b>25,190</b>	<b>299</b>	<b>753,833</b>
<b>Undistributed income brought forward</b>								
-Realized income		793				-		
-Unrealized income		-				-		
		<u>793</u>				<u>-</u>		
<b>Accounting income available for distribution</b>								
-Relating to capital gains		-						
-Excluding capital gains		<u>13,868</u>						
		<u>13,868</u>				25,160		
Element of loss and capital losses included in the prices of units issued less those in units redeemed - amount representing loss that form part of unit holders' fund - net		-				30		
<b>Undistributed income carried forward</b>		<u><u>14,661</u></u>				<u><u>25,190</u></u>		
<b>Undistributed income carried forward comprising</b>								
-Realized income		14,661				25,190		
-Unrealized income		-				-		
		<u><u>14,661</u></u>				<u><u>25,190</u></u>		
				(Rupees)				(Rupees)
Net assets value per unit at beginning of the period				<u>10.0259</u>				-
Net assets value per unit at end of the period				<u><u>10.3515</u></u>				<u><u>10.3500</u></u>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

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

**Sd/-  
Managing Director**

**Sd/-  
Director**

**Sd/-  
Director**

**NIT - ISLAMIC INCOME FUND**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018**

	March 31, 2018	04 July 2016 to 31 March 2017
	----- (Unaudited) -----	
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	18,476	25,160
<b>Adjustments:</b>		
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	-	(9,523)
	<b>18,476</b>	<b>15,637</b>
<b>(Increase) / decrease in assets</b>		
Accrued income	(78,363)	(8,585)
Advances, deposits, prepayments and other receivables	(1,764)	(9,662)
Amortization of Formation Cost	-	(100)
	<b>153</b>	<b>(867)</b>
	-	-
	<b>(79,974)</b>	<b>(19,214)</b>
<b>Increase / (decrease) in liabilities</b>		
Payable to National Investment Trust Limited - Management Company	(3,581)	1,489
Payable to Central Depository Company of Pakistan Limited - Trustee	39	118
Payable to Securities and Exchange Commission of Pakistan	(56)	258
Payable against redemption of units	(8,366)	840
Accrued expenses and other liabilities	(2,240)	685
	<b>(14,204)</b>	<b>3,390</b>
<b>Net cash (used in) from operating activities</b>	<b>(75,702)</b>	<b>(187)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issue of units	832,496	1,068,584
Payments on redemption of units	(621,314)	(330,687)
Dividend paid	(2,610)	-
<b>Net cash generated from financing activities</b>	<b>208,572</b>	<b>737,897</b>
<b>Net increase in cash and cash equivalents during the period</b>	<b>132,870</b>	<b>737,710</b>
Cash and cash equivalents at the beginning of the period	450,853	-
<b>Cash and cash equivalents at the end of the period</b>	<b>583,723</b>	<b>737,710</b>

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.

For National Investment Trust Limited  
(Management Company)

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Director

# **NIT - ISLAMIC INCOME FUND**

## **NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**

### **FOR THE NINE AND THREE MONTHS PERIOD ENDED MARCH 31, 2018**

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

- 1.1 The NIT - Islamic Income Fund (the Fund) was established under a Trust Deed executed between National Investment Trust Limited (NITL) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter no. SCD/AMCW/NITL/324/ 2016 dated 01 March 2016 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the Trust Deed was executed on 14 March 2016. The Fund is categorized as Shariah Compliant Income Scheme as per criteria for categorization of open end collective investment scheme as specified by SECP and other allied matters.
- 1.2 The Management Company of the Fund has been classified as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is situated at 6th floor, National Bank of Pakistan Building, I. I. Chundrigar Road, Karachi.
- 1.3 The Fund is an open-ended mutual fund. 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 initial price of Rs. 10 on 04 July 2016 and received Rs. 159.518 million against initial public offer from various investors including Management Company and accordingly the Fund commenced its business activities on the same date.
- 1.4 The objective of the Fund is to generate a stable shariah compliant income stream, while seeking maximum possible preservation of capital, over the medium to long term period, by investing in a diversified portfolio of Shariah Compliant fixed income and money market instruments. The Management Company has appointed Mufti Zeeshan Abdul Aziz as Shariah Advisor to the Fund to ensure the activities are in compliance with the principles of Shariah.
- 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 the 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, 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 directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of the IFRS, the requirements of the NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.
- 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 2017.
- 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 Significant Accounting Policies**

- 3.1 The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2017 except for the changes in accounting policies as explained in notes 3.2.
- 3.2 Up to 30 June 2017, the element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed to the extent that it is represented by income earned during the accounting period is recognized in income statement and to the extent that it is represented by unrealised appreciation / (diminution) arising during the year on available for sale securities is included in distribution statement.

SECP through its SRO 756(I)/2017 dated 03 August 2017 has made certain amendments in NBFCs and Notified Entities Regulations, 2008. The SRO changed the definition of accounting income in regulation (63) sub-regulation (I) which excludes the element of income from "accounting income". As per SRO, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. It



# NIT - ISLAMIC INCOME FUND

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

### FOR THE NINE AND THREE MONTHS PERIOD ENDED MARCH 31, 2018

also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

The said SRO also deleted 'Distribution Statement' and requires additional disclosures with respect to "Income Statement" and "Statement of Movement in Unit Holders' Fund" and recording of element of income / loss included in price of unit issued or redeemed in Statement of movements in reserves or unit holders' fund.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosures requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from 01 July 2017 as clarified by SECP vide its email dated 07 February 2018. Accordingly, corresponding figures have not been restated.

Had the element of income been recognised as per the previous accounting policy, the income of the Fund would have been higher by Rs. 2.6168 million.

#### 4 Use of Judgments and Estimates

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

The significant judgments made by management in applying the 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 30 June 2017.

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, 2017.

#### 5 BANK BALANCES

These accounts carry return at rates ranging from 2.40% to 6.00% per annum. (June 30, 2017: 2.40% to 6.45% per annum)

6 INVESTMENTS		March 31,	June 30,
		2018	2017
		(Un audited)	(Audited)
		-----Rupees in '000-----	
	<b>Available for sale</b>		
	Debt securities:		
	- Sukuk-listed	6.1	8,074
	- Sukuk-unlisted	6.2	-
		<b>86,382</b>	<b>8,074</b>

#### 6.1 Sukuks-Listed

Name of the investee company	Number of certificates				Balance as at March 31, 2018		Market value as a percentage of net assets	Market value as a percentage of total investments
	As at 1 July 2017	Purchased during the period	Sales / matured during the period	As at 31 March 2018	Carrying value	Market value		
						Rupees in '000		----- (%)-----
Fatima Fertilizer Company Limited	1,717	-	-	1,717	6,868	6,978	1.04	8.08
Dawood Hercules Corporation Ltd	-	300	-	300	30,000	30,000	4.47	34.73
<b>Total - 31 March 2018</b>	<b>1,717</b>	<b>300</b>	<b>-</b>	<b>2,017</b>	<b>36,868</b>	<b>36,978</b>	<b>5.51</b>	<b>42.81</b>

**NIT - ISLAMIC INCOME FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL**  
**INFORMATION (UNAUDITED)**  
**FOR THE NINE AND THREE MONTHS PERIOD ENDED MARCH 31, 2018**

**6.2 Sukuks-unlisted**

Dubai Islamic Bank Limited	-	25	-	25	25,405	25,455	3.80	29.47
Ghani Gases Limited	-	285	-	285	23,818	23,949	3.57	27.72
<b>Total - 31 March 2018</b>	<b>-</b>	<b>310</b>	<b>-</b>	<b>310</b>	<b>49,223</b>	<b>49,404</b>	<b>7.37</b>	<b>57.19</b>

**6.3 Significant terms and conditions of sukuk outstanding at the period end are as follows:**

Name of security	Number of certificates	Unredeemed face value (Rupees)	Mark-up rate (per annum)	Issue date	Tenor	Secured / Unsecured	Rating
<b>Listed sukuk</b>							
Fatima Fertilizer Company Limited	1,717	4,000	6-months KIBOR + 1.10%	28 November 2016	5 years	Secured	AA-
Dawood Hercules Corporation Ltd	300	100,000	3-months KIBOR + 1.00%	01 March 2018	5 years	Secured	AA
<b>Unlisted sukuk</b>							
Dubai Islamic Bank Limited	25	1,000,000	6-months KIBOR + 0.50%	14 July 2017	6 years	Unsecured	A+
Ghani Gases Limited	285	83,333	3-months KIBOR + 1.00%	02 February 2017	6 years	Unsecured	A

**6.4 Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'available for sale'**

	-----March 31-----	
	2018	2017
	----- (Unaudited) -----	
	-----Rupees in '000-----	
Market value of investments	86,382	8,884
Less: carrying value of investments	(86,090)	(8,585)
	292	299
Less: net unrealised diminution at the beginning of the period	347	-
	(55)	299

**7 PROFIT RECEIVABLES**

	March 31, 2018	June 30, 2017
	(Un audited)	(Audited)
	-----Rupees in '000-----	
Profit on saving accounts	2,903	2,081
Mark-up on fixed income securities	995	53
	3,898	2,134

**8 PRELIMINARY EXPENSES AND FLOTATION COSTS**

	March 31, 2018	June 30, 2017
	(Un audited)	(Audited)
	-----Rupees in '000-----	
Preliminary expenses and flotation costs	803	1,018
Less: amortisation during the period	(153)	(215)
	650	803

**8.1** Preliminary expenses and flotation costs represent expenditure incurred prior to the commencement of the operations of the Fund i.e. 4 July 2016. This cost is restricted to one percent of Pre-IPO capital or Rs. 5 million, whichever is lower, and are being amortised over a period of five years in accordance with the Trust Deed of the Fund.

**9 PAYABLE TO NATIONAL INVESTMENT TRUST LIMITED - MANAGEMENT COMPANY**

	March 31, 2018	June 30, 2017
	(Un audited)	(Audited)
	-----Rupees in '000-----	
Management remuneration	282	150
Sindh Sales Tax on management remuneration	37	19
Preliminary expenses and flotation costs	1,018	1,018
Allocation of expenses related to registrar services, accounting, operation and valuation services	59	40
Dividend payable	-	3,750
Others	145	145
	1,541	5,122

# NIT - ISLAMIC INCOME FUND

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

### FOR THE NINE AND THREE MONTHS PERIOD ENDED MARCH 31, 2018

- 9.1** The Management Company has its remuneration at the rate of 7.5% (30 June 2017: 7.5 percent) of gross earning with a minimum of 0.25% (30 June 2017: 0.25 percent) and maximum of 1% (30 June 2017: 1 percent) of average annual net assets in the current period.
- 9.2** During the period, Sindh Sales Tax at the rate of 13% (30 June 2017: 13%) was charged on the management remuneration.
- 9.3** Securities and Exchange Commission of Pakistan through its SRO 1160(I)/2015 dated 25 November 2015 has revised the Non-Banking Finance Companies and Notified Entities Regulations, 2008. In the revised regulations a new clause 60(3)(s) has been introduced allowing the Management Company to charge "fees and expenses related to registrar services, accounting, operation and valuation services related to CIS maximum up to 0.1% of average annual net assets of the Scheme or actual whichever is less" from the mutual funds managed by it. Accordingly, such expense has been charged.

<b>10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>	<b>March 31, 2018 (Un audited)</b>	<b>June 30, 2017 (Audited)</b>
	----Rupees in '000----	
Trustee remuneration	102	67
Sales tax payable on trustee remuneration	10.1 13	9
	<u>115</u>	<u>76</u>

- 10.1** During the period, Sindh Sales Tax at the rate of 13% (30 June 2017: 13%) was charged on trustee remuneration.

<b>11 ACCRUED EXPENSES AND OTHER LIABILITIES</b>	<b>March 31, 2018 (Un audited)</b>	<b>June 30, 2017 (Audited)</b>
	----Rupees in '000----	
Provision for Sindh Worker's Welfare Fund	11.1 784	407
Capital gain tax	76	149
Auditors' remuneration	116	125
Listing Fee	139	139
Printing charges	23	3
Shariah Advisory Fee	10	22
Mutual Fund Rating Fee	145	-
Withholding Tax	837	1,091
Zakat payable	3	2437
	<u>2,133</u>	<u>4,373</u>

#### **11.1 SINDH WORKERS' WELFARE FUND (SWWF)**

The Sindh Revenue Board (SRB) had written to few mutual funds in January 2016 to register and pay Sindh Workers Welfare Fund (SWWF) for the accounting year closing on or after 31 December 2013. MUFAP reviewed the issue and based on an opinion dated August 2016 decided that SWWF is not applicable on mutual funds as they are not financial institutions as required by SWWF Act, 2014. MUFAP wrote to SRB that mutual funds are not establishments and are pass through vehicles hence, they do not have any worker and no SWWF is payable by them. SRB responded back that as mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001, therefore SWWF is applicable on mutual funds. MUFAP has taken up this matter before the Sindh Finance Ministry to exclude mutual funds from SWWF.

MUFAP has also taken a legal opinion that SWWF, if applicable, can only be applied from the date of enactment of SWWF Act, 2014, i.e. 21 May 2015. Accordingly, on 12 January 2017, MUFAP as an abundant caution, has decided to provide for SWWF with effect from 21 May 2015 and is being made on daily basis going forward while the efforts to exclude mutual funds from SWWF continue. Accordingly, the provision of Rs. 0.377 million has been made for SWWF. This has resulted in a decrease in NAV per unit of Rs. 0.0058 on 31 March 2018.

#### **12 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at 31 March 2018

#### **13 TAXATION**

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Provided that for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the as the case may be, shall not be taken into account.

# NIT - ISLAMIC INCOME FUND

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

### FOR THE NINE AND THREE MONTHS PERIOD ENDED MARCH 31, 2018

Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains / loss to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute in cash at least 90 percent of the Fund's accounting income for the year ending 30 June 2018 as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash.

#### 14 Total Expense Ratio

Total expense ratio (all the expenses, including government levies, incurred during the period divided by average net asset value for the period) is 1.13%. Total expense ratio (excluding government levies) is 0.89% .

#### 15 TRANSACTIONS WITH CONNECTED PERSONS

15.1 Connected persons include National Investment Trust Limited, other collective investment schemes managed by the Management Company and directors and officers of the Management Company and the Trustee.

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

15.3 Remuneration to the Management Company and the trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

15.4 The details of significant transactions carried out by the Fund with connected persons and balances with them at the period end are as follows:

Details of the transactions with connected persons are as follows:	Nine months period ended,		Three months period ended,	
	2018	2017	2018	2017
	------(Unaudited)-----			
	-----Rupees in '000-----			
<b>National Investment Trust Limited - Management Company</b>				
Issue of units: Nil (2017: 15,000,000 units)	-	150,000	-	-
Remuneration of the Management Company	1,754	1,476	738	693
Sindh Sales Tax on Management remuneration	228	192	96	90
Allocation of expenses related to registrar services, accounting, operation and valuation services	430	343	174	164
<b>Central Depository Company of Pakistan Limited - Trustee</b>				
Remuneration of the Trustee	732	586	298	280
Sindh Sales Tax on Trustee Remuneration	95	76	39	36

#### 15.5 Amounts outstanding as at period end:

	March 31, 2018 (Un audited)	June 30, 2017 (Audited)
	Rupees in '000	
<b>National Investment Trust Limited - Management Company</b>		
15,108,573 Units held ( 30 June 2017: 15,108,573 units)	156,396	151,477
Management remuneration	282	150
Sindh Sales Tax on Management remuneration	37	19
Preliminary expenses & floatation costs	1,018	1,018
Others	145	145
Allocation of expenses related to registrar services, accounting, operation and valuation services	59	40
Dividend payable	-	3,750
Others	145	145
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	102	67
Sindh Sales Tax on Trustee remuneration	13	9

**NIT - ISLAMIC INCOME FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL**  
**INFORMATION (UNAUDITED)**  
FOR THE NINE AND THREE MONTHS PERIOD ENDED MARCH 31, 2018

**16 DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on April 24, 2018 by the Board of Directors of the Management Company.

**17 GENERAL**

Figures have been rounded off to the nearest thousand rupees.

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

**Sd/-  
Managing Director**

**Sd/-  
Director**

**Sd/-  
Director**