



**NIT Income Fund
Condensed Interim Financial
Statements (Unaudited)
for the nine months period ended
31 March 2019**

**NIT - INCOME FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT MARCH 31, 2019**

	Note	March 31, 2019 (Unaudited)	June 30, 2018 (Audited)
-----Rupees in '000-----			
ASSETS			
Bank balances	4	1,955,917	3,084,799
Investments	5	2,026,732	2,116,191
Receivable against Marginal Trading System		26,082	318,725
Advance Tax		64,368	79,491
Profit receivables		47,325	19,535
Security deposits		350	4,200
Receivable against Redemption of Term Finance Certificate		74,333	-
Total assets		4,195,107	5,622,941
LIABILITIES			
Payable to National Investment Trust Limited - Management Company	6	4,867	4,663
Payable to Central Depository Company of Pakistan Limited - Trustee	7	425	518
Annual fee payable to the Securities and Exchange Commission of Pakistan		2,655	3,806
Payable against redemption of units		1	1,052
Accrued expenses and other liabilities	8	43,736	37,007
Dividend Payable		1,894	2,008
Total liabilities		53,578	49,054
NET ASSETS		4,141,529	5,573,887
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		4,141,529	5,573,887
CONTINGENCIES AND COMMITMENTS			
	9		
-----Number of units-----			
NUMBER OF UNITS IN ISSUE		383,129,943	514,333,015
----Rupees----			
NET ASSET VALUE PER UNIT		10.8097	10.8371

The annexed notes from 1 to 14 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 NINE AND THREE MONTHS PERIOD ENDED MARCH 31, 2019

	Note	Nine months period ended		Three months period ended	
		2019	2018	2019	2018
INCOME					
Income from government securities		78,220	34,111	4,947	3,094
Income from Term Finance Certificates		78,068	28,707	33,811	13,526
Income from Certificates of Investment		12,335	3,074	3,584	109
Income from letters of placement		10,873	-	9,981	-
Income from Marginal Trading System		15,342	2,231	5,281	2,144
Profit on bank balances		121,526	166,047	56,982	64,854
Amortisation of (premium) on Term Finance Certificates - net		(957)	(749)	(270)	(350)
(Loss) on sale of investments-net		(3,073)	(49)	(13)	-
Other income		341	-	-	-
Total income		312,675	233,372	114,303	83,377
EXPENSES					
Impairment Loss on Term Finance Certificate		25,368	-	14,511	-
Remuneration of National Investment Trust Limited - Management Company	6.1	32,156	23,559	11,457	8,424
Sindh sales tax on Management Company's remuneration	6.2	4,180	3,063	1,489	1,096
Remuneration of Central Depository Company of Pakistan Limited - Trustee		3,646	3,749	1,121	1,296
Sindh Sales Tax on Remuneration of Trustee		474	487	146	168
Annual fee - Securities and Exchange Commission of Pakistan		2,655	2,761	804	966
Central Depository Charges		8	22	2	19
Allocation of expenses related to registrar services accounting, operations and valuation services	6.3	3,535	3,678	1,073	1,275
Laga and Levy Charges		1,705	320	497	305
Settlement and bank charges		152	127	26	33
Securities transaction costs		278	227	50	84
Auditors' remuneration		632	788	135	318
Legal & professional charges		1,480	333	450	136
Annual listing fee		35	35	-	-
Printing charges		88	101	79	80
Mutual Fund rating Fee		327	285	326	285
Total expenses		76,719	39,535	32,166	14,485
Net income from operating activities		235,956	193,837	82,137	68,892
Provision for Sindh Workers' Welfare Fund	8.1	(4,719)	(3,877)	(1,643)	(1,379)
Net income for the period before taxation		231,237	189,960	80,494	67,513
Taxation	10	-	-	-	-
Net income for the period		231,237	189,960	80,494	67,513
Allocation of net income for the period					
Net income for the period		231,237	189,960	80,494	67,513
Income already paid on units redeemed		(36,231)	(11,114)	(19,562)	(3,123)
		195,006	178,846	60,932	64,390
Accounting income available for distribution:					
-Relating to capital gains		-	-	-	-
-Excluding capital gains		195,006	178,846	60,932	64,390
		195,006	178,846	60,932	64,390

The annexed notes from 1 to 14 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 NINE AND THREE MONTHS PERIOD ENDED MARCH 31, 2019**

	Note	Nine months period ended		Three months period ended	
		2019	2018	2019	2018
Rupees in '000					
Net income for the period		231,237	189,960	80,494	67,513
Other comprehensive income					
Items to be reclassified to income statement in subsequent periods:					
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'available for sale'	5.10	11,910	(4,714)	346	(2,527)
Total comprehensive income for the period		243,147	185,246	80,840	64,986

The annexed notes from 1 to 14 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 NINE MONTHS PERIOD ENDED MARCH 31, 2019

Note	MARCH 31,							
	2019			2018				
	Capital value	Undistribut ed income	Unrealised appreciation / (diminution) 'available for sale' investments	Total	Capital value	Undistribut ed income	Unrealised appreciation / (diminution) 'available for sale' investments	Total
	(Unaudited) Rupees in '000							
Net assets at the beginning of the period	5,240,956	334,755	(1,824)	5,573,887	3,805,627	92,650	2,386	3,900,663
Issue of 37,094,059 units (2018: 219,543,681 units)								
Capital value	343,026			343,026	2,260,264			2,260,264
Element of income	7,813			7,813	33,950			33,950
Amount received on issuance of units	350,839	-	-	350,839	2,293,514	-	-	2,293,514
Redemption of 185,587,499 units (2018: 103,910,334 units)								
Capital value	(1,351,689)			(1,351,689)	(1,069,726)			(1,069,726)
Element of income								
-Income already paid	-	(36,231)	-	(36,231)	-	(11,114)	-	(11,114)
-Refund / adjustment on units	(3,981)			(3,981)	(11,227)			(11,227)
Amount paid / payable on redemption of units	(1,910,529)	(36,231)	-	(1,946,760)	(1,080,953)	(11,114)	-	(1,092,067)
Issue of 17,290,368 units under CIP (2018: Nil units)	177,579	-	-	177,579	-	-	-	-
Final distribution for the year ended June 30, 2018: Rs. 0.5746 per unit [(Date of Distribution: 5 July 2018)](2018: Nil)	-	(257,164)	-	(257,164)	-	-	-	-
Element of loss and capital losses included in prices of units issued less those in units redeemed-net,	-	-	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	231,237	11,910	243,147	-	189,960	(4,714)	185,246
Net assets at the end of the period	3,858,846	272,597	10,086	4,141,529	5,018,288	271,496	(2,328)	5,287,456
Net assets at the end of the period								
Undistributed income brought forward								
-Realized income		334,755				92,650		
-Unrealized income		-				-		
		<u>334,755</u>				<u>92,650</u>		
Accounting income available for distribution								
-Relating to capital gains		-				-		
-Excluding capital gains		195,006				178,846		
		<u>195,006</u>				<u>178,846</u>		
Final distribution for the year ended June 30, 2018 Rs. 0.5746 per unit [(Date of Distribution: 5 July 2018)](2018: Nil)		(257,164)				-		
Undistributed income carried forward		<u>272,597</u>				<u>271,496</u>		
Undistributed income carried forward comprising								
-Realized income		272,597				271,496		
-Unrealized income		-				-		
		<u>272,597</u>				<u>271,496</u>		
					(Rupees)			(Rupees)
Net assets value per unit at beginning of the period					<u>10,8371</u>			<u>10,2998</u>
Net assets value per unit at end of the period					<u>10,8097</u>			<u>10,6958</u>

The annexed notes from 1 to 14 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 NINE MONTHS PERIOD ENDED MARCH 31, 2019**

	March 31,	
	2019	2018
	------(Unaudited)-----	
	-----Rupees in '000-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	231,237	189,960
(Increase) / decrease in assets		
Investments	101,369	(551,019)
Profit receivables	(27,790)	(107,253)
Security deposits	3,850	(3,850)
Receivable against Marginal Trading System	292,643	(344,001)
Receivable against advance tax	15,123	-
Receivable against Redemption/subscription of investments	(74,333)	-
	310,862	(1,006,123)
Increase / (decrease) in liabilities		
Payable to National Investment Trust Limited - Management Company	204	1,260
Payable to Central Depository Company of Pakistan Limited - Trustee	(93)	103
Annual fee payable to the Securities and Exchange Commission of Pakistan	(1,151)	(328)
Payable on redemption of units	(1,051)	1,849
Payable against MTS Investments	-	70,043
Accrued expenses and other liabilities	6,729	(4,833)
	4,638	68,094
Net cash (used in) / generated from operating activities	546,737	(748,069)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issue of units-including CIP	528,418	2,293,614
Payments on redemption of units	(1,946,760)	(1,092,067)
Distribution paid	(257,278)	(31,698)
Net cash generated / (used in) from financing activities	(1,675,620)	1,169,849
Net increase in cash and cash equivalents during the period	(1,128,883)	421,780
Cash and cash equivalents at the beginning of the period	3,084,799	2,683,739
Cash and cash equivalents at the end of the period	1,955,916	3,105,519

The annexed notes from 1 to 14 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 NINE MONTHS PERIOD ENDED MARCH 31, 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 2018.
- 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, 2018

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, 2018.

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

There are certain new standards, interpretations and amendments to existing standards that are effective for annual accounting periods beginning on July 1, 2018. 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

During the current period the SECP has extended the applicability of IFRS 9: 'Financial Instruments' for periods beginning on or after June 30, 2019. The Management is currently in the process of analysing the potential impact of changes required in classification and measurement of financial instruments and related matters on adoption of this Standard.

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after January 1, 2019. 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.

4 BANK BALANCES

These represent balances with banks in savings accounts carrying rates ranging from 4.00% to 11.50% per annum (30 June 2018: 3.75% to 7.35% per annum)

5 INVESTMENTS

Fair value through other comprehensive income' (FVOCI)

Government securities:

	Note	March 31, 2019 (Unaudited)	June 30, 2018 (Audited)
-----Rupees in '000-----			
-Market Treasury Bills	5.1	49,432	989,301
Term finance certificates - listed	5.2	224,634	325,051
Term finance certificates - unlisted	5.3	752,643	615,874
Sukuk - Listed	5.4	186,118	163,176
Sukuk - Unlisted	5.5	18,893	22,789
Privately Placed Short term Sukuk-unlisted	5.6	250,000	-
Commercial Paper	5.7	145,013	-
Certificates of investment / Clean placements	5.9	400,000	-
		<u>2,026,732</u>	<u>2,116,191</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 2018	Purchased during the period	Sales / matured during the period (Rupees in '000)	As at 31 March 2019	31 March 2019			
Market Treasury Bills									
April 26, 2018	3 Months	50,000	-	50,000	-	-	-	-	
June 7, 2018	3 Months	950,000	-	950,000	-	-	-	-	
July 19, 2018	3 Months	-	1,300,000	1,300,000	-	-	-	-	
August 2, 2018	3 Months	-	2,000,000	2,000,000	-	-	-	-	
October 11, 2019	3 Months	-	2,000,000	2,000,000	-	-	-	-	
October 25, 2018	3 Months	-	300,000	300,000	-	-	-	-	
December 6, 2018	3 Months	-	50,000	50,000	-	-	-	-	
February 14, 2019	3 Months	-	50,000	-	50,000	49,466	49,432	1.19	
Total - 31 March 2019		1,000,000	5,700,000	6,650,000	50,000	49,466	49,432	1.19	2.44

Treasury bill with a market value of Rs. 49,466 million (30 June 2018: 49,825 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the fund's trades in accordance with Circular no. 11 dated 23 October 2007 issued by the securities and Exchange Commission of Pakistan.

5.2 Term finance certificates - listed

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 2018	Purchased during the period	Sales / matured during the period	As at 31 March 2019	31 March 2019			
Commercial banks								
Summit Bank Limited	20,000	-	20,000	-	-	-	-	
MCB Bank Limited	45,000	-	-	45,000	225,643	224,634	5.42	
Total - 31 December 2018	65,000	-	20,000	45,000	225,643	224,634	5.42	11.08

5.3 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 2018	Purchased during the period	Sales / matured during the period	As at 31 March 2019	31 March 2019			
Commercial banks								
JS Bank Limited	12,000	-	-	12,000	59,968	60,212	1.45	
Bank Al-Falah Limited (5th Issue)	52,003	-	-	52,003	261,591	258,880	6.25	
Habib Bank Limited	1,550	-	-	1,550	154,439	152,372	3.68	
Bank Al-Habib Limited	28,125	-	-	28,125	140,787	156,179	3.77	
Bank Al-Habib Limited	-	25,000	-	25,000	125,000	125,000	3.02	
Total - 31 March 2019	93,678	25,000	-	118,678	741,786	752,643	18.17	37.14

5.4 Sukuks - Listed

Fatima Fertilizer Company Limited	3,678	-	-	3,678	11,034	11,118	0.27	
Dawood Hercules Corporation Ltd	1,500	250	-	1,750	174,959	175,000	4.23	
Total - 31 March 2019	5,178	250	-	5,428	186,993	186,118	4.50	9.18

5.5 Sukuks - unlisted

Ghani Gasses Limited	285	-	-	285	19,049	18,893	0.46	
Total - 31 March 2019	285	-	-	285	19,049	18,893	0.46	0.93

5.6 Privately Placed Short term Sukuk-unlisted

Hub Power Company Limited	-	50,000	-	50,000	250,000	250,000	6.04	
Total - 31 March 2019	-	50,000	-	50,000	250,000	250,000	6.04	12.34

5.7 Commercial Paper

Hascal Petroleum Limited	-	150	-	150	145,013	145,013	3.50	
Total - 31 March 2019	-	150	-	150	145,013	145,013	3.50	7.16

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

Name of security	Number of certificates	Unredeemed face value	Mark-up rate (per annum)	Issue date	Tenor	Secured / (Unsecured)	Rating
Listed term finance certificates							
Summit Bank Limited	20,000	4,985	6-months KIBOR + 3.25%	27 October 2011	7 years	Unsecured	A-
MCB Bank Limited	45,000	4,991	6-months KIBOR + 1.15%	19 June 2014	8 years	Unsecured	AAA
Unlisted term finance certificates							
Bank Al-Falah Limited TFC-5	52,003	4,988	6-months KIBOR + 1.25%	20 February 2013	6 years	Unsecured	AA
Habib Bank Limited	1,550	99,880	6-months KIBOR + 0.5%	19 February 2016	10 years	Unsecured	AAA
Bank Al-Habib Limited (5th issue)	28,125	4,994	6-months KIBOR + 0.75%	17 March 2016	10 years	Unsecured	AA
Bank Al-Habib Limited	25,000	5,000	6-months KIBOR + 1%	06 December 2018	10 years	Unsecured	AA
JS Bank Limited	12,000	4,996	6-months KIBOR + 1.40%	14 December 2016	7 years	Unsecured	A+
Listed Sukuk							
Fatima Fertilizer Company Limited	3,678	3,000	6-months KIBOR + 1.10%	28 November 2016	5 years	Secured	AA-
Dawood Hercules Corporation Ltd	1,750	100,000	3-months KIBOR + 1.00%	01 March 2018	5 years	Secured	AA
Unlisted Sukuk							
Ghani Gasses Limited	285	66,667	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	A+

5.9 Certificate of Investment/Clean Placements

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 2018	Purchased during the period	Sales / matured during the period	As at 31 March 2019	31 March 2019		
Pak Libya Holding Company (Private) Limited	-	2,200,000	1,800,000	400,000	-	-	-
Pak Brunei Investment Company Limited	-	700,000	700,000	-	-	-	-
Total - 31 March 2019	-	2,900,000	2,500,000	400,000	-	-	-

5.10	Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'available for sale'	Note	March 31	
			2019	2018
			(Unaudited)	
			Rupees in '000	
	Market value of investments		2,026,732	1,836,531
	Less: Carrying value of investments		(2,016,646)	(1,838,859)
			<u>10,086</u>	<u>(2,328)</u>
	Less: Net unrealised appreciation at beginning of the period		(1,824)	2,386
			<u>11,910</u>	<u>(4,714)</u>

6	PAYABLE TO NATIONAL INVESTMENT TRUST LIMITED - MANAGEMENT COMPANY	Note	March 31, 2019	June 30, 2018
			(Unaudited)	(Audited)
			Rupees in '000	
	On account of:			
	-Management remuneration	6.1	3,999	3,313
	-Sindh Sales Tax	6.2	520	431
	-sales load		-	452
	-Allocation of expenses related to registrar services 'accounting, operation and valuation services	6.3	348	467
			<u>4,867</u>	<u>4,663</u>

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 2018; 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 2018: 13%) was charged on the management remuneration.

6.3 The Management Company may charge fees and expenses related to registrar services, accounting, operations and valuations services, related to Collective Investment Scheme (CIS) upto a maximum of 0.1% of the average annual net assets of the Scheme. Accordingly, such expenses have been charged at the rate of 0.1% of the average annual net assets of the Scheme being lower than actual expenses.

7	PAYABLE TO THE CENTRAL DEPOSITORY 'COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	March 31, 2019	June 30, 2018
			(Unaudited)	(Audited)
			Rupees in '000	
	Trustee remuneration		376	458
	Sindh Sales Tax on trustee remuneration	7.1	49	60
			<u>425</u>	<u>518</u>

7.1 During the period, Sindh Sales Tax at the rate of 13% (30 June 2018: 13%) was charged on trustee remuneration.

	Note	March 31, 2019 (Unaudited)	June 30, 2018 (Audited)
-----Rupees in '000-----			
8 ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Sindh workers' welfare fund	8.1	17,937	13,218
Federal Excise Duty	8.2	20,799	20,799
Auditors' remuneration		698	532
Legal & professional charges		2,014	1,034
Printing charges		4	23
Brokerage		72	178
Zakat		-	2
Capital gains tax		1,253	291
MTS Charges payable		569	614
Withholding tax		10	16
Mutual Fund Rating Fee		331	300
Others		49	-
		43,736	37,007

8.1 The status of Sindh workers' welfare fund (SWWF) is same as disclosed in annual financial statements for the year ended 30 June 2018. However, 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. The provision for SWWF is being made on a daily basis. Had the SWWF not been provided, the NAV per unit of the Fund would have been higher by Rs. 0.0468 (30 June 2018: Rs. 0.0257).

8.2 The status of Federal Excise Duty (FED) is same as disclosed in annual financial statements for the year ended 30 June 2018. Since the appeal is pending in the Supreme Court of Pakistan, the Management Company as a matter of abundant caution has retained provision for FED on management fee aggregating to Rs. 22,379 million out of which Rs. 1,580 million have been paid to the management company. Had the provision not been made, the Net Asset Value per unit of the Fund would have been higher by Rs. 0.0584 (30 June 2018: Rs. 0.0439) per unit.

9 CONTINGENCIES AND COMMITMENTS

9.1 The Fund received a show-cause notice dated January 3, 2018 alleging that the Fund is not eligible to claim income tax exemption under clause (99) contained in Part I of Second Schedule to the Ordinance as it did not allegedly distribute at least 90% of its income for tax year 2017 to its unit holders by way of dividend. The notice was duly responded by tax advisor of the Fund vide letter dated January 10, 2018. However, the Assistant Commissioner Inland Revenue (ACIR) proceeded with passing an order dated January 30, 2018.

The Fund filed an Appeal with the Commissioner Inland Revenue - Appeals (CIRA) on February 21, 2018 against the ACIR's order, on the contention that the ACIR had erred in construing that the amount of dividend reinvested by the unit holders in units of the Fund under Cumulative Investment Plan is not to be considered while determining whether the Fund distributed at least 90% of its income to unitholders. The CIRA passed an order dated April 25, 2018 upholding the ACIR's action of rejecting the exemption claim.

The impugned tax demand of Rs. 64,368 million arising from the order has already been collected by the tax authority by way of attachment of bank account which is treated as advance tax. The Fund filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) on April 26, 2018 against the CIRA's decision. During the current period, the ATIR has passed an order dated November 22, 2018 whereby, the contention of the Fund has been accepted and the matter has been disposed of. Since the order by ATIR has been made in favour of the Fund and management based on the advice of its tax consultant believes that the matter will be decided in favour of the Fund therefore, no provision has been made in these condensed interim financial statements.

9.2 There were no commitments outstanding as at March 31, 2019 and June 30, 2018.

10 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 case may be, 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 / 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 2019 as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash.

11 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 2.30 % per annum. Total expense ratio (excluding government levies) is 1.96 % per annum.

12 TRANSACTIONS WITH CONNECTED PERSONS

12.1 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 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 the directors and officers of the Management Company and the Trustee and unit holders holding 10 percent or more units of the Fund.

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

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

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

Transactions during the period:	Nine months period ended		Three months period ended	
	2019	2018	2019	2018
	(Unaudited)			
National Investment Trust Limited - Management Company	Rupees in '000			
Issue 4,797,388 units (2018: 23,790,265 units)	50,387	250,000	-	-
Issue 7,850,518 units under CIP (2018: Nil units)	80,628	-	-	-
Additional units: 485,659 as refund of capital (2018: Nil units)	-	-	-	-
18,814,420 Units redeemed (2018: 9,561,966 units)	200,000	100,000	100,000	-
Management fee for the period	32,166	23,559	11,467	8,424
Sindh sales tax on management fee	4,180	3,063	1,489	1,096
Allocation of expenses related to registrar services, accounting, operation and valuation services	3,536	3,678	1,073	1,275
Central Depository Company of Pakistan Limited - Trustee				
Trustee fee for the period	3,646	3,749	1,121	1,296
CDC charges	8	22	2	19
National Investment Trust Limited - Provident Fund				
Issue 336,163 units under CIP (2017: Nil units)	3,363	-	-	-
Redemption of 10,597 units (2017: Nil units)	110	-	-	-
National Investment Trust Limited - Pension Fund				
Issue 904,770 units under CIP (2017: Nil units)	9,292	-	-	-
Redemption of 10,549 units (2017: Nil units)	161	-	-	-
Chief Operating Officer				
Issue 73,110 units under CIP (2017: Nil units)	751	-	-	-
Fund Manager				
Issue 26 units under CIP (2017: Nil units)	0.27	-	-	-

Amounts outstanding as at the end of the period/year	March 31, 2019	June 30, 2018
	(Unaudited)	(Audited)
	Rupees in '000	
National Investment Trust Limited - Management Company	1,816,920	1,883,089
168,082,336 units held (June 30, 2018: 173,763,192 units)		
Management fee payable	3,999	3,313
Sindh Sales Tax	520	431
Sales load payable	-	452
Allocation of expenses related to registrar services, accounting, operation and valuation services	348	467
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	376	458
Sindh Sales Tax on Trustee Remuneration	49	60
Security Deposit	100	100
National Investment Trust Limited - Provident Fund		
7,394,471 units held (June 30, 2018: 7,068,906 units)	79,932	76,606
National Investment Trust Limited - Pension Fund		
22,102,411 units held (June 30, 2018: 21,212,189 units)	238,920	229,879
Chief Operating Officer		
1,566,570 units held (June 30, 2018: 1,493,459 units)	16,934	16,185
Fund Manager		
555 units held (June 30, 2018: 529 units)	6	6

13 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 23, 2019 by the Board of Directors of the Management Company.

14 GENERAL

14.1 Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

For National Investment Trust Limited
(Management Company)

Managing Director

Director

Director

Chief Financial Officer