

NIT - INCOME FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2015

	Note	31 December 2015 Unaudited (Rupees in '000)	30 June 2015 Audited
Assets			
Bank balances	6	1,958,574	1,330,951
Investments	7	1,931,707	2,465,415
Profit receivables		79,663	88,147
Security deposits		350	350
Advance against subscription of Habib Bank Limited Term Finance Certificate		100,000	-
Total assets		4,070,294	3,884,863
Liabilities			
Payable to National Investment Trust Limited - Management Company	8	5,584	5,283
Payable to Central Depository Company of Pakistan Limited - Trustee	9	393	347
Payable to Securities and Exchange Commission of Pakistan		1,397	2,777
Payable against redemption of units		318	1,549
Accrued expenses and other liabilities	10	47,026	80,014
Dividend payable		1,952	121,902
Total liabilities		56,670	211,872
Net assets		4,013,624	3,672,991
Unit holders' fund (as per statement attached)		4,013,624	3,672,991
Contingencies and commitments	12		
		(Number of units)	
Number of units in issue		373,081,136	351,657,552
		(Rupees)	
Net assets value per unit		10.7580	10.4448

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

For National Investment Trust Limited
(Management Company)

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

NIT - INCOME FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2015

Note	Six months period ended		Three months period ended	
	2015	2014	2015	2014
	(Rupees in '000)			
Income				
Income from government securities	94,532	148,188	40,548	78,710
Income from term finance certificates	10,847	26,843	5,408	16,059
Income from certificates of investment	2,969	6,185	811	-
Income from letters of placement	-	164	-	164
Income from margin trading	-	1,988	-	-
Profit on bank deposits	36,365	6,945	24,400	4,970
Amortisation of (premium) / discount on term finance certificates - net	(209)	4,524	(6,110)	2,663
Gain on sale of investments - net	59,994	5,847	11,711	7,325
Reversal of impairment	-	45,632	-	32,793
Total income	204,498	246,316	76,768	142,684
Expenses				
Remuneration of National Investment Trust Limited - Management Company	23,377	21,121	11,575	10,767
Sindh Sales Tax on remuneration of Management Company	3,796	3,675	1,879	1,873
Federal Excise Duty on remuneration of Management Company	3,740	3,379	1,856	1,722
Remuneration of Central Depository Company of Pakistan Limited - Trustee	2,016	1,878	1,001	959
Sindh Sales Tax on remuneration of Trustee	282	-	140	-
Annual fee - Securities and Exchange Commission of Pakistan	1,397	1,266	691	645
Custodian charges of Central Depository Company of Pakistan	7	104	4	104
Allocation of expenses related to registrar services, accounting, operation and valuation services	339	-	339	-
Amortisation of preliminary expenses and floatation costs	-	432	-	214
Provisioning against non - performing term finance certificates	-	9,933	-	38
Auditors' remuneration	384	203	211	116
Annual listing fee	122	120	7	40
Laga and levy charges	-	172	-	16
Settlement and bank charges	215	136	215	81
Securities transaction costs	186	164	97	84
Printing charges	50	268	25	143
Other expenses	232	244	232	244
Total expenses	36,143	43,095	18,272	17,046
Net income from operating activities	168,355	203,221	58,496	125,638
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net	10,163	7,571	9,414	7,992
Provision for Workers' Welfare Fund	-	(4,216)	-	(2,930)
Net income for the period before taxation	178,518	206,576	67,910	130,700
Taxation	-	-	-	-
Net income for the period	178,518	206,576	67,910	130,700
Earnings per unit - basic and diluted	0.51	0.65	0.20	0.41

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

For National Investment Trust Limited
(Management Company)

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

NIT - INCOME FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
 FOR THE SIX AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2015

	Note	Six months period ended		Three months period ended	
		2015	2014	2015	2014
----- (Rupees in '000) -----					
Net income for the period		178,518	206,576	67,910	143,539
Other comprehensive income for the period					
Items to be reclassified to income statement in subsequent periods:					
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'available for sale'	7.7	(58,469)	62,669	(12,640)	45,656
Total comprehensive income for the period		120,049	269,245	55,270	189,195

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

For National Investment Trust Limited
(Management Company)

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

NIT - INCOME FUND
CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)
 FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2015

	2015 (Rupees in '000)	2014
Undistributed income brought forward - realised	55,273	66,534
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - amount representing income / (loss) that form part of unit holders' fund - net	(3,202)	2,983
Net income for the period	178,518	206,576
Undistributed income carried forward - realised	230,589	276,093

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

For National Investment Trust Limited
(Management Company)

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

NIT - INCOME FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT
IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2015

Note	2015 (Rupees in '000)	2014
Net assets at beginning of the period [Rs. 10.4448 per unit (2014: Rs. 10.2170 per unit)]	3,672,991	3,285,604
Issue of 77,190,942 units (2014: 35,571,459 units)	824,578	381,422
Redemption of 55,767,358 units (2014: 25,185,501 units)	(593,831)	(264,781)
	230,747	116,641
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net		
- amount representing loss transferred to condensed interim income statement	(10,163)	(7,571)
- amount representing income transferred to condensed interim distribution statement	3,202	(2,983)
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'available for sale'		
Gain on sale of investments - net	59,994	5,847
Other net income for the period	118,524	200,729
Total comprehensive income for the period	120,049	269,245
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - amount representing income / (loss) that form part of unit holders' fund - net	(3,202)	2,983
Net assets at end of the period [Rs.10.7580 per unit (2014: Rs. 11.0370 per unit)]	4,013,624	3,663,919

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

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

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

NIT - INCOME FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2015

	2015 (Rupees in '000)	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	178,518	206,576
Adjustments:		
Amortisation of preliminary expenses and floatation costs	-	432
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	(10,163)	(7,571)
	168,355	199,437
Decrease / (increase) in assets		
Investments	475,239	(83,894)
Receivable against Margin Trading System	-	81,185
Profit receivables	8,484	(41,673)
Advance against subscription of Habib Bank Limited Term Finance Certificate	(100,000)	-
	383,723	(44,382)
(Decrease) / increase in liabilities		
Payable to National Investment Trust Limited - Management Company	301	254
Payable to Central Depository Company of Pakistan Limited - Trustee	46	32
Payable to Securities and Exchange Commission of Pakistan	(1,380)	(1,289)
Payable against redemption of units	(1,231)	(77)
Accrued expenses and other liabilities	(32,988)	(23,525)
	(35,252)	(24,605)
Net cash generated from operating activities	516,826	130,450
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issue of units	824,578	381,422
Payments against redemption of units	(593,831)	(264,781)
Distribution paid	(119,950)	-
Net cash flows from financing activities	110,797	116,641
Net increase in cash and cash equivalents during the period	627,623	247,091
Cash and cash equivalents at beginning of the period	1,330,951	235,042
Cash and cash equivalents at end of the period	1,958,574	482,133

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

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

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

NIT - INCOME FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL
INFORMATION (UNAUDITED)
FOR THE SIX AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2015

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 B45 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 classified as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the Securities and Exchange Commission of Pakistan (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 and is listed on all Stock Exchanges of Pakistan (Subsequent to period end due to demutualization, all stock exchanges are integrated into Pakistan Stock Exchange). The units are transferable and can be redeemed by surrendering them to the Fund.
- 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 "A+(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

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 Ordinance, 1984, 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.

- 2.1.1 The 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 financial statements of the Fund as at and for the year ended 30 June 2015.
- 2.1.2 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).

2.2 Functional and presentation currency

This condensed interim financial information is presented in Pak Rupees, which is the Fund's functional and presentation currency. All financial information presented in Pak Rupees has been rounded off to the nearest thousand of rupees except otherwise stated.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of the 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 30 June 2015, except for the following standards which became effective during the period.

3.1 New, Amended And Revised Standards And Interpretations of IFRSs

IFRS 10 'Consolidated Financial Statements,' IFRS 11 'Joint Arrangements', IFRS 12 'Disclosure of Interests in Other Entities',

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FOR THE SIX AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2015

IFRS 13 'Fair Value Measurements'. These standards became applicable from 1 January 2015, as per the adoption status of IFRS in Pakistan.

The application of IFRS 10, IFRS 11 and IFRS 12 did not have any impact on the financial statements of the Fund.

IFRS 13 Fair Value Measurement, consolidates the guidance on how to measure fair value, which was spread across various IFRS, into one comprehensive standard. It introduces the use of an exit price, as well as extensive disclosure requirements, particularly the inclusion of non-financial instruments into the fair value hierarchy. The application of IFRS 13 did not have an impact on the financial statements of the Fund, except certain additional disclosures.

4 ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgements, 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 judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2015.

5 FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 30 June 2015.

6 BANK BALANCES

These represent balances with banks in savings accounts carrying rates ranging from 4.00% to 7.25% per annum (30 June 2015: 5.00% to 10.35% p.a.).

7 INVESTMENTS

Available for sale

Government securities:

		31 December 2015	30 June 2015
		Unaudited	Audited
		(Rupees in '000)	
- Market Treasury Bills	7.1	483,921	550,377
- Pakistan Investment Bonds	7.2	1,232,990	1,626,537
Term finance certificates - listed	7.3	127,904	99,839
Term finance certificates - unlisted	7.4	86,892	88,662
Certificates of investment	7.6	-	100,000
		1,931,707	2,465,415

7.1 Market Treasury Bills

Issue date	Tenor	Face value				As at 31 December 2015		Market value as a percentage of net assets	Market value as a percentage of total investments
		As at 01 July 2015	Purchases during the period	Sales / matured during the period	As at 31 December 2015	Carrying value	Market value		
(Rupees in '000)									
5 March 2015	6 Months	260,000	100,000	360,000	-	-	-	-	-
19 March 2015	6 Months	-	140,000	140,000	-	-	-	-	-
16 April 2015	6 Months	-	300,000	300,000	-	-	-	-	-
30 April 2015	12 Months	50,000	-	-	50,000	48,962	48,981	1.22	2.54
14 May 2015	6 Months	-	200,000	200,000	-	-	-	-	-
28 May 2015	12 Months	-	200,000	-	200,000	195,023	194,990	4.86	10.09
25 June 2015	3 Months	250,000	200,000	450,000	-	-	-	-	-
29 June 2015	2 Months	-	200,000	200,000	-	-	-	-	-
9 July 2015	3 Months	-	200,000	200,000	-	-	-	-	-
9 July 2015	12 Months	-	100,000	100,000	-	-	-	-	-
23 July 2015	6 Months	-	100,000	100,000	-	-	-	-	-
6 August 2015	12 Months	-	700,000	700,000	-	-	-	-	-

NIT - INCOME FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL
INFORMATION (UNAUDITED)
FOR THE SIX AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2015

Issue date	Tenor	Face value				As at 31 December 2015		Marketvalue as a percentage of net assets	Market value as a percentage of total investments
		As at 01 July 2015	Purchases during the period	Sales / matured during the period	As at 31 December 2015	Carrying value	Market value		
(Rupees in '000) ----- (%) -----									
6 August 2015	6 Months	-	650,000	650,000	-	-	-	-	-
20 August 2015	12 months	-	100,000	-	100,000	95,899	96,116	2.39	4.98
20 August 2015	3 Months	-	250,000	250,000	-	-	-	-	-
3 September 2015	12 months	-	150,000	-	150,000	143,471	143,834	3.58	7.45
30 October 2015	12 months	-	200,000	200,000	-	-	-	-	-
		560,000	3,790,000	3,850,000	500,000	483,355	483,921	12.05	25.06

7.2 Pakistan Investment Bonds

Issue date	Tenor	Face value				As at 31 December 2015		Marketvalue as a percentage of net assets	Market value as a percentage of total investments
		As at 01 July 2015	Purchases during the period	Sales / matured during the period	As at 31 December 2015	Carrying value	Market value		
(Rupees in '000) ----- (%) -----									
18 July 2013	03 years	1,250,000	2,800,000	2,900,000	1,150,000	1,178,363	1,179,642	29.39	61.07
17 July 2014	03 years	107,500	350,000	407,500	50,000	53,324	53,348	1.33	2.76
17 July 2014	05 years	-	50,000	50,000	-	-	-	-	-
17 July 2014	10 years	50,000	-	50,000	-	-	-	-	-
26 March 2015	05 years	150,000	25,000	175,000	-	-	-	-	-
26 March 2015	03 years	-	25,000	25,000	-	-	-	-	-
		1,557,500	3,250,000	3,607,500	1,200,000	1,231,687	1,232,990	30.72	63.83
Total		2,117,500	7,040,000	7,457,500	1,700,000	1,715,042	1,716,911	42.77	88.89

7.3 Term finance certificates - listed

All certificates have a face value of Rs. 5,000 each.

Name of the investee company	Number of certificates				As at 31 December 2015		Marketvalue as a percentage of net assets	Market value as a percentage of total investments
	As at 01 July 2015	Purchases during the period	Disposals during the period	As at 31 December 2015	Carrying value	Market value		
(Rupees in '000) ----- (%) -----								
Commercial banks								
Summit Bank Limited	20,000	-	-	20,000	99,816	102,393	2.55	5.30
Faysal Bank Limited	-	5,000	-	5,000	25,367	25,511	0.64	1.32
	20,000	5,000	-	25,000	125,183	127,904	3.19	6.62

7.4 Term finance certificates - unlisted

All certificates have a face value of Rs. 5,000 each.

Name of the investee company	Number of certificates				As at 31 December 2015		Marketvalue as a percentage of net assets	Market value as a percentage of total investments
	As at 01 July 2015	Purchases during the period	Disposals during the period	As at 31 December 2015	Carrying value	Market value		
(Rupees in '000) ----- (%) -----								
Bank Al-Falah Limited (Fixed)	7,000	-	-	7,000	35,000	38,236	0.95	1.98
Bank Al-Falah Limited (Floating)	5,250	-	-	5,250	26,292	26,598	0.66	1.38
Bank Al-Habib Limited (4th issue)	4,000	-	-	4,000	19,964	22,058	0.55	1.14
	16,250	-	-	16,250	81,256	86,892	2.16	4.50

NIT - INCOME FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL
INFORMATION (UNAUDITED)
FOR THE SIX AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2015

7.5 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 (Rupees)	Mark-up rate (per annum)	Issue date	Tenor	Secured / Unsecured	Rating
Listed term finance certificates							
Summit Bank Limited	20,000	4,991	6-months KIBOR + 3.25%	27 October 2011	7 years	Unsecured	A-
Faysal Bank Limited	5,000	4,990	6-months KIBOR + 2.25%	27 December 2010	7 years	Unsecured	AA-
Unlisted term finance certificates							
Bank Al-Falah Limited (Fixed)	7,000	4,988	15.00%	02 December 2009	8 years	Unsecured	AA-
Bank Al-Falah Limited (Floating)	5,250	4,988	6-months KIBOR + 2.50%	02 December 2009	8 years	Unsecured	AA-
Bank Al-Habib Limited (4th issue)	7,000	4,991	15.00%	30 June 2011	10 years	Unsecured	AA

7.6 Certificates of Investment

Name of the investee company	Number of certificates				As at 31 December 2015		Market value as a percentage of net assets	Market value as a percentage of total investments
	As at 01 July 2015	Purchases during the period	Matured during the period	As at 31 December 2015	Carrying value	Market value		
(Rupees in '000) ----- (%) -----								
Pak Libya Holding Company (Private) Limited	100,000	100,000	200,000	-	-	-	-	-
	100,000	100,000	200,000	-	-	-	-	-

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

	31 December 2015	31 December 2014
	Unaudited	
	(Rupees in '000)	
Market value of investments	1,931,707	3,106,147
Less: Carrying value of investments	(1,921,481)	(3,039,667)
	10,226	66,480
Less: Net unrealised appreciation at beginning of the period	(68,695)	(3,811)
Net unrealised (diminution) / appreciation during the period	(58,469)	62,669

8 PAYABLE TO NATIONAL INVESTMENT TRUST LIMITED - MANAGEMENT COMPANY

	31 December 2015	30 June 2015
	Unaudited	Audited
	(Rupees in '000)	
Management remuneration	8.1	4,019
Sindh Sales Tax	8.2	699
Sales load	606	565
Allocation of expenses related to registrar services, accounting, operation and valuation services	11	-
	339	-
	5,584	5,283

8.1 Under the revised Non-Banking Finance Companies & Notified Entities Regulations 2008, notified on 25 November 2015, the Management Company of the Fund is entitled to a remuneration of an amount not exceeding 1.5 percent of average annual net assets. The Management Company has charged its remuneration at the rate of 1.25 percent per annum (30 June 2015: 1.25 percent per annum) of the average net assets for the current period.

8.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 15% on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011, effective from 1 July 2014. However, the rate has been revised from 15% to 14% effective from 1 July 2015.

NIT - INCOME FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL
INFORMATION (UNAUDITED)
FOR THE SIX AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2015

9 PAYABLE TO THE CENTRAL DEPOSITORY
COMPANY OF PAKISTAN LIMITED - TRUSTEE

Trustee remuneration		345	343
Sindh Sales Tax on trustee remuneration	9.1	48	-
		393	343

9.1 The Sindh Provincial Government levied Sindh Sales Tax at the rate of 14% on the remuneration of the Trustee through Sindh Sales Tax on Services Act, 2011, effective from 1 July 2015.

10 ACCRUED EXPENSES AND OTHER LIABILITIES

Provision for Workers' Welfare Fund	10.1	28,973	28,973
Federal Excise Duty	10.2	16,772	13,032
Auditors' remuneration		363	502
Printing charges		200	150
Brokerage		164	103
Settlement charges		37	45
Zakat		-	905
Capital gains tax		79	7,683
Withholding tax		206	28,621
Mutual Fund Rating fee		232	-
		47,026	80,014

10.1 There has been no change in the status of litigation relating to Workers' Welfare Fund as reported in annual financial statements of the Fund for the year ended 30 June 2015.

However, after the exclusion of the Mutual Funds from federal statute on Workers' Welfare Fund, from 1 July 2015, the Fund has discontinued making the provision in this regard. Had the provision not been maintained, the Net Assets Value (NAV) per unit of the Fund as at 31 December 2015 would have been higher by Rs. 0.0777 per unit (30 June 2015: Rs. 0.0824 per unit).

10.2 As per the requirement of Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective 13 June 2013. The Management Company is of the view that since the remuneration is already subject to provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law. In 2014, the Honourable High Court of Sindh in a Constitutional petition relating to levy of FED on Mutual Funds has granted a stay order for the recovery of FED. As a matter of abundant caution, without prejudice to the above, the Management Company has made a provision with effect from 13 June 2013, aggregating to Rs. 18.3520 million out of which Rs. 1.580 million have been paid to the Management Company. Had the provision not been made, the Net Assets Value (NAV) per unit of the fund as at 31 December 2015 would have been higher by Rs. 0.0492 per unit (30 June 2015: Rs. 0.0416 per unit).

11 ALLOCATION OF EXPENSES RELATED TO REGISTRAR SERVICES, ACCOUNTING, OPERATION AND VALUATION SERVICES

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(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.

The expenses represents the allocation of expenses relating to registrar services, accounting, operations and valuation services at 0.1% of average net annual assets of the Fund with effect from 15 December 2015.

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 December 2015.

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

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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 2016 as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash.

14 EARNINGS PER UNIT - BASIC
AND DILUTED

	Six months period ended		Three months period ended	
	2015	2014	2015	2014
	----- (Unaudited) -----			
	----- (Rupees in '000) -----			
Net income for the period	178,518	206,576	67,910	130,700
	----- (Number of units) -----			
Weighted average number of units in issue during the period	349,449,004	318,657,654	343,258,516	316,908,469
	----- (Rupees) -----			
Earnings per unit - basic and diluted	0.51	0.65	0.20	0.41

15 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

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

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

15.3 Remuneration of 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 period / year end are as follows:

15.5 Transactions during the peiord:

	Six months period		Three months period ended	
	2015	2014	2015	2014
	----- (Unaudited) -----			
	----- (Rupees in '000) -----			
National Investment Trust Limited - Management Company				
Issue of 55,433,464 units (2014: Nil)	595,000	-	595,000	-
Units redeemed 28,063,873 (2014: Nil)	300,000	-	-	-
Sales load	120	18	83	11
Remuneration of the Management Company	23,377	21,121	11,575	10,354
Sindh Sales Tax on remuneration to Management Company	3,796	3,675	1,879	1,802
Allocation of expenses related to registrar services, accounting, operation and valuation services	339	-	339	-
Central Depository Company of Pakistan Limited - Trustee				
Remuneration of the Trustee	2,016	1,878	1,001	959
Sindh Sales Tax on remuneration to Trustee	282	-	140	-
Custodian charges	7	104	4	104

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17 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on 29th February 2016 by the Board of Directors of the Management Company.

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

**Sd/-
Managing Director**

**Sd/-
Director**

**Sd/-
Director**