



**Building a better
working world**

NIT - ISLAMIC INCOME FUND

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

UAN: +9221 111 11 39 37 (EYFR)
Tel: +9221 3565 0007-11
Fax: +9221 3568 1965
ey.khi@pk.ey.com
ey.com/pk

INDEPENDENT AUDITOR'S REVIEW REPORT

To the unit holders of NIT - Islamic Income Fund
Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of NIT - Islamic Income Fund (the Fund) as at 31 December 2018 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund, and condensed interim cash flow statement and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management Company is responsible for the preparation and presentation of this interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2018 and 31 December 2017 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-month period ended 31 December 2018.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Other Matters

The condensed interim financial statements of the Fund for the half year ended 31 December 2017 and the annual financial statements for the year ended 30 June 2018 were reviewed and audited by another firm of Chartered Accountants, whose review report dated 27 February 2018 and audit report dated 5 September 2018, expressed an unmodified conclusion and unmodified opinion respectively, on the aforementioned financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.



Chartered Accountants

Karachi

Date: 28 February 2019

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

		31 December 2018 (Unaudited)	30 June 2018 (Audited)
	Note	-----Rupees in '000-----	
ASSETS			
Bank balances	4	453,183	467,695
Investments	5	90,846	94,388
Profit receivable	6	5,254	3,942
Security deposits		100	100
Receivable against issuance of units		383	-
Preliminary expenses and floatation costs	7	497	600
Total assets		550,263	566,725
LIABILITIES			
Payable to National Investment Trust Limited - Management Company	8	1,517	1,475
Payable to Central Depository Company of Pakistan Limited - Trustee	9	86	98
Payable to Securities and Exchange Commission of Pakistan		189	444
Payable against redemption of units		147	13,511
Accrued expenses and other liabilities	10	1,633	1,894
Unclaimed dividend		37	-
Total liabilities		3,609	17,422
NET ASSETS		546,654	549,303
Unit holders' fund (as per statement attached)		546,654	549,303
Contingencies and commitments	11		
		----- Number of units -----	
Number of units in issue		53,590,629	52,474,734
		-----Rupees-----	
Net asset value per unit		10.2006	10.4679

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

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


Managing Director


Director


Director

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

	Note	Six months period ended		Three months period ended	
		2018	2017	2018	2017
INCOME					
Income from sukuks		3,912	506	2,051	365
Profit on bank deposits		15,269	13,026	8,410	6,978
		19,181	13,532	10,461	7,343
EXPENSES					
Remuneration of National Investment Trust Limited					
- Management Company	8.1	1,459	1,016	789	553
Sindh Sales Tax on remuneration to Management Company	8.2	190	132	103	72
Remuneration of Central Depository Company of Pakistan Limited - Trustee		430	434	215	235
Sindh Sales tax on Trustee remuneration	9.1	56	56	28	30
Annual fee - Securities and Exchange Commission of Pakistan		189	191	94	103
Accounting and operational charges reimbursable by the Fund	8.3	254	256	126	132
Amortisation of preliminary expenses and floatation costs		103	103	52	52
Auditors' remuneration		167	169	84	99
Legal & professional charges		71	71	-	71
Settlement and bank charges		54	101	48	99
Listing fee		-	-	-	(39)
Shariah Advisory fee		18	18	9	9
Printing charges		-	17	-	17
Total expenses		2,991	2,564	1,548	1,433
Net income from operating activities		16,190	10,968	8,913	5,910
Provision for Sindh Workers' Welfare Fund	10.1	(324)	(219)	(178)	(119)
Net income for the period before taxation		15,866	10,749	8,735	5,791
Taxation	12	-	-	-	-
Net income for the period		15,866	10,749	8,735	5,791
Allocation of net income for the period after taxation					
Net income for the period		15,866	10,749	8,735	5,791
Income already paid on units redeemed		(1,866)	(1,138)	(1,467)	(651)
		14,000	9,611	7,268	5,140
Accounting income available for distribution:					
- Relating to capital gains		-	-	-	-
- Excluding capital gains		14,000	9,611	10,202	5,140
		14,000	9,611	10,202	5,140

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

For National Investment Trust Limited
(Management Company)


Managing Director


Director


Director

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

	Note	Six months period ended		Three months period ended	
		2018	2017	2018	2017
Rupees in '000					
Net income for the period after taxation		15,866	10,749	8,735	5,791
Other comprehensive income for the period					
Net unrealised diminution on re-measurement of investments classified as 'fair value through other comprehensive income' (FVOCI)	5.4	(281)	(130)	(336)	(30)
Total comprehensive income for the period		15,585	10,619	8,399	5,761

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

For National Investment Trust Limited
(Management Company)


Managing Director


Director


Director

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

	31 December	
	2018	2017
	(Unaudited)	
	Rupees in '000	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	15,866	10,749
Adjustments		
Amortization of preliminary and flotation costs	103	103
	<u>15,969</u>	<u>10,852</u>
(Increase) / decrease in assets		
Investments	3,261	(49,570)
Profit receivable	(1,312)	(1,607)
Receivable against issuance of units	(383)	-
	<u>1,566</u>	<u>(51,177)</u>
Increase / (decrease) in liabilities		
Payable to National Investment Trust Limited - Management Company	42	(3,643)
Payable to Central Depository Company of Pakistan Limited - Trustee	(12)	29
Payable to Securities and Exchange Commission of Pakistan	(255)	(188)
Payable against redemption of units	(13,364)	2,456
Accrued expenses and other liabilities	(261)	(232)
	<u>(13,850)</u>	<u>(1,578)</u>
Net cash generated from / (used in) operating activities	<u>3,685</u>	<u>(41,903)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issue of units including CIP	315,977	562,538
Amount paid on redemption of units	(309,547)	(300,203)
Dividend paid	(24,627)	(2,297)
Net cash (used in) / generated from financing activities	<u>(18,197)</u>	<u>260,038</u>
Net (decrease) / increase in cash and cash equivalents during the period	<u>(14,512)</u>	<u>218,135</u>
Cash and cash equivalents at the beginning of the period	467,695	450,853
Cash and cash equivalents at the end of the period	<u>453,183</u>	<u>668,988</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)


 Managing Director


 Director


 Director

NIT - ISLAMIC INCOME FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX AND THREE MONTHS PERIOD ENDED DECEMBER 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 Offering Document has been revised through the First Supplement with the approval of SECP.
- 1.2 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. 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 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- Interim Accounting Standard (IAS) 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- 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 requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

- 2.1.2 The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34 - Interim Financial Reporting. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended 30 June 2018.

2.1.3 In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2018.

2.2 Functional and presentation currency

These condensed interim financial statements have been presented in Pakistani Rupees which is the functional and presentation currency of the Fund.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND CHANGES THEREIN

Except for change in note 3.2, the accounting policies and methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the management in applying the accounting policies and key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2018.

The preparation of these condensed interim financial statements in accordance with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the result of which form the basis of making judgements about carrying values of assets and liabilities. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future period.

3.1 The financial risk management objectives and policies are consistent with those disclosed in the annual published financial statements of the Fund for the year ended 30 June 2018.

3.2 Change in accounting policy

3.2.1 IFRS 9 - Financial Instruments

Effective from 1 July 2018, the Fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard prescribes accounting and reporting requirements for recognition, classification, measurement and derecognition of financial assets and financial liabilities.

The IFRS 9 has replaced current categories of financial assets (Fair Value Through Profit or Loss (FVPL), Available For Sale (AFS), held-to-maturity and amortised cost) by the following classifications of Financial Assets:

- 1) Debt instruments at amortised cost
- 2) Debt instruments at Fair Value Through Other Comprehensive Income (FVOCI), with gains or losses recycled to profit or loss on derecognition
- 3) Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition
- 4) Financial assets at Fair Value through Profit or Loss

The accounting for financial liabilities remains largely the same as it was under IAS 39.

Under IFRS 9, the classification is based on two criteria, a) the entity's business model for managing the assets; and b) whether the instruments' contractual cashflows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion'). The assessment of the Fund's business model was made as at the date of initial application i.e. 01 July 2018.

As a result of the above assessment, the investments in debt securities will be classified as Fair Value Through Other Comprehensive Income based on the business model of the Fund.

While the SECP vide its letter dated November 21, 2017, has deferred the applicability of requirements relating to impairment for debt securities on mutual funds till further instructions, accordingly, the management has made an assessment of impairment under expected credit loss model of IFRS 9 for financial assets other than debt securities i.e. Bank balances and concluded that impact is not material to the condensed interim financial statements.

3.3 New / revised standards, interpretations and amendments adopted by the Fund

The Fund has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current period:

IFRS 9 - Financial Instruments

IFRS 15 - Revenue from contracts with customers (Amendments)

IFRS 2 - Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)

IFRS 4 - Insurance Contracts - Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments)

IFRIC 22 - Foreign Currency Transactions and Advance Consideration

The adoption of the above amendments to accounting standards and interpretations did not have any material impact on the financial statements other than IFRS 9, the effect of which has been disclosed in note 3.2.1.

4	BANK BALANCES	Note	31 December	30 June
			2018 (Un-audited)	2018 (Audited)
			Rupees	
	In saving accounts	4.1	453,183	467,695

4.1 These accounts carry return at rates ranging from 2.40% to 10.15% per annum (June 30, 2018: 2.40% to 6.50% per annum).

5	INVESTMENTS	Note	31 December	30 June
			2018 (Un-audited)	2018 (Audited)
			Rupees in '000	
At fair value through other comprehensive income				
Debt securities:				
	- Sukuk - listed	5.1	45,196	46,132
	- Sukuk - unlisted	5.2	45,650	48,256
			90,846	94,388

5.1 Sukuks - listed

Name of the investee company	Number of certificates				Balance as at 31 December 2018		Market value as a percentage of net assets	Market value as a percentage of total investments
	As at 01 July 2018	Purchased during the period	Sold / matured during the period	As at 31 December 2018	Carrying value	Market value		
					Rupees in '000			
Fatima Fertilizer Company Limited	1,717	-	-	1,717	5,151	5,196	0.95	5.72
Dawood Hercules Corporation Limited	400	-	-	400	40,008	40,000	7.32	44.03
Total - 31 December 2018	2,117	-	-	2,117	45,159	45,196	8.27	49.75

5.2 Sukuks - unlisted

Dubai Islamic Bank Limited	25	-	-	25	25,381	25,468	4.66	28.03
Ghani Gases Limited	285	-	-	285	20,241	20,182	3.69	22.22
Total - 31 December 2018	310	-	-	310	45,622	45,650	8.35	50.25

5.3 Significant terms and conditions of sukuku 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 sukuk							
Fatima Fertilizer Company Limited	1,717	3,000	6-months KIBOR + 1.10%	28 November 2016	5 years	Secured	AA-
Dawood Hercules Corporation Limited	400	100,000	3-months KIBOR + 1.00%	01 March 2018	5 years	Secured	AA
Unlisted sukuk							
Dubai Islamic Bank Limited	25	1,000,000	6-months KIBOR + 0.50%	14 July 2017	6 years	Unsecured	A+
Ghani Gases Limited	285	70,833	3-months KIBOR + 1.00%	02 February 2017	6 years	Unsecured	A

5.4 Net unrealised diminution on re-measurement of investments classified as 'fair value through other comprehensive income'

	-----31 December-----	
	2018	2017
	----- (Un-audited) -----	
	-----Rupees in '000-----	
Market value of investments	90,846	57,514
Less: carrying value of investments	(90,781)	(57,297)
	65	217
Less: net unrealised diminution at the beginning of the period	(346)	(347)
	(281)	(130)

6 PROFIT RECEIVABLE

	31 December 2018	30 June 2018
	(Un-audited)	(Audited)
	-----Rupees in '000-----	
Profit on saving accounts	3,782	2,589
Mark-up on sukuku	1,472	1,353
	5,254	3,942

7 PRELIMINARY EXPENSES AND FLOTATION COSTS

	31 December 2018	30 June 2018
	(Un-audited)	(Audited)
	-----Rupees in '000-----	
Preliminary expenses and flotation costs	600	803
Less: amortisation during the period	(103)	(203)
	497	600

8 PAYABLE TO NATIONAL INVESTMENT TRUST LIMITED - MANAGEMENT COMPANY

	31 December 2018	30 June 2018	
	(Un-audited)	(Audited)	
	-----Rupees in '000-----		
On account of:			
- Management remuneration	8.1	277	230
- Sindh Sales Tax on management remuneration	8.2	36	30
- Preliminary expenses and flotation costs		1,018	1,018
- Accounting and operational charges reimbursable by the Fund	8.3	41	52
- Others		145	145
		1,517	1,475

- 8.1 The Management Company has charged remuneration at the rate of 7.5% (June 30, 2018: 7.5%) of gross earnings in the current period with a minimum of 0.25% (June 30, 2018: 0.25 percent) and maximum of 1% (June 30, 2018: 1%) of average annual net assets at the period end.
- 8.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% on the remuneration of Management Company through the Sindh Sales Tax on Services Act, 2011 (30 June 2018: 13%).
- 8.3 In accordance with the provisions of the NBFC Regulations, 2008 (amended vide S.R.O 1160(I) / 2015 dated 25 November 2015), the Management Company of the Fund is entitled to reimbursement of fees and expenses in relation to registrar services, accounting, operation and valuation services related to the Fund upto a maximum of 0.1% of the average annual net assets of the Scheme or actual whichever is less.

9	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	31 December 2018 (Un-audited)	30 June 2018 (Audited)
	Note	(Un-audited)	(Audited)
-----Rupees in '000-----			
		76	87
		86	98
		<u>86</u>	<u>98</u>

9.1 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% on the remuneration of Trustee through the Sindh Sales Tax on Services Act, 2011 (30 June 2018: 13%).

10	ACCRUED EXPENSES AND OTHER LIABILITIES	31 December 2018 (Un-audited)	30 June 2018 (Audited)
	Note	(Un-audited)	(Audited)
-----Rupees in '000-----			
		1,255	931
		48	507
		149	138
		139	139
		13	33
		-	6
		29	10
		-	124
		-	3
		-	3
		<u>1,633</u>	<u>1,894</u>

10.1 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 recommended its members to provide for SWWF on daily basis with effect from 21 May 2015. Going forward, the efforts to exclude mutual funds from SWWF continue. Had the SWWF not been provided, the NAV per unit of the Fund would have been higher by Rs. 0.0234 (30 June 2018: Rs. 0.0177).

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 December 2018.

12 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 as cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of 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.

13 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 1.31%. Total expense ratio (excluding government levies) is 1.01%.

14 TRANSACTIONS WITH CONNECTED PERSONS

14.1 Connected persons include National Investment Trust Limited being the Management Company, Central Depository Company of Pakistan 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 unit holders holding ten percent or more units of the Fund.

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

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

14.4 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:

	Six months period ended		Three months period ended	
	2018	2017	2018	2017
(Un-audited)				
Rupees in '000				
National Investment Trust Limited - Management Company				
Issue of 753,955 units under CIP (2017: Nil units)	7,461	-	-	-
Remuneration of the Management Company	1,459	1,016	789	553
Sindh Sales Tax on Management remuneration	190	132	103	72
Accounting and operational charges reimbursable by the Fund	254	256	126	132
Central Depository Company of Pakistan Limited - Trustee				
Remuneration of the Trustee	430	434	215	235
Sindh Sales Tax on Trustee Remuneration	56	56	28	30
Directors and key management personnel				
Issue of 90,404 units (2017: Nil units)	900	-	-	-
Transfer out 20,000 units (2017: Nil units)	200	-	-	-
Issue of 650 units under CIP (2017: Nil units)	4	-	-	-
Issue of 431 units against RoC (2017: Nil units)	-	-	-	-
Amounts outstanding as at period end:				
			31 December 2018 (Un-audited)	30 June 2018 (Audited)
-----Rupees in '000-----				
National Investment Trust Limited - Management Company				
15,862,528 Units held (30 June 2018: 15,108,573 units)			161,807	158,155
Management remuneration			277	230
Sindh Sales Tax on Management remuneration			36	30
Preliminary expenses and floatation costs			1,018	1,018
Accounting and operational charges reimbursable by the Fund			41	52
Others			145	145
Central Depository Company of Pakistan Limited - Trustee				
Trustee fee payable			76	87
Sindh Sales Tax on Trustee remuneration			10	11
Directors and key management personnel				
91,485 Units held (June 30, 2018: 20,000 units)			933	209

15 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value of government securities is determined by reference to the quotation obtained from the brokers on the Reuters page. The fair values of financial assets and liabilities of the Fund, other than government securities, approximate their carrying amount due to short-term maturities of these instruments.

Fair value hierarchy

The Fund uses the following hierarchy for disclosure of the fair value of financial instruments by valuation technique:

Level 1: quoted prices in active markets for identical assets.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at 31 December 2018 and 30 June 2018, the Fund held the following instruments measured at fair values:

	Level 1	Level 2	Level 3
	Rupees		
31 December 2018			
At fair value through other comprehensive income	-	90,846	-
30 June 2018			
At fair value through other comprehensive income	-	94,388	-

16 GENERAL

- 16.1 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation. No significant rearrangements or reclassifications have been made in these condensed interim financial statements during the current period.
- 16.2 Figures of the condensed interim income statement and the condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been subjected to limited scope review by the statutory auditors of the Fund.
- 16.3 Figures have been rounded off to the nearest thousand rupees.

17 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **28 FEB 2019** by the Board of Directors of the Management Company.

For National Investment Trust Limited
(Management Company)


Managing Director


Director


Director