



**NIT Islamic Equity Fund
Condensed Interim Financial
Statements (Unaudited)
for the Nine Months period
ended
31 March 2017**

**NIT ISLAMIC EQUITY FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT MARCH 31, 2017**

	Note	March 31, 2017 (Unaudited)	June 30, 2016 (Audited)
-----Rupees in '000-----			
ASSETS			
Bank balances	5	783,031	871,334
Investments	6	3,895,797	3,999,424
Receivable against sale of investments		2,252	26,222
Dividend and profit receivables	7	24,521	5,199
Preliminary expenses and flotation costs		3,137	3,877
Security deposits		2,600	2,600
Total assets		4,711,338	4,908,656
LIABILITIES			
Payable to National Investment Trust Limited - Management Company	8	17,098	16,999
Payable to Central Depository Company of Pakistan Limited - Trustee	9	548	532
Fee payable to Securities and Exchange Commission of Pakistan		3,338	4,671
Payable against redemption of units		2,846	1,144
Payable against purchase of investments		8,289	41,227
Accrued expenses and other liabilities	10	37,277	27,870
Dividend Payable		116	29,741
Total liabilities		69,512	122,184
NET ASSETS		<u>4,641,826</u>	<u>4,786,472</u>
Unit holders' fund (as per statement attached)		<u>4,641,826</u>	<u>4,786,472</u>
Contingencies and commitments	11		
		(Number of units)	
Number of units in issue		<u>364,944,880</u>	<u>459,103,317</u>
		----- (Rupees) -----	
Net asset value per unit		<u>12.72</u>	<u>10.43</u>

The annexed notes 1 to 16 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 ISLAMIC EQUITY FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED MARCH 31, 2017

	Nine months period ended,		Three months period ended,	
	2017	2016	2017	2016
Note	----- (Unaudited) -----			
	----- Rupees in '000 -----			
INCOME				
Dividend income	131,252	169,955	26,595	69,512
Gain on sale of investments-net	266,303	705	101,866	(4,465)
Mark-up/return on bank deposits	23,743	42,992	7,550	16,868
Reversal of provision for WWF	10.1	131	-	131
	421,429	213,652	136,142	81,915
EXPENSES				
Impairment loss on equity securities classified as 'available for sale'		62,326	119,134	11,502
Remuneration of National Investment Trust Limited -Management Company	8.1	70,349	93,674	23,082
Sindh sales tax on remuneration of Management Company	8.2	9,145	15,213	3,000
Federal Excise Duty on Management Company Remuneration		-	14,988	-
Trustee Fee- Central Depository Company of Pakistan Limited		4,269	4,469	1,400
Sindh Sales Tax on Remuneration of Trustee	9.1	555	625	182
Annual fee - Securities and Exchange Commission of Pakistan		3,338	3,517	1,095
Allocation of expenses related to registrar services, accounting, operation and valuation services	8.3	3,518	1,765	1,155
Custodian charges of Central Depository Company of Pakistan Limited		165	83	45
Settlement and bank charges		344	418	1
Auditors' Remuneration		314	290	2
Amortization of preliminary expenses and floatation costs		740	754	247
Legal & Professional Charges		36	-	29
Shariah advisory fee		512	200	160
Charity expenses		2,903	-	561
Printing and related costs		100	60	-
		158,614	255,190	42,461
				46,915
Net income / (loss) from operating activities		262,815	(41,538)	93,681
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	10.1	(9,382)	2,061	(1,353)
Provision for Sindh Workers' Welfare Fund	10.1	(9,849)	-	(9,849)
Net income / (loss) for the period before taxation		243,584	(39,477)	82,479
Taxation	12	-	-	-
Net income / (loss) for the period		243,584	(39,477)	82,479
				35,278

The annexed notes 1 to 16 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 ISLAMIC EQUITY FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED MARCH 31, 2017**

	Nine months period ended,		Three months period ended,		
	2017	2016	2017	2016	
Note	----- (Unaudited) ----- ----- Rupees in '000 -----				
Net income / (loss) for the period	243,584	(39,477)	82,479	35,278	
Other comprehensive income / (loss)					
Net unrealised appreciation / (diminution) on remeasurement of investments classified as 'available for sale'	6.2	665,361	(57,080)	(121,147)	71,542
Total comprehensive income / (loss) for the period	908,945	(96,557)	(38,668)	106,820	

The annexed notes 1 to 16 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 ISLAMIC EQUITY FUND
CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2017**

	<u>Nine months period ended,</u>	
	<u>2017</u>	<u>2016</u>
	------(Unaudited)-----	
	-----Rupees in '000-----	
Undistributed income brought forward	118,783	10,648
Element of income / (loss) and capital gains / (losses) included in price of units issued less those in units redeemed - amount representing income / (loss) that form part of unit holders' fund-net	(74,198)	(5,223)
Net income / (loss) for the period	243,584	(39,477)
Undistributed income / (loss) carried forward -realized	<u>288,169</u>	<u>(34,052)</u>

The annexed notes 1 to 16 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 ISLAMIC EQUITY FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2017**

	Nine months period ended,	
	2017	2016
	------(Unaudited)-----	
	-----Rupees in '000-----	
Net assets at the beginning of the period [Rs. 10.43 per unit (2015: Rs. 10.27 per unit)]	4,786,472	4,362,492
Issue of 95,823,849 units (2016: 164,321,559 units)	1,191,680	1,661,943
Redemption of 189,982,286 units (2016: 84,692,789 units)	(2,254,653)	(847,497)
	(1,062,973)	814,446
Element of (income) / loss and capital (gains) / losses included in price of units issued less those in units issued less those in units redeemed-net;		
- amount representing loss transferred to condensed interim income statement	9,382	(2,061)
- amount representing (income) transferred to condensed interim distribution statement	74,198	5,223
	83,580	3,162
Net unrealised appreciation / (diminution) on remeasurement of investments classified as 'available for sale' - note 6.2	665,361	(57,080)
Gains on sale of investments - net	266,303	705
Other net (loss) for the period	(22,719)	(40,182)
Total comprehensive income / (loss) for the period	908,945	(96,557)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - amount representing income / (loss) that form part of unit holders' fund - net	(74,198)	(5,223)
Net assets at the end of the period [Rs. 12.72 per unit (2016: Rs. 10.07 per unit)]	4,641,826	5,078,320

The annexed notes 1 to 16 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 ISLAMIC EQUITY FUND
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED MARCH 31, 2017**

	Nine months period ended,	
	2017	2016
	------(Unaudited)-----	
	-----Rupees in '000-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income / (loss) for the period before taxation	243,584	(39,477)
Adjustments:		
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	9,382	(2,061)
Amortization of preliminary expenses and flotation costs	740	754
Impairment loss on equity securities classified as 'available for sale'	62,326	119,134
	<u>316,032</u>	<u>78,350</u>
(Increase) / decrease in assets		
Investments	706,662	(1,251,643)
Receivable against sale of investments	23,970	-
Dividend and other receivables	(19,322)	(43,112)
	<u>711,310</u>	<u>(1,294,755)</u>
Increase / (decrease) in liabilities		
Payable to National Investment Trust Limited - Management Company	99	(1,920)
Payable to Central Depository Company of Pakistan Limited - Trustee	16	66
Fee payable to Securities and Exchange Commission of Pakistan	(1,333)	3,042
Payable against redemption of units	1,702	4,083
Payable against purchase of investments	(32,938)	(7,351)
Accrued expenses and other liabilities	9,407	13,311
	<u>(23,047)</u>	<u>11,231</u>
Net cash flow from / (used in) operating activities	<u>1,004,295</u>	<u>(1,205,174)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on sales of units	1,191,680	1,661,943
Payment against redemption of units	(2,254,653)	(847,497)
Dividend paid	(29,625)	-
Net cash flow (used in) / generated from financing activities	<u>(1,092,598)</u>	<u>814,446</u>
Net (decrease) in cash and cash equivalents during the period	<u>(88,303)</u>	<u>(390,728)</u>
Cash and cash equivalents at the beginning of the period	871,334	1,340,436
Cash and cash equivalents as at the end of the period	<u><u>783,031</u></u>	<u><u>949,708</u></u>

The annexed notes 1 to 16 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 ISLAMIC EQUITY FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED MARCH 31, 2017

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 The NIT Islamic Equity 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 as trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan on 03 February 2015 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the trust deed was executed on 24 February 2015. The fund is categorized as an Equity Scheme as per the criteria for categorisation of open and 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 has received Rs. 1,848 million against Pre-IPO (initial public offer) of the units from various institutions and individuals during the period from 27 April 2015 to 8 May 2015 (both days inclusive) at the initial offer price of Rs. 10 each. In accordance with clause 1.6 and 3.13.1(d) of offering document of the Fund, the management has decided to allocate additional units against the income earned on the investment of the pre-IPO investors upto the start of IPO i.e. 11 May 2015 to all the investors who participated in pre-IPO. In addition, the Fund has received Rs. 2,087 million against IPO from various investors during the period from 11 May 2015 to 15 May 2015 (both days inclusive) at Rs. 10 each. The Fund commenced its business activities from 18 May 2015.
- 1.4 The Fund is an open end mutual fund and is listed on Pakistan Stock Exchange (PSX). Units are offered for subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.
- 1.5 The objective of the Fund is to invest in the equity market when there is an opportunity to invest the funds in a gainful manner and such investment is for the benefit of the fund based on long term perspective to provide the unit holders safe and halal income on their investment. Under the Trust Deed all conducts and acts of the fund are based on Shariah. The management company has appointed Mufti Zeeshan Ali Aziz as Shariah Advisor to the NIT Islamic Equity Fund to ensure that the activities of the fund are in compliance with the Principles of Shariah.
- 1.6 Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of "AM2+" to the Management Company.
- 1.7 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

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 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 2016. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since the last financial statements.
- 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).

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 2016.

4 Estimates and Judgements

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

The significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended 30 June 2016.

5 BANK BALANCES

These represent balances with banks in savings accounts carrying mark-up rates ranging from 2.4% to 6.4% per annum. (30 June 2016: 2% to 7.50% per annum)

6 INVESTMENTS

Available for sale

Listed equity securities

	March 31, 2017 (Unaudited)	June 30, 2016 (Audited)
	-----Rupees in '000-----	
	<u>3,895,797</u>	<u>3,999,424</u>

6.1- Investment - available for sale

Name of Investee Companies	As at 01 July 2016	Purchases during the period	Bonus shares received during the period	Right shares purchased/ subscribed during the period	Sale during the period	As at March 31, 2017	Cost/ Carrying value as at March 31, 2017	Market Value as at March 31, 2017	Net Assets	Market Value as a percentage of investment	Percentage of paid-up capital of the investee company held
	(Number of Shares)				Rupees in '000			%			
COMMERCIAL BANKS											
Meezan Bank Limited	760,500	-	-	-	-	760,500	31,916	54,376	1.17	1.40	0.09
	760,500	-	-	-	-	760,500	31,916	54,376	1.17	1.40	
TEXTILE COMPOSITE											
Nishat Mills Ltd.	50,000	76,200	-	-	15,000	111,200	13,560	18,370	0.40	0.47	0.03
	50,000	76,200	-	-	15,000	111,200	13,560	18,370	0.40	0.47	
SUGAR & ALLIED INDUSTRIES											
Habib Sugar Mills Ltd.	-	28,000	-	-	28,000	-	-	-	-	-	-
	-	28,000	-	-	28,000	-	-	-	-	-	
CEMENT											
Cherat Cement Company Limited	1,069,500	472,100	-	-	849,400	692,200	75,786	132,356	2.85	3.40	0.39
D. G. Khan Cement Co. Limited	1,825,000	744,700	-	-	642,800	1,926,900	350,519	447,812	9.65	11.49	0.44
Fauji Cement Company Ltd.	4,244,000	65,000	-	-	1,250,000	3,059,000	113,829	130,558	2.81	3.35	0.23
Lucky Cement Limited	590,700	277,500	-	-	363,050	505,150	296,253	423,008	9.11	10.86	0.16
	7,729,200	1,559,300	-	-	3,105,250	6,183,250	836,387	1,133,733	24.42	29.10	
POWER GENERATION & DISTRIBUTION											
Hub Power Company Limited	2,435,400	225,000	-	-	365,000	2,295,400	238,553	300,835	6.48	7.72	0.20
	2,435,400	225,000	-	-	365,000	2,295,400	238,553	300,835	6.48	7.72	
OIL & GAS MARKETING COMPANIES											
Pakistan State Oil Co. Ltd.	700,900	10,000	-	-	233,600	477,300	186,211	202,146	4.35	5.19	0.18
	700,900	10,000	-	-	233,600	477,300	186,211	202,146	4.35	5.19	
OIL & GAS EXPLORATION COMPANIES											
Oil & Gas Development Co.	956,000	996,900	-	-	193,900	1,759,000	252,963	260,877	5.62	6.70	0.04
Sui Northern Gas Pipelines Ltd.	-	20,000	-	-	-	20,000	956	2,855	0.06	0.07	0.00
Sui Southern Gas Co. Ltd.	-	810,000	-	-	-	810,000	32,628	29,921	0.64	0.77	0.09
Pakistan Oilfields Ltd.	436,200	-	-	-	127,500	308,700	100,976	137,387	2.96	3.53	0.13
Pakistan Petroleum Ltd.	443,600	808,000	-	-	135,000	1,116,600	172,973	172,973	3.73	4.44	0.06
	1,835,800	2,634,900	-	-	456,400	4,014,300	560,496	604,014	13.01	15.50	
ENGINEERING											
Crescent Steel And Allied Products Ltd.	-	268,800	-	-	185,000	83,800	10,956	20,975	0.45	0.54	0.11
Amreli Steel Limited	611,000	-	-	-	410,000	201,000	10,251	19,085	0.41	0.49	0.07
	611,000	268,800	-	-	595,000	284,800	21,207	40,060	0.86	1.03	
AUTOMOBILE ASSEMBLER											
Honda Atlas Cars Limited	165,900	92,700	-	-	153,000	105,600	33,012	79,403	1.71	2.04	0.07
Indus Motor Company Limited	204,640	9,900	-	-	107,550	106,990	120,768	170,281	3.67	4.37	0.14
Millat Tractors Ltd.	17,350	17,250	-	-	21,000	13,600	8,020	17,903	0.39	0.46	0.03
Pak Suzuki Motor Co. Ltd.	267,400	38,000	-	-	128,100	177,300	78,541	109,921	2.37	2.82	0.22
	655,290	157,850	-	-	409,650	403,490	240,341	377,508	8.13	9.69	
AUTOMOBILE PARTS & ASSEMBLER											
Thal Limited	-	150,000	-	-	-	150,000	38,340	43,263	0.93	1.11	0.52
	159,100	48,700	-	-	107,900	99,900	28,981	52,947	1.14	1.36	0.12
	159,100	198,700	-	-	107,900	249,900	67,321	96,210	2.07	2.47	
CABLE & ELECTRIC GOODS											
Pakistan Cables Ltd.	79,800	132,300	-	-	6,100	206,000	44,806	60,830	1.31	1.56	0.72
	79,800	132,300	-	-	6,100	206,000	44,806	60,830	1.31	1.56	
FERTILIZER											
Dawood Hercules Corporation Ltd	48,000	-	-	-	-	48,000	5,825	6,360	0.14	0.16	0.01
Engro Corporation Ltd.	784,500	-	-	-	304,900	479,600	141,715	176,502	3.80	4.53	0.09
Engro Fertilizer Limited	2,964,000	710,000	-	-	2,073,500	1,600,500	119,956	100,287	2.16	2.57	0.12
Fatima Fertilizer Company	694,000	-	-	-	130,000	564,000	21,475	21,990	0.47	0.56	0.03
Fauji Fertilizer Bin Qasim Ltd.	2,833,000	-	-	-	2,299,000	534,000	27,838	27,891	0.60	0.72	0.06
Fauji Fertilizer Company Limited.	2,637,200	-	-	-	1,784,100	853,100	88,381	88,381	1.90	2.27	0.07
	9,960,700	710,000	-	-	6,591,500	4,079,200	405,191	421,413	9.08	10.82	
PHARMACEUTICALS											
Abbot Laboratories (Pakistan) Ltd.	57,000	9,100	-	-	10,000	56,100	38,632	52,708	1.14	1.35	0.06
Ferozsons Laboratories Ltd.	121,800	29,050	-	-	124,850	26,000	14,640	14,640	0.32	0.38	0.09
Glaxosmithkline (Pak) Ltd.	295,800	189,100	-	-	277,000	207,900	43,474	46,906	1.01	1.20	0.07
Glaxosmithkline Consumer Health Care P	69,270	-	-	-	-	69,270	-	6,028	0.09	0.15	0.07
Searle Pakistan Ltd.	237,847	138,100	69,364	-	165,000	280,311	105,736	177,134	3.82	4.55	0.23
	781,717	365,350	69,364	-	576,850	639,581	202,481	297,417	6.41	7.63	
PAPER & BOARD											
Packages Limited	89,250	61,200	-	-	36,050	114,400	71,323	99,297	2.14	2.55	0.13
	89,250	61,200	-	-	36,050	114,400	71,323	99,297	2.14	2.55	
LEATHER & TANNERIES											
Bata Pakistan Ltd.	4,180	100	-	-	-	4,280	15,128	18,789	0.40	0.48	0.06
Service Industries Ltd	99,000	10,000	-	-	29,150	79,850	73,104	117,153	2.52	3.01	0.66
	103,180	10,100	-	-	29,150	84,130	88,231	135,942	2.93	3.49	
FOODS & PERSONAL CARE PRODUCTS											
Engro Foods	586,500	362,500	-	-	849,000	100,000	17,287	16,244	0.35	0.42	0.01
Mitchell'S Fruit Farms Limited	48,350	9,800	-	-	31,200	26,950	7,977	7,977	0.17	0.20	0.34
Shezan International Ltd.	51,250	20,500	-	-	-	71,750	35,721	29,427	0.63	0.76	0.90
	686,100	392,800	-	-	880,200	198,700	60,985	53,648	1.16	1.38	
Grand Total	26,637,937	6,830,500	69,364	-	13,435,650	20,102,151	3,069,010	3,895,797	83.93	100.00	

6.2 Net unrealised (diminution) on re-measurement of investments classified as 'available for sale'	-----March 31-----	
	2017	2016
	----- (Unaudited) -----	
	-----Rupees in '000-----	
Market value of investments	3,895,797	4,239,421
Less: Carrying value of investments - net of impairment	3,069,009	4,193,430
	<u>826,788</u>	<u>45,991</u>
Less: Net unrealised (diminution) in the fair value of investments at the beginning of the period	(161,427)	(103,071)
	<u>665,361</u>	<u>(57,080)</u>

6.3 Finance Act 2014 has introduced tax on bonus shares issued by the Companies. Most Equity Funds including NI(U)T Fund have challenged the applicability of withholding tax provision on bonus shares before Honorable High Court of Sindh ("the Court") on various legal grounds and have sought relief from the Court. The Court, in its order dated 25 November 2014, has granted interim relief by passing the restraining order whereby the Defendants, (issuers of the Bonus shares) have refrained from deducting and /or transferring 5% withholding tax on Bonus shares issued by them.

As an abundant caution, The Fund has made payments which is equivalent to 5% value of the respective bonus shares, determined on the basis of day-end price on the first day of book closure. These payments have been recorded as part of cost of respective investments. Detail is as follows:

	5% (No. of Bonus shares)	Market value as on 31 March 2017	Payment made to the investee companies
		-----Rupees in '000-----	
Searle Pakistan Limited *	3,673	2,321	1,713
Searle Pakistan Limited **	1,329	840	-
Searle Pakistan Limited ***	1,274	805	-
		<u>3,966</u>	<u>1,713</u>

* Searle Pakistan Limited has not released the bonus shares and retained the payment due to the court order.

** Searle Pakistan Limited has not demanded the payment due to the filing of petition by the Fund

*** Searle Pakistan Limited has demanded payment subsequent to the period end.

7 DIVIDEND & PROFIT RECEIVABLES	March 31, 2017	June 30, 2016
	(Unaudited)	(Audited)
	-----Rupees in '000-----	
Dividend Receivable	18,004	597
Profit on deposit accounts	6,517	4,602
	<u>24,521</u>	<u>5,199</u>

8 PAYABLE TO NATIONAL INVESTMENT TRUST LIMITED 'MANAGEMENT COMPANY'	March 31, 2017	June 30, 2016
	(Unaudited)	(Audited)
	-----Rupees in '000-----	
On account of:		
- Management remuneration	8.1	8,009
- Sindh Sales Tax	8.2	1,041
- Preliminary expenses and floatation costs		5,000
- Allocation of expenses related to registrar services accounting, operation and valuation services	8.3	398
- Others		2,650
	<u>2,650</u>	<u>2,650</u>
	<u>17,098</u>	<u>16,999</u>

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 2.00 percent of average annual net assets. Accordingly, the Management Company has charged its remuneration at the rate of 2.00 percent per annum. (30 June 2016: 2.00 percent per annum).

8.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (30 June 2016: 14%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011,

8.3 Securities and Exchange Commission of Pakistan through its SRO 1160(I)/2015 dated 25 November 2015 has revised the Non-Banking Finance Companies and Notified Entities Regulations, 2008. In the revised regulations a new clause 60(3)(s) has been introduced allowing the management company to charge "fees and expenses related to registrar services, accounting, operation and valuation services related to CIS maximum up to 0.1% of average annual net assets of the Scheme or actual whichever is less" from the mutual funds managed by it.

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.

9	PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	March 31,2017 (Unaudited)	June 30, 2016 (Audited)
		-----Rupees in '000-----	
	Trustee remuneration	485	467
	Sindh Sales Tax	63	65
		<u>548</u>	<u>532</u>

9.1 The Sindh Provincial Government levied Sindh Sales Tax at the rate of 13% (June 2016: 14%) on the remuneration of the Trustee through Sindh Sales Tax on Services Act, 2011.

10	ACCRUED EXPENSES & OTHER LIABILITIES	March 31,2017 (Unaudited)	June 30, 2016 (Audited)
		-----Rupees in '000-----	
	Provision for Workers' Welfare Fund	-	131
	Provision for Sindh Workers' Welfare Fund	9,849	-
	Federal Excise Duty	21,295	21,295
	Auditors' remuneration	246	424
	Legal & professional charges	-	60
	Charity payable	3,299	396
	Printing charges	103	734
	Zakat	60	1,654
	Capital gain tax	110	124
	Withholding Tax	-	116
	Shariah advisory Fee	214	314
	Brokerage Charges	684	2,622
	Others	1,417	-
		<u>37,277</u>	<u>27,870</u>

10.1 The Finance Act, 2008 introduced amendments to the Workers' Welfare Fund (WWF) Ordinance, 1971 whereby the definition of industrial establishment was extended. The amendments were challenged at various levels and conflicting judgments were rendered by the Lahore High Court, Sindh High Court and Peshawar High Court. The Honourable Supreme Court of Pakistan vide its judgment dated 10 November 2016, has upheld the view of Lahore High Court and decided that WWF is not a tax and hence the amendments introduced through Finance Act, 2008 are ultra-vires to the Constitution. The Federal Board of Revenue has filed Civil Review Petitions in respect of above judgment with the prayer that the judgment dated 10 November 2016 passed in the Civil Appeal may kindly be reviewed in the interest of justice.

The Mutual Fund Association of Pakistan (MUFAP), after deliberating the position and obtaining advice from the legal counsel, decided that the provision for WWF held for the period from 1 January 2013 to 30 June 2015 should be reversed effective from 12 January 2017. Accordingly, the provision amounted to Rs. 0.131 million has been reversed on 12 January 2017. This has resulted in an increase in NAV per unit of Rs. 0.0004 on 31 March 2017.

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

MUFAP has also taken a legal opinion that SWWF, if applicable, can only be applied from the date of enactment of SWWF Act, 2014, i.e. 21 May 2015. Accordingly, on 12 January 2017, MUFAP as an abundant caution, has decided to provide for SWWF with effect from 21 May 2015 and is being made on daily basis going forward while the efforts to exclude mutual funds from SWWF continue. The provision made for SWWF on is amounted to Rs. 9.849 million. This has resulted in a decrease in NAV per unit of Rs. 0.0270 on 31 March 2017.

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.

The Honourable Sindh High Court (SHC) through its recent order dated 2 June 2016, in CPD-3184 of 2014 (and others) filed by various taxpayers, has inter alia declared that Federal Excise Act 2005 (FED Act) is on services, other than shipping agents and related services, is ultra vires to the Constitution from 01 July 2011. However, the declaration made by the Honourable Court, as directed, will have affect in the manner prescribed in the judgment. The Sindh High Court in its decision dated 16 July 2016 in respect of constitutional petition filed by management companies of mutual funds maintained the previous order on the FED.

Sindh Revenue Board and Federal Board of Revenue have filed appeals before Honourable Supreme Court against the Sindh High Court's decision dated 2 June 2016. Therefore, 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. 21.295 million. Had the provision not been made, the Net Assets Value (NAV) per unit of the Fund as at 31 March 2017 would have been higher by Rs. 0.0583 per unit (30 June 2016: Rs. 0.0464 per unit). However, after the exclusion of the mutual funds from federal statute on FED from 1 July 2016, the Fund has discontinued making the provision in this regard.

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2017 and June 30, 2016.

12 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than ninety percent of its 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 2017 as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash.

13 TOTAL EXPENSE RATIO

Securities and Exchange Commission of Pakistan (SECP) vide directive no. SCD/PRDD/Direction/18/2016 dated 20 July 2016, requires that Collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS / the Fund. TER of the Fund for the period ended 31 March 2017 is 2.93% which include 0.65% representing government levy, Sindh Workers Welfare Fund and SECP fee.

14 TRANSACTIONS WITH CONNECTED PERSONS

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.

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

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

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:

Transactions during the period	Nine months period ended:		Three months period ended:	
	2017	2016	2017	2016
(Unaudited)				
-----Rupees in '000-----				
National Investment Trust Limited -Management Company				
Management participation fee	70,349	93,674	23,082	25,013
Sindh Sales Tax on Management Fee	9,145	15,213	3,000	4,062
Allocation of expenses related to registrar services, accounting, operation and valuation services	3,518	1,765	1,155	1,328
Central Depository Company of Pakistan Limited - Trustee				
Remuneration of the Trustee	4,269	4,469	1,400	1,500
Sindh Sales Tax on remuneration of Trustee	555	625	182	209
Custodian charges	165	83	45	28
Directors and key management personnel				
207,278 units issued (2015: 225,290 units)	2,564	4,525	743	2,200
10,347 units redeemed (2015: 160,595 units)	111	2,791	-	1,171
Amounts outstanding as at period / year end			March 31,2017	June 30, 2016
			(Unaudited)	(Audited)
			-----Rupees in '000-----	
National Investment Trust Limited - Management Company				
103,705,609 units held (June 30, 2016: 103,705,609)			1,319,135	1,081,649
Management remuneration payable			8,009	7,728
Sindh Sales Tax payable			1,041	1,234
Payable against allocation of expenses related to registrar services, accounting, operation and valuation services			398	387
Preliminary expenses and floatation costs payable			5,000	5,000
Other payable			2,650	2,650
Central Depository Company of Pakistan Limited - Trustee				
Trustee remuneration			485	467
Sindh Sales Tax			63	65
Directors and key management personnel				
769,085 units held (June 30, 2016: 572,154)			9,783	5,968

15 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 28, 2017 by the Board of Directors of the Management Company.

16 GENERAL

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

For National Investment Trust Limited
(Management Company)

sd/-
Managing Director

11 of 11
Director

Director

