



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

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

	March 31, 2019	June 30, 2018
Note	(Unaudited)	(Audited)
	-----Rupees in '000-----	
<b>ASSETS</b>		
Bank balances	4 332,540	467,695
Investments	5 212,661	94,388
Profit Receivable	6 7,641	3,942
Security deposits	466	100
Preliminary expenses and floatation costs	7 447	600
<b>Total assets</b>	<b>553,755</b>	<b>566,725</b>
<b>LIABILITIES</b>		
Payable to National Investment Trust Limited - Management Company	8 1,600	1,475
Payable to Central Depository Company of Pakistan Limited - Trustee	9 87	98
Payable to Securities and Exchange Commission of Pakistan	284	444
Payable against redemption of units	-	13,511
Accrued expenses and other liabilities	10 1,911	1,894
Dividend Payable	37	-
<b>Total liabilities</b>	<b>3,919</b>	<b>17,422</b>
<b>NET ASSETS</b>	<b>549,836</b>	<b>549,303</b>
<b>Unit holders' fund (as per statement attached)</b>	<b>549,836</b>	<b>549,303</b>
Contingencies and commitments	11	
	----- Number of units -----	
<b>Number of units in issue</b>	<b>52,767,058</b>	<b>52,474,734</b>
	----- Rupees -----	
<b>Net asset value per unit</b>	<b>10.4200</b>	<b>10.4679</b>

The annexed notes from 1 to 16 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 NINE AND THREE MONTHS PERIOD ENDED MARCH 31, 2019**

INCOME	Nine months period ended		Three months period ended	
	2019	2018	2019	2018
	Note -----Rupees in '000-----			
Income from commercial papers	1,203	-	1,203	-
Income from sukuks	6,914	1,651	3,002	1,145
Profit on bank deposits	24,416	21,681	9,147	8,655
	<b>32,533</b>	<b>23,332</b>	<b>13,352</b>	<b>9,800</b>

**EXPENSES**

Remuneration of National Investment Trust Limited					
- Management Company	8.1	2,458	1,754	999	738
Sindh Sales Tax on remuneration to Management Company	8.2	320	228	130	96
Remuneration of Central Depository Company of Pakistan Limited - Trustee		645	732	215	298
Sindh Sales tax on Trustee remuneration	9.1	84	95	28	39
Annual fee - Securities and Exchange Commission of Pakistan		284	323	95	132
Allocation of expenses related to registrar services, accounting, operation and valuation services	8.3	380	430	126	174
Amortisation of preliminary expenses and floatation costs		153	153	50	50
Auditors' remuneration		239	238	72	69
Legal & Professional Charges		71	71	-	-
Settlement and bank charges		80	186	26	85
Listing fee		216	-	216	-
Shariah Advisory Fee		57	27	39	9
Printing charges		56	97	56	80
Mutual Fund Rating Fee		139	145	139	-
<b>Total expenses</b>		<b>5,182</b>	<b>4,479</b>	<b>2,191</b>	<b>1,770</b>
<b>Net income from operating activities</b>		<b>27,351</b>	<b>18,853</b>	<b>11,161</b>	<b>8,030</b>
Provision for Sindh Workers' Welfare Fund	10.1	(547)	(377)	(223)	(157)
<b>Net income for the period before taxation</b>		<b>26,804</b>	<b>18,476</b>	<b>10,938</b>	<b>7,873</b>
Taxation	12	-	-	-	-
<b>Net income for the period</b>		<b>26,804</b>	<b>18,476</b>	<b>10,938</b>	<b>7,873</b>
<b>Allocation of net income for the period after taxation</b>					
Net income for the period		26,804	18,476	10,938	7,873
Income already paid on units redeemed		(4,149)	(4,608)	(2,283)	(3,470)
		<b>22,655</b>	<b>13,868</b>	<b>8,655</b>	<b>4,403</b>
Accounting income available for distribution:					
-Relating to capital gains		-	-	-	-
-Excluding capital gains		22,655	13,868	13,221	4,403
		<b>22,655</b>	<b>13,868</b>	<b>13,221</b>	<b>4,403</b>

The annexed notes from 1 to 16 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 NINE AND THREE MONTHS PERIOD ENDED MARCH 31, 2019**

	Nine months period ended		Three months period ended	
	2019	2018	2019	2018
	Note -----Rupees in '000-----			
Net income for the period after taxation	26,804	18,476	10,938	7,873
Other comprehensive income for the period				
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'fair value through other comprehensive income' (FVOCI)	5.6 (236)	(55)	45	75
<b>Total comprehensive income for the period</b>	<b>26,568</b>	<b>18,421</b>	<b>10,983</b>	<b>7,948</b>

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

  
Managing Director

  
Director

  
Director

NIT - ISLAMIC INCOME FUND  
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	March 31							
	2019				2018			
	Capital value	Undistributed income	Cumulative change in 'Fair value through other comprehensive income' (FVOCI)	Total	Capital value	Undistributed income	Cumulative change in 'Fair value through other comprehensive income' (FVOCI)	Total
Rupees in '000								
Net assets at the beginning of the period	530,963	17,994	346	549,303	439,888	793	347	441,028
<b>Issue of 42,467,741 units</b> (2018: 81,674,291 units)								
Capital value	414,265			414,265	818,543			818,543
Element of income	10,433			10,433	13,953			13,953
Amount received on issuance of units	424,698	-	-	424,698	832,496	-	-	832,496
<b>Redemption of 43,870,051 units</b> (2018: 60,876,966 units)								
Capital value	(433,751)			(433,751)	(610,122)			(610,122)
Element of income								
-Income already paid		(4,149)	-	(4,149)		(4,608)	-	(4,608)
-Refund / adjustment on units	(4,940)			(4,940)	(6,584)			(6,584)
Amount paid / payable on redemption of units	(438,691)	(4,149)	-	(442,840)	(616,706)	(4,608)	-	(621,314)
<b>Issue of 1,694,633 units under CIP</b> (2018: Nil units)	16,771	-	-	16,771	-	-	-	-
<b>Final distribution for the year ended June 30, 2018: Rs. 0.5810 per unit</b> [(Date of Distribution: 5 July 2018)](2018: Nil)	-	(24,664)	-	(24,664)	-	-	-	-
Total comprehensive income / (loss) for the period	-	26,804	(236)	26,568	-	18,476	(55)	18,421
<b>Net assets at the end of the period</b>	<b>533,741</b>	<b>15,985</b>	<b>110</b>	<b>549,836</b>	<b>655,678</b>	<b>14,661</b>	<b>292</b>	<b>670,631</b>
<b>Net assets at the end of the period</b>								
<b>Undistributed income brought forward</b>								
-Realized income		17,994				793		
-Unrealized income		-				-		
		17,994				793		
<b>Accounting income available for distribution</b>								
-Relating to capital gains								
-Excluding capital gains		22,655				13,868		
		22,655				13,868		
<b>Final distribution for the year ended June 30, 2018: Rs. 0.5810 per unit</b> [(Date of Distribution: 5 July 2018)](2018: Nil)		(24,664)				-		
<b>Undistributed income carried forward</b>		<b>15,985</b>				<b>14,661</b>		
<b>Undistributed income carried forward comprising</b>								
-Realized income								
-Unrealized income		15,985				14,661		
		15,985				14,661		
Net assets value per unit at beginning of the period				(Rupees) 10.4679				(Rupees) 10.0259
Net assets value per unit at end of the period				10.4200				10.3515

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Managing Director

For National Investment Trust Limited  
(Management Company)  
  
Director

  
Director

**NIT - ISLAMIC INCOME FUND  
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019**

	March 31,	
	2019	2018
	(Unaudited)	
	Rupees in '000	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	26,804	18,476
<b>(Increase) / decrease in assets</b>		
Investments	(118,509)	(78,363)
Accrued income	(3,699)	(1,764)
Amortization of Formation Cost	153	153
	(122,421)	(79,974)
<b>Increase / (decrease) in liabilities</b>		
Payable to National Investment Trust Limited - Management Company	125	(3,581)
Payable to Central Depository Company of Pakistan Limited - Trustee	(11)	39
Payable to Securities and Exchange Commission of Pakistan	(160)	(56)
Payable against redemption of units	(13,511)	(8,366)
Accrued expenses and other liabilities	17	(2,240)
	(13,540)	(14,204)
<b>Net cash (used in) from operating activities</b>	(109,157)	(75,702)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issue of units-including CIP	441,469	832,496
Payments on redemption of units	(442,840)	(621,314)
Dividend paid	(24,627)	(2,610)
<b>Net cash (used in) / generated from financing activities</b>	(25,998)	208,572
<b>Net increase in cash and cash equivalents during the period</b>	(135,155)	132,870
Cash and cash equivalents at the beginning of the period	467,695	450,853
<b>Cash and cash equivalents at the end of the period</b>	332,540	583,723

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For National Investment Trust Limited  
(Management Company)

  
Managing Director

  
Director

  
Director

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

- 1.1 The NIT - Islamic Income Fund (the Fund) was established under a Trust Deed executed between National Investment Trust Limited (NITL) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter no. SCD/AMCW/NITL/324/ 2016 dated 01 March 2016 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the Trust Deed was executed on 14 March 2016. The Fund is categorized as Shariah Compliant Income Scheme as per criteria for categorization of open end collective investment scheme as specified by SECP and other allied matters.
- 1.2 The Management Company of the Fund has been classified as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is situated at 6th floor, National Bank of Pakistan Building, I. I. Chundrigar Road, Karachi.
- 1.3 The Fund is an open-ended mutual fund. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The units of the Fund were initially offered for public subscription at initial price of Rs. 10 on 04 July 2016 and received Rs. 159.518 million against initial public offer from various investors including Management Company and accordingly the Fund commenced its business activities on the same date.
- 1.4 The objective of the Fund is to generate a stable shariah compliant income stream, while seeking maximum possible preservation of capital, over the medium to long term period, by investing in a diversified portfolio of Shariah Compliant fixed income and money market instruments. The Management Company has appointed Mufti Zeeshan Abdul Aziz as Shariah Advisor to the Fund to ensure the activities are in compliance with the principles of Shariah.
- 1.5 Pakistan Credit Rating Agency Limited (PACRA) has assigned "AA-(f)" rating to the Fund and has assigned an asset manager rating of "AM2++" to the Management Company.
- 1.6 Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

## **2 BASIS OF PREPARATION**

### **2.1 Statement of compliance**

- 2.1.1 This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017 along with part and the requirements VIII A of the repealed Companies Ordinance, 1984 and the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008, (the NBFC Regulations). Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations have been followed.
- 2.1.2 This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual financial statements of the Fund as at and for the year ended 30 June 2018.
- 2.1.3 This condensed interim financial information is being submitted to the unit holders as required under Regulation 38 (2)(f) of the Non-Banking Finance Companies and notified Entities Regulations, 2008 (NBFC Regulations).

### **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 Significant Accounting Policies**

- 3.1 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 cash flows 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.

### 4: BANK BALANCES

These accounts carry return at rates ranging from 2.40% to 10.35% per annum. (June 30, 2018: 2.40% to 6.50% per annum)

### 5 INVESTMENTS

March 31, 2019  
(Un audited)      June 30, 2018  
(Audited)  
-----Rupees in '000-----

#### Fair Value through Other Comprehensive income

Debt securities			
- Sukuk-listed	5.1	69,964	46,132
- Sukuk-unlisted	5.2	44,359	48,256
- Privately Placed Short term Sukuk-unlisted	5.3	50,000	-
- Commercial Paper	5.4	48,338	-
		<u>212,661</u>	<u>94,388</u>

#### 5.1 Sukuks-Listed

Name of the Investee company	Number of certificates				Balance as at March 31, 2019		Market value as a percentage of net assets	Market value as a percentage of total investments
	As at 1 July 2018	Purchased during the period	Sales / matured during the period	As at 31 March 2019	Carrying value	Market value		
					Rupees in '000			(%)
Dawood Hercules Corporation Ltd	-	250	-	250	24,633	24,773	4.51	11.65
Dawood Hercules Corporation Ltd	400	-	-	400	40,006	40,000	7.27	18.81
Fatima Fertilizer Company Limited	1,717	-	-	1,717	5,151	5,190	0.94	2.44
<b>Total - 31 March 2019</b>	<b>2,117</b>	<b>250</b>	<b>-</b>	<b>2,367</b>	<b>69,790</b>	<b>69,963</b>	<b>12.72</b>	<b>32.90</b>

#### 5.2 Sukuks-unlisted

Dubai Islamic Bank Limited	25	-	-	25	25,374	25,468	4.63	11.98
Ghani Gases Limited	285	-	-	285	19,049	18,891	3.44	8.88
<b>Total - 31 March 2019</b>	<b>310</b>	<b>-</b>	<b>-</b>	<b>310</b>	<b>44,423</b>	<b>44,359</b>	<b>8.07</b>	<b>20.86</b>

#### 5.3 Privately Placed Short term Sukuk-unlisted

Hub Power Company Limited	-	10,000	-	10,000	50,000	50,000	9.09	23.51
<b>Total - 31 March 2019</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>	<b>50,000</b>	<b>50,000</b>	<b>9.09</b>	<b>23.51</b>

#### 5.4 Commercial Paper

Hascol Petroleum Limited	-	50	-	50	48,338	48,338	8.79	22.73
<b>Total - 31 March 2019</b>	<b>-</b>	<b>50</b>	<b>-</b>	<b>50</b>	<b>48,338</b>	<b>48,338</b>	<b>8.79</b>	<b>22.73</b>



5.5 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
<b>Listed sukuk</b>							
Fatima Fertilizer Company Limited	1,717	3,000	6-months KIBOR + 1.10%	28 November 2016	5 years	Secured	AA-
Dawood Hercules Corporation Ltd	400	100,000	3-months KIBOR + 1.00%	01 March 2018	5 years	Secured	AA
<b>Unlisted sukuk</b>							
Dubai Islamic Bank Limited	25	1,000,000	6-months KIBOR + 0.50%	14 July 2017	10 years	Unsecured	A+
Ghani Gases Limited	285	66,667	3-months KIBOR + 1.00%	02 February 2017	6 years	Secured	A
<b>Privately Placed Short term Sukuk-unlisted</b>							
Hub Power Company Limited	10,000	5,000	3-months KIBOR + 1.00%	27 February 2019	9 months	Unsecured	A+

5.6 Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'fair value through other comprehensive income

	-----March 31-----	
	2019	2018
	----- (Unaudited) -----	
	----- Rupees in '000 -----	
Market value of investments	212,661	86,382
Less: carrying value of investments	(212,551)	(86,090)
	110	292
Less: net unrealised appreciation / (diminution) at the beginning of the period	346	347
	<u>(236)</u>	<u>(55)</u>

6 PROFIT RECEIVABLES

	March 31, 2019 (Un audited)	June 30, 2018 (Audited)
	-----Rupees in '000-----	
Profit on saving accounts	5,194	2,589
Mark-up on fixed income securities	2,447	1,353
	<u>7,641</u>	<u>3,942</u>

7 PRELIMINARY EXPENSES AND FLOTATION COSTS

	March 31, 2019 (Un audited)	June 30, 2018 (Audited)
	-----Rupees in '000-----	
Preliminary expenses and flotation costs	600	803
Less: amortisation during the period	7.1 (153)	(203)
	<u>447</u>	<u>600</u>

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

8 PAYABLE TO NATIONAL INVESTMENT TRUST LIMITED - MANAGEMENT COMPANY

	March 31, 2019 (Un audited)	June 30, 2018 (Audited)
	-----Rupees in '000-----	
Management remuneration	8.1 350	230
Sindh Sales Tax on management remuneration	8.2 46	30
Preliminary expenses and flotation costs		1,018
Allocation of expenses related to registrar services, accounting, operation and valuation services	8.3 41	52
Others		145
	<u>1,600</u>	<u>1,475</u>

8.1 The Management Company has its remuneration at the rate of 7.5% (30 June 2018: 7.5 percent) of gross earning with a minimum of 0.25% (30 June 2018: 0.25 percent) and maximum of 1% (30 June 2018: 1 percent) of average annual net assets in the current period.

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

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	March 31, 2019 (Un audited)	June 30, 2018 (Audited)
		-----Rupees in '000-----	
	Trustee remuneration	77	87
	Sales tax payable on trustee remuneration	9.1      10	11
		<u>87</u>	<u>98</u>

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

10	ACCRUED EXPENSES AND OTHER LIABILITIES	March 31, 2019 (Un audited)	June 30, 2018 (Audited)
		-----Rupees in '000-----	
	Provision for Sindh Worker's Welfare Fund	10.1      1,478	931
	Capital gain tax	49	507
	Auditors' remuneration	221	138
	Listing Fee	-	139
	Printing charges	-	33
	Brokerage	14	6
	Shariah Advisory Fee	10	10
	Mutual Fund Rating Fee	139	124
	Withholding Tax	-	3
	Zakat payable	-	3
		<u>1,911</u>	<u>1,894</u>

#### 10.1 SINDH WORKERS' WELFARE FUND (SWWF)

The status of Sindh workers' welfare fund (SWWF) is same as disclosed in annual financial statements for the year ended 30 June 2018. However, MUFAP has also taken a legal opinion that SWWF, if applicable, can only be applied from the date of enactment of SWWF Act, 2014, i.e. 21 May 2015. Accordingly, on 12 January 2017, MUFAP as an abundant caution, has decided to provide for SWWF with effect from 21 May 2015 and is being made on daily basis going forward while the efforts to exclude mutual funds from SWWF continue. The provision for SWWF is being made on a daily basis. Had the SWWF not been provided, the NAV per unit of the Fund would have been higher by Rs. 0.0280 (30 June 2018: Rs. 0.0177).

#### 11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 March 2019

#### 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. Provided that for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the as the case may be, shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains / loss to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute in cash at least 90 percent of the Fund's accounting income for the year ending 30 June 2019 as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash.

**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 1.51% per annum. Total expense ratio (excluding government levies) is 1.18% per annum.

**14 TRANSACTIONS WITH CONNECTED PERSONS**

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

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:	Nine months period ended		Three months period ended	
	2019	2018	2019	2018
	(Unaudited)			
	Rupees in '000			
<b>National Investment Trust Limited - Management Company</b>				
Issue of 753,955 units under CIP (2018: Nil units)	7,461	-	-	-
Remuneration of the Management Company	2,458	1,754	999	738
Sindh Sales Tax on Management remuneration	320	228	130	96
Allocation of expenses related to registrar services, accounting, operation and valuation services	380	430	126	174
<b>Central Depository Company of Pakistan Limited - Trustee</b>				
Remuneration of the Trustee	645	732	215	298
Sindh Sales Tax on Trustee Remuneration	84	95	28	39
<b>Directors and Key management personnel</b>				
Issue of 90,404 units (2018: nil units)	900	-	-	-
Transfer out 20,000 units (2018: nil units)	200	-	-	-
Issue of 650 units under CIP (2018: Nil units)	4	-	-	-

**14.5 Amounts outstanding as at period end:**

	March 31, 2019	June 30, 2018
	(Un audited)	(Audited)
	Rupees in '000	
<b>National Investment Trust Limited - Management Company</b>		
15,862,528 Units held ( 30 June 2018: 15,108,573 units)	165,288	158,155
Management remuneration	350	230
Sindh Sales Tax on Management remuneration	46	30
Preliminary expenses & floatation costs	1,018	1,018
Others	145	145
Allocation of expenses related to registrar services, accounting, operation and valuation services	41	52
Others	145	145
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	77	87
Sindh Sales Tax on Trustee remuneration	10	11
<b>Directors and Key management personnel</b>		
91,485 Units held ( 30 June 2018: 20,000 units)	953	209

**15 DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on April 23, 2019 by the Board of Directors of the Management Company.

**16 GENERAL**

Figures have been rounded off to the nearest thousand rupees.

For National Investment Trust Limited  
(Management Company)

  
Managing Director

  
Director

  
Director