



**NIT Islamic Income Fund  
Condensed Interim Financial  
Statements (Unaudited)  
for the Quarter Ended  
30 September 2020**

**NIT - ISLAMIC INCOME FUND  
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT SEPTEMBER 30, 2020**

	September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
Note	-----Rupees in '000-----	
<b>ASSETS</b>		
Bank balances	4 286,534	543,211
Investments	5 493,790	443,968
Receivable against redemption of debt securities	-	1,188
Profit Receivable	6 10,972	9,240
Security deposits	100	100
Preliminary expenses and floatation costs	7 141	192
<b>Total assets</b>	<b>791,537</b>	<b>997,899</b>
<b>LIABILITIES</b>		
Payable to National Investment Trust Limited - Management Company	8 1,642	1,866
Payable to Central Depository Company of Pakistan Limited - Trustee	9 58	70
Payable to Securities and Exchange Commission of Pakistan	10 44	174
Payable against redemption of units	5,103	-
Accrued expenses and other liabilities	11 4,879	4,759
Dividend Payable	1,717	793
<b>Total liabilities</b>	<b>13,443</b>	<b>7,662</b>
<b>NET ASSETS</b>	<b>778,094</b>	<b>990,237</b>
<b>Unit holders' fund (as per statement attached)</b>	<b>778,094</b>	<b>990,237</b>
Contingencies and commitments	12	
	----- Number of units -----	
<b>Number of units in issue</b>	<b>80,249,029</b>	<b>91,629,716</b>
	-----Rupees-----	
<b>Net asset value per unit</b>	<b>9.6960</b>	<b>10.8069</b>

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

  
Chief Financial Officer

**NIT - ISLAMIC INCOME FUND  
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

	Note	September 30,	
		2020	2019
		Rupees in '000	
<b>INCOME</b>			
Income from Commercial Paper		910	1,815
Income from Ijarah Sukuk		3,071	-
Income from sukuks		5,373	6,121
Profit on bank deposits		6,444	17,845
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.6	652	-
		<b>16,450</b>	<b>25,781</b>
<b>EXPENSES</b>			
Remuneration of National Investment Trust Limited - Management Company	8.1	1,156	1,832
Sindh Sales Tax on remuneration to Management Company	8.2	150	238
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	166	145
Sindh Sales tax on Trustee remuneration	9.2	22	19
Annual fee - Securities and Exchange Commission of Pakistan		44	39
Allocation of expenses related to registrar services, accounting, operation and valuation services	8.3	216	192
Amortisation of preliminary expenses and floatation costs		51	51
Auditors' remuneration		87	92
Legal & Professional Charges		-	85
Settlement and bank charges		18	62
Listing fee		30	21
Shariah Advisory Fee		28	18
Printing charges		-	25
<b>Total expenses</b>		<b>1,968</b>	<b>2,819</b>
<b>Net income from operating activities</b>		<b>14,482</b>	<b>22,962</b>
Provision for Sindh Workers' Welfare Fund	11.1	(290)	(459)
<b>Net income for the period before taxation</b>		<b>14,192</b>	<b>22,503</b>
Taxation	13	-	-
<b>Net income for the period</b>		<b>14,192</b>	<b>22,503</b>
<b>Allocation of net income for the period after taxation</b>			
Net income for the period		14,192	22,503
Income already paid on units redeemed		(3,308)	(2,050)
		<b>10,884</b>	<b>20,453</b>
Accounting income available for distribution:			
-Relating to capital gains		527	-
-Excluding capital gains		10,357	20,453
		<b>10,884</b>	<b>20,453</b>

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

  
Chief Financial Officer

**NIT - ISLAMIC INCOME FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

	September 30,	
	2020	2019
Note	-----Rupees in '000-----	
Net income for the period after taxation	14,192	22,503
<b>Other comprehensive income for the period</b>		
Net unrealised (diminution) on re-measurement of investments classified as 'fair value through other comprehensive income' (FVOCI)	5.7 (1,456)	(135)
<b>Total comprehensive income for the period</b>	<b>12,736</b>	<b>22,368</b>

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**

  
**Chief Financial Officer**

NIT - ISLAMIC INCOME FUND  
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

Note	September 30							
	2020				2019			
	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	942,700	52,977	(5,440)	990,237	621,498	28,569	718	650,785
Issue of 27,690,319 units (2019:42,033,087 units)								
Capital value	264,686			264,686	411,189			411,189
Element of income / (loss)	2,457			2,457	5,353			5,353
Amount received on issuance of units	267,143	-	-	267,143	416,542	-	-	416,542
Issue of 3,296,207 units in lieu of refund of capital (2019: 1,387,053 units)	31,508	-	-	31,508	13,593	-	-	13,593
Redemption of 47,572,556 units (2019:23,692,821 units)								
Capital value	(454,737)	-	-	(454,737)	(231,775)	-	-	(231,775)
Element of income / (loss)	(879)	(3,308)	-	(4,187)	(1,691)	(2,050)	-	(3,741)
Amount paid / payable on redemption of units	(455,616)	(3,308)	-	(458,924)	(233,466)	(2,050)	-	(235,516)
Issue of 5,205,343 units under CIP (2019: 2,779,931 units)	49,757	-	-	49,757	27,243	-	-	27,243
Final distribution for the year ended June 30, 2020: Rs 1.2481 per unit [(Date of Distribution: 7 July 2020)](2019: 0.9122 per unit [(Date of Distribution: 5 July 2019)])	-	(82,855)	-	(82,855)	-	(41,915)	-	(41,915)
Refund of capital	(31,508)	-	-	(31,508)	(13,593)	-	-	(13,593)
Total comprehensive income / (loss) for the period	-	14,192	(1,456)	12,736	-	22,503	(135)	22,368
Net assets at the end of the period	803,984	(18,994)	(6,896)	778,094	818,224	7,107	583	839,507
Net assets at the end of the period								
Undistributed income brought forward		52,977				28,569		
-Realized income		-				-		
-Unrealized income		52,977				28,569		
Accounting income available for distribution		527				-		
-Relating to capital gains		10,357				20,453		
-Excluding capital gains		10,884				20,453		
Final distribution for the year ended June 30, 2020: Rs 1.2481 per unit [(Date of Distribution: 7 July 2020)](2019: 0.9122 per unit [(Date of Distribution: 5 July 2019)])		(82,855)				(41,915)		
Undistributed income carried forward		(18,994)				7,107		
Undistributed income carried forward comprising								
-Realized income		(18,994)				7,107		
-Unrealized income		(18,994)				7,107		
Net assets value per unit at beginning of the period				(Rupees) 10.8069				(Rupees) 10.6947
Net assets value per unit at end of the period				9.6960				10.0711

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

  
Chief Financial Officer

**NIT - ISLAMIC INCOME FUND  
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

	September 30,	
	2020	2019
	-----Rupees in '000-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	14,192	22,503
<b>(Increase) / decrease in assets</b>		
Investments	(51,278)	(46,094)
Accrued income	(1,732)	(6,934)
Advances, deposits, prepayments and other receivables	-	-
Amortization of Formation Cost	51	51
Receivable against redemption of debt securities	1,188	-
Receivable against subscription of investment	-	23,188
	(51,771)	(29,789)
<b>Increase / (decrease) in liabilities</b>		
Payable to National Investment Trust Limited - Management Company	(224)	339
Payable to Central Depository Company of Pakistan Limited - Trustee	(12)	(39)
Payable to Securities and Exchange Commission of Pakistan	(130)	(358)
Payable against redemption of units	5,103	2,992
Accrued expenses and other liabilities	120	571
	4,857	3,505
<b>Net cash (used in) from operating activities</b>	(32,722)	(3,781)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issue of units-including CIP	316,900	443,785
Payments on redemption of units	(458,924)	(235,516)
Dividend paid	(81,931)	(40,071)
<b>Net cash (used in) / generated from financing activities</b>	(223,955)	168,198
<b>Net increase in cash and cash equivalents during the period</b>	(256,677)	164,417
Cash and cash equivalents at the beginning of the period	543,211	413,317
<b>Cash and cash equivalents at the end of the period</b>	286,534	577,734

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

  
Chief Financial Officer

**NIT - ISLAMIC INCOME FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

**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 listed on Pakistan Stock Exchange. 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
- 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 2020.
- 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES**

- 3.1 The accounting policies adopted and the methods of computation of the of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2020.
- 3.2 The preparation of the condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements of the Fund as at and for the year ended June 30, 2020. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2020.

#### 4 BANK BALANCES

These accounts carry return at rates ranging from 5.50 % to 7.50% per annum. (June 30, 2020: 6.50 % to 13.00% per annum)

#### 5 INVESTMENTS

September 30, 2020  
(Un audited)      June 30, 2020  
(Audited)  
-----Rupees in '000-----

##### Fair Value through Other Comprehensive income

##### Debt securities:

- Sukuk-listed	5.1.1	163,613	167,725
- Sukuk-unlisted	5.1.2	38,081	37,065
- Privately Placed Short term Sukuk-unlisted	5.1.3	30,728	30,643
- Commercial Paper	5.1.4	29,953	29,085
- Government securities	5.1.5	178,210	179,450

##### Fair Value through Profit or Loss

- Sukuk-listed	5.2.1	26,237	-
- Commercial Paper	5.2.2	26,968	-
		<u>493,790</u>	<u>443,968</u>

#### 5.1.1 Investment in Fair Value through Comprehensive income

##### 5.1.1 Sukuks-Listed

Name of the investee company	Number of certificates				Balance as at September 30, 2020		Market value as a percentage of net assets	Market value as a percentage of total investments
	As at 1 July 2020	Purchased during the period	Sales / matured during the period	As at 30 September 2020	Carrying value	Market value		
					Rupees in '000		----- (%)-----	
Dawood Hercules Corporation Ltd	250	-	-	250	17,346	17,728	2.28	3.59
Dawood Hercules Corporation Ltd	400	-	-	400	27,998	28,360	3.64	5.74
Fatima Fertilizer Company Limited	1,717	-	-	1,717	2,576	2,594	0.33	0.53
Masood Textile Mills Limited	15	-	-	15	15,000	14,625	1.88	2.96
Pakistan Energy Sukuk	20,000	-	-	20,000	100,000	100,306	12.89	20.31
<b>Total - 30 September 2020</b>	<b>22,382</b>	<b>-</b>	<b>-</b>	<b>22,382</b>	<b>162,919</b>	<b>163,613</b>	<b>21.02</b>	<b>33.13</b>

##### 5.1.2 Sukuks-unlisted

Dubai Islamic Bank Limited	25	-	-	25	25,330	25,630	3.29	5.19
Ghani Gases Limited	285	-	-	285	14,278	12,451	1.60	2.52
<b>Total - 30 September 2020</b>	<b>310</b>	<b>-</b>	<b>-</b>	<b>310</b>	<b>39,609</b>	<b>38,081</b>	<b>4.89</b>	<b>7.71</b>

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

Hub Power Company Limited	300	-	-	300	30,000	30,728	3.95	6.22
<b>Total - 30 September 2020</b>	<b>300</b>	<b>-</b>	<b>-</b>	<b>300</b>	<b>30,000</b>	<b>30,728</b>	<b>3.95</b>	<b>6.22</b>

##### 5.1.4 Commercial Paper

K-Electric Limited	30,000	-	-	30,000	29,953	29,953	3.85	6.07
<b>Total - 30 September 2020</b>	<b>30,000</b>	<b>-</b>	<b>-</b>	<b>30,000</b>	<b>29,953</b>	<b>29,953</b>	<b>3.85</b>	<b>6.07</b>

##### 5.1.5 Investment in Government Securities - Ijarah Sukuks

Ijarah Sukuks	185,000	-	-	185,000	185,000	178,210	22.90	36.09
<b>Total - 30 September 2020</b>	<b>185,000</b>	<b>-</b>	<b>-</b>	<b>185,000</b>	<b>185,000</b>	<b>178,210</b>	<b>22.90</b>	<b>36.09</b>

#### 5.2 Investment in Fair Value through Profit or Loss

##### 5.2.1 Sukuks-Listed

K-Electric Limited	-	5,117	-	5,117	25,585	26,237	3.37	5.31
<b>Total - 30 September 2020</b>	<b>-</b>	<b>5,117</b>	<b>-</b>	<b>5,117</b>	<b>25,585</b>	<b>26,237</b>	<b>3.37</b>	<b>5.31</b>

##### 5.2.2 Commercial Paper

K-Electric Limited	-	28	-	28	26,968	26,968	3.47	5.46
<b>Total - 30 September 2020</b>	<b>-</b>	<b>28</b>	<b>-</b>	<b>28</b>	<b>26,968</b>	<b>26,968</b>	<b>3.47</b>	<b>5.46</b>



5.5 Significant terms and conditions of sukus 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>Sukuks - listed</b>							
Fatima Fertilizer Company Limited	1,717	1,500	6-months KIBOR + 1.10%	28 November 2016	5 years	Secured	AA-
Dawood Hercules Corporation Limited	400	70,000	3-months KIBOR + 1.00%	01 March 2018	5 years	Secured	AA
Dawood Hercules Corporation Limited	250	70,000	3-months KIBOR + 1.00%	16 November 2017	5 years	Secured	AA
Pakistan Energy Sukuk II	20,000	5,000	6-months KIBOR - 0.1%	21 May 2020	10 Years	Secured	Un-rated
Masood Textile Mills Limited	15	1,000,000	3-months KIBOR + 2.00%	17 December 2019	5 years	Secured	A
K-Electric Limited	5,117	5,000	3-months KIBOR + 1.7%	03 August 2020	7 years	Secured	AA+
<b>Sukuks - unlisted</b>							
Dubai Islamic Bank Limited	25	1,000,000	6-months KIBOR + 0.50%	14 July 2017	10 years	Unsecured	AA-
Ghani Chemical Industries Limited	285	49,500	3-months KIBOR + 1.00%	02 February 2017	6 years	Unsecured	A-
<b>Privately Placed Short term Sukuk - unlisted</b>							
The Hub Power Company Limited	300	100,000	3-months KIBOR + 1.00%	22 August 2019	4 years	Unsecured	AA+
<b>Government securities</b>							
Jarah sukuk	185,000	100	6.63%	30 April 2020	5 years	Secured	

5.6 Net unrealised appreciation on re-measurement of investments classified as 'fair value through profit or loss'

	September 30	
	2020	2019
	------(Unaudited)-----	
	-----Rupees in '000-----	
Market value of investments	53,205	-
Less: Carrying value of investments	(52,553)	-
	<u>652</u>	<u>-</u>

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

	September 30	
	2020	2019
	------(Unaudited)-----	
	-----Rupees in '000-----	
Market value of investments	440,585	256,161
Less: carrying value of investments	(447,481)	(255,578)
	(6,896)	583
	(5,440)	718
Less: net unrealised appreciation / (diminution) at the beginning of the period	<u>(1,456)</u>	<u>(135)</u>

6 PROFIT RECEIVABLES

	September 30, 2020	June 30, 2020
	(Un audited)	(Audited)
	-----Rupees in '000-----	
Profit on saving accounts	1,588	3,370
Mark-up on fixed income securities	9,384	5,870
	<u>10,972</u>	<u>9,240</u>

7 PRELIMINARY EXPENSES AND FLOTATION COSTS

	September 30, 2020	June 30, 2020
	(Un audited)	(Audited)
	-----Rupees in '000-----	
Preliminary expenses and flotation costs	192	396
Less: amortisation during the period	7.1 (51)	(204)
	<u>141</u>	<u>192</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

	September 30, 2020	June 30, 2020
	(Un audited)	(Audited)
	-----Rupees in '000-----	
Management remuneration	8.1 371	550
Sindh Sales Tax on management remuneration	8.2 48	72
Preliminary expenses and flotation costs	1,018	1,018
Allocation of expenses related to registrar services, accounting, operation and valuation services	8.3 60	81
Others	145	145
	<u>1,642</u>	<u>1,866</u>

- 8.1 The Management Company has charged its remuneration at the rate of 7.5% (30 June 2020: 7.5 percent) of gross earning with a minimum of 0.25% (30 June 2020: 0.25 percent) and maximum of 1% (30 June 2020: 1 percent) of average annual net assets in the current period.
- 8.2 Sindh Sales Tax at the rate of 13% (30 June 2020: 13%) is charged on the management remuneration.
- 8.3 In accordance with Regulation 60(3)(S) of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Until 19 June 2019 there was a maximum cap of 0.1% of the average annual net assets of the scheme or actual whichever is less, for allocation of such expenses to the Fund. However, the SECP vide its SRO 639 dated 20 June 2019 removed the maximum cap of 0.1%.

The Management Company, based on its own discretion, has currently fixed a maximum capping of 0.1 percent of the average annual net assets of the scheme for allocation of such expenses to the Fund during the period

9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	September 30, 2020 (Un audited)	June 30, 2020 (Audited)
	-----Rupees in '000-----	
Trustee remuneration	9.1	51
Sales tax payable on trustee remuneration	9.2	7
	<u>58</u>	<u>70</u>

- 9.1 The Fund has charged trustee remuneration at the rate of 0.075% p.a. (30 June 2020: 0.075%) of net assets.
- 9.2 During the period, Sindh Sales Tax at the rate of 13% (30 June 2020: 13%) was charged on trustee remuneration.

#### 10 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

In accordance with the NBFC Regulations, a collective investment scheme is required to pay annual fee to the Securities and Exchange Commission of Pakistan an amount equal to 0.02% (June 30, 2020: 0.02%) of average annual net assets of the Fund.

11 ACCRUED EXPENSES AND OTHER LIABILITIES	September 30, 2020 (Un audited)	June 30,2020 (Audited)
	-----Rupees in '000-----	
Provision for Sindh Worker's Welfare Fund	11.1	3,914
Capital gain tax		586
Auditors' remuneration		304
Listing Fee		30
Legal and Professional Charges		28
Printing charges		5
Settlement charges		10
Shariah Advisory Fee		-
Withholding Tax		2
Zakat payable		-
		302
	<u>4,879</u>	<u>4,759</u>

#### 11.1 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 2020. 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 Re. 0.0488 (30 June 2020: Re. 0.0396).

#### 12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2020 and September 30, 2020.

#### 13 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether 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 2021 as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash.

**14 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 1.01% per annum. Total expense ratio (excluding government levies) is 0.78% per annum.

**15 TRANSACTIONS WITH CONNECTED PERSONS**

**15.1** 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.

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

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

**15.4** 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:

	September 30,	
	2020	2019
	----- (Unaudited) -----	
	----- Rupees in '000 -----	

**National Investment Trust Limited - Management Company**

Issue of 1,625,807 units under CIP (2019: 1,254,432 units)	15,541	12,293
Additional units: 2,480 as refund of capital (2019: 723 units)	-	-
Remuneration of the Management Company	1,156	1,832
Sindh Sales Tax on Management remuneration	150	238
Allocation of expenses related to registrar services, accounting, operation and valuation services	216	192

**Central Depository Company of Pakistan Limited - Trustee**

Remuneration of the Trustee	166	145
Sindh Sales Tax on Trustee Remuneration	22	19

**Directors and Key management personnel**

Issue of 93,716 units (2019: 145,900 units)	900	1,450
Issue of 25,273 units under CIP (2019: 6,693 units)	242	66
Additional units: 2,220 as refund of capital (2019: Nil units)	-	-
Redemption of 75,615 units (2019: Nil units)	733	-

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

	September 30, 2020 (Un audited)	June 30, 2020 (Audited)
--	---------------------------------------	-------------------------------

**National Investment Trust Limited - Management Company**

	Rupees in '000	
16,296,145 Units held ( 30 June 2020: 14,667,859 units)	158,007	158,514
Management remuneration	371	550
Sindh Sales Tax on Management remuneration	48	72
Preliminary expenses & floatation costs	1,018	1,018
Allocation of expenses related to registrar services, accounting, operation and valuation services	60	81
Others	145	145

**Central Depository Company of Pakistan Limited - Trustee**

Trustee fee payable	51	62
Sindh Sales Tax on Trustee remuneration	7	8

**Directors and Key management personnel**

290,314 Units held ( 30 June 2020: 244,720 units)	2,815	2,645
---	-------	-------

**16 DATE OF AUTHORISATION FOR ISSUE**

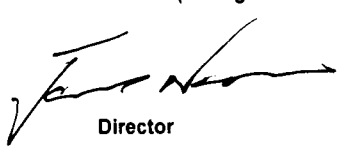
These financial statements were authorised for issue on 29/10/2020 by the Board of Directors of the Management Company.

**17 GENERAL**

Figures have been rounded off to the nearest thousand rupees.

For National Investment Trust Limited  
(Management Company)

  
Managing Director

  
Director

  
Director

  
Chief Financial Officer