



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

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

|   | Note | March 31,<br>2019<br>(Unaudited) | June 30,<br>2018<br>(Audited) |
|---|------|----------------------------------|-------------------------------|
| -----Rupees in '000-----  |      |                                  |                               |
| <b>ASSETS</b>   |      |                                  |                               |
| Bank balances   | 4    | 120,837                          | 157,963                       |
| Investments   | 5    | 2,080,050                        | 2,561,794                     |
| Dividend and profit receivable                                      | 6    | 1,135                            | 5,618                         |
| <b>Total assets</b>   |      | <b>2,202,022</b>                 | <b>2,725,375</b>              |
| <b>LIABILITIES</b>  |      |                                  |                               |
| Payable to National Investment Trust Limited - Management Company   | 7    | 4,192                            | 5,294                         |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 8    | 88                               | 103                           |
| Payable to Securities and Exchange Commission of Pakistan           |      | 1,620                            | 2,616                         |
| Accrued expenses and other liabilities                              | 9    | 82,169                           | 80,831                        |
| <b>Total liabilities</b>  |      | <b>88,069</b>                    | <b>88,844</b>                 |
| <b>NET ASSETS</b>   |      | <b>2,113,953</b>                 | <b>2,636,531</b>              |
| Unit holders' fund (as per statement attached)                      |      | <b>2,113,953</b>                 | <b>2,636,531</b>              |
| <b>CONTINGENCIES AND COMMITMENTS</b>                                |      |                                  |                               |
|   | 10   |                                  |                               |
| -----Number of units-----   |      |                                  |                               |
| Number of units in issue  |      | <b>150,419,650</b>               | <b>150,419,650</b>            |
| ----- (Rupees) -----  |      |                                  |                               |
| Net asset value per unit  |      | <b>14.05</b>                     | <b>17.53</b>                  |

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

  
Managing Director

  
Director

  
Director

**NIT - STATE ENTERPRISE FUND  
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)  
FOR THE NINE AND THREE MONTHS PERIOD ENDED MARCH 31, 2019**

|   | Note | Nine months period ended |                | Three months period ended |               |
|---|------|--------------------------|----------------|---------------------------|---------------|
|   |      | 2019                     | 2018           | 2019                      | 2018          |
| Rupees in '000  |      |                          |                |                           |               |
| <b>INCOME</b>   |      |                          |                |                           |               |
| Dividend income   |      | 41,872                   | 99,594         | -                         | 19,820        |
| Gain on sale of investments-net   |      | 60,809                   | 123,568        | -                         | -             |
| Profit on bank deposits   |      | 6,060                    | 2,746          | 3,143                     | 1,702         |
| <b>Total income</b>   |      | <b>108,741</b>           | <b>225,908</b> | <b>3,143</b>              | <b>21,522</b> |
| <b>EXPENSES</b>   |      |                          |                |                           |               |
| Impairment loss on equity securities classified as "available for sale"                               |      | 2,080                    | -              | 564                       | -             |
| Remuneration of National Investment Trust Limited - Management Company                                | 7.1  | 34,133                   | 41,303         | 10,733                    | 13,793        |
| Sindh Sales Tax on remuneration of Management Company   | 7.2  | 4,437                    | 5,369          | 1,395                     | 1,793         |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee                              |      | 737                      | 845            | 235                       | 281           |
| Sindh Sales Tax on remuneration of Trustee  | 8.1  | 96                       | 110            | 31                        | 37            |
| Annual fee - Securities and Exchange Commission of Pakistan   |      | 1,620                    | 1,960          | 510                       | 655           |
| Allocation of expenses related to registrar services,<br>accounting, operation and valuation services | 7.3  | 1,706                    | 2,064          | 531                       | 682           |
| Central Depository Charges  |      | 10                       | 14             | 2                         | 4             |
| Settlement and bank charges   |      | 295                      | 257            | 92                        | 56            |
| Auditors' remuneration  |      | 565                      | 608            | 132                       | 169           |
| Legal & professional charges  |      | -                        | 3              | -                         | -             |
| <b>Total expenses</b>   |      | <b>45,679</b>            | <b>52,533</b>  | <b>14,225</b>             | <b>17,470</b> |
| <b>Net income / (loss) from operating activities before taxation</b>                                  |      | <b>63,062</b>            | <b>173,375</b> | <b>(11,082)</b>           | <b>4,052</b>  |
| Provision for Sindh Workers' Welfare Fund   | 9.1  | (1,261)                  | (3,467)        | (964)                     | (81)          |
| <b>Net income / (loss) for the period before taxation</b>   |      | <b>61,801</b>            | <b>169,908</b> | <b>(12,046)</b>           | <b>3,971</b>  |
| Taxation  | 11   | -                        | -              | -                         | -             |
| <b>Net income / (loss) for the period after taxation</b>  |      | <b>61,801</b>            | <b>169,908</b> | <b>(12,046)</b>           | <b>3,971</b>  |
| <b>Allocation of net Income for the period after taxation</b>   |      |                          |                |                           |               |
| Net income for the period   |      | 61,801                   | 169,908        | (12,046)                  | 3,971         |
| Income already paid on units redeemed   |      | -                        | -              | -                         | -             |
|   |      | <b>61,801</b>            | <b>169,908</b> | <b>(12,046)</b>           | <b>3,971</b>  |
| Accounting income / (loss) available for distribution carried to distribution account:                |      |                          |                |                           |               |
| -Relating to capital gains  |      | 60,809                   | 123,568        | -                         | -             |
| -Excluding capital gains  |      | 992                      | 46,340         | (12,046)                  | 3,971         |
|   |      | <b>61,801</b>            | <b>169,908</b> | <b>(12,046)</b>           | <b>3,971</b>  |
|   |      | <b>61,801</b>            | <b>169,908</b> | <b>(12,046)</b>           | <b>3,971</b>  |

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For National Investment Trust Limited  
(Management Company)

  
Managing Director

  
Director

  
Director

**NIT - STATE ENTERPRISE FUND  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE NINE AND THREE MONTHS PERIOD ENDED MARCH 31, 2019**

|  | Note | Nine months period ended |                | Three months period ended |                |
|--|------|--------------------------|----------------|---------------------------|----------------|
|  |      | 2019                     | 2018           | 2019                      | 2018           |
| Rupees in '000   |      |                          |                |                           |                |
| Net income / (loss) for the period after taxation  |      | 61,801                   | 169,908        | (12,046)                  | 3,971          |
| <b>Other comprehensive income for the period</b>   |      |                          |                |                           |                |
| <b>Items to be classified to income statement in subsequent periods</b>  |      |                          |                |                           |                |
| Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'available for sale' | 5.3  | (433,959)                | (67,889)       | 116,657                   | 270,118        |
| <b>Total comprehensive (loss) / income for the period</b>  |      | <b>(372,158)</b>         | <b>102,019</b> | <b>104,611</b>            | <b>274,089</b> |

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

  
Managing Director

  
Director

  
Director

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

| Note  | 2019               |                      |   |                  | 2018               |                      |   |                  |
|---|--------------------|----------------------|---|------------------|--------------------|----------------------|---|------------------|
|   | Capital value      | Undistributed Income | Unrealised appreciation / (diminution) 'available for sale' Investments | Total            | Capital value      | Undistributed Income | Unrealised appreciation / (diminution) 'available for sale' Investments | Total            |
|   | Rupees in '000     |                      |   |                  |                    |                      |   |                  |
| Net assets at the beginning of the period   | (1,732,223)        | 2,668,939            | 1,699,815   | 2,636,531        | (1,732,223)        | 2,473,141            | 2,025,915   | 2,766,833        |
| Final distribution for the year ended June 30, 2018: Rs 1.00 per unit ((Date of Distribution: 5 July 2018))(2018: Nil ) | -                  | (150,420)            | -   | (150,420)        | -                  | -                    | -   | -                |
| Total comprehensive (loss) / income for the period  | -                  | 61,801               | (433,959)   | (372,158)        | -                  | 169,908              | (67,889)  | 102,019          |
| Net assets at the end of the period   | <u>(1,732,223)</u> | <u>2,580,320</u>     | <u>1,265,856</u>  | <u>2,113,053</u> | <u>(1,732,223)</u> | <u>2,643,049</u>     | <u>1,958,026</u>  | <u>2,868,852</u> |
| Undistributed Income brought forward-realized   |                    | 2,668,939            |   |                  |                    | 2,473,141            |   |                  |
| Accounting income available for distribution:   |                    |                      |   |                  |                    |                      |   |                  |
| -Relating to capital gains  |                    | 60,809               |   |                  |                    | 123,568              |   |                  |
| -Excluding capital gains  |                    | 992                  |   |                  |                    | 46,340               |   |                  |
|   |                    | 61,801               |   |                  |                    | 169,908              |   |                  |
| Final distribution for the year ended June 30, 2018: Rs 1.00 per unit ((Date of Distribution: 5 July 2018))(2018: Nil ) |                    | (150,420)            |   |                  |                    | -                    |   |                  |
| Undistributed income carried forward - realized   |                    | <u>2,580,320</u>     |   |                  |                    | <u>2,643,049</u>     |   |                  |
| Net assets value per unit at beginning of the period  |                    |                      |   | (Rupees) 17.53   |                    |                      |   | (Rupees) 18.39   |
| Net assets value per unit at end of the period  |                    |                      |   | 14.05            |                    |                      |   | 19.07            |

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

  
 Managing Director

For National Investment Trust Limited  
 (Management Company)

  
 Director

  
 Director

**NIT - STATE ENTERPRISE 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 (loss) for the period before taxation                                       | 61,801         | 169,908   |
| <b>Decrease / (increase) in assets</b>  |                |           |
| Investments   | 47,785         | 74,312    |
| Dividend and profit receivable  | 4,483          | (5,052)   |
|   | 52,268         | 69,260    |
| <b>Increase / (decrease) in liabilities</b>                                     |                |           |
| Payable to National Investment Trust Limited - Management Company               | (1,102)        | (674)     |
| Payable to Central Depository Company of Pakistan Limited - Trustee             | (15)           | (8)       |
| Payable to Securities and Exchange Commission of Pakistan                       | (996)          | (743)     |
| Payable against purchase of investments   | -              | 4,928     |
| Accrued expenses and other liabilities  | 1,338          | -         |
|   | (775)          | 3,503     |
| <b>Net cash generated from operating activities</b>                             | 113,294        | 242,671   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                     |                |           |
| Dividend paid   | (150,420)      | (372,289) |
| <b>Net cash used in financing activities</b>                                    | (150,420)      | (372,289) |
| <b>Net (decrease) / increase in cash and cash equivalents during the period</b> | (37,126)       | (129,618) |
| Cash and cash equivalents at the beginning of the period                        | 157,963        | 238,497   |
| <b>Cash and cash equivalents at the end of the period</b>                       | 120,837        | 108,879   |

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For National Investment Trust Limited  
(Management Company)

  
Managing Director

  
Director

  
Director

## **NIT - STATE ENTERPRISE FUND**

### **NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**

**FOR THE NINE AND THREE MONTHS PERIOD ENDED MARCH 31, 2019**

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

- 1.1 The NIT - State Enterprise 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) on October 22, 2008 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the trust deed was executed on October 24, 2008.
- 1.2 The Management Company of the Fund has been classified as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the Securities and Exchange Commission of Pakistan (SECP) to undertake Asset Management Services. The registered office of the Management Company is situated at 6th floor, National Bank of Pakistan Building I.I. Chundrigar Road, Karachi.
- 1.3 The Fund is an open-ended mutual fund. Upto 30 June 2015, ninety percent of the units of the Fund were held by Management Company on behalf of the Government of Pakistan (GoP) in a fiduciary capacity. The title of 90 percent of the units were transferred in the name of GoP in the month of April 2015. Thereafter, 90 percent units are in the name of GoP and the remaining 10 percent units are in the name of the Management Company.
- 1.4 Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of "AM2++" to the Management Company.
- 1.5 The core objective of the Fund is to take advantage of market conditions, creating an opportunity for investors to achieve superior returns in the long run by acquiring a selection of equity securities of the Eligible Stocks and write Put Options in favour of foreign investors and / or local investors as may be allowed by the Securities and Exchange Commission of Pakistan, on the guarantee of the Government of Pakistan. The Eligible Stocks comprise of the following companies:
  - National Bank of Pakistan
  - Kot Addu Power Company Limited
  - Pakistan State Oil Company Limited
  - Oil & Gas Development Company Limited
  - Pakistan Petroleum Limited
  - Sui Southern Gas Company Limited
  - Sui Northern Gas Pipelines Limited
  - Pakistan Telecommunication Company Limited
- 1.6 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**

- 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).

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES**

The accounting policies adopted and the methods of computation 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, 2018 .

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 accounting 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 judgements made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2018. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2018.

**Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period**

There are certain new standards, interpretations and amendments to existing standards that are effective for annual accounting periods beginning on July 1, 2018. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

**Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective**

During the current period the SECP has extended the applicability of IFRS 9: 'Financial Instruments' for periods beginning on or after June 30, 2019. The Management is currently in the process of analysing the potential impact of changes required in classification and measurement of financial instruments and related matters on adoption of this Standard.

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after January 1, 2019. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

|                          |      | March 31, 2019 | June 30,<br>2018 |
|--------------------------|------|----------------|------------------|
|                          | Note | (Unaudited)    | (Audited)        |
| -----Rupees in '000----- |      |                |                  |
| <b>4 BANK BALANCES</b>   |      |                |                  |
| In current accounts      |      | 56             | 72               |
| In saving accounts       | 4.1  | 120,781        | 157,891          |
|                          |      | <u>120,837</u> | <u>157,963</u>   |

4.1 These represent balances with banks in saving accounts carrying rates ranging from 4.00% to 11.50% per annum (30 June 2018: 3.75% to 7.35% per annum).



5 INVESTMENTS

March 31, 2019 June 30, 2018  
-----Rupees in '000-----

Available for sale  
Equity securities - listed

5.1 2,080,050 2,561,794  
2,080,050 2,561,794

5.1 Listed equity securities- available for sale

Shares of listed companies - Fully paid up ordinary shares of Rs 10 each unless otherwise stated

| Name of the investee company               | As at July 1, 2018 | Purchased during the period | Bonus shares received during the period | Sales during the period | As at March 31, 2019 | Carrying value as at March 31, 2019 | Market value as at March 31, 2019 | Market value as a percentage of net assets | Market value as a percentage of investments | Percentage of paid-up capital of the investee company held |
|--|--------------------|-----------------------------|---|-------------------------|----------------------|-------------------------------------|-----------------------------------|--|---|--|
|  |                    |                             |   |                         |                      |                                     |                                   |  |   |  |
| <b>COMMERCIAL BANKS</b>                    |                    |                             |   |                         |                      |                                     |                                   |  |   |  |
| National Bank of Pakistan Limited          | 5,066,578          | -                           | -                                       | 935,000                 | 4,531,578            | 139,457                             | 181,535                           | 8.59                                       | 8.73  | 0.24   |
|  | 5,066,578          | -                           | -                                       | 935,000                 | 4,531,578            | 139,457                             | 181,535                           | 8.59                                       | 8.73  |  |
| <b>ELECTRICITY</b>                         |                    |                             |   |                         |                      |                                     |                                   |  |   |  |
| Kot Addu Power Company Limited             | 923,784            | -                           | -                                       | 97,500                  | 526,284              | 19,880                              | 23,825                            | 1.13                                       | 1.15  | 0.07   |
|  | 923,784            | -                           | -                                       | 97,500                  | 526,284              | 19,880                              | 23,825                            | 1.13                                       | 1.15  |  |
| <b>OIL &amp; GAS MARKETING COMPANIES</b>   |                    |                             |   |                         |                      |                                     |                                   |  |   |  |
| Pakistan State Oil Company Limited         | 561,426            | -                           | 109,285                                 | 90,000                  | 580,711              | 47,190                              | 125,538                           | 5.94                                       | 6.04  | 0.21   |
| Sui Northern Gas Pipelines Limited         | 4,913,067          | -                           | -                                       | -                       | 4,913,067            | 70,780                              | 369,020                           | 17.46                                      | 17.74                                       | 0.77   |
| Sui Southern Gas Company Limited           | 11,842,700         | -                           | -                                       | -                       | 11,842,700           | 145,719                             | 258,763                           | 12.24                                      | 12.44                                       | 1.34   |
|  | 17,317,193         | -                           | 109,285                                 | 90,000                  | 17,336,478           | 263,689                             | 753,321                           | 35.64                                      | 36.22                                       |  |
| <b>OIL &amp; GAS EXPLORATION COMPANIES</b> |                    |                             |   |                         |                      |                                     |                                   |  |   |  |
| Oil & Gas Development Company Limited      | 6,556,972          | -                           | -                                       | 225,000                 | 6,331,972            | 315,087                             | 934,283                           | 44.20                                      | 44.92                                       | 0.15   |
| Pakistan Petroleum Limited                 | 904,879            | -                           | 128,231                                 | 75,000                  | 958,110              | 86,236                              | 177,241                           | 8.38                                       | 8.52  | 0.05   |
|  | 7,461,851          | -                           | 128,231                                 | 300,000                 | 7,290,082            | 381,323                             | 1,111,524                         | 52.58                                      | 53.44                                       |  |
| <b>TECHNOLOGY &amp; COMMUNICATION</b>      |                    |                             |   |                         |                      |                                     |                                   |  |   |  |
| Pakistan Telecommunication Company         | 1,183,103          | -                           | -                                       | 100,000                 | 1,083,103            | 9,845                               | 9,845                             | 0.47                                       | 0.47  | 0.03   |
|  | 1,183,103          | -                           | -                                       | 100,000                 | 1,083,103            | 9,845                               | 9,845                             | 0.47                                       | 0.47  |  |
|  | <u>31,652,599</u>  | -                           | <u>237,516</u>                          | <u>1,122,900</u>        | <u>30,767,525</u>    | <u>814,194</u>                      | <u>2,080,050</u>                  | <u>98.40</u>                               | <u>100.00</u>                               |  |

5.2 Investments include securities with market value aggregating to Rs 522 770 million (June 30, 2018: Rs 561.60 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan.

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

----- March 31, 2019 -----  
----- June 30, 2018 -----  
----- (Unaudited) -----  
----- Rupees in '000 -----

Market Value of Investments  
Less: Carrying Value Net of Impairment

|                  |                  |
|------------------|------------------|
| 2,080,050        | 2,827,559        |
| 814,194          | 869,533          |
| <u>1,265,856</u> | <u>1,958,026</u> |

Net unrealised appreciation in fair value of investments at the beginning of the period

1,699,815 2,025,915

Net unrealised (diminution) during the period

(433,959) (67,889)

5.4 Finance Act 2014 has introduced tax on bonus shares issued by the Companies. Most Equity Funds including NIT- SEF 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 2019 | Payment made to the investee companies |
|--------------------------|----------------------------------|--|
|--------------------------|----------------------------------|--|

(Rupees in '000)

Pakistan State Oil Company Limited\*

|       |       |   |
|-------|-------|---|
| 4,879 | 1,012 | - |
|-------|-------|---|

\* Pakistan State Oil Company Limited has not demanded the payment due to filing of petition by the Fund and have not released the shares due to court order.

6 DIVIDEND & PROFIT RECEIVABLE

March 31, 2019 June 30, 2018  
----- Rupees in '000 -----

Dividend Receivable  
Profit Receivable on bank deposits

|              |              |
|--------------|--------------|
| 70           | 5,614        |
| <u>1,065</u> | <u>4</u>     |
| <u>1,135</u> | <u>5,618</u> |

7 PAYABLE TO NATIONAL INVESTMENT TRUST LIMITED - MANAGEMENT COMPANY

December 31, 2018 June 30, 2018  
----- Rupees in '000 -----

On account of:

- Management remuneration  
- Sindh Sales Tax  
- Allocation of expenses related to registrar services, accounting, operation and valuation services

|     |              |              |
|-----|--------------|--------------|
| 7.1 | 3,553        | 4,485        |
| 7.2 | 463          | 584          |
| 7.3 | 176          | 225          |
|     | <u>4,192</u> | <u>5,294</u> |

- 7.1 The Management Company has charged its remuneration at the rate of 2.0 percent per annum (30 June 2018: 2.0 percent per annum) of the average net assets for the current period.
- 7.2 During the period, Sindh Sales Tax at the rate of 13% (30 June 2018: 13%) was charged on the management remuneration.
- 7.3 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.

|          |  | March 31,<br>2019        | June 30,<br>2018 |
|----------|--|--------------------------|------------------|
| <b>8</b> | <b>PAYABLE TO THE CENTRAL DEPOSITORY<br/>COMPANY OF PAKISTAN LIMITED - TRUSTEE</b> | -----Rupees in '000----- |                  |
|          | Trustee remuneration   | 78                       | 91               |
|          | Sindh Sales Tax  | 8.1      10              | 12               |
|          |  | <u>88</u>                | <u>103</u>       |

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

|          |   | March 31,<br>2019        | June 30,<br>2018 |
|----------|---|--------------------------|------------------|
| <b>9</b> | <b>ACCRUED EXPENSES &amp; OTHER LIABILITIES</b> | -----Rupees in '000----- |                  |
|          | Provision for Sindh Workers' Welfare Fund       | 9.1      19,202          | 17,941           |
|          | Federal Excise Duty                             | 9.2      60,746          | 60,746           |
|          | Auditors' remuneration                          | 524                      | 402              |
|          | Brokerage                                       | -                        | 45               |
|          | Legal & professional charges                    | 64                       | 64               |
|          | Payable against bonus shares                    | 1,633                    | 1,633            |
|          |   | <u>82,169</u>            | <u>80,831</u>    |

- 9.1 The status of Sindh workers' welfare fund (SWWF) is same as disclosed in annual financial statements for the year ended 30 June 2018. However, MUFAP has also taken a legal opinion that SWWF, if applicable, can only be applied from the date of enactment of SWWF Act, 2014, i.e. 21 May 2015. Accordingly, on 12 January 2017, MUFAP as an abundant caution, has decided to provide for SWWF with effect from 21 May 2015, 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. 0.1276 (30 June 2018: Rs. 0.1193).

- 9.2 The status of Federal Excise Duty (FED) is same as disclosed in annual financial statements for the year ended 30 June 2018. Since the appeal is pending in the Supreme Court of Pakistan, the Management Company as a matter of abundant caution has retained provision for FED on management fee aggregating to Rs. 73.779 million out of which Rs. 13.033 million have been paid to the Management Company. Had the provision not been made, the Net Asset Value per unit of the Fund would have been higher by Rs. 0.4905 (30 June 2018: Rs. 0.4905) per unit.

## 10 CONTINGENCIES AND COMMITMENTS

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

## 11 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.

## 12 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 2.63 % per annum. Total expense ratio (excluding government levies) is 2.19% per annum.

## 13 TRANSACTIONS WITH CONNECTED PERSONS

13.1 Connected persons include National Investment Trust Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the 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.

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

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

13.4 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>   |                          |        |                           |        |
| Management fee expense for the period   | 34,133                   | 41,303 | 10,733                    | 13,793 |
| Sindh Sales Tax on Management Fee   | 4,437                    | 5,369  | 1,395                     | 1,793  |
| Allocation of expenses related to registrar services,<br>accounting, operation and valuation services | 1,706                    | 2,064  | 531                       | 682    |
| <b>Central Depository Company of Pakistan Limited - Trustee</b>                                       |                          |        |                           |        |
| Trustee remuneration for the period   | 737                      | 845    | 235                       | 281    |
| Sindh Sales Tax on Trustee remuneration of Trustee  | 96                       | 110    | 31                        | 37     |
| Central Depository Charges  | 10                       | 14     | 2                         | 4      |

## 13.5 Amounts outstanding as at period end

### National Investment Trust Limited - Management Company

Investment held in the Fund  
[Units held 15,041,965 (June 30, 2018: 15,041,965 units)]

Management Fee Payable 3,553 4,485

Sindh Sales Tax payable 463 584

Allocation of expenses related to registrar services,  
accounting, operation and valuation services 176 225

Distribution paid 15,042 -

### Central Depository Company of Pakistan Limited - Trustee

Remuneration payable 78 91

Central Depository Charges payable 10 12

## 14 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 23, 2019 by the Board of Directors of the Management Company.

## 15 GENERAL

Figures have been rounded off to the nearest thousand Rupees.

For National Investment Trust Limited  
(Management Company)

  
Managing Director

  
Director

  
Director