

NIT - STATE ENTERPRISE FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT MARCH 31, 2014

	Note	March 31, 2014 (Unaudited)	June 30, 2013 (Audited)
-----Rupees in '000-----			
ASSETS			
Bank balances	5	1,638,215	633,012
Investments	6	15,243,729	17,305,621
Receivable against sale of investments		363,232	-
Dividend and profit receivable	7	121,874	49,743
Preliminary Expenses and floatation cost		-	107
Total assets		17,367,050	17,988,483
LIABILITIES			
Payable to National Investment Trust Limited - Management Company		34,598	37,359
Payable to Central Depository Company of Pakistan Limited - Trustee		462	498
Payable to Securities and Exchange Commission of Pakistan		12,434	19,288
Formation costs payable to management company		-	1,000
Accrued expenses and other liabilities	8	350,982	242,325
Total liabilities		398,476	300,470
NET ASSETS		16,968,574	17,688,013
Unit holders' fund (as per statement attached)		16,968,574	17,688,013
CONTINGENCIES AND COMMITMENTS			
	9		
-----Number of units-----			
Number of units in issue		126,763,672	148,278,003
------(Rupees)-----			
Net asset value per unit		133.86	119.29

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

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

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

NIT - STATE ENTERPRISE FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
 FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2014

	Note	Nine months ended March 31,		Quarter ended March 31,	
		2014	2013	2014	2013
-----Rupees in '000-----					
INCOME					
Dividend income		414,165	1,041,297	164,197	702,529
Capital gains		3,791,480	3,178,583	1,149,971	1,731,909
Income from government securities		108,953	135,025	59,163	38,062
Profit on bank deposits		90,383	67,745	24,424	16,116
Total income		4,404,981	4,422,650	1,397,755	2,488,616
EXPENSES					
Remuneration of National Investment Trust Limited - Management Company		261,968	234,613	84,408	72,179
Sindh Sales Tax on remuneration of Management Company		49,090	37,538	15,666	11,548
Federal Excise Duty on Management Company Remuneration		44,845	-	13,505	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee		4,152	4,929	1,339	1,523
Annual fee - Securities and Exchange Commission of Pakistan		12,434	14,890	4,005	4,589
Custodian charges of Central Depository Company of Pakistan Limited		237	192	55	151
Settlement and bank charges		353	370	106	145
Amortisation of preliminary expenses and flotation costs		108	150	8	50
Auditors' remuneration		251	197	-	-
Printing and stationery expenses		75	75	25	13
Legal & professional charges		75	62	27	12
Mutual Fund Rating Fee		165	-	-	-
Total expenses		373,753	293,016	119,144	90,210
Net income from operating activities		4,031,228	4,129,634	1,278,611	2,398,406
Element of income/ (loss) and capital gains/ (losses) included in prices of units issued less those in units redeemed - Net		(98,255)	(2,775,566)	-	(1,889,789)
Provision for Workers' Welfare Fund	10	78,635	27,092	25,548	10,183
Net income for the period before taxation		3,854,338	1,326,976	1,253,063	498,434
Taxation	11	-	-	-	-
Net income for the period after taxation		3,854,338	1,326,976	1,253,063	498,434
Earnings per unit-basic and diluted (in Rupees)	12	28.48	6.08	9.78	2.54

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

For National Investment Trust Limited
(Management Company)

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

NIT - STATE ENTERPRISE FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
 FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2014

	Note	Nine months ended March 31,		Quarter ended March 31,	
		2014	2013	2014	2013
-----Rupees in '000-----					
Net Income for the period after taxation		3,854,338	1,326,976	1,253,063	498,434
Other comprehensive income for the period					
Unrealised appreciation / (diminution) in the value of investments classified as 'available for sale'	6.4	(931,414)	(58,592)	(1,205,746)	(1,685,326)
Total comprehensive income for the period		2,922,924	1,268,384	47,317	(1,186,892)

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

For National Investment Trust Limited
(Management Company)

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

NIT - STATE ENTERPRISE FUND
CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)
 FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2014

	Note	Nine months ended March 31,	
		2014	2013
-----Rupees in '000-----			
Undistributed income brought forward comprising:			
Realised income		1,513,371	1,639,381
Unrealised income		-	-
		<u>1,513,371</u>	<u>1,639,381</u>
Final distribution through issue of bonus units for the year ended June 30, 2013: Rs 6.46 per unit (2012: 4.65 per unit)		(957,876)	(1,084,376)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net		(257,810)	-
Net Income for the period after taxation		3,854,338	1,326,976
Undistributed income carried forward		<u>4,152,023</u>	<u>1,881,981</u>
Undistributed income comprising:			
Realised income		4,152,023	1,881,981
Unrealised income		-	-
		<u>4,152,023</u>	<u>1,881,981</u>

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

For National Investment Trust Limited
(Management Company)

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

NIT - STATE ENTERPRISE FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT
IN UNIT HOLDERS' FUND (UNAUDITED)
 FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2014

	Note	Nine months ended March 31,	
		2014	2013
-----Rupees in '000-----			
Net assets at the beginning of the period		17,689,013	20,829,519
Issue of Nil units (2013: 5,623,032 units)		-	500,000
Redemption of 30,003,128 units (2013: 73,941,269 units)		(3,741,618)	(7,135,499)
		(3,741,618)	(6,635,499)
Issue of 8,488,797 bonus units (2013: 12,807,087 units)		957,876	1,084,376
		<u>14,905,271</u>	<u>15,278,396</u>
Element of (income)/ loss and capital (gains) / losses included in prices of units issued less those in units redeemed - Net - transferred to income statement		98,255	2,775,566
Net unrealised appreciation / (diminution) in the value of investments classified as 'available for sale'	6.4	(931,414)	(58,592)
Capital gains		3,791,480	3,178,583
Other net income / (loss) for the period after taxation		62,858	(1,851,607)
Final distribution through issue of bonus units for the year ended June 30, 2013: Rs 6.46 per unit (2012: Rs 4.65 per unit)		(957,876)	(1,084,376)
		2,896,462	242,600
Net assets at the end of the period		<u>16,968,574</u>	<u>18,237,970</u>

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

For National Investment Trust Limited
(Management Company)

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

NIT - STATE ENTERPRISE FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
 FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2014

Note	Nine months ended March 31, 2014	2013
	-----Rupees in '000-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income for the period before taxation	3,854,338	1,326,976
Adjustments:		
Dividend income	(414,165)	(1,041,297)
Profit on bank deposits	(90,383)	(67,745)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - Net	98,255	2,775,566
Amortisation of formation cost	108	150
	<u>3,448,153</u>	<u>2,993,650</u>
Decrease / (increase) in assets		
Investments	1,130,478	2,626,077
Receivable against sale of investments	(363,232)	-
	<u>767,246</u>	<u>2,626,077</u>
Increase / (decrease) in liabilities		
Payable to National Investment Trust Limited - Management Company	(2,761)	(2,701)
Payable to Central Depository Company of Pakistan Limited - Trustee	(36)	(34)
Payable to Securities and Exchange Commission of Pakistan	(6,854)	(7,587)
Payable against purchase of investments	-	(14,153)
Accrued expenses and other liabilities	108,657	29,233
	<u>99,006</u>	<u>4,758</u>
Profit received on Bank Deposit	89,945	74,398
Dividend received	342,472	510,665
Net cash generated from operating activities	<u>4,746,821</u>	<u>6,209,547</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issue / (redemption) of units	(3,741,618)	(6,635,499)
Dividend paid	-	-
Net cash used in financing activities	<u>(3,741,618)</u>	<u>(6,635,499)</u>
Net (decrease) / increase in cash and cash equivalents during the period	<u>1,005,203</u>	<u>(425,952)</u>
Cash and cash equivalents at the beginning of the period	633,012	1,087,449
Cash and cash equivalents at the end of the period	<u>1,638,215</u>	<u>661,497</u>

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

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

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

NIT - STATE ENTERPRISE FUND
NOTES TO AND FORMING PART OF THE FINANCIAL
INFORMATION (UNAUDITED)
 FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2014

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. Initially the units were offered to the core investor at Rs. 50 per unit which is the management Company.
- 1.4** Pakistan Credit Rating Agency Limited (PACRA) has assigned "1-star" rating based on the performance during the twelve months ended June 30, 2013 and "1-star" long term rating based on the performance during the thirty six months ended June 30, 2013. 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

2 BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information of the company for the nine months period ended March 31, 2014 has been prepared in accordance with the requirements of the International Accounting Standard 34- 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), Non Banking Finance Companies and Notified Entities Regulations 2008 (NBFC Regulations). In cases where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.

- 2.2** The 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 financial statements of the Fund as at and for the year ended June 30, 2013.

2.3 Functional and presentation currency

This condensed interim financial information is presented in Pak Rupees, which is the Fund's functional and presentation currency. All financial information presented in Pak Rupees has been rounded off to the nearest thousand of rupees except other wise stated.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended June 30, 2013, except for the change in accounting estimate (refer note 4)

NIT - STATE ENTERPRISE FUND
NOTES TO AND FORMING PART OF THE FINANCIAL
INFORMATION (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2014

4 ESTIMATES AND JUDGEMENTS

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

The significant judgements made by management made in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended June 30, 2013, except for change in methodology of calculation and classification of element of income/(loss) and capital gains/(losses) included in prices of units issued less those in units redeemed ("element") as follows.

During the period ended December 31, 2013, the Fund has revised the methodology for determination of element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed. As per the revised methodology, element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed to the extent that it is represented by income earned during the year / period is recognised in condensed income statement and to the extent that it is represented by unrealised appreciation / (diminution) arising during the period on available for sale securities is included in condensed distribution statement. Previously, the entire element was recognised in the income statement based on cumulative values of undistributed income and unrealised gains / (losses) on available for sale securities present in the net asset value of units.

The revised methodology, in the opinion of management, would ensure that continuing unit holders' share of undistributed income remains unchanged on issue and redemption of units. The change did not have any impact on the net assets value (NAV) of the Fund and Net income from the operating activities. Had the management not changed its policy the income for the period would have decreased by Rs. 1.6 billion

5 BANK BALANCES

In current accounts
 In saving accounts

5.1 These accounts carry return at rates ranging from 6% to 9.60% per annum (30 June 2013: 6% to 12% per annum).

6 INVESTMENTS

Available for sale

Government securities - Market Treasury Bills
 Equity securities - listed

6.1 Government Securities - Market Treasury Bills

Issue date	Tenor	Face value				Balance as at March 31, 2014		Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2012	Purchases during the year	Sales / matured during the year	As at March 31, 2014	Carrying value	Market value		
-----Rupees in '000-----									
February 28, 2014	02 Months	-	500,000	-	500,000	495,401	495,170	3.25%	2.92%
April 18, 2013	03 Months	500,000	-	500,000	-	-	-	-	-
May 2, 2013	03 Months	1,110,000	-	1,110,000	-	-	-	-	-
June 13, 2013	03 Months	250,000	-	250,000	-	-	-	-	-
July 12, 2013	03 Months	-	250,000	250,000	-	-	-	-	-
August 7, 2013	03 Months	-	577,000	577,000	-	-	-	-	-
September 19, 2013	03 Months	-	1,000,000	1,000,000	-	-	-	-	-
October 3, 2013	03 Months	-	250,000	250,000	-	-	-	-	-
October 21, 2013	03 Months	-	328,600	328,600	-	-	-	-	-

Market Treasury Bills

February 28, 2014	02 Months	-	500,000	-	500,000	495,401	495,170	3.25%	2.92%
April 18, 2013	03 Months	500,000	-	500,000	-	-	-	-	-
May 2, 2013	03 Months	1,110,000	-	1,110,000	-	-	-	-	-
June 13, 2013	03 Months	250,000	-	250,000	-	-	-	-	-
July 12, 2013	03 Months	-	250,000	250,000	-	-	-	-	-
August 7, 2013	03 Months	-	577,000	577,000	-	-	-	-	-
September 19, 2013	03 Months	-	1,000,000	1,000,000	-	-	-	-	-
October 3, 2013	03 Months	-	250,000	250,000	-	-	-	-	-
October 21, 2013	03 Months	-	328,600	328,600	-	-	-	-	-

NIT - STATE ENTERPRISE FUND
NOTES TO AND FORMING PART OF THE FINANCIAL
INFORMATION (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2014

Issue date	Tenor	Face value				Balance as at March 31, 2014		Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2012	Purchases during the year	Sales / matured during the year	As at March 31, 2014	Carrying value	Market value		
-----Rupees in '000-----									
November 28, 2013	03 Months	-	700,000	700,000	-	-	-	-	-
December 12, 2013	03 Months	-	1,250,000	1,250,000	-	-	-	-	-
December 26, 2013	03 Months	-	250,000	250,000	-	-	-	-	-
January 23, 2014	03 Months	-	350,000	-	350,000	348,510	348,347	2.29%	2.05%
February 20, 2014	03 Months	-	725,000	-	725,000	716,493	716,030	4.70%	4.22%
March 6, 2014	03 Months	-	1,275,000	-	1,275,000	1,255,280	1,254,436	8.23%	7.39%
July 26, 2012	12 Months	130,000	-	130,000	-	-	-	-	-
		1,990,000	7,455,600	6,595,600	2,850,000	2,815,685	2,813,983	3.25%	2.92%

6.2 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, 2013	Purchases during the period	Bonus shares received during the period	Sales during the period	As at March 31, 2014	Carrying value as at March 31, 2014	Market value as at March 31, 2013	Market value as a %age of net assets	Market value as a percentage of investments	Percentage of paid-up capital of the investee company held	
											-----Number of Shares-----
Oil and Gas											
Oil & Gas Development Co.	23,055,872	41,700	-	5,636,500	17,461,072	868,887	4,210,388	24.81	27.62	0.41	
Pakistan Petroleum Ltd.	12,931,233	245,300	2,207,346	6,505,300	8,878,579	705,861	1,986,671	11.71	13.03	0.54	
Pakistan State Oil Co. Ltd.	6,788,687	150,000	-	3,802,000	3,136,687	391,709	1,338,456	7.89	8.78	1.27	
	42,775,792	437,000	2,207,346	15,943,800	29,476,338	1,966,457	7,535,515	44.41	49.43		
Fixed Line Telecommunication											
Pakistan Telecommunication Company	25,733,603	550,000	-	16,037,500	10,246,103	112,810	313,223	1.85	2.05	0.27	
	25,733,603	550,000	-	16,037,500	10,246,103	112,810	313,223	1.85	2.05		
Electricity											
Kot Addu Power Company Ltd.	12,991,784	376,000	-	1,125,000	12,242,784	462,459	728,201	4.29	4.78	1.39	
	12,991,784	376,000	-	1,125,000	12,242,784	462,459	728,201	4.29	4.78		
Gas, Water and Multiutilities											
Sui Northern Gas Pipelines Ltd.	25,745,067	-	-	2,175,500	23,569,567	339,555	527,958	3.11	3.46	3.72	
Sui Southern Gas Co. Ltd.	58,476,700	-	-	14,593,000	43,883,700	539,967	1,259,023	7.42	8.26	4.98	
	84,221,767	-	-	16,768,500	67,453,267	879,522	1,786,981	10.53	11.72		
Banks											
National Bank of Pakistan	51,334,078	752,000	-	13,872,500	38,213,578	1,176,002	2,065,826	12.17	13.55	1.80	
	51,334,078	752,000	-	13,872,500	38,213,578	1,176,002	2,065,826	12.17	13.55		
	217,057,024	2,115,000	2,207,346	63,747,300	157,632,070	4,597,250	12,429,746	73.25	81.54		

6.3 Investments include securities with market value aggregating to Rs 1,594.430 million (June 30, 2013: Rs.1,404.580 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.

6.4 Net unrealised appreciation / (diminution) on remeasurement of investments classified as 'available for sale'

Market Value of Investments
 Less: Carrying Value Net of Impairment

	March 31, 2014	June 30, 2013
	(Unaudited)	(Audited)
	-----Rupees in '000-----	
	15,243,729	17,305,621
	7,412,933	8,543,411
	7,830,796	8,762,210

NIT - STATE ENTERPRISE FUND
NOTES TO AND FORMING PART OF THE FINANCIAL
INFORMATION (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2014

	March 31, 2014 (Unaudited)	June 30, 2013 (Audited)
	----(Rupees in '000)----	
Net unrealised appreciation in fair value of investments at the beginning of the period / year	8,762,210	7,530,648
Net unrealised appreciation / (diminution) during the period / year	(931,414)	1,231,562

7 DIVIDEND & PROFIT RECEIVABLE

	March 31, 2014 (Unaudited)	June 30, 2013 (Audited)
	----(Rupees in '000)----	
Dividend Receivable	112,856	41,163
Profit Receivable	9,018	8,580
	<u>121,874</u>	<u>49,743</u>

8 ACCRUED EXPENSES & OTHER LIABILITIES

	March 31, 2014 (Unaudited)	June 30, 2013 (Audited)
	----(Rupees in '000)----	
Provision for Workers' Welfare Fund	319,013	240,378
Printing and related expenditure payable	104	25
Payable to National Clearing Company of Pakistan Limited	11	1,510
Federal Excise Duty payable on Management Company Remuneration	31,812	-
Others	2	412
	<u>350,942</u>	<u>242,325</u>

9 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2014 and June 30, 2013.

10 WORKERS' WELFARE FUND

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

Subsequent to the year ended June 30, 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However, on December 14, 2010, the Ministry filed its response against the constitutional petition requesting the Court to dismiss the petition. According to the legal counsel who is handling the case there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in Court.

During the year 2012, the Honorable Lahore High Court (LHC) in a constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, declared the said amendments as unlawful and unconstitutional. In March 2013, a larger bench of the Sindh High Court (SHC) in various Ponsitutional Petitions declared that amendments introduced in the WWF Ordinance, 1971 through Finance Act 2006 and 2008 respectively do not suffer from any constitutional or legal infirmity. However, the Honorable High Court of Sindh has not addressed the other amendments made in WWF Ordinance 1971 about applicability of WWF to the CISs which is still pending before the court.

In view of above stated facts and considering the uncertainty on the applicability of WWF to mutual funds due to show cause notices issued to a number of mutual funds, the management company as a matter of abundant caution has decided to continue to maintain the provision for WWF for the nine months period ended 31 March 2014. As at March 31, 2014 the Management has maintained provision against Workers' Welfare Funds' amounting to Rs. 319.013 million, if the same were not made the net asset value per unit of the Fund would have been higher by Rs. 2.52 per unit.

NIT - STATE ENTERPRISE FUND
NOTES TO AND FORMING PART OF THE FINANCIAL
INFORMATION (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2014

11 TAXATION

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 if not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. The Fund has not recorded provision for taxation as the management company intends to distribute at least 90 percent of the Fund's accounting income for the year ending June 30, 2014 as reduced by capital gains (whether realised or unrealised) to its unit holders.

12 EARNINGS PER UNIT

	----- (Unaudited) -----			
	Nine months ended March 31, 2014	2013	Quarter ended March 31, 2014	2013
	-----Rupees in '000-----			
Net Income for the period after taxation	3,854,338	1,326,976	1,253,063	498,434
	-----Number of units-----			
Weighted Average number of units outstanding	135,342,000	218,238,852	128,172,157	196,346,519
	-----Rupees-----			
Earning per unit (basic and diluted)				
Earnings per unit	<u>28.48</u>	<u>6.08</u>	<u>9.78</u>	<u>2.54</u>

13 TRANSACTIONS WITH CONNECTED PERSONS

13.1 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.

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 is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

13.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the Trust Deed.

13.5 Details of the transactions with connected persons are as follows:

	----- (Unaudited) -----			
	Nine months ended March 31, 2014	2013	Quarter ended March 31, 2014	2013
	-----Rupees in '000-----			
National Investment Trust Limited - Management Company				
Investment made by the sponsor in the Fund [Issue of Nil units (2013: 5,623,032 units)]	-	500,000	-	-
Issue of 8,488,797 bonus units (2013: 12,807,087 bonus units)	957,876	1,084,376	-	-
Redemption of 30,003,128 units (2013: 73,941,269 units)	3,741,618	7,135,499	1,514,931	3,784,330
Management fee expense for the period	261,968	234,613	84,408	72,179
Sindh Sales Tax on Management Fee	49,090	37,538	15,666	11,548
Federal Excise Duty on Management Company Remuneration	44,845	-	13,505	-
Central Depository Company of Pakistan Limited - Trustee				
Remuneration	4,152	4,929	1,339	1,523
Custodian charges	237	192	55	151

NIT - STATE ENTERPRISE FUND
NOTES TO AND FORMING PART OF THE FINANCIAL
INFORMATION (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2014

	March 31, 2014 (Unaudited)	June 30, 2013 (Audited)
	-----Rupees in '000-----	
13.6 Amounts outstanding as at period / year end		
National Investment Trust Limited - Management Company		
Investment held in the Fund [Units held 12,676,367 (June 30, 2013: 148,278,003 units)]	1,696,858	17,688,013
Management Fee Payable	34,598	37,359
Formation cost payable	-	1,000
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	462	496
Custodian charges payable	40	2
National Bank of Pakistan [Shares held 38,213,578 (June 30, 2013: 51,334,078 shares)]	2,065,826	2,110,857

14 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified wherever necessary, for the purpose of comparison. No significant reclassification were made during the current period.

15 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 25, 2014 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)**

**Sd/-
Managing Director**

**Sd/-
Director**

**Sd/-
Director**