

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
 CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION [UN-AUDITED]
 AS AT MARCH 31, 2014


(In Pak Rupees)

	Note	MARCH 31, 2014	DECEMBER 31, 2013
ASSETS			
Cash and balances with treasury banks	6	57,779,328	39,928,016
Balances with other banks	7	78,894,652	100,835,783
Non-current asset classified as held for sale	8	12,398,014	21,578,657
Lendings to financial institutions and others	9	1,924,528,050	409,466,390
Investments	10	4,216,582,893	6,494,512,553
Advances	11	4,281,327,062	3,953,822,929
Other Assets	12	1,387,100,406	1,426,684,000
Operating fixed assets	13	2,286,148,635	2,327,502,014
Deferred tax assets		-	-
		14,244,759,040	14,774,330,342
LIABILITIES			
Bills payable		-	-
Borrowings from financial institutions	14	4,034,443,715	4,326,237,792
Deposits and other accounts	15	440,000,000	762,000,000
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		552,021,229	522,721,470
Other liabilities	16	152,049,311	171,013,487
		5,178,514,255	5,781,972,749
NET ASSETS		<u>9,066,244,785</u>	<u>8,992,357,593</u>
REPRESENTED BY			
Share capital		6,000,000,000	6,000,000,000
Reserve fund		329,497,084	329,497,084
General reserve		358,662,940	358,662,940
Unappropriated profit		778,388,335	669,446,458
		7,466,548,359	7,357,606,482
Surplus on revaluation of securities - net of tax		215,121,552	221,546,289
Surplus on revaluation of fixed assets		1,384,574,874	1,413,204,822
		<u>9,066,244,785</u>	<u>8,992,357,593</u>

CONTINGENCIES AND COMMITMENTS


17

The annexed notes 1 to 21 form an integral part of this condensed interim unconsolidated financial information.


 General Manager/Chief Executive


 Director


 Director


 Chairman

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
 CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT [UN-AUDITED]
 FOR THE PERIOD ENDED MARCH 31, 2014

(Figures in Pak Rs)

	Note	CURRENT YEAR PERIOD JAN - MAR 2014	CURRENT YEAR PERIOD ENDED MARCH 31, 2014	PRIOR YEAR PERIOD JAN - MAR 2013	PRIOR YEAR PERIOD ENDED MARCH 31, 2013
Mark-up/Return/Interest Earned	18	254,252,327	254,252,327	243,486,581	243,486,581
Mark-up/Return/Interest Expensed	19	115,048,780	115,048,780	126,764,789	126,764,789
Net mark-up/Interest Income		139,203,547	139,203,547	116,721,792	116,721,792
Provision against non-performing loans and advances		25,503,074	25,503,074	77,546,261	77,546,261
Provisions for diminution in the value of investments - TFCs		28,010,877	28,010,877	(3,812,500)	(3,812,500)
Bad debts written off directly		-	-	-	-
		53,513,951	53,513,951	73,733,761	73,733,761
Net Mark-up/ Interest Income after provisions		85,689,596	85,689,596	42,988,031	42,988,031
NON MARK-UP/INTEREST INCOME					
Fee, Commission and Brokerage income		1,688,253	1,688,253	894,259	894,259
Dividend Income		16,756,984	16,756,984	6,391,634	6,391,634
Gain on dealing in quoted securities		82,858,311	82,858,311	56,198,974	56,198,974
Income from trading in government securities		-	-	-	-
Unrealized gain on revaluation of held for trading investments - net		(5,352,375)	(5,352,375)	(291,251)	(291,251)
Gain from dealing in foreign currencies		(1,861,366)	(1,861,366)	369,518	369,518
Fair value adjustment on non-current asset classified as held for sale		819,357	819,357	1,750,057	1,750,057
Other income		12,697,004	12,697,004	15,355,234	15,355,234
Total non mark-up/interest Income		107,606,168	107,606,168	80,668,425	80,668,425
		193,295,764	193,295,764	123,656,456	123,656,456
NON MARK-UP/INTEREST EXPENSES					
Administrative expenses		66,550,470	66,550,470	49,248,880	49,248,880
Impairment loss on quoted securities		-	-	-	-
Other provisions/write offs		(1,039,563)	(1,039,563)	-	-
Other charges - penalties imposed by SBP		-	-	1,327,000	1,327,000
Total non mark-up/interest expenses		65,510,907	65,510,907	50,575,880	50,575,880
		127,784,857	127,784,857	73,080,576	73,080,576
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		127,784,857	127,784,857	73,080,576	73,080,576
Taxation - Current		579,829	579,829	5,142,018	5,142,018
- Prior years		-	-	-	-
- Deferred		32,609,471	32,609,471	(7,657,890)	(7,657,890)
		33,189,300	33,189,300	(2,515,872)	(2,515,872)
PROFIT AFTER TAXATION		94,595,557	94,595,557	75,596,448	75,596,448
Earning Per Share - basic and diluted (Rupees)		0.16	0.16	0.13	0.13

The annexed notes 1 to 21 form an integral part of this condensed interim unconsolidated financial information.


 General Manager/Chief Executive


 Director


 Director


 Chairman

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
 CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME [UN-AUDITED]
 FOR THE PERIOD ENDED MARCH 31, 2014

(Figures in Pak Rs)

	CURRENT YEAR PERIOD JAN - MAR <u>2014</u>	CURRENT YEAR PERIOD ENDED MARCH 31, <u>2014</u>	PRIOR YEAR PERIOD JAN - MAR <u>2013</u>	PRIOR YEAR PERIOD ENDED MARCH 31, <u>2013</u>
Profit/(loss) after tax for the period	94,595,557	94,595,557	75,596,448	75,596,448
Effect of recognition of actuarial gain	-	-	-	-
Comprehensive income transferred to equity	<u>94,595,557</u>	<u>94,595,557</u>	<u>75,596,448</u>	<u>75,596,448</u>
(Deficit)/Surplus on revaluation of securities - net of tax	(6,424,736)	(6,424,736)	(12,509,302)	(12,509,302)
Total comprehensive income	<u>88,170,821</u>	<u>88,170,821</u>	<u>63,087,146</u>	<u>63,087,146</u>

The annexed notes 1 to 21 form an integral part of this condensed interim unconsolidated financial information.


 General Manager/Chief Executive


 Director


 Director


 Chairman

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT [UN-AUDITED]
FOR THE PERIOD ENDED MARCH 31, 2014

	March 31, 2014 Rupees	March 31, 2013 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	127,784,857	73,080,576
Less: Dividend income	(16,756,984)	(6,391,634)
	111,027,873	66,688,942
Adjustments for non-cash charges		
Depreciation	27,009,140	27,298,884
Provision Against Non-performing Advances	25,503,075	77,546,261
Provision for diminution in value of investments - TFCs	28,010,877	(3,812,500)
Others provision	(1,039,564)	-
(Gain) on sale of fixed assets	(780,000)	-
Provision for gratuity	1,190,361	1,185,954
Reversal of impairment loss on asset classified as held for sale and its fair value	(819,357)	(1,750,057)
Reversal of impairment on AFS securities	(71,847,565)	(83,469,661)
Unrealized loss on revaluation of held for trading investments - net	5,352,375	291,251
	12,579,342	17,290,132
	123,607,215	83,979,074
(Increase)/ Decrease in operating assets		
Lendings to financial institutions and others	(1,515,061,660)	(245,000,000)
Advances	(353,007,207)	498,038,706
Other assets (excluding current taxation)	70,642,683	787,746
	(1,797,426,184)	253,826,452
Increase/ (Decrease) in operating liabilities		
Borrowings from financial institutions	(291,794,077)	(1,219,850,260)
Deposits	(322,000,000)	245,349,140
Other liabilities (excluding current taxation)	(19,261,354)	(41,771,151)
	(633,055,431)	(1,016,272,271)
	(2,306,874,400)	(678,466,745)
Gratuity paid	(893,183)	(14,240,652)
Income tax paid	(20,203,255)	(31,707,576)
<i>Net cash flow from operating activities</i>	(21,096,438)	(45,948,228)
	(2,327,970,838)	(724,414,973)
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available for sale securities	2,313,757,135	389,788,883
Net investments in held to maturity securities	25,987,072	67,482,376
Net investment in held for trading securities	(33,064,683)	(27,878,734)
Receipt against sale of shares in SPIC	10,000,000	9,450,000
Dividend received	6,360,884	6,696,634
Investment in operating fixed assets	(1,059,389)	(985,725)
Sale proceeds of property and equipment disposed-off	1,900,000	-
<i>Net cash flow from investing activities</i>	2,323,881,019	444,553,434
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of share capital	-	-
Dividend paid	-	-
<i>Net cash flow from financing activities</i>	-	-
Increase/(Decrease) in cash and cash equivalents	(4,089,819)	(279,861,539)
Cash and cash equivalents at beginning of the year	140,763,799	431,635,871
Cash and cash equivalents at the end of the year	136,673,980	151,774,332

The annexed notes 1 to 21 form an integral part of this condensed interim unconsolidated financial information.


General Manager/Chief Executive


Director


Director


Chairman

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
 CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY [UN-AUDITED]
 FOR THE PERIOD ENDED MARCH 31, 2014

	<i>Issued, subscribed and paid up capital Rupees</i>	<i>Reserve fund Rupees</i>	<i>General Reserve Rupees</i>	<i>Accumulated Profit/(loss) Rupees</i>	<i>Total Rupees</i>
Balance as at December 31, 2012 - Audited	6,000,000,000	176,580,761	358,662,940	-	6,535,243,701
Profit for the period ended March 31, 2013	-	-	-	75,596,448	75,596,448
Effect of recognition of actuarial gains	-	-	-	-	-
Transfer to reserve fund	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-
Transferred from surplus on revaluation of operating fixed assets - net of deferred tax	-	-	-	14,221,795	14,221,795
Balance as at March 31, 2013 - Unaudited	6,000,000,000	176,580,761	358,662,940	89,818,243	6,625,061,944
Profit for the period ended December 31, 2013	-	-	-	688,985,168	688,985,168
Effect of recognition of actuarial gains	-	-	-	484,464	484,464
Transfer to reserve fund	-	152,916,323	-	(152,916,323)	-
Transfer to general reserve	-	-	-	-	-
Transferred from surplus on revaluation of operating fixed assets - net of deferred tax	-	-	-	43,074,906	43,074,906
Balance as at December 31, 2013 - Audited	6,000,000,000	329,497,084	358,662,940	669,446,458	7,357,606,482
Profit for the period ended March 31, 2014	-	-	-	94,595,557	94,595,557
Effect of recognition of actuarial gains	-	-	-	-	-
Transfer to reserve fund	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-
Transferred from surplus on revaluation of operating fixed assets - net of deferred tax	-	-	-	14,346,320	14,346,320
Balance as at March 31, 2014 - Unaudited	6,000,000,000	329,497,084	358,662,940	778,388,335	7,466,548,359

The annexed notes 1 to 21 form an integral part of this condensed interim unconsolidated financial information.

In accordance with Prudential Regulations, Circular No.1 dated December 05, 1991 issued by the State Bank of Pakistan for Non-Banking Financial Institutions an amount not less than 20% of the profit shall be transferred to create a reserve fund till such time the reserve fund equals the amount of paid up capital and thereafter 10% of balance of profit of the company are to be transferred to this reserve.


 General Manager/Chief Executive


 Director

 
 Director Chairman

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION [UN-AUDITED]
FOR THE THREE MONTHS ENDED MARCH 31, 2014

1. LEGAL STATUS AND OPERATIONS

Saudi Pak Industrial and Agricultural Investment Company Limited ("the Company") is a public limited company incorporated in Pakistan jointly sponsored by the Kingdom of Saudi Arabia and the Government of Islamic Republic of Pakistan. The principal activity of the Company is to invest in the industrial and agro-based industrial projects in Pakistan on commercial basis and market their products in Pakistan and abroad.

The registered office of the Company is situated at Saudi Pak Tower . Jinnah Avenue, Islamabad.

2. BASIS OF PRESENTATION

- 2.1 This condensed interim unconsolidated financial information is presented in condensed form in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting.
- 2.2 This condensed interim unconsolidated financial information is unaudited and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2013. Comparative balance sheet is extracted from the annual audited financial statements for the year ended 31 December 2013 whereas comparative profit and loss account, statement of changes in equity, cash flow statement and statement of comprehensive income are stated from unaudited condensed interim financial information for the three months period ended 31 March 2013.

3. STATEMENT OF COMPLIANCE

- 3.1 This condensed interim unconsolidated financial information of the Company for the period ended March 31, 2014 is unaudited and has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and the requirements of BSD Circular Letter No. 2 dated 12 May 2004 and provisions of and directives issued under the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP). In case where requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984 and the Banking Companies Ordinance, 1962, and the directives issued by SBP shall prevail.
- 3.2 The SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and IAS 40, 'Investment Property' for Banking Companies through BSD Circular No. 10 dated 26 August 2002. Further, according to the notification of the SECP dated 28 April 2008, the International Financial Reporting Standard (IFRS) - 7 "Financial Instruments: Disclosures" has not been applicable for Banks and DFIs. Accordingly, the requirements of these standards have not been considered in the preparation of this condensed interim unconsolidated financial information. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

4. ACCOUNTING POLICIES AND ESTIMATES

Accounting policies, related judgments, estimates and assumptions adopted for the preparation of this condensed interim unconsolidated financial information are the same as those applied in the preparation of the annual financial statements of the Company for the year ended 31 December 2013.

5. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31 December 2013.

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
 NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION [UN-AUDITED]
 FOR THE THREE MONTHS ENDED MARCH 31, 2014

	Unaudited March 31, 2014 Rupees	Audited December 31, 2013 Rupees
6. CASH AND BALANCES WITH TREASURY BANKS		
Balance with State Bank of Pakistan	57,488,006	39,769,621
Cash in hand	291,322	158,395
	<u>57,779,328</u>	<u>39,928,016</u>
7. BALANCES WITH OTHER BANKS		
Current Account	10,785,413	3,410,322
Saving Account FCY	24,732,061	26,934,573
PLS Account LCY	43,377,178	70,490,888
	<u>78,894,652</u>	<u>100,835,783</u>
8. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE		
Balance as at January 01	25,629,021	75,000,000
Fair value adjustment during the year	(1,206,993)	(9,920,979)
Less: Amounts received	(10,000,000)	(39,450,000)
Ending balance	<u>14,422,028</u>	<u>25,629,021</u>
Less: Impairment on asset classified as held for sale at its fair value	8.1 (2,024,014)	(4,050,364)
	<u>12,398,014</u>	<u>21,578,657</u>
8.1 Particulars of impairment on assets classified as held for sale at its fair value		
Balance as at January 01	4,050,364	28,910,341
Reversal of Impairment on asset classified as held for sale at its fair value	(2,026,350)	(24,859,977)
Ending balance	<u>2,024,014</u>	<u>4,050,364</u>
9. LENDINGS TO FINANCIAL INSTITUTIONS		
Money market placements	400,000,000	200,000,000
Reverse repo Treasury Bills/PIBs	1,524,528,050	209,466,390
	<u>1,924,528,050</u>	<u>409,466,390</u>

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
 NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION [UN-AUDITED]
 FOR THE THREE MONTHS ENDED MARCH 31, 2014

10. INVESTMENTS	Note	Held by company Rupees	Given as collateral Rupees	Total Rupees
As on 31 March 2014 (Unaudited)	10.1	4,080,887,723	135,695,170	4,216,582,893
As on 31 December 2013 (Audited)	10.1	6,299,270,653	195,241,900	6,494,512,553
			Unaudited March 31, 2014 Rupees	Audited December 31, 2013 Rupees
10.1 INVESTMENTS BY TYPE				
Held-for-trading securities			41,442,710	8,378,027
Available-for-sale securities			2,644,297,042	4,962,554,177
Held-to-maturity securities			1,552,401,052	1,578,388,124
			4,238,140,804	6,549,320,328
Investment in Subsidiaries				
Saudi Pak Leasing Company Limited				
-Investment in ordinary shares			243,467,574	243,467,574
-Investment in preference shares			333,208,501	333,208,501
			576,676,075	576,676,075
Saudi Pak Real Estate Company Limited			500,000,000	500,000,000
			5,314,816,879	7,625,996,403
Provision for diminution in value of un-quoted investments			(246,966,950)	(251,466,950)
Provision against subsidiaries			(576,676,075)	(576,676,075)
Provision against held-to-maturity securities-TFCs			(337,313,003)	(309,302,125)
			(1,160,956,028)	(1,137,445,150)
			4,153,860,851	6,488,551,253
Revaluation surplus on quoted securities - AFS			325,941,748	335,676,196
Revaluation on quoted securities - HFT			(3,880,163)	1,472,212
Revaluation on quoted securities - HTM			-	-
Impairment loss on quoted securities			(259,339,543)	(331,187,108)
Impairment loss on mutual funds			-	-
			62,722,042	5,961,300
Investments (Net of Provisions)			4,216,582,893	6,494,512,553

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
 NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION [UN-AUDITED]
 FOR THE THREE MONTHS ENDED MARCH 31, 2014

11. ADVANCES	Note	Unaudited March 31, 2014 Rupees	Audited December 31, 2013 Rupees
Loans, cash, credits, running finances, etc.			
In Pakistan		6,481,418,776	6,122,404,950
Outside Pakistan		-	-
		<u>6,481,418,776</u>	<u>6,122,404,950</u>
Net investment in finance lease			
In Pakistan		174,035,509	179,668,229
Outside Pakistan		-	-
		<u>174,035,509</u>	<u>179,668,229</u>
		<u>6,655,454,285</u>	<u>6,302,073,179</u>
Provision for non-performing advances	11.1	2,405,211,674	2,379,708,600
		<u>4,250,242,611</u>	<u>3,922,364,579</u>
Staff Loans & Advances		31,084,451	31,458,350
		<u>4,281,327,062</u>	<u>3,953,822,929</u>

11.1 Advances include Rs.2,603,464,861 (31 December 2013: Rs. 2,674,901,901) which have been placed under non-performing status as detailed below:-

-----31 March 2014-----					
Category of Classification	Domestic Rupees	Overseas Rupees	Total Rupees	Provision Required Rupees	Provision Held Rupees
Substandard	-	-	-	-	-
Doubtful	-	-	-	-	-
Loss	2,603,464,861	-	2,603,464,861	2,405,211,674	2,405,211,674
	<u>2,603,464,861</u>	<u>-</u>	<u>2,603,464,861</u>	<u>2,405,211,674</u>	<u>2,405,211,674</u>

-----31 December 2013-----					
Category of Classification	Domestic Rupees	Overseas Rupees	Total Rupees	Provision Required Rupees	Provision Held Rupees
Substandard	52,380,000	-	52,380,000	-	-
Doubtful	-	-	-	-	-
Loss	2,622,521,901	-	2,622,521,901	2,379,708,600	2,379,708,600
	<u>2,674,901,901</u>	<u>-</u>	<u>2,674,901,901</u>	<u>2,379,708,600</u>	<u>2,379,708,600</u>

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
 NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION [UN-AUDITED]
 FOR THE THREE MONTHS ENDED MARCH 31, 2014

	Note	Unaudited March 31, 2014 Rupees	Audited December 31, 2013 Rupees
13.1 Additions during the period / year represents the following:-			
Office equipments		499,824	4,090,981
Electrical appliances		-	39,131,162
Building		213,915	1,481,100
Security systems		-	261,000
Motor vehicles		-	3,499,750
Elevators		-	1,097,200
Telephone installation		-	391,020
Intangible assets		345,650	1,591,008
Work-in-Progress		-	250,000
		<u>1,059,389</u>	<u>51,793,221</u>
13.2 Book value of disposals			
Motor vehicles		-	3
Electrical appliances		1,120,000	-
		<u>1,120,000</u>	<u>3</u>

14 BORROWINGS FROM FINANCIAL INSTITUTIONS

Against book debts / receivables		2,500,000,000	3,600,000,000
Against SBP refinance schemes	14.1	763,311,683	526,237,792
Against PIBs / T-bill repos		136,132,032	200,000,000
Against clean / letter based financing		635,000,000	-
		<u>4,034,443,715</u>	<u>4,326,237,792</u>

14.1 This represent the outstanding balance of facilities availed from SBP under LT-EOP Scheme amounting to Rs 1,925,000 (December 2013: Rs 16,341,000) and under LT-FF Scheme amounting to Rs. 761,386,683 (December 2013: Rs. 509,896,792).

15 DEPOSITS AND OTHER ACCOUNTS

Certificate of investments (COIs)	15.1	<u>440,000,000</u>	<u>762,000,000</u>
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15.1 These represent certificate of investments issued to various institutions. The mark up is charged at varying rates ranging from 9.25% to 10.15% per annum. These are repayable in period ranging from May 2014 to June 2014.

16 OTHER LIABILITIES

	Unaudited March 31, 2014 Rupees	Audited December 31, 2013 Rupees
Staff gratuity payable	26,978,422	26,681,244
Advance Rental-Saudipak Tower	35,860,398	28,263,828
Interest/markup accrued on borrowings	62,038,982	82,970,779
Directors' remuneration	3,484,774	2,747,618
Other payable and expenses accrued	23,686,735	30,350,018
	<u>152,049,311</u>	<u>171,013,487</u>

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION [UN-AUDITED]
FOR THE THREE MONTHS ENDED MARCH 31, 2014

17 CONTINGENCIES AND COMMITMENTS

There is no change in the status of contingencies and commitments of the Company from the status given in the preceeding annual published financial statements for the year ended 31 December 2013 except for the following:

	Unaudited March 31, 2014 Rupees	Audited December 31, 2013 Rupees
Direct credit substitutes - Letter of comfort / guarantees	350,000,000	207,385,000
Non disbursed commitment for term and working capital finance	1,081,267,000	911,098,000
Commitments for the acquisition of operating fixed assets	14,297,802	15,303,712
	<u>1,445,564,802</u>	<u>1,133,786,712</u>

18 MARK-UP/RETURN/INTEREST EARNED

	Unaudited March 31, 2014 Rupees	Unaudited March 31, 2013 Rupees
Income from investments	106,857,811	73,945,792
Income from advances	127,995,101	131,903,756
Income from lending to financial institutions	19,399,415	37,637,033
	<u>254,252,327</u>	<u>243,486,581</u>

19 MARK-UP/RETURN/INTEREST EXPENSED

Short Term Borrowings	38,278,905	45,758,659
Long Term Borrowings	73,666,760	59,032,405
Borrowing cost on Repos	2,407,658	21,196,189
Amortization of PIBs purchased on premium	547,877	547,876
Brokerage Fee & Commission	147,580	229,660
	<u>115,048,780</u>	<u>126,764,789</u>

20 RELATED PARTY TRANSACTIONS

20.1 Both the Government of Kingdom of Saudi Arabia and the Islamic Republic of Pakistan own 50% shares each of the Company. Therefore, all entities owned by and controlled by these Governments are related parties of the Company. Other related parties comprise of entities over which the Company has control (subsidiaries), entities over which the directors are able to exercise significant influence (associated undertakings), entities with common directors, major shareholders, directors, key management personnel and employees' funds. The Company in normal course of business pays for electricity, gas and telephone to entities controlled by Government of Pakistan. The Company has not extended any financing facilities to entities owned by the Governments of Kingdom of Saudi Arabia and the Islamic Republic of Pakistan.

Transactions with the related parties are executed substantially on the same terms, including markup rates and collaterals, as those prevailing at the time for comparable transactions with the unrelated parties and do not involve more than a normal risk (i.e. under the comparable Uncontrolled Price Method).

Other than those transactions which are made under the terms of employment, majority of the transactions with related parties comprise of loans and advances, deposits etc.

Advances for the house building, conveyance and personal use have also been provided to staff and executives in accordance with the employment and pay policy. Facility of group life insurance and hospitalization facility is also provided to staff and executives. In addition to this, majority of executives of the company have been provided with company maintained car.

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
 NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION [UN-AUDITED]
 FOR THE THREE MONTHS ENDED MARCH 31, 2014

20.2 Following are the transactions and balances with related parties:

Nature of balances / transactions	Name of the Entity	Unaudited	Audited
		March 31, 2014 Rupees	December 31, 2013 Rupees
<u>Outstanding balances at the period / year end</u>			
Subsidiary/Associated companies			
Investments - cost	Saudi Pak Real Estate Company Ltd	500,000,000	500,000,000
Investments in shares - cost	Saudi Pak Leasing Company Ltd	243,467,574	243,467,574
Investments in preference shares - cost	Saudi Pak Leasing Company Ltd	333,208,501	333,208,501
Fair value of shares classified as held for sale	Saudi Pak Insurance Company Ltd	-	21,578,657
Prepaid insurance	Saudi Pak Insurance Company Ltd	-	16,812
Employee funds			
Deposits against COIs	Employee Funds	10,000,000	10,000,000
Interest payable	Employee Funds	645,008	414,337
<u>Transactions during the period</u>			
Subsidiary/Associated companies			
Maturity of borrowing	Saudi Pak Leasing Company Ltd	-	20,000,000
Interest expensed	Saudi Pak Leasing Company Ltd	-	493,644
Dividend received	Saudi Pak Leasing Company Ltd	-	114,112
Rent received	Saudi Pak Leasing Company Ltd	84,700	488,950
Rent received	Saudi Pak Real Estate Company Ltd	-	3,506,328
Rent received	Saudi Pak Insurance Company Ltd	-	1,998,000
Claims received	Saudi Pak Insurance Company Ltd	-	20,000
Premium paid	Saudi Pak Insurance Company Ltd	-	113,281
Fair value of shares classified as held for sale	Saudi Pak Insurance Company Ltd	-	14,938,998
Installment received	Saudi Pak Insurance Company Ltd	-	39,450,000
Key management personnel			
Advances to executives		3,380,000	21,733,750
Repayment of advances		3,578,732	6,006,870
Employee funds			
Contribution to the employees provident fund		986,010	3,655,539
Interest expensed		230,671	1,035,157

21 GENERAL


21.1 This condensed interim unconsolidated financial information was authorized for issue by the Board of Directors of the Company in the meeting held on 29 APR 2014

21.2 Figures in these accounts have been rounded off to the nearest rupee.


 General Manager/Chief Executive


 Director


 Director


 Chairman