

**SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED**  
**CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION [UN-AUDITED]**  
**AS AT SEPTEMBER 30, 2014**


(In Pak Rupees)

	Note	SEPTEMBER 30, 2014	DECEMBER 31, 2013
<b>ASSETS</b>			
Cash and balances with treasury banks	6	47,233,923	39,928,016
Balances with other banks	7	79,840,104	100,835,783
Non-current asset classified as held for sale	8	-	21,578,657
Lendings to financial institutions and others	9	194,000,000	409,466,390
Investments	10	9,913,660,952	6,494,512,553
Advances	11	4,885,318,742	3,953,822,929
Operating fixed assets	12	2,237,827,703	2,327,502,014
Deferred tax assets		-	-
Other Assets	13	1,609,671,636	1,426,684,000
		18,967,553,060	14,774,330,342
<b>LIABILITIES</b>			
Bills payable		-	-
Borrowings from financial institutions	14	7,426,937,062	4,326,237,792
Deposits and other accounts	15	1,377,000,000	762,000,000
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		544,850,556	522,721,470
Other liabilities	16	247,660,439	171,013,487
		9,596,448,057	5,781,972,749
<b>NET ASSETS</b>		<b>9,371,105,003</b>	<b>8,992,357,593</b>
<b>REPRESENTED BY</b>			
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		1,198,336,427	669,446,458
		7,886,496,451	7,357,606,482
Surplus on revaluation of securities - net of tax		124,087,253	221,546,289
Surplus on revaluation of fixed assets		1,360,521,299	1,413,204,822
		9,371,105,003	8,992,357,593

**CONTINGENCIES AND COMMITMENTS**

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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 SEPTEMBER 30, 2014**

(Figures in Pak Rs)

	Note	CURRENT YEAR PERIOD JUL - SEP 2014	CURRENT YEAR PERIOD ENDED SEPTEMBER 30, 2014	PRIOR YEAR PERIOD JUL - SEP 2013	PRIOR YEAR PERIOD ENDED SEPTEMBER 30, 2013
Mark-up/Return/Interest Earned	18	373,641,142	879,533,787	213,100,465	693,007,671
Mark-up/Return/Interest Expensed	19	177,152,501	390,300,040	94,211,908	328,043,440
Net mark-up/Interest Income		196,488,641	489,233,747	118,888,557	364,964,231
Provision against non-performing loans and advances		(28,202,370)	(814,359)	19,742,578	38,834,997
Provisions for diminution in the value of investments - TFCs		27,396,008	20,698,180	29,460,995	56,038,512
Provisions for diminution in the value of investments - Unquoted		-	-	2,209,223	2,209,223
Bad debts written off directly		-	-	-	-
		(806,362)	19,883,821	51,412,796	97,082,732
Net Mark-up/ Interest Income after provisions		197,295,003	469,349,926	67,475,761	267,881,499
<b>NON MARK-UP/INTEREST INCOME</b>					
Fee, Commission and Brokerage income		3,104,193	10,101,946	812,118	3,800,034
Dividend Income		6,702,139	35,305,258	12,446,722	36,914,749
Gain on dealing in quoted securities		42,094,877	201,012,553	36,669,762	180,294,075
Gain on sale of government securities		9,243,850	9,243,850	-	-
Unrealized (loss)/gain on revaluation of held for trading investments - net		(8,564,514)	(8,245,557)	707,553	(988,534)
(Loss)/gain from dealing in foreign currencies		890,926	(852,454)	1,864,123	2,372,931
Fair value adjustment on non-current asset classified as held for sale		-	1,290,118	1,478,758	13,783,798
Other income		21,753,966	39,024,421	19,255,737	41,712,370
Total non mark-up/interest Income		75,225,437	286,880,135	73,234,773	277,889,423
		272,520,440	756,230,061	140,710,534	545,770,922
<b>NON MARK-UP/INTEREST EXPENSES</b>					
Administrative expenses		69,590,960	198,395,028	59,052,891	185,580,203
Other provisions/write offs		-	(1,039,563)	-	-
Other charges - penalties imposed by SBP		-	270,000	-	759,000
Total non mark-up/interest expenses		69,590,960	197,625,465	59,052,891	186,339,203
		202,929,480	558,604,596	81,657,643	359,431,719
Extra ordinary / unusual items		-	-	-	-
<b>PROFIT BEFORE TAXATION</b>		<b>202,929,480</b>	<b>558,604,596</b>	<b>81,657,643</b>	<b>359,431,719</b>
Taxation - Current		1,071,529	3,618,164	8,624,390	17,331,782
- Prior years		-	-	-	-
- Deferred		36,857,220	81,234,947	(7,657,890)	(18,650,812)
		37,928,749	84,853,111	966,500	(1,319,030)
<b>PROFIT AFTER TAXATION</b>		<b>165,000,731</b>	<b>473,751,485</b>	<b>80,691,143</b>	<b>360,750,749</b>
<b>Earning Per Share - basic and diluted (Rupees)</b>		<b>0.28</b>	<b>0.79</b>	<b>0.13</b>	<b>0.60</b>

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 SEPTEMBER 30, 2014

(Figures in Pak Rs)

	CURRENT YEAR PERIOD JUL - SEP 2014	CURRENT YEAR PERIOD ENDED SEPTEMBER 30, 2014	CURRENT YEAR PERIOD JUL - SEP 2013	CURRENT YEAR PERIOD ENDED SEPTEMBER 30, 2013
Profit/(loss) after tax for the period	165,000,731	473,751,485	80,691,142	360,750,749
Effect of recognition of actuarial loss	-	(2,401,474)	-	(816,133)
Comprehensive income transferred to equity	<u>165,000,731</u>	<u>471,350,011</u>	<u>80,691,142</u>	<u>359,934,616</u>
(Deficit)/Surplus on revaluation of securities - net of tax	(30,262,628)	(100,815,797)	(72,186,141)	(59,281,221)
<b>Total comprehensive income</b>	<b><u>134,738,103</u></b>	<b><u>370,534,214</u></b>	<b><u>8,505,001</u></b>	<b><u>300,653,395</u></b>

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 SEPTEMBER 30, 2014**

	<b>SEPTEMBER 30, 2014</b>	<b>SEPTEMBER 30, 2013</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation	558,604,596	359,431,719
Less: Dividend income	(35,305,258)	(36,914,749)
	<u>523,299,338</u>	<u>322,516,970</u>
Adjustments for non-cash charges		
Depreciation	84,166,468	80,738,120
Provision Against Non-performing Advances	(814,358)	38,834,997
Provision for diminution in value of investments - TFCs	20,698,180	56,038,512
Provision for diminution in value of investments - Unquoted	-	2,209,223
Others provision	(1,039,564)	-
Loss/(gain) on sale of fixed assets	10,705,469	(1,215,710)
Provision for gratuity	7,209,680	6,215,173
Reversal of impairment loss on asset classified as held for sale and its fair value	(1,290,118)	(13,783,798)
Reversal of impairment on AFS securities	(146,900,982)	(194,986,497)
Unrealized loss on revaluation of held for trading investments - net	8,245,557	988,534
	<u>(19,019,668)</u>	<u>(24,961,446)</u>
	<b>504,279,670</b>	<b>297,555,524</b>
(Increase)/ Decrease in operating assets		
Lendings to financial institutions and others	215,466,390	100,000,000
Advances	(930,681,454)	1,058,977,206
Other assets (excluding current taxation)	(108,040,275)	24,404,677
	<u>(823,255,339)</u>	<u>1,183,381,883</u>
Increase/ (Decrease) in operating liabilities		
Borrowings from financial institutions	3,100,699,270	(1,540,259,923)
Deposits	615,000,000	(315,000,000)
Other liabilities (excluding current taxation)	75,974,655	(43,279,434)
	<u>3,791,673,925</u>	<u>(1,898,539,357)</u>
	<b>3,472,698,256</b>	<b>(417,601,950)</b>
Gratuity paid	(10,175,980)	(17,119,146)
Income tax paid	(78,400,962)	(79,586,136)
<i>Net cash flow from operating activities</i>	<u>(88,576,942)</u>	<u>(96,705,282)</u>
	<b>3,384,121,314</b>	<b>(514,307,232)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in available for sale securities	(3,730,548,406)	54,741,458
Net investments in held to maturity securities	318,079,825	193,760,387
Net investment in held for trading securities	(39,193,912)	(6,230,534)
Receipt against sale of shares in SPIC	22,868,775	29,450,000
Dividend received	36,180,258	31,711,624
Investment in operating fixed assets	(12,788,430)	(36,259,652)
Sale proceeds of property and equipment disposed-off	7,590,804	2,140,712
<i>Net cash flow from investing activities</i>	<u>(3,397,811,086)</u>	<u>269,313,995</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of share capital	-	-
Dividend paid	-	-
<i>Net cash flow from financing activities</i>	<u>-</u>	<u>-</u>
<b>Increase/(Decrease) in cash and cash equivalents</b>	<b>(13,689,772)</b>	<b>(244,993,237)</b>
Cash and cash equivalents at beginning of the year	140,763,799	431,635,871
<b>Cash and cash equivalents at the end of the period</b>	<u><b>127,074,027</b></u>	<u><b>186,642,634</b></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 STATEMENT OF CHANGES IN EQUITY [UN-AUDITED]  
 FOR THE PERIOD ENDED SEPTEMBER 30, 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>
<b>Balance as at December 31, 2012 - Audited</b>	<b>6,000,000,000</b>	<b>176,580,761</b>	<b>358,662,940</b>	<b>-</b>	<b>6,535,243,701</b>
Profit for the period ended September 30, 2013	-	-	-	360,750,749	360,750,749
Effect of recognition of actuarial losses	-	-	-	(816,133)	(816,133)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>359,934,616</b>	<b>359,934,616</b>
Transfer to reserve fund	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-
Transferred from surplus on revaluation of operating fixed assets - net of deferred tax	-	-	-	42,665,385	42,665,385
<b>Balance as at September 30, 2013 - Unaudited</b>	<b>6,000,000,000</b>	<b>176,580,761</b>	<b>358,662,940</b>	<b>402,600,001</b>	<b>6,937,843,702</b>
Profit for the period ended December 31, 2013	-	-	-	403,830,867	403,830,867
Effect of recognition of actuarial gains	-	-	-	1,300,597	1,300,597
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>405,131,464</b>	<b>405,131,464</b>
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	-	-	-	14,631,316	14,631,316
<b>Balance as at December 31, 2013 - Audited</b>	<b>6,000,000,000</b>	<b>329,497,084</b>	<b>358,662,940</b>	<b>669,446,458</b>	<b>7,357,606,482</b>
Profit for the period ended September 30, 2014	-	-	-	473,751,485	473,751,485
Effect of recognition of actuarial losses	-	-	-	(2,401,474)	(2,401,474)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>471,350,011</b>	<b>471,350,011</b>
Transfer to reserve fund	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-
Transferred from surplus on revaluation of operating fixed assets - net of deferred tax	-	-	-	57,539,958	57,539,958
<b>Balance as at September 30, 2014 - Unaudited</b>	<b>6,000,000,000</b>	<b>329,497,084</b>	<b>358,662,940</b>	<b>1,198,336,427</b>	<b>7,886,496,451</b>

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 NINE MONTHS ENDED SEPTEMBER 30, 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 extracted from unaudited condensed interim financial information for the nine months period ended 30 September 2013.

**3. STATEMENT OF COMPLIANCE**

- 3.1 This condensed interim unconsolidated financial information of the Company for the period ended September 30, 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 NINE MONTHS ENDED SEPTEMBER 30, 2014**

	<b>Unaudited</b> <b>September 30,</b> <b>2014</b> <b>Rupees</b>	<b>Audited</b> <b>December 31,</b> <b>2013</b> <b>Rupccs</b>
<b>6. CASH AND BALANCES WITH TREASURY BANKS</b>		
Balance with State Bank of Pakistan	47,075,073	39,769,621
Cash in hand	158,850	158,395
	<u>47,233,923</u>	<u>39,928,016</u>
<b>7. BALANCES WITH OTHER BANKS</b>		
Current Account	5,088,234	3,410,322
Saving Account FCY	23,968,718	26,934,573
PLS Account LCY	50,783,152	70,490,888
	<u>79,840,104</u>	<u>100,835,783</u>
<b>8. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE</b>		
Balance as at January 01	25,629,021	75,000,000
Fair value adjustment during the year	(2,760,246)	(9,920,979)
Less: Amounts received	<u>(22,868,775)</u>	<u>(39,450,000)</u>
Ending balance	-	25,629,021
Less: Impairment on asset classified as held for sale at its fair value	-	(4,050,364)
	<u>-</u>	<u>21,578,657</u>
<b>9. LENDINGS TO FINANCIAL INSTITUTIONS</b>		
Money market placements	194,000,000	200,000,000
Reverse repo Treasury Bills/PIBs	-	209,466,390
	<u>194,000,000</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 NINE MONTHS ENDED SEPTEMBER 30, 2014

10. INVESTMENTS	Note	Held by company Rupees	Given as collateral Rupccs	Total Rupees
As on 30 September 2014 (Unaudited)	10.1	7,705,421,187	2,208,239,765	9,913,660,952
As on 31 December 2013 (Audited)	10.1	6,299,270,653	195,241,900	6,494,512,553
			<b>Unaudited September 30, 2014 Rupccs</b>	<b>Audited December 31, 2013 Rupccs</b>
<b>10.1 INVESTMENTS BY TYPE</b>				
Held-for-trading securities			49,044,152	8,378,027
Available-for-sale securities			8,688,602,583	4,962,554,177
Held-to-maturity securities			1,260,308,299	1,578,388,124
			<b>9,997,955,034</b>	<b>6,549,320,328</b>
<b>Investment in Subsidiaries</b>				
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
			<b>11,074,631,109</b>	<b>7,625,996,403</b>
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 term finance certificates-TFCs			(330,000,306)	(309,302,125)
			<b>(1,153,643,331)</b>	<b>(1,137,445,150)</b>
			<b>9,920,987,778</b>	<b>6,488,551,253</b>
Revaluation surplus on quoted securities - AFS			185,204,857	335,676,196
Revaluation on quoted securities - HFT			(8,245,557)	1,472,212
Impairment loss on quoted securities			(184,286,126)	(331,187,108)
			<b>(7,326,826)</b>	<b>5,961,300</b>
<b>Investments (net of provisions)</b>			<b>9,913,660,952</b>	<b>6,494,512,553</b>



**SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION [UN-AUDITED]**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014**

11. ADVANCES	Note	Unaudited September 30, 2014 Rupees	Audited December 31, 2013 Rupees
Loans, cash, credits, running finances, etc.			
In Pakistan		7,008,431,625	6,122,404,950
Outside Pakistan		-	-
		<u>7,008,431,625</u>	<u>6,122,404,950</u>
Net investment in finance lease			
In Pakistan		224,260,754	179,668,229
Outside Pakistan		-	-
		<u>224,260,754</u>	<u>179,668,229</u>
		<u>7,232,692,379</u>	<u>6,302,073,179</u>
Provision for non-performing advances	11.1	2,378,894,241	2,379,708,600
		4,853,798,138	3,922,364,579
Staff Loans & Advances		31,520,604	31,458,350
		<u>4,885,318,742</u>	<u>3,953,822,929</u>

11.1 Advances include Rs.2,467,122,441 (31 December 2013: Rs. 2,674,901,901) which have been placed under non-performing status as detailed below:-

30 September 2014					
Category of Classification	Domestic Rupees	Overseas Rupees	Total Rupees	Provision Required Rupees	Provision Held Rupees
Substandard	-	-	-	-	-
Doubtful	-	-	-	-	-
Loss	2,467,122,441	-	2,467,122,441	2,378,894,241	2,378,894,241
	<u>2,467,122,441</u>	<u>-</u>	<u>2,467,122,441</u>	<u>2,378,894,241</u>	<u>2,378,894,241</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 NINE MONTHS ENDED SEPTEMBER 30, 2014

12 OPERATING FIXED ASSETS	Note	Unaudited September 30, 2014 Rupees	Audited December 31, 2013 Rupees
Carrying amount at beginning of the period		2,327,502,014	2,383,745,356
Additions during the period	12.1	12,788,430	51,793,221
Book value of disposals	12.2	(18,296,273)	(3)
Depreciation for the period		(84,166,468)	(108,036,560)
Carrying amount at the end of the period		<u>2,237,827,703</u>	<u>2,327,502,014</u>
<b>12.1 Additions during the period / year represents the following:-</b>			
Office equipments		843,104	4,090,981
Electrical appliances		61,630	39,131,162
Furniture, Fixture & Fittings		98,280	-
Building		4,985,066	1,481,100
Security systems		-	261,000
Motor vehicles		6,246,060	3,499,750
Elevators		-	1,097,200
Telephone installation		-	391,020
Intangible assets		345,650	1,591,008
Work-in-Progress		<del>208,640</del>	<del>250,000</del>
		<u>12,788,430</u>	<u>51,793,221</u>
<b>12.2 Book value of disposals</b>			
Motor vehicles		2,887,154	3
Office Equipments		59	-
Furniture, fixtures and fittings		85	-
Electrical and gas appliances		15,403,640	-
Miscellaneous items		<del>5,335</del>	-
		<u>18,296,273</u>	<u>3</u>
<b>13 OTHER ASSETS</b>			
Deposits, prepayments and other receivables	13.1	1,217,918,307	1,194,291,539
Income accrued and other receivables	13.2	391,753,329	232,392,461
		<u>1,609,671,636</u>	<u>1,426,684,000</u>
<b>13.1 Deposits, prepayments and other receivables</b>			
Advances to suppliers		11,901,277	13,000,780
Advances for purchase of shares		25,792	256,792
Security deposits		7,388,245	7,388,245
Prepayments		5,917,244	4,734,773
Non banking assets acquired in satisfaction of claims	13.1.1	355,964,909	413,102,345
Amounts receivable from stock brokers		1,591,433	3,869,995
Advance tax		<del>975,876,469</del>	<del>901,093,671</del>
		<u>1,358,896,369</u>	<u>1,343,446,601</u>
Less: Provision against other assets		(140,978,062)	(149,155,062)
		<u>1,217,918,307</u>	<u>1,194,291,539</u>

13.1.1 Market value of Non banking assets acquired in satisfaction of claims amounts to Rs. 285,911,000.

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	Note	Unaudited September 30, 2014 Rupees	Audited December 31, 2013 Rupees
<b>13.2 Income accrued and other receivables</b>			
Dividend		1,375,000	2,250,000
Mark up/interest on long term loans and finances		954,312,376	967,319,286
Appraisal and other fees		9,835,527	6,548,877
Income from short term investments		390,680,325	255,445,246
Income from lease financing		62,580,706	60,806,291
Rental income		<del>18,454,514</del>	8,281,372
		<u>1,437,238,448</u>	<u>1,300,651,072</u>
Less: Suspense Account		1,045,485,119	1,068,258,611
		<u>391,753,329</u>	<u>232,392,461</u>

**14 BORROWINGS FROM FINANCIAL INSTITUTIONS**

Against book debts / receivables		4,300,000,000	3,600,000,000
Against SBP refinance schemes	14.1	514,741,282	526,237,792
Against PIBs / T-bill repos		2,200,195,780	200,000,000
Against clean / letter based financing		412,000,000	-
		<u>7,426,937,062</u>	<u>4,326,237,792</u>

14.1 This represents the outstanding balance of facilities availed from SBP under LT-EOP Scheme amounting to Rs. Nil (December 2013: Rs 16,341,000) and under LT-FF Scheme amounting to Rs. 514,741,282 (December 2013: Rs. 509,896,792).

**15 DEPOSITS AND OTHER ACCOUNTS**

Certificate of investments (COIs)	15.1	<u>1,377,000,000</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 10.00% to 10.50% per annum. These are repayable in period ranging from October 2014 to December 2014.

		Unaudited September 30, 2014 Rupees	Audited December 31, 2013 Rupees
<b>16 OTHER LIABILITIES</b>			
Staff gratuity payable		27,353,541	26,681,244
Advance Rental-Saudipak Tower		53,401,869	28,263,828
Interest/markup accrued on borrowings		114,976,894	82,970,779
Directors' remuneration		2,308,920	2,747,618
Other payable and expenses accrued		<del>49,619,215</del>	30,350,018
		<u>247,660,439</u>	<u>171,013,487</u>

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**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:

	<b>Unaudited September 30, 2014 Rupees</b>	<b>Audited December 31, 2013 Rupees</b>
17.1 Direct credit substitutes - Letter of comfort / guarantees	<b>600,000,000</b>	207,385,000
17.2 Non disbursed commitment for term and working capital finance	<b>900,000,000</b>	911,098,000
17.3 Commitments for the acquisition of operating fixed assets	<b>5,272,222</b>	15,303,712
	<b><u>1,505,272,222</u></b>	<b><u>1,133,786,712</u></b>

**17.4 Tax contingencies**

**(a) Assessment Orders Under Income Tax Ordinance, 2001**

**Tax year 2012**

The Assistant Commissioner Inland Revenue (ACIR), Audit - III, Large Taxpayers Unit, Islamabad vide assessment order No 003/005 dated May 21, 2014 created demand of Rs 97,862,792 and not allowed credit of taxes paid by the Company. Certain issues including disallowance of provision against NPLs and apportionment of expenses are being contested in appeals before Commissioner Inland Revenue (Appeals), [CIR(Appeals)] which are likely to be decided in Company's favor.

The Deputy Commissioner Inland Revenue (DCIR) , Audit - VI, Large Taxpayers Unit, Islamabad vide assessment order No 3/40 dated February 28, 2014 created demand of Rs 12,355,224 under section 113 of the Ordinance and not allowed credit of taxes paid by the Company. Company preferred appeal before Commissioner Inland Revenue (Appeals) [CIR(Appeals)] on the issue of chargeability of minimum tax, which are likely to be decided in Company's favor.

**Tax year 2013**

The ACIR Audit - III, Large Taxpayers Unit, Islamabad vide assessment order No 004/005 dated May 21, 2014 created demand of Rs 118,789,036 and not allowed credit of taxes paid by the Company. Certain issues including disallowance of provision against NPLs and apportionment of expenses are being contested in appeals before Commissioner Inland Revenue (Appeals) [CIR(Appeals)], which are likely to be decided in Company's favor.

**(b) Sales Tax/Federal Excise**

The DCIR, Audit - VI, Large Taxpayers Unit, Islamabad (DCIR) vide Order in Original 08/52 dated April 30, 2014 imposed federal excise duty amounting to Rs 71,314,266. An appeal against the aforesaid order dated April 30, 2014 has been filed before the Appellate Tribunal Inland Revenue (ATIR). The Company has deposited Rs 24 million.

**17.5 Other contingencies**

**Macpac Film Ltd- (COS No B-24/2014 Re: Damages suit of Rs. 1,040.629 million.)**

Macpac Film Ltd, a former customer of the Saudi Pak had an overdue balance of Rs. 195.795 million on account of term finance facility of Rs. 125 million availed. The company entered into a settlement with the customer, whereby the amount of liquidated damages amounting to Rs. 43.93 million and 50 percent of overdue markup amounting to Rs. 28.729 million was agreed to be written /waived off. Further, following the guidelines of the prudential regulations on eCIB reporting, negative eCIB was reported to State Bank of Pakistan in respect of written off balances. Feeling aggrieved, the customer filed damages suit against the company in the Sindh High Court, Karachi. Saudi Pak has filed Reply within statutory period of 30 days. The matter is still pending before Sindh High Court, Karachi for decision on merits.

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	<b>Unaudited September 30, 2014 Rupees</b>	Unaudited September 30, 2013 Rupees
<b>18 MARK-UP/RETURN/INTEREST EARNED</b>		
Income from investments	312,846,834	304,141,857
Income from advances	453,383,475	379,097,025
Income from lending to financial institutions	113,303,478	9,768,789
	<u>879,533,787</u>	<u>693,007,671</u>
<b>19 MARK-UP/RETURN/INTEREST EXPENSED</b>		
Short Term Borrowings	123,571,088	128,101,375
Long Term Borrowings	254,474,702	143,750,514
Borrowing cost on Repos	10,241,255	53,825,132
Amortization of PIBs purchased on premium	730,504	1,643,629
Brokerage Fee & Commission	1,282,491	722,790
	<u>390,300,040</u>	<u>328,043,440</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.

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20.2 Following are the transactions and balances with related parties:

Nature of balances / transactions	Name of the Entity	Unaudited	Audited
		September 30, 2014 Rupees	December 31, 2013 Rupees
<b><u>Outstanding balances at the period / year end</u></b>			
<b>Subsidiary/Associated companies</b>			
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
Security deposit	Saudi Pak Real Estate Company Ltd	278,280	278,280
Rent received in advance	Saudi Pak Real Estate Company Ltd	767,048	-
<b>Employee funds</b>			
Deposits against COIs	Employee Funds	7,000,000	10,000,000
Interest payable	Employee Funds	256,258	414,337
<b><u>Transactions during the period</u></b>			
<b>Subsidiary/Associated companies</b>			
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	402,325	488,950
Rent received	Saudi Pak Real Estate Company Ltd	1,840,915	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
Sale of Tricon Tower Office	Saudi Pak Real Estate Company Ltd	50,000,000	-
<b>Key management personnel</b>			
Advances to executives		7,477,200	21,733,750
Repayment of advances		7,967,477	6,006,870
<b>Employee funds</b>			
Maturity against deposits against COIs		3,000,000	-
Contribution to the employees provident fund		2,930,123	3,655,539
Interest expensed		631,252	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 09 NOV 2014

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



General Manager/Chief Executive



Director



Director



Chairman