

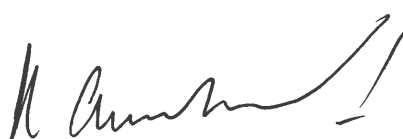
**SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED  
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2015**


|   | Note | Unaudited<br>30 September<br>2015<br>Rupees | Audited<br>31 December<br>2014<br>Rupees |
|---|------|---|--|
| <b>ASSETS</b>   |      |   |  |
| Cash and balances with treasury banks                         | 6    | 58,588,131                                  | 48,472,808                               |
| Balances with other banks                                     | 7    | 411,318,735                                 | 693,284,975                              |
| Lendings to financial institutions and others                 | 8    | -   | 900,000,000                              |
| Investments   | 9    | 13,674,193,150                              | 10,739,002,841                           |
| Advances  | 10   | 5,946,215,396                               | 5,688,038,698                            |
| Operating fixed assets  | 11   | 2,179,747,865                               | 2,255,080,030                            |
| Deferred tax assets   |      | -   | -  |
| Other assets  | 12   | 1,886,632,762                               | 1,849,060,411                            |
|   |      | <b>24,156,696,039</b>                       | <b>22,172,939,763</b>                    |
| <b>LIABILITIES</b>  |      |   |  |
| Bills payable   |      | -   | -  |
| Borrowings from financial institutions                        | 13   | 11,586,363,723                              | 10,630,880,109                           |
| Deposits and other accounts                                   | 14   | 7,000,000                                   | 37,000,000                               |
| Sub-ordinated loans   |      | -   | -  |
| Liabilities against assets subject to finance lease           |      | -   | -  |
| Deferred tax liabilities                                      |      | 809,846,942                                 | 720,969,052                              |
| Other liabilities   | 15   | 519,647,372                                 | 393,227,127                              |
|   |      | <b>12,922,858,037</b>                       | <b>11,782,076,288</b>                    |
| <b>NET ASSETS</b>   |      | <b>11,233,838,002</b>                       | <b>10,390,863,475</b>                    |
| <b>REPRESENTED BY</b>   |      |   |  |
| Share capital   |      | 6,600,000,000                               | 6,000,000,000                            |
| Reserve fund  |      | 561,263,576                                 | 561,263,576                              |
| General reserve   |      | 358,662,940                                 | 358,662,940                              |
| Unappropriated profit   |      | 1,633,334,299                               | 1,666,254,393                            |
|   |      | <b>9,153,260,815</b>                        | <b>8,586,180,909</b>                     |
| Surplus on revaluation of AFS securities - net of tax         |      | 707,933,806                                 | 437,890,335                              |
| Surplus on revaluation of operating fixed assets - net of tax |      | 1,372,643,381                               | 1,366,792,231                            |
|   |      | <b>11,233,838,002</b>                       | <b>10,390,863,475</b>                    |

**CONTINGENCIES AND COMMITMENTS**

16

The annexed notes 1 to 22 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, 2015**

|  | Note | 30 September 2015                             |                                  | 30 September 2014                             |                                  |
|--|------|---|----------------------------------|---|----------------------------------|
|  |      | For the period ended July to September Rupees | For the nine months ended Rupees | For the period ended July to September Rupees | For the nine months ended Rupees |
| Mark-up/Return/Interest Earned   | 17   | 404,607,992                                   | 1,296,962,802                    | 373,641,142                                   | 879,533,787                      |
| Mark-up/Return/Interest Expensed   | 18   | 199,718,008                                   | 672,817,409                      | 177,152,501                                   | 390,300,040                      |
| Net mark-up/Interest Income  |      | 204,889,984                                   | 624,145,393                      | 196,488,641                                   | 489,233,747                      |
| (Reversal)/ provision against non-performing loans and advances              |      | (855,214)                                     | 20,225,455                       | (28,202,370)                                  | (814,359)                        |
| Provision/ (reversal) for investments - TFCs                                 |      | 1,186,858                                     | 76,748,988                       | 27,396,008                                    | 20,698,180                       |
| Provision for diminution in the value of investments - Unquoted              |      | -   | 40,000,000                       | -   | -                                |
| Bad debts written off directly   |      | -   | -                                | -   | -                                |
|  |      | 331,644                                       | 136,974,443                      | (806,362)                                     | 19,883,821                       |
| Net Mark-up/ Interest Income after provisions                                |      | 204,558,340                                   | 487,170,950                      | 197,295,003                                   | 469,349,926                      |
| <b>NON MARK-UP/INTEREST INCOME</b>   |      |   |                                  |   |                                  |
| Fee, Commission and Brokerage income   |      | 3,403,420                                     | 8,094,058                        | 3,104,193                                     | 10,101,946                       |
| Dividend Income  |      | 17,457,905                                    | 81,852,739                       | 6,702,139                                     | 35,305,258                       |
| Gain on dealing in quoted securities   |      | 16,657,393                                    | 150,768,959                      | 42,094,877                                    | 201,012,553                      |
| Gain on sale of government securities  |      | (485,737)                                     | 182,041,963                      | 9,243,850                                     | 9,243,850                        |
| Gain on dealing in mutual funds  |      | 1,949,997                                     | 1,949,997                        | -   | -                                |
| Unrealized (loss)/ gain on revaluation of held for trading investments - net |      | 9,118,834                                     | (7,087,409)                      | (8,564,514)                                   | (8,245,557)                      |
| (Loss)/ gain from dealing in foreign currencies                              |      | 492,628                                       | 652,936                          | 890,926                                       | (852,454)                        |
| Fair value adjustment on non-current asset classified as held for sale       |      | -   | -                                | -   | 1,290,118                        |
| Other income   |      | 28,611,341                                    | 76,878,715                       | 21,753,966                                    | 39,024,421                       |
| Total non mark-up/interest Income  |      | 77,205,781                                    | 495,151,958                      | 75,225,437                                    | 286,880,135                      |
|  |      | 281,764,121                                   | 982,322,908                      | 272,520,440                                   | 756,230,061                      |
| <b>NON MARK-UP/INTEREST EXPENSES</b>   |      |   |                                  |   |                                  |
| Administrative expenses  |      | 78,449,599                                    | 221,039,066                      | 69,590,960                                    | 198,395,028                      |
| Impairment loss on quoted securities   |      | -   | 38,168,389                       | -   | -                                |
| Other provisions/ (reversals) /write offs                                    |      | -   | 13,512,000                       | -   | (1,039,563)                      |
| Other charges - penalties imposed by SBP                                     |      | -   | -                                | -   | 270,000                          |
| Total non mark-up/interest expenses  |      | 78,449,599                                    | 272,719,455                      | 69,590,960                                    | 197,625,465                      |
|  |      | 203,314,522                                   | 709,603,453                      | 202,929,480                                   | 558,604,596                      |
| <b>Extra ordinary / unusual items</b>  |      |   |                                  |   |                                  |
|  |      | -   | -                                | -   | -                                |
| <b>PROFIT BEFORE TAXATION</b>  |      |   |                                  |   |                                  |
|  |      | 203,314,522                                   | 709,603,453                      | 202,929,480                                   | 558,604,596                      |
| Taxation - Current   |      | 38,529,422                                    | 123,013,088                      | 1,071,529                                     | 3,618,164                        |
| - Prior years  |      | -   | 42,249,411                       | -   | -                                |
| - Deferred   | 19   | (8,398,256)                                   | 33,790,055                       | 36,857,220                                    | 81,234,947                       |
|  |      | 30,131,166                                    | 199,052,554                      | 37,928,749                                    | 84,853,111                       |
| <b>PROFIT AFTER TAXATION</b>   |      |   |                                  |   |                                  |
|  |      | 173,183,356                                   | 510,550,899                      | 165,000,731                                   | 473,751,485                      |
| <b>Earning Per Share - basic and diluted (Rupees)</b>                        |      |   |                                  |   |                                  |
|  | 20   | 0.262   | 0.774                            | 0.250   | 0.718                            |

The annexed notes 1 to 22 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, 2015**

|   | 30 September 2015                             |                                  | 30 September 2014                             |                                  |
|---|---|----------------------------------|---|----------------------------------|
|   | For the period ended July to September Rupees | For the nine months ended Rupees | For the period ended July to September Rupees | For the nine months ended Rupees |
| Profit after tax for the period   | 173,183,356                                   | 510,550,899                      | 165,000,731                                   | 473,751,485                      |
| <b>Other comprehensive income</b>   |   |                                  |   |                                  |
| <b>Items that will never be reclassified to profit and loss account</b>     |   |                                  |   |                                  |
| Effect of recognition of actuarial loss                                     | -   | -                                | -   | (2,401,474)                      |
| <b>Comprehensive income - transferred to statement of changes in equity</b> | <u>173,183,356</u>                            | <u>510,550,899</u>               | <u>165,000,731</u>                            | <u>471,350,011</u>               |
| <b>Components of comprehensive income not reflected in equity</b>           |   |                                  |   |                                  |
| Surplus/ (defecit) on revaluation of securities - net of tax                | 182,044,383                                   | 263,507,793                      | (30,262,628)                                  | (100,815,797)                    |
| <b>Total comprehensive income</b>   | <u>355,227,739</u>                            | <u>774,058,692</u>               | <u>134,738,103</u>                            | <u>370,534,214</u>               |

The annexed notes 1 to 22 form an integral part of this condensed interim unconsolidated financial information.

  
 General Manager/Chief Executive

  
 Director

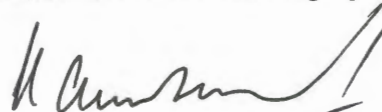
  
 Director

  
 Chairman

**SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED**  
**CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT [UN-AUDITED]**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2015**

|   | <b>30 September<br/>2015<br/>Rupees</b> | <b>30 September<br/>2014<br/>Rupees</b> |
|---|---|---|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>  |   |   |
| Profit before taxation  | 709,603,453                             | 558,604,596                             |
| Less: Dividend income   | (81,852,739)                            | (35,305,258)                            |
|   | <b>627,750,714</b>                      | <b>523,299,338</b>                      |
| <b>Adjustments for non-cash charges</b>   |   |   |
| Depreciation/ amortization  | 88,455,045                              | 84,166,468                              |
| Provision against non-performing loans and advances                                 | 20,225,455                              | (814,358)                               |
| Provision/ (reversal) for diminution in value of investments - TFCs                 | 76,748,988                              | 20,698,180                              |
| Provision for diminution in value of investments - Unquoted                         | 40,000,000                              | -                                       |
| Others provisions/ (reversals)  | 13,512,000                              | (1,039,564)                             |
| Loss on disposal of operating fixed assets  | 9,393,956                               | 10,705,469                              |
| Provision for gratuity/compensated absences   | 3,766,392                               | 7,209,680                               |
| Reversal of impairment loss on asset classified as held for sale and its fair value | -                                       | (1,290,118)                             |
| Impairment loss/(reversal of impairment) on AFS securities                          | (5,118,525)                             | (146,900,982)                           |
| Unrealized loss/(gain) on revaluation of held for trading investments - net         | 7,087,409                               | 8,245,557                               |
|   | <b>254,070,720</b>                      | <b>(19,019,668)</b>                     |
|   | <b>881,821,434</b>                      | <b>504,279,670</b>                      |
| <b>Decrease/ (increase) in operating assets</b>                                     |   |   |
| Lendings to financial institutions and others                                       | 900,000,000                             | 215,466,390                             |
| Advances  | (278,402,153)                           | (930,681,454)                           |
| Other assets (excluding advance taxation)   | 109,767,175                             | (108,040,275)                           |
|   | <b>731,365,022</b>                      | <b>(823,255,339)</b>                    |
| <b>Increase/ (Decrease) in operating liabilities</b>                                |   |   |
| Borrowings from financial institutions  | 955,483,614                             | 3,100,699,270                           |
| Deposits  | (30,000,000)                            | 615,000,000                             |
| Other liabilities (excluding current taxation)                                      | (34,564,703)                            | 75,974,655                              |
|   | <b>890,918,911</b>                      | <b>3,791,673,925</b>                    |
|   | <b>2,504,105,367</b>                    | <b>3,472,698,256</b>                    |
| Gratuity/compensated absences paid  | (1,370,834)                             | (10,175,980)                            |
| Income tax paid   | (153,118,383)                           | (78,400,962)                            |
|   | <b>(154,489,217)</b>                    | <b>(88,576,942)</b>                     |
| <b>Net cash generated from/ (used in) operating activities</b>                      | <b>2,349,616,150</b>                    | <b>3,384,121,314</b>                    |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>  |   |   |
| Net investments in available for sale securities                                    | (2,989,433,185)                         | (3,730,548,406)                         |
| Net investments in held to maturity securities                                      | 349,652,476                             | 318,079,825                             |
| Net investment in held for trading securities                                       | (26,616,012)                            | (39,193,912)                            |
| Receipt against sale of shares in SPI Insurance Company Limited                     | -                                       | 22,868,775                              |
| Dividend received   | 67,446,490                              | 36,180,258                              |
| Investment in operating fixed assets  | (26,982,161)                            | (12,788,430)                            |
| Sale proceeds on disposal of operating fixed assets- property and equipment         | 4,465,325                               | 7,590,804                               |
| <b>Net cash (used in)/ generated from investing activities</b>                      | <b>(2,621,467,067)</b>                  | <b>(3,397,811,086)</b>                  |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>  |   |   |
|   | -                                       | -                                       |
| <b>Decrease in cash and cash equivalents</b>  | <b>(271,850,917)</b>                    | <b>(13,689,772)</b>                     |
| Cash and cash equivalents at beginning of the year                                  | 741,757,783                             | 140,763,799                             |
| <b>Cash and cash equivalents at the end of the period</b>                           | <b>469,906,866</b>                      | <b>127,074,027</b>                      |

The annexed notes 1 to 22 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, 2015

|   | Share<br>Capital<br>Rupees | Reserve<br>Fund<br>Rupees | General<br>Reserve<br>Rupees | Unappropriated<br>Profit<br>Rupees | Total<br>Rupees |
|---|----------------------------|---------------------------|------------------------------|------------------------------------|-----------------|
| <b>Balance as at 31 December 2013 - Audited</b>   | 6,000,000,000              | 329,497,084               | 358,662,940                  | 669,446,458                        | 7,357,606,482   |
| Profit for the period ended 30 September 2014   | -                          | -                         | -                            | 473,751,485                        | 473,751,485     |
| Effect of recognition of actuarial losses   | -                          | -                         | -                            | (2,401,474)                        | (2,401,474)     |
| <b>Total comprehensive income</b>   | -                          | -                         | -                            | 471,350,011                        | 471,350,011     |
| 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 30 September 2014 - Unaudited</b>                                      | 6,000,000,000              | 329,497,084               | 358,662,940                  | 1,198,336,427                      | 7,886,496,451   |
| Profit for the period ended 31 December 2014  | -                          | -                         | -                            | 685,080,976                        | 685,080,976     |
| Effect of recognition of actuarial gains  | -                          | -                         | -                            | (394,943)                          | (394,943)       |
| <b>Total comprehensive income</b>   | -                          | -                         | -                            | 684,686,033                        | 684,686,033     |
| Transfer to reserve fund *  | -                          | 231,766,492               | -                            | (231,766,492)                      | -               |
| Transfer to general reserve   | -                          | -                         | -                            | -                                  | -               |
| Transferred from surplus on revaluation of operating fixed assets - net of deferred tax | -                          | -                         | -                            | 14,998,425                         | 14,998,425      |
| <b>Balance as at 31 December 2014 - Audited</b>   | 6,000,000,000              | 561,263,576               | 358,662,940                  | 1,666,254,393                      | 8,586,180,909   |
| Profit for the period ended 30 September 2015   | -                          | -                         | -                            | 510,550,899                        | 510,550,899     |
| Effect of recognition of actuarial losses   | -                          | -                         | -                            | -                                  | -               |
| <b>Total comprehensive income</b>   | -                          | -                         | -                            | 510,550,899                        | 510,550,899     |
| Bonus shares issued   | 600,000,000                | -                         | -                            | (600,000,000)                      | -               |
| Transfer to reserve fund  | -                          | -                         | -                            | -                                  | -               |
| Transfer to general reserve   | -                          | -                         | -                            | -                                  | -               |
| Transferred from surplus on revaluation of operating fixed assets - net of deferred tax | -                          | -                         | -                            | 56,529,007                         | 56,529,007      |
| <b>Balance as at 30 September 2015 - Unaudited</b>                                      | 6,600,000,000              | 561,263,576               | 358,662,940                  | 1,633,334,299                      | 9,153,260,815   |

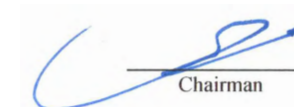
The annexed notes 1 to 22 form an integral part of this condensed interim unconsolidated financial information.

\* Under Circular No.1 dated 05 December 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 the 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 30 SEPTEMBER 2015**

**1. LEGAL STATUS AND OPERATIONS**

Saudi Pak Industrial and Agricultural Investment Company Limited ("the Company") was incorporated in Pakistan as a private limited company on December 23, 1981 and subsequently converted as a public limited company on April 30, 2008. The Company is jointly sponsored by the Governments of Kingdom of Saudi Arabia and the 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 Company has been setup for a period of fifty years which may be extended with approval of both of the Governments.

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 2014. Comparative statement of financial position is extracted from the annual audited financial statements for the year ended 31 December 2014 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 2014.

**3. STATEMENT OF COMPLIANCE**

- 3.1 This condensed interim unconsolidated financial information of the Company for the nine months ended 30 September 2015 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 SECP and SBP shall prevail.
- 3.2 The SBP through its BSD Circular Letter No.11 dated 11 September 2002 has deferred the implementation of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and IAS 40, 'Investment Property' for Development Financial Institutions (DFIs) till further order. 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**

**4.1 New accounting standards and IFRIC interpretations that are not yet effective**

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 2014.

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 October 2015:

- Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have an impact on Company's financial statements.

**SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION [UN-AUDITED]**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015**

**4.1 New accounting standards and IFRIC interpretations that are not yet effective (continued)**

IFRS 10 'Consolidated Financial Statements' – (effective for annual periods beginning on or after 1 January 2015) replaces the part of IAS 27 'Consolidated and Separate Financial Statements'. IFRS 10 introduces a new approach to determining which investees should be consolidated. The single model to be applied in the control analysis requires that an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 has made consequential changes to IAS 27 which is now called 'Separate Financial Statements' and will deal with only separate financial statements. Certain further amendments have been made to IFRS 10, IFRS 12 and IAS 28 clarifying the requirements relating to accounting for investment entities and would be effective for annual periods beginning on or after 1 January 2016. The amendments are not likely to have an impact on Company's financial statements.

- IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2015) replaces IAS 31 'Interests in Joint Ventures'. Firstly, it carves out, from IAS 31 jointly controlled entities, those cases in which although there is a separate vehicle, that separation is ineffective in certain ways. These arrangements are treated similarly to jointly controlled assets/operations under IAS 31 and are now called joint operations. Secondly, the remainder of IAS 31 jointly controlled entities, now called joint ventures, are stripped of the free choice of using the equity method or proportionate consolidation; they must now always use the equity method. IFRS 11 has also made consequential changes in IAS 28 which has now been named 'Investment in Associates and Joint Ventures'. The amendments requiring business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business are effective for annual periods beginning on or after 1 January 2016. The adoption of this standard is not likely to have an impact on Company's financial statements.
- Amendments to IAS 27 'Separate Financial Statements' (effective for annual periods beginning on or after 1 January 2016). The amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The adoption of the amended standard is not likely to have an impact on Company's financial statements.
- Agriculture: Bearer Plants [Amendments to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction. The adoption of the amended standard is not likely to have an impact on Company's financial statements.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) [effective for annual periods beginning on or after 1 January 2016]. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The adoption of these amendments is not likely to have an impact on Company's financial statements.

Annual Improvements 2012-2014 cycles (amendments are effective for annual periods beginning on or after 1 January 2016). The new cycle of improvements contain amendments to the following standards:

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. IFRS 5 is amended to clarify that if an entity changes the method of disposal of an asset (or disposal group) i.e. reclassifies an asset from held for distribution to owners to held for sale or vice versa without any time lag, then such change in classification is considered as continuation of the original plan of disposal and if an entity determines that an asset (or disposal group) no longer meets the criteria to be classified as held for distribution, then it ceases held for distribution accounting in the same way as it would cease held for sale accounting.
- IFRS 7 'Financial Instruments- Disclosures'. IFRS 7 is amended to clarify when servicing arrangements are in the scope of its disclosure requirements on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety. IFRS 7 is also amended to clarify that additional disclosures required by 'Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS7)' are not specifically required for inclusion in condensed interim financial statements for all interim periods.
- IAS 19 'Employee Benefits'. IAS 19 is amended to clarify that high quality corporate bonds or government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid.
- IAS 34 'Interim Financial Reporting'. IAS 34 is amended to clarify that certain disclosures, if they are not included in the notes to interim financial statements and disclosed elsewhere should be cross referred.

**SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION [UN-AUDITED]**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015**

**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 2014.

|   | <b>Unaudited<br/>30 September<br/>2015<br/>Rupees</b> | <b>Audited<br/>31 December<br/>2014<br/>Rupees</b> |
|---|---|--|
| <b>6. CASH AND BALANCES WITH TREASURY BANKS</b> |   |  |
| Balance with State Bank of Pakistan             | 58,188,848  | 48,338,676   |
| Cash in hand                                    | 399,283   | 134,132  |
|   | <u>58,588,131</u>                                     | <u>48,472,808</u>                                  |
| <b>7. BALANCES WITH OTHER BANKS</b>             |   |  |
| On current accounts - local currency            | 13,665,497  | 37,639,958   |
| On deposit accounts                             |   |  |
| - Local currency                                | 378,609,387   | 634,468,403  |
| - Foreign currency                              | 19,043,851  | 21,176,614   |
|   | <u>411,318,735</u>                                    | <u>693,284,975</u>                                 |
| <b>8. LENDINGS TO FINANCIAL INSTITUTIONS</b>    |   |  |
| Reverse repo - Treasury Bills/PIBs              | -   | 900,000,000  |
|   | <u>-</u>  | <u>900,000,000</u>                                 |

| <b>9. INVESTMENTS</b>               | <b>Note</b> | <b>Held by<br/>company<br/>Rupees</b> | <b>Given as<br/>collateral<br/>Rupees</b> | <b>Total<br/>Rupees</b> |
|-------------------------------------|-------------|---------------------------------------|---|-------------------------|
| As on 30 September 2015 (Unaudited) | 9.1         | <u>8,877,771,860</u>                  | <u>4,796,421,290</u>                      | <u>13,674,193,150</u>   |
| As on 31 December 2014 (Audited)    | 9.1         | <u>5,964,790,168</u>                  | <u>4,774,212,673</u>                      | <u>10,739,002,841</u>   |



**SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION [UN-AUDITED]**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015**

|  | <b>Unaudited<br/>30 September<br/>2015<br/>Rupees</b> | <b>Audited<br/>31 December<br/>2014<br/>Rupees</b> |
|--|---|--|
| <b>9.1 INVESTMENTS BY TYPE</b>                             |   |  |
| <b>Held-for-trading securities</b>                         |   |  |
| -Quoted shares   | 51,932,861  | 19,721,387   |
| -Pakistan Investment Bonds (PIBs)                          | -   | -  |
|  | <b>51,932,861</b>                                     | <b>19,721,387</b>                                  |
| <b>Available-for-sale securities</b>                       |   |  |
| -Quoted shares   | 1,201,104,933   | 1,115,136,554                                      |
| -Unquoted shares   | 709,833,048   | 709,833,048  |
| -Market Treasury Bills                                     | 1,397,908,195   | 674,052,100  |
| -Pakistan Investment Bonds (PIBs)                          | 8,727,523,178   | 6,487,186,450                                      |
| -Term Finance Certificates (TFCs)                          | 140,069,881   | 150,797,898  |
| -Mutual Funds  | -   | 50,000,000   |
| -Other-Islamabad Stock Exchange Membership                 | 2,500,000   | 2,500,000  |
|  | <b>12,178,939,235</b>                                 | <b>9,189,506,050</b>                               |
| <b>Held-to-maturity securities</b>                         |   |  |
| -Term Finance Certificates (TFCs)                          | 820,669,571   | 1,170,322,047                                      |
|  | <b>13,051,541,667</b>                                 | <b>10,379,549,484</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  |
| Saudi Pak Real Estate Company Limited                      |   |  |
| -Investment in shares - unquoted                           | 500,000,000   | 500,000,000  |
|  | <b>1,076,676,075</b>                                  | <b>1,076,676,075</b>                               |
|  | <b>14,128,217,742</b>                                 | <b>11,456,225,559</b>                              |
| Provision for diminution in value of un-quoted investments | (291,444,299)   | (251,444,299)                                      |
| Provision against subsidiaries                             | (576,676,075)   | (576,676,075)                                      |
| Provision against term finance certificates-TFCs           | (453,926,024)   | (377,177,036)                                      |
| Provision for impairment loss on quoted securities         | (165,969,910)   | (171,088,435)                                      |
|  | <b>(1,488,016,308)</b>                                | <b>(1,376,385,845)</b>                             |
|  | <b>12,640,201,434</b>                                 | <b>10,079,839,714</b>                              |
| Surplus on revaluation of AFS securities                   | 1,041,079,125   | 653,567,665  |
| (Deficit)/surplus on revaluation of HFT securities         | (7,087,409)   | 5,595,462  |
|  | <b>1,033,991,716</b>                                  | <b>659,163,127</b>                                 |
| <b>Investments (net of provisions)</b>                     | <b>13,674,193,150</b>                                 | <b>10,739,002,841</b>                              |

**SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION [UN-AUDITED]**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015**

| <b>10. ADVANCES</b>                          | <b>Note</b> | <b>Unaudited<br/>30 September<br/>2015<br/>Rupees</b> | <b>Audited<br/>31 December<br/>2014<br/>Rupees</b> |
|--|-------------|---|--|
| Loans, cash, credits, running finances, etc. |             |   |  |
| - In Pakistan                                |             | 7,833,621,162   | 7,542,903,757                                      |
| - Outside Pakistan                           |             | -   | -  |
|  |             | <b>7,833,621,162</b>                                  | <b>7,542,903,757</b>                               |
| Net investment in finance lease              |             |   |  |
| - In Pakistan                                |             | <b>188,563,554</b>                                    | 210,932,446  |
| - Outside Pakistan                           |             | -   | -  |
|  |             | <b>188,563,554</b>                                    | 210,932,446  |
|  |             | <b>8,022,184,716</b>                                  | 7,753,836,203                                      |
| Less: Provision for non-performing advances  | <b>10.1</b> | <b>2,116,661,407</b>                                  | 2,096,435,952                                      |
|  |             | <b>5,905,523,309</b>                                  | 5,657,400,251                                      |
| Staff Loans & Advances                       |             | <b>40,692,087</b>                                     | 30,638,447   |
|  |             | <b>5,946,215,396</b>                                  | 5,688,038,698                                      |

**10.1** Advances include Rs.2,376,088,207 (31 December 2014: Rs. 2,215,492,050) which have been placed under non-performing status as detailed below:-

| -----30 September 2015-----       |                      |                 |                      |                               |                           |
|-----------------------------------|----------------------|-----------------|----------------------|-------------------------------|---------------------------|
| <u>Category of Classification</u> | <u>Domestic</u>      | <u>Overseas</u> | <u>Total</u>         | <u>Provision<br/>Required</u> | <u>Provision<br/>Held</u> |
|                                   | Rupees               | Rupees          | Rupees               | Rupees                        | Rupees                    |
| Substandard                       | 200,000,000          | -               | 200,000,000          | -                             | -                         |
| Doubtful                          | -                    | -               | -                    | -                             | -                         |
| Loss                              | 2,176,088,207        | -               | 2,176,088,207        | 2,116,661,407                 | 2,116,661,407             |
|                                   | <b>2,376,088,207</b> | -               | <b>2,376,088,207</b> | <b>2,116,661,407</b>          | <b>2,116,661,407</b>      |
| -----31 December 2014-----        |                      |                 |                      |                               |                           |
| <u>Category of Classification</u> | <u>Domestic</u>      | <u>Overseas</u> | <u>Total</u>         | <u>Provision<br/>Required</u> | <u>Provision<br/>Held</u> |
|                                   | Rupees               | Rupees          | Rupees               | Rupees                        | Rupees                    |
| Substandard                       | -                    | -               | -                    | -                             | -                         |
| Doubtful                          | -                    | -               | -                    | -                             | -                         |
| Loss                              | 2,215,492,050        | -               | 2,215,492,050        | 2,096,435,952                 | 2,096,435,952             |
|                                   | <b>2,215,492,050</b> | -               | <b>2,215,492,050</b> | <b>2,096,435,952</b>          | <b>2,096,435,952</b>      |

**SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION [UN-AUDITED]**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015**

|   | Note   | Unaudited<br>30 September<br>2015<br>Rupees | Audited<br>31 December<br>2014<br>Rupees |
|---|--------|---|--|
| <b>11 OPERATING FIXED ASSETS</b>  |        |   |  |
| Carrying amount at beginning of the period                                |        | 2,255,080,030                               | 2,327,502,014                            |
| Additions during the period   | 11.1   | 26,982,161                                  | 56,390,471                               |
| Book value of disposals   | 11.2   | (13,859,281)                                | (18,407,480)                             |
| Depreciation for the period   |        | (88,455,045)                                | (110,404,975)                            |
| Carrying amount at the end of the period                                  |        | <u>2,179,747,865</u>                        | <u>2,255,080,030</u>                     |
| <b>11.1 Additions during the period / year represents the following:-</b> |        |   |  |
| Office equipments   |        | 3,274,575                                   | 3,931,210                                |
| Electrical appliances   |        | 2,247,335                                   | 2,714,280                                |
| Furniture, Fixture & Fittings   |        | 165,500                                     | 263,780                                  |
| Building  |        | 4,036,384                                   | 5,327,567                                |
| Motor vehicles  |        | 8,167,410                                   | 43,357,600                               |
| Elevators   |        | 8,686,672                                   | -  |
| Intangible assets   |        | 404,285                                     | 587,394                                  |
| Work-in-Progress  |        | -   | 208,640                                  |
|   |        | <u>26,982,161</u>                           | <u>56,390,471</u>                        |
| <b>11.2 Book value of disposals</b>                                       |        |   |  |
| Motor vehicles  |        | 1,295,327                                   | 2,887,154                                |
| Office Equipments   |        | 59,250                                      | 60                                       |
| Furniture, fixtures and fittings  |        | -   | 85                                       |
| Fire fighting equipments  |        | -   | 111,206                                  |
| Electrical and gas appliances   |        | 12,504,704                                  | 15,403,640                               |
| Miscellaneous items   |        | -   | 5,335                                    |
|   |        | <u>13,859,281</u>                           | <u>18,407,480</u>                        |
| <b>12 OTHER ASSETS</b>  |        |   |  |
| Deposits, prepayments and other receivables                               | 12.1   | 1,478,669,459                               | 1,273,848,497                            |
| Income accrued and other receivables                                      | 12.2   | 407,963,303                                 | 575,211,914                              |
|   |        | <u>1,886,632,762</u>                        | <u>1,849,060,411</u>                     |
| <b>12.1 Deposits, prepayments and other receivables</b>                   |        |   |  |
| Advances to suppliers   |        | 7,773,586                                   | 14,769,283                               |
| Advances for purchase of shares   |        | 256,792                                     | 256,792                                  |
| Security deposits   |        | 7,398,245                                   | 7,388,245                                |
| Prepayments   |        | 6,219,574                                   | 4,495,275                                |
| Non banking assets acquired in satisfaction of claims                     | 12.1.1 | 356,494,933                                 | 355,964,909                              |
| Amounts receivable from stock brokers                                     |        | 64,951,771                                  | 3,332,711                                |
| Advance tax and FED   |        | 1,138,091,620                               | 991,646,344                              |
| Other receivables   |        | 15,000,000                                  | -  |
|   |        | <u>1,596,186,521</u>                        | <u>1,377,853,559</u>                     |
| Less: Provision against other assets                                      |        | (117,517,062)                               | (104,005,062)                            |
|   |        | <u>1,478,669,459</u>                        | <u>1,273,848,497</u>                     |

**12.1.1** Market value of non banking assets acquired in satisfaction of claims amounts to Rs. 272.288 million (31 December 2014: 285.911 million).

**SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION [UN-AUDITED]**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015**

|   | Note | Unaudited<br>30 September<br>2015<br>Rupees | Audited<br>31 December<br>2014<br>Rupees |
|---|------|---|--|
| <b>12.2 Income accrued and other receivables</b>      |      |   |  |
| Accrued fee and commission                            |      | 8,462,924                                   | 7,962,924                                |
| Accrued dividend income                               |      | 14,906,249                                  | 500,000                                  |
| Accrued income from advances                          |      | 929,842,754                                 | 959,210,313                              |
| Accrued income from investments                       |      | 489,660,425                                 | 651,376,839                              |
| Accrued income from lending to financial institutions |      | 30,110                                      | 4,037,370                                |
| Others  |      | 13,481,287                                  | 7,331,793                                |
|   |      | <u>1,456,383,749</u>                        | <u>1,630,419,239</u>                     |
| Less: Suspense Account                                |      | 1,048,420,446                               | 1,055,207,325                            |
|   |      | <u>407,963,303</u>                          | <u>575,211,914</u>                       |

**13 BORROWINGS FROM FINANCIAL INSTITUTIONS**

|  |      |                       |                       |
|--|------|-----------------------|-----------------------|
| Against book debts / receivables       |      | 4,975,000,000         | 4,700,000,000         |
| Against SBP refinance schemes          | 13.1 | 293,828,348           | 497,037,894           |
| Against PIBs / T-bill repos            |      | 6,079,535,375         | 5,015,842,215         |
| Against clean / letter based financing |      | 238,000,000           | 418,000,000           |
|  |      | <u>11,586,363,723</u> | <u>10,630,880,109</u> |

**13.1** This represents the outstanding balance of facilities availed from SBP under LT-FF Scheme amounting to Rs. 293.828 million (December 31, 2014: Rs. 497.038 million).

|                                       | Note | Unaudited<br>30 September<br>2015<br>Rupees | Audited<br>31 December<br>2014<br>Rupees |
|---------------------------------------|------|---|--|
| <b>14 DEPOSITS AND OTHER ACCOUNTS</b> |      |   |  |
| Certificate of investments (COIs)     | 14.1 | <u>7,000,000</u>                            | <u>37,000,000</u>                        |

**14.1** These represent certificate of investments issued to various institutions. The mark up is charged at 10.00% per annum (2014: 10.00% to 10.20%). This is repayable in the month of November 2015.

|                                       | Note | Unaudited<br>30 September<br>2015<br>Rupees | Audited<br>31 December<br>2014<br>Rupees |
|---------------------------------------|------|---|--|
| <b>15 OTHER LIABILITIES</b>           |      |   |  |
| Provision for staff gratuity          |      | 28,940,791                                  | 25,174,399                               |
| Provision for compensated absences    |      | 3,388,420                                   | 4,759,254                                |
| Advance Rental-Saudipak Tower         |      | 53,943,190                                  | 56,918,559                               |
| Interest/markup accrued on borrowings |      | 108,697,956                                 | 114,684,168                              |
| Directors' remuneration               |      | 2,821,446                                   | 2,522,554                                |
| Corporate income tax payable          |      | 272,529,301                                 | 113,939,908                              |
| Other payable and expenses accrued    |      | 49,326,268                                  | 75,228,285                               |
|                                       |      | <u>519,647,372</u>                          | <u>393,227,127</u>                       |

**SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION [UN-AUDITED]**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015**

**16 CONTINGENCIES AND COMMITMENTS**

There is no change in the status of contingencies and commitments of the Company from the status given in the preceding annual published financial statements for the year ended 31 December 2014 except for the following:

|  | <b>Unaudited<br/>30 September<br/>2015<br/>Rupees</b> | <b>Audited<br/>31 December<br/>2014<br/>Rupees</b> |
|--|---|--|
| 16.1 Direct credit substitutes - Letter of comfort / guarantees    | <b>100,000,000</b>                                    | 350,000,000  |
| 16.2 Non disbursed commitment for term and working capital finance | <b>818,000,000</b>                                    | 1,150,000,000                                      |
| 16.3 Commitments for the acquisition of operating fixed assets     | <b>7,048,647</b>                                      | 19,658,034   |
|  | <b><u>925,048,647</u></b>                             | <u>1,519,658,034</u>                               |

**16.4 Tax Contingencies**

**Tax Year 2012 and 2013**

The appeals filed by the Company against the amended assessment order dated 21 May 2014 for the subject tax years were decided by the Commissioner Inland Revenue (CIR - A) whereby he upheld disallowance on account of provision against non performing loans and charge of Worker's Welfare Fund, while remanding back rest of the matters to the taxation officer for re-assessment. The company has filed appeal to the ATIR against this decision. The re-assessment proceedings have not been initiated to date by the tax authorities.

**Sales Tax and Federal Excise Duty**

The Deputy Commissioner Inland Revenue, Audit - VI, Large Taxpayers Unit, Islamabad (DCIR) through 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 was filed before the Commissioner Inland Revenue - (Appeals) [CIR(Appeals)]. The CIR (Appeals) vide his order ST/FED-530/2014/562 dated June 17, 2014 has upheld the action of DCIR. The Company filed appeal before ATIR which is pending adjudication. Further, the Company has deposited Rs 38.256 million in government treasury in connection with the recovery notice issued by the DCIR. The Company has obtained stay from the High Court against the recovery of outstanding demand.

**16.5 Eden Developers (Pvt.) Ltd vs. Saudi Pak (COS No.18/2015 – Suit for Declaration, Damages of Rs.697.350 million)**

Customer is a real estate developer in Lahore who had availed a Term Finance Facility from Saudi Pak creating mortgage over few plots in the Eden City Housing Scheme, Lahore, offered as security. On default in repayments, Saudi Pak had served a legal notice on 17.02.2014 and then filed a recovery suit (COS. No.66/2014) of Rs. 92,280,358/- against the customer in the Lahore High Court, Lahore. Further, to secure mortgaged properties from alienation/creating third party interest, Saudi Pak also published notice in local newspapers for public awareness. The customer felt aggrieved, and as a counter blast the customer filed the titled declaratory and damages suit on 23.10.2014 in the Lahore High Court, Lahore. In the suit, the customer has claimed damages on account of alleged overpayments, loss of business, loss of reputation etc. Saudi Pak has filed its reply (PLA). Now, the customer has to file replication of Saudi Pak's reply. It will follow arguments of parties counsel for a decision on merits.

|   | <b>Unaudited<br/>30 September<br/>2015<br/>Rupees</b> | <b>Unaudited<br/>30 September<br/>2014<br/>Rupees</b> |
|---|---|---|
| <b>17 MARK-UP/RETURN/INTEREST EARNED</b>      |   |   |
| Income from investments                       | <b>809,644,031</b>                                    | 312,846,834   |
| Income from advances                          | <b>455,185,444</b>                                    | 453,383,475   |
| Income from lending to financial institutions | <b>32,133,327</b>                                     | 113,303,478   |
|   | <b><u>1,296,962,802</u></b>                           | <u>879,533,787</u>                                    |
| <b>18 MARK-UP/RETURN/INTEREST EXPENSED</b>    |   |   |
| Short Term Borrowings                         | <b>165,381,623</b>                                    | 123,571,088   |
| Long Term Borrowings                          | <b>230,331,611</b>                                    | 254,474,702   |
| Borrowing cost on Repos                       | <b>272,571,451</b>                                    | 10,241,255  |
| Amortization of PIBs purchased on premium     | <b>-</b>  | 730,504   |
| Brokerage Fee & Commission                    | <b>4,532,724</b>                                      | 1,282,491   |
|   | <b><u>672,817,409</u></b>                             | <u>390,300,040</u>                                    |



**SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION [UN-AUDITED]**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015**

**19 SUPER TAX**

Through Finance Act, 2015 a new section 4B has been introduced in the Income Tax Ordinance 2001 according to which a onetime super tax has been imposed for tax year 2015 on the income of individuals, association of persons and companies who are earning income of Rs 500 million or above in tax year 2015. Super tax has been charged at the rate of 3% for persons other than banking companies. Super tax charge for the company amounts to Rs 42.25 million which shall be paid along with return filed for tax year 2015.

|   | <b>Unaudited<br/>30 September<br/>2015<br/>Rupees</b> | <b>Unaudited<br/>30 September<br/>2014<br/>Rupees</b> |
|---|---|---|
| <b>20 BASIC AND DILUTED EARNING PER SHARE</b>       |   |   |
| Profit for the period - Rupees                      | <b>510,550,899</b>                                    | 473,751,485   |
| Weighted average number of ordinary shares - Number | <b>660,000,000</b>                                    | 660,000,000   |
| Basic and diluted earning per share - Rupees        | <b>0.774</b>  | 0.718   |

- 20.1** In pursuance of shareholders resolution dated April, 28 2015 the Company issued 60 million bonus shares of Rs. 10 each (total Rs. 600 million) to Governments of Pakistan and Kingdom of Saudi Arabia in proportion to their respective shareholding on June 23, 2015. As per the requirements of IAS 33 "Earnings Per Share" the basic and diluted earnings per share of all periods presented has been adjusted accordingly to incorporate the impact of bonus issue.

**21 RELATED PARTY TRANSACTIONS**

- 21.1** 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 NINE MONTHS ENDED 30 SEPTEMBER 2015**

**21.2 Following are the transactions and balances with related parties:**

| Nature of balances / transactions                           | Name of the Entity                | Unaudited                      | Audited                       |
|---|-----------------------------------|--------------------------------|-------------------------------|
|   |                                   | 30 September<br>2015<br>Rupees | 31 December<br>2014<br>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                   |
| Borrowing   | Saudi Pak Leasing Company Ltd     | 50,000,000                     | 18,000,000                    |
| Security deposit  | Saudi Pak Real Estate Company Ltd | 278,280                        | 278,280                       |
| Rent received in advance                                    | Saudi Pak Real Estate Company Ltd | 805,390                        | 1,687,505                     |
| Interest payable  | Saudi Pak Leasing Company Ltd     | 155,342                        | 70,274                        |
| <b>- Key management personnel</b>                           |                                   |                                |                               |
| Advances to executives                                      |                                   | 18,522,500                     | 8,164,200                     |
| <b>- Employee funds</b>                                     |                                   |                                |                               |
| Deposits against COIs                                       | Employee Funds                    | 7,000,000                      | 7,000,000                     |
| Interest payable  | Employee Funds                    | 596,438                        | 72,877                        |

| Nature of transactions                       | Name of the Entity                | Unaudited                      | Unaudited                      |
|--|-----------------------------------|--------------------------------|--------------------------------|
|  |                                   | 30 September<br>2015<br>Rupees | 30 September<br>2014<br>Rupees |
| <b><u>Transactions during the period</u></b> |                                   |                                |                                |
| <b>- Subsidiary/Associated companies</b>     |                                   |                                |                                |
| Borrowing availed                            | Saudi Pak Leasing Company Ltd     | 32,000,000                     | -                              |
| Interest expensed                            | Saudi Pak Leasing Company Ltd     | 2,218,554                      | -                              |
| Rent received                                | Saudi Pak Leasing Company Ltd     | 419,265                        | 402,325                        |
| Rent paid for generator                      | Saudi Pak Leasing Company Ltd     | 97,132                         | 99,487                         |
| Rent received                                | Saudi Pak Real Estate Company Ltd | 1,932,933                      | 1,840,915                      |
| Sale of Tricon Office                        | Saudi Pak Real Estate Company Ltd | -                              | 50,000,000                     |
| <b>- Key management personnel</b>            |                                   |                                |                                |
| Repayment of advances                        |                                   | 10,005,155                     | 7,967,477                      |
| <b>- Employee funds</b>                      |                                   |                                |                                |
| Maturity of deposits against COIs            |                                   | -                              | 3,000,000                      |
| Contribution to the employees provident fund |                                   | 3,583,106                      | 2,930,123                      |
| Interest expensed                            |                                   | 523,562                        | 631,252                        |


**21.3** On June 23, 2015 the Company issued 60 million bonus shares of Rs. 10 each to Government of Pakistan and Government of Kingdom of Saudi Arabia in proportion to their respective shareholdings. For further details please refer to note 20 of the condensed interim unconsolidated financial statements.

**SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED  
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION [UN-AUDITED]  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015**

**22 GENERAL**

22.1 This condensed interim unconsolidated financial information was authorized for issue by the Board of Directors of the Company in the meeting held on 27 OCT 2015

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



General Manager/Chief Executive



Director



Director



Chairman