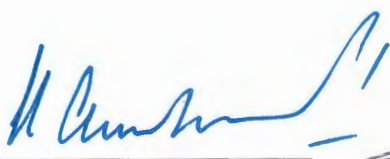


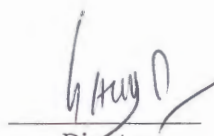
**SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2017**

	Note	Unaudited 30 September 2017 Rupees	Audited 31 December 2016 Rupees
<b>ASSETS</b>			
Cash and balances with treasury banks	6	40,979,841	34,289,134
Balances with other banks	7	86,836,308	116,131,516
Lendings to financial institutions and others	8	-	340,000,000
Investments	9	9,918,046,725	11,349,103,494
Advances	10	6,416,418,536	8,256,263,088
Operating fixed assets	11	2,536,938,315	2,625,410,263
Deferred tax assets		-	-
Other assets	12	1,498,896,761	1,610,549,972
		<b>20,498,116,486</b>	<b>24,331,747,467</b>
<b>LIABILITIES</b>			
Bills payable		-	-
Borrowings from financial institutions	13	7,074,377,699	10,717,907,824
Deposits and other accounts	14	158,678,787	131,399,425
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		736,685,018	857,778,189
Other liabilities	15	175,354,163	238,722,007
		<b>8,145,095,667</b>	<b>11,945,807,445</b>
<b>NET ASSETS</b>		<b>12,353,020,819</b>	<b>12,385,940,022</b>
<b>REPRESENTED BY</b>			
Share capital		6,600,000,000	6,600,000,000
Reserve fund		801,227,124	801,227,124
General reserve		358,662,940	358,662,940
Unappropriated profit		2,802,276,396	2,160,685,872
		<b>10,562,166,460</b>	<b>9,920,575,936</b>
Surplus on revaluation of assets - net of tax	16	1,790,854,359	2,465,364,086
		<b>12,353,020,819</b>	<b>12,385,940,022</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	17		

The annexed notes 1 to 25 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**  
**UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT [UN-AUDITED]**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2017**

	Note	30 September 2017		30 September 2016	
		For the period ended Jul to Sep Rupees	For the period nine months ended Rupees	For the period ended Jul to Sep Rupees	For the period nine months ended Rupees
Mark-up/Return/Interest Earned	18	305,993,077	918,224,731	283,733,826	1,030,408,903
Mark-up/Return/Interest Expensed	19	126,451,145	367,098,666	82,749,283	404,502,455
Net mark-up/Interest Income		179,541,932	551,126,065	200,984,543	625,906,448
Provision against non-performing loans and advances		(9,869,800)	2,472,541	(15,901,066)	115,057,352
Provision for diminution in the value of investments - net		-	(102,613,132)	69,686,855	198,024,631
Bad debts written off directly		-	-	-	-
Net Mark-up/ Interest Income after provisions		189,411,732	651,266,656	147,198,754	312,824,465
<b>NON MARK-UP/INTEREST INCOME</b>					
Fee, Commission and Brokerage income		5,204,589	25,055,319	1,303,186	4,365,441
Dividend Income		56,962,626	142,590,070	17,243,920	88,560,062
Gain on sale of securities - net	20	(4,029,420)	94,671,236	119,053,656	475,744,684
Unrealized gain/(loss) on revaluation of held for trading investments - net		4,001,950	-	(2,273,727)	-
Loss from dealing in foreign currencies		71,973	74,158	(2,086)	(26,029)
Other income		39,078,852	110,361,692	50,289,563	122,656,802
Total non mark-up/interest Income		101,290,570	372,752,475	185,614,512	691,300,960
		290,702,302	1,024,019,131	332,813,266	1,004,125,425
<b>NON MARK-UP/INTEREST EXPENSES</b>					
Administrative expenses		85,021,543	242,054,408	87,939,185	234,761,848
Other provisions/ (reversals) /write offs		-	-	-	-
Other charges - penalties imposed by SBP		-	-	-	-
Total non mark-up/interest expenses		85,021,543	242,054,408	87,939,185	234,761,848
		205,680,759	781,964,723	244,874,081	769,363,577
<b>Extra ordinary / unusual items</b>					
		-	-	-	-
<b>PROFIT BEFORE TAXATION</b>					
		205,680,759	781,964,723	244,874,081	769,363,577
Taxation - Current		55,238,293	184,464,427	61,325,803	261,272,381
- Prior years	21	-	34,788,138	-	37,781,486
- Deferred		(8,444,781)	(26,548,967)	(7,724,816)	(39,292,047)
		46,793,512	192,703,598	53,600,987	259,761,820
<b>PROFIT AFTER TAXATION</b>					
		158,887,247	589,261,125	191,273,094	509,601,757
<b>Basic earning per share</b>					
		0.241	0.893	0.290	0.772

The annexed notes 1 to 25 form an integral part of this condensed interim unconsolidated financial information.

  
General Manager/Chief Executive

  
Director


  
Director

  
Chairman

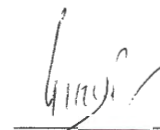
SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED  
 UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME [UN-AUDITED]  
 FOR THE PERIOD ENDED SEPTEMBER 30, 2017

	30 September 2017		30 September 2016	
	For the period ended Jul to Sep Rupees	For the period nine months ended Rupees	For the period ended Jul to Sep Rupees	For the period nine months ended Rupees
Profit after tax for the period	158,887,247	589,261,125	191,273,094	509,601,757
<b>Other comprehensive income</b>				
<b>Items that will never be reclassified to profit and loss account</b>				
Remeasurement of defined benefit plan	-	-	-	-
<b>Comprehensive income - transferred to statement of changes in equity</b>	<u>158,887,247</u>	<u>589,261,125</u>	<u>191,273,094</u>	<u>509,601,757</u>
<b>Components of comprehensive income not reflected in equity</b>				
(Deficit)/surplus on revaluation of securities - net of tax	(210,348,553)	(622,180,326)	(61,052,579)	(35,100,109)
<b>Total comprehensive income</b>	<u>(51,461,306)</u>	<u>(32,919,201)</u>	<u>130,220,515</u>	<u>474,501,648</u>

The annexed notes 1 to 25 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**  
**UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT [UN-AUDITED]**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2017**

	30 September 2017 Rupees	30 September 2016 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	781,964,723	769,363,577
Less: Dividend income	<u>(142,590,070)</u>	<u>(88,560,062)</u>
	639,374,653	680,803,515
<b>Adjustments for non-cash charges</b>		
Depreciation/ amortization	100,438,646	100,288,129
Provision against non-performing loans and advances	2,472,541	115,057,352
Provision/ (reversal) for diminution in value of investments	(102,613,132)	154,661,122
Loss on disposal of operating fixed assets	-	463,348
Provision for gratuity/compensated absences	3,789,595	3,004,845
	<u>4,087,650</u>	<u>373,474,796</u>
	643,462,303	1,054,278,311
<b>Decrease/ (increase) in operating assets</b>		
Lendings to financial institutions and others	340,000,000	-
Advances	1,837,372,011	329,900,704
Other assets (excluding advance taxation)	204,632,575	545,108,064
	<u>2,382,004,586</u>	<u>875,008,768</u>
<b>Increase/ (Decrease) in operating liabilities</b>		
Borrowings from financial institutions	(3,643,530,125)	(7,492,272,544)
Deposits	27,279,362	124,600,000
Other liabilities (excluding current taxation)	(58,131,671)	(35,804,298)
	<u>(3,674,382,434)</u>	<u>(7,403,476,842)</u>
	(648,915,545)	(5,474,189,763)
Gratuity/compensated absences paid	(9,025,768)	(3,564,075)
Income tax/Federal excise duty paid	(272,234,021)	(219,699,775)
	<u>(281,259,789)</u>	<u>(223,263,850)</u>
<b>Net cash generated from/ (used in) operating activities</b>	<u>(930,175,334)</u>	<u>(5,697,453,613)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in available for sale securities	1,121,458,237	4,826,332,473
Net investments in held to maturity securities	(371,761,868)	265,357,636
Net investment in held for trading securities	67,249,000	-
Dividend received	102,592,162	78,322,562
Investment in operating fixed assets	(12,605,332)	(16,950,615)
Sale proceeds of property and equipment disposed off	638,634	1,881,556
<b>Net cash generated/(used in) from investing activities</b>	<u>907,570,833</u>	<u>5,154,943,612</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	-	-
<b>Increase/decrease in cash and cash equivalents</b>	<u>(22,604,501)</u>	<u>(542,510,001)</u>
Cash and cash equivalents at beginning of the year	150,420,650	627,527,189
<b>Cash and cash equivalents at the end of the period</b>	<u>127,816,149</u>	<u>85,017,188</u>

The annexed notes 1 to 25 form an integral part of this condensed interim unconsolidated financial information.

  
General Manager/Chief Executive

  
Director

  
Director

  
Chairman

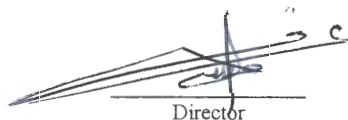
SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED  
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY [UN-AUDITED]  
FOR THE PERIOD ENDED SEPTEMBER 30, 2017

	Share Capital Rupees	Reserve Fund Rupees	General Reserve Rupees	Unappropriated Profit Rupees	Total Rupees
<b>Balance as at January 01, 2016</b>	6,600,000,000	706,004,599	358,662,940	1,715,039,059	9,379,706,598
Profit for the period ended 30 September 2016	-	-	-	509,601,757	509,601,757
Effect of recognition of actuarial losses	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	509,601,757	509,601,757
Bonus shares issued	-	-	-	-	-
Transfer to reserve fund	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-
Transferred from surplus on revaluation of operating fixed assets - net of deferred tax	-	-	-	52,275,801	52,275,801
<b>Balance as at 30 September 2016 - Unaudited</b>	6,600,000,000	706,004,599	358,662,940	2,276,916,617	9,941,584,156
Loss for the period ended 31 December 2016	-	-	-	(33,489,130)	(33,489,130)
Effect of recognition of actuarial gains	-	-	-	(4,712,479)	(4,712,479)
<b>Total comprehensive income</b>	-	-	-	(38,201,609)	(38,201,609)
Bonus shares issued	-	-	-	-	-
Transfer to reserve fund *	-	95,222,525	-	(95,222,525)	-
Transfer to general reserve	-	-	-	-	-
Transferred from surplus on revaluation of operating fixed assets - net of deferred tax	-	-	-	17,193,389	17,193,389
<b>Balance as at 31 December 2016 - Audited</b>	6,600,000,000	801,227,124	358,662,940	2,160,685,872	9,920,575,936
Profit for the period ended 30 September 2017	-	-	-	589,261,125	589,261,125
Effect of recognition of actuarial losses	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	589,261,125	589,261,125
Transfer to reserve fund	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-
Transferred from surplus on revaluation of operating fixed assets - net of deferred tax	-	-	-	52,329,399	52,329,399
<b>Balance as at 30 September 2017 - Unaudited</b>	6,600,000,000	801,227,124	358,662,940	2,802,276,396	10,562,166,460

The annexed notes 1 to 25 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**  
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION [UN-AUDITED]**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017**

**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 MEASUREMENT**

- 2.1 This unconsolidated condensed interim financial information has been prepared under the historical cost convention as modified for certain investments which are carried at fair value, non-banking assets acquired in satisfaction of claims and certain items of operating fixed assets which are shown at revalued amounts and staff retirement benefit which is stated at present value of defined benefit obligations net of fair value of plan assets.

**3. STATEMENT OF COMPLIANCE**

- 3.1 This unconsolidated condensed interim financial information of the Company for the period ended ended September 30, 2017 is unaudited and has been prepared in accordance with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting' and the requirements of format prescribed by the State Bank of Pakistan's BSD Circular Letter No. 2 dated May 12, 2004 and provisions of and directives issued under the repealed 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 repealed Companies Ordinance, 1984 and the Banking Companies Ordinance, 1962, and the directives issued by SECP and SBP shall prevail. This is unconsolidated condensed interim financial information and does not include all the information as required in the annual financial statements. Accordingly, this unconsolidated condensed interim financial information should be read in conjunction with the Company's unconsolidated financial statements for the year ended December 31, 2016.
- 3.2 The SBP through its BSD Circular Letter No.11 dated September 11, 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 April 28, 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 unconsolidated condensed interim financial information. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED  
 NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION [UN-AUDITED]  
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017

4. ACCOUNTING POLICIES AND ESTIMATES

- 4.1 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 December 31, 2016.

Amendments and interpretations to approved accounting standards effective from January 1, 2017 are not expected to have a material impact on this unconsolidated condensed interim financial information.

5. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended December 31, 2016.

<b>Unaudited</b>	<b>Audited</b>
<b>30 September</b>	<b>31 December</b>
<b>2017</b>	<b>2016</b>
<b>Rupees</b>	<b>Rupees</b>

6. CASH AND BALANCES WITH TREASURY BANKS

Balance with State Bank of Pakistan	40,747,482	34,051,074
Cash in hand	232,359	238,060
	<u>40,979,841</u>	<u>34,289,134</u>

7. BALANCES WITH OTHER BANKS

On current accounts - local currency	7,387,375	16,184,836
On deposit accounts		
- Local currency	64,070,234	82,763,844
- Foreign currency	15,378,699	17,182,836
	<u>86,836,308</u>	<u>116,131,516</u>

8. LENDINGS TO FINANCIAL INSTITUTIONS AND OTHERS

Money market placements	-	-
Reverse repo - Treasury Bills/PIBs	-	340,000,000
	<u>-</u>	<u>340,000,000</u>

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED  
 NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION [UN-AUDITED]  
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017

9. INVESTMENTS	(Un-audited) September 30, 2017			(Audited) December 31, 2016		
	Held by the Company	Given as collateral	Total	Held by the Company	Given as collateral	Total
	-----Rupees-----			-----Rupees-----		
9.1 <i>Investments by types</i>						
Held for trading (HFT)						
Quoted shares	-	-	-	63,640,333	-	63,640,333
Available for sale (AFS) securities						
Market Treasury Bills	297,994,610	-	297,994,610	296,933,100	-	296,933,100
Pakistan Investment Bonds	3,149,437,820	1,880,413,697	5,029,851,517	2,679,664,033	5,269,482,367	7,949,146,400
Quoted shares	3,090,591,475	-	3,090,591,475	1,623,809,439	-	1,623,809,439
Unquoted shares	786,333,048	-	786,333,048	456,333,048	-	456,333,048
Term Finance Certificates (TFCs)	106,504,741	-	106,504,741	106,511,641	-	106,511,641
	7,430,861,694	1,880,413,697	9,311,275,391	5,163,251,261	5,269,482,367	10,432,733,628
Held to maturity (HTM) securities						
Term Finance Certificates (TFCs)	903,351,794	-	903,351,794	531,589,926	-	531,589,926
Investment in subsidiaries						
Saudi Pak Real Estate Company Limited	500,000,000	-	500,000,000	500,000,000	-	500,000,000
Investment in associate						
Saudi Pak Leasing Company Limited	576,676,075	-	576,676,075	576,676,075	-	576,676,075
<b>Investments at cost</b>	<b>9,410,889,563</b>	<b>1,880,413,697</b>	<b>11,291,303,260</b>	<b>6,835,157,595</b>	<b>5,269,482,367</b>	<b>12,104,639,962</b>
Provision for diminution in value of un-quoted shares	(273,833,040)	-	(273,833,040)	(358,208,040)	-	(358,208,040)
Provision against subsidiaries	-	-	-	-	-	-
Provision against associates	(576,676,075)	-	(576,676,075)	(576,676,075)	-	(576,676,075)
Provision against TFCs	(522,957,314)	-	(522,957,314)	(541,195,446)	-	(541,195,446)
Provision for impairment loss on quoted shares	(137,927,115)	-	(137,927,115)	(137,927,115)	-	(137,927,115)
	(1,511,393,544)	-	(1,511,393,544)	(1,614,006,676)	-	(1,614,006,676)
Surplus on revaluation of AFS securities	138,137,009	-	138,137,009	854,861,542	-	854,861,542
Surplus on revaluation of HFT securities	-	-	-	3,608,666	-	3,608,666
	138,137,009	-	138,137,009	858,470,208	-	858,470,208
<b>Investments (net of provisions)</b>	<b>8,037,633,028</b>	<b>1,880,413,697</b>	<b>9,918,046,725</b>	<b>6,079,621,127</b>	<b>5,269,482,367</b>	<b>11,349,103,494</b>



SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED  
 NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION [UN-AUDITED]  
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017

	Note	Unaudited 30 September 2017 Rupees	Audited 31 December 2016 Rupees
<b>10 ADVANCES</b>			
Loans, cash, credits, running finances, etc.			
- In Pakistan		8,469,670,284	10,303,964,877
- Outside Pakistan		-	-
		<u>8,469,670,284</u>	<u>10,303,964,877</u>
Net investment in finance lease			
- In Pakistan		159,635,388	162,712,806
- Outside Pakistan		-	-
		<u>159,635,388</u>	<u>162,712,806</u>
		<u>8,629,305,672</u>	<u>10,466,677,683</u>
Less: Provision for non-performing advances	10.2	<u>2,212,887,136</u>	<u>2,210,414,595</u>
		<u>6,416,418,536</u>	<u>8,256,263,088</u>

10.1 Advances placed under non-performing status:

-----30 September 2017-----					
Category of Classification	Domestic Rupees	Overseas Rupees	Total Rupees	Provision Required Rupees	Provision Held Rupees
Substandard	-	-	-	-	-
Doubtful	76,667,165	-	76,667,165	38,333,583	38,333,583
Loss	2,607,011,595	-	2,607,011,595	2,174,553,553	2,174,553,553
	<u>2,683,678,760</u>	<u>-</u>	<u>2,683,678,760</u>	<u>2,212,887,136</u>	<u>2,212,887,136</u>
-----31 December 2016-----					
Category of Classification	Domestic Rupees	Overseas Rupees	Total Rupees	Provision Required Rupees	Provision Held Rupees
Substandard	-	-	-	-	-
Doubtful	479,705,881	-	479,705,881	57,500,000	57,500,000
Loss	2,316,495,818	-	2,316,495,818	2,152,914,595	2,152,914,595
	<u>2,796,201,699</u>	<u>-</u>	<u>2,796,201,699</u>	<u>2,210,414,595</u>	<u>2,210,414,595</u>

10.2 Particulars of provisions against non-performing advances

	Unaudited 30 September 2017 Rupees	Audited 31 December 2016 Rupees
	Specific	Specific
Opening balance	2,210,414,595	2,099,189,893
Charge for the year	92,829,063	196,940,492
Amounts written off	-	(1,408,249)
Reversals	(90,356,522)	(84,307,541)
Closing balance	<u>2,212,887,136</u>	<u>2,210,414,595</u>

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED  
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017

	Note	Unaudited 30 September 2017 Rupees	Audited 31 December 2016 Rupees
<b>11 OPERATING FIXED ASSETS</b>			
Carrying amount at beginning of the period		2,625,410,263	2,738,964,706
Additions during the period	11.1	12,605,332	23,446,092
Book value of disposals	11.2	(638,634)	(3,339,341)
Revaluation surplus		-	-
Depreciation for the period		(100,438,646)	(133,661,194)
Carrying amount at the end of the period		<u>2,536,938,315</u>	<u>2,625,410,263</u>
<b>11.1 Additions during the period / year represents the following:-</b>			
Building		672,631	350,000
Leasehold improvement		-	1,155,141
Motor vehicles		3,263,818	13,876,522
Furniture, fixture and fittings		431,102	239,775
Office equipments		996,750	5,853,738
Electrical appliances		671,548	971,478
Electrical fittings		1,986,095	-
Heating and air conditioning		245,100	-
Security systems		-	265,560
Fire fighting equipment		4,338,288	382,590
Intangible assets		-	351,288
		<u>12,605,332</u>	<u>23,446,092</u>
<b>11.2 Disposals during the period/year represents the following:</b>			
Heating & airconditioning		-	226,984
Fire fighting equipments		-	50,571
Motor vehicles		638,634	2,658,644
Furniture fixture and fittings		-	4,619
Office equipments		-	26
Telephone installation		-	1,430
Electrical appliances		-	4
Security systems		-	397,063
		<u>638,634</u>	<u>3,339,341</u>
<b>12 OTHER ASSETS</b>			
Income/mark-up accrued in local currency	12.1	238,763,762	478,993,276
Advances, deposits, advance rent and other prepayments		51,119,683	13,438,425
Advance taxation (payments less provision)		923,729,182	870,747,726
Excise duty		78,817,895	78,817,895
Non-banking assets acquired in satisfaction of claims		246,366,495	248,450,814
Dividend receivable		47,247,908	7,250,000
Others		15,000,000	15,000,000
		<u>1,601,044,925</u>	<u>1,712,698,136</u>
Less: Provision against other assets		(102,148,164)	(102,148,164)
		<u>1,498,896,761</u>	<u>1,610,549,972</u>
<b>12.1 Income accrued and other receivables</b>			
Accrued fee and commission		6,572,446	6,574,213
Accrued income from advances		910,982,378	929,363,816
Accrued income from investments		399,180,678	653,879,256
Accrued income from lending to financial institutions		30,110	138,165
Rentals receivables		11,674,043	8,329,764
		<u>1,328,439,655</u>	<u>1,598,285,214</u>
Less: Suspense Account		(1,089,675,893)	(1,119,291,938)
		<u>238,763,762</u>	<u>478,993,276</u>

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		<b>Unaudited</b> <b>30 September</b> <b>2017</b> <b>Rupees</b>	<b>Audited</b> <b>31 December</b> <b>2016</b> <b>Rupees</b>
<b>13</b>	<b>BORROWINGS FROM FINANCIAL INSTITUTIONS</b>		
	<b>Secured - in Pakistan local currency</b>		
	<i>Financing availed from:</i>		
	State Bank of Pakistan (SBP)	49,377,699	190,907,824
	Other financial institutions	5,100,000,000	5,475,000,000
	Repo borrowings		
	Financial institutions	<u>1,925,000,000</u>	<u>5,052,000,000</u>
		<u><b>7,074,377,699</b></u>	<u><b>10,717,907,824</b></u>

13.1 This represents the outstanding balance of facilities availed from SBP under Long Term Finance Facility (LT-FF) Scheme.

**14 DEPOSITS AND OTHER ACCOUNTS**

These represent certificate of investments (COIs) issued to Saudi Pak Employees Contributory Provident Fund and National University of Science & Technology (NUST) for Rs 12.5 million and Rs. 146.179 million respectively. These COIs carry mark up ranging from 6.12% to 6.20% per annum (2016: 6.00% to 6.20%).

		<b>Unaudited</b> <b>30 September</b> <b>2017</b> <b>Rupees</b>	<b>Audited</b> <b>31 December</b> <b>2016</b> <b>Rupees</b>
<b>15</b>	<b>OTHER LIABILITIES</b>		
	Provision for staff gratuity	3,789,595	7,775,609
	Provision for compensated absences	4,491,573	5,741,732
	Advance Rental-Saudipak Tower	72,759,440	102,751,234
	Interest/markup accrued on borrowings	62,871,865	56,831,445
	Directors' remuneration	2,859,727	3,145,485
	Other payable and expenses accrued	<u>28,581,963</u>	<u>62,476,502</u>
		<u><b>175,354,163</b></u>	<u><b>238,722,007</b></u>
<b>16</b>	<b>SURPLUS ON REVALUATION OF ASSETS - NET OF TAX</b>		
	Surplus on revaluation of:		
	Operating fixed assets	2,344,717,539	2,419,473,818
	Related deferred tax liability	<u>(703,415,269)</u>	<u>(725,842,147)</u>
		<u><b>1,641,302,270</b></u>	<u><b>1,693,631,671</b></u>
	Available for sale investments	<u>138,137,010</u>	<u>854,861,542</u>
	Related deferred tax liability	<u>11,415,079</u>	<u>(83,129,127)</u>
		<u><b>149,552,089</b></u>	<u><b>771,732,415</b></u>
		<u><b>1,790,854,359</b></u>	<u><b>2,465,364,086</b></u>

**SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED**  
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**17 CONTINGENCIES AND COMMITMENTS**

**17.1 Contingencies**

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 December 31, 2016 except for the following:

**17.1.1 Tax Status**

The Company has filed income tax returns for and up to tax year 2016 (year ended December 31, 2015). The assessments for and upto the tax year 2015 were amended by tax authorities mainly related to disallowance of provisions against non-performing loans and apportionment of expenses to income subject to final tax regime and income subject to normal tax regime. The Company has filed appeals and reference application to the higher fora in relation to adverse decisions. The Company paid tax under protest in relation to matters currently pending and the amounts paid have been carried as receivable since management, based on the opinion of its legal counsel, believes that the matters will be decided in favour of the Company.

**17.1.2 Tax Contingencies**

- i) Issues involving disallowance of provision of non-performing loans and apportionment of expenses between income subject to final tax regime and normal tax regime in respect of tax years 2004, 2005, 2006, 2008, 2009 and 2010 are under litigation before Islamabad High Court. Total outstanding demands in respect of tax years under litigation amounts to Rs 539.44 million. The Appellate Tribunal Inland Revenue Islamabad did not accept the Company's grounds of appeal in respect of tax years 2004 to 2006 and 2008 to 2010. The Company has filed tax reference before the Islamabad High Court which has been admitted for hearing.
- ii) For tax years 2012, provision for non-performing loans and certain other expenses were disallowed by Additional Commissioner Inland Revenue. The Company filed appeal before Commissioner Inland Revenue-Appeals (CIR-Appeals). CIR-Appeals upheld certain actions of the assessing officer and remanded back other issues to assessing officer. The Company filed an appeal before Appellate Tribunal Inland Revenue in respect of issues decided against the Company which is pending adjudication. The Additional Commissioner Inland Revenue passed an appeal effect order creating revised income tax demand of Rs. 68.4 million out of which the Company has paid Rs 16.8 million under protest. The Company has obtained stay from Appellate Tribunal Inland Revenue against the disputed demand.
- iii) For tax year 2014, provision for non-performing loans and certain other expenses were disallowed by Deputy Commissioner Inland Revenue. The Commissioner Inland Revenue (Appeals) upheld certain actions of the assessing officer and remanded back certain issues to assessing officer. The Officer Inland Revenue passed an appeal effect order creating demand of Rs 85.4 million. The Company has paid Rs. 62.5 million under protest. The Company filed an appeal before Appellate Tribunal Inland Revenue (ATIR). ATIR remanded back certain issues to assessing officer. The Company has not received any new appeal effect order yet thus the outstanding demand at this stage is Nil.

**17.1.3 Other Contingencies**

**a Eden Developers (Pvt) Ltd (COS No. 18/2015 of Rs. 697.350 million)**

The titled damages suit filed against the Company was fixed for evidence of parties. However, on April 18, 2017 (the plaintiff) Eden Developers (Pvt.) Limited through their lawyer has stated before the honorable Judge, Lahore High Court, Lahore, that they are unable to produce evidence in their subject suit because the directors of the Company have been incarcerated, concerned employees of the company have also left their jobs besides NAB has taken over custody of relevant record in a pending enquiry of a property scam. On the request of their lawyer, the honorable High Court has consigned the titled suit to record with the permission that the suit can be revived within six months by either party.

**17.2 Direct credit substitutes**

Letter of comfor/Guarantee

<b>Unaudited 30 September 2017 Rupees</b>	<b>Audited 31 December 2016 Rupees</b>
---	--

226,342,000                      340,000,000

**17.3 Commitments**

Non disbursed commitment for term and working capital finance

1,551,782,000                      2,078,289,000

Commitments for the acquisition of operating fixed assets

1,926,250                              6,447,656

**1,780,050,250                      2,424,736,656**

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	Unaudited 30 September 2017 Rupees	Unaudited 30 September 2016 Rupees
<b>18 MARK-UP/RETURN/INTEREST EARNED</b>		
Income from investments	435,910,243	580,090,367
Income from advances	478,994,226	437,548,558
Income from lending to financial institutions	3,320,262	12,769,978
	<u>918,224,731</u>	<u>1,030,408,903</u>
<b>19 MARK-UP/RETURN/INTEREST EXPENSED</b>		
Short Term Borrowings	108,867,339	125,830,403
Long Term Borrowings	154,308,574	135,556,490
Borrowing cost on Repos	103,196,383	140,867,574
Brokerage Fee & Commission	726,370	2,247,988
	<u>367,098,666</u>	<u>404,502,455</u>
<b>20 GAIN ON SALE OF SECURITIES-NET</b>		
(Loss)/gain on sale of Government securities	(1,836,900)	317,144,451
Gain/(loss) on sale of quoted securities-net	96,508,136	158,600,233
	<u>94,671,236</u>	<u>475,744,684</u>

**21 TAXATION - PRIOR YEARS**

Super tax at the rate of 3% of the taxable income levied through Finance Act 2015 has also been extended to the tax year 2017.

**22 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES**

The segment analysis with respect to business activity is as follows:

	Corporate Finance	Trading and sales	Building rental services	Total
	30.09.2017	30.09.2017	30.09.2017	30.09.2017
	Rupees			
Total income	500,967,631	679,647,883	233,205,047	1,413,820,561
Total expenses	242,714,811	266,297,672	122,843,355	631,855,838
Net income	258,252,820	413,350,211	110,361,692	781,964,723
Segment assets (gross)	10,214,313,592	11,590,937,348	2,417,146,226	24,222,397,166
Segment non performing loans	2,683,678,760	-	-	2,683,678,760
Segment provision required	2,658,738,930	1,065,541,750	-	3,724,280,680
Segment liabilities	3,473,697,474	3,884,031,170	787,367,023	8,145,095,667
Segment return on net assets (ROA) (%)	6.33	6.22	6.77	6.33
Segment cost of funds (%)	4.60	5.50	-	5.08
	Corporate Finance	Trading and sales	Building rental services	Total
	30.09.2016	30.09.2016	30.09.2016	30.09.2016
	Rupees			
Total income	477,163,577	1,151,124,457	215,622,199	1,843,910,233
Total expenses	425,130,118	527,216,168	122,200,370	1,074,546,656
Net income	52,033,459	623,908,289	93,421,829	769,363,577
	31.12.2016	31.12.2016	31.12.2016	31.12.2016
	Rupees			
Segment assets (gross)	11,523,693,080	14,256,727,578	2,375,748,079	28,156,168,737
Segment non performing loans	2,796,201,699	-	-	2,796,201,699
Segment provision required	2,674,504,521	1,149,916,750	-	3,824,421,271
Segment liabilities	4,950,644,441	6,154,119,789	841,043,215	11,945,807,445
Segment return on net assets (ROA) (%)	1.33	8.97	6.09	6.21
Segment cost of funds (%)	2.44	4.77	-	3.73

**Assumptions used:**

- Administrative expenses have been allocated to segments based on respective segment income.
- Unallocatable assets representing 5.90 % (2016: 5.00 %) of the total assets have been allocated to segments based on their respective incomes.
- Unallocatable liabilities representing 90.23% (2016: 92.09%) of the total liabilities have been allocated to segments based on their respective assets.

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**23 RELATED PARTY TRANSACTIONS**

23.1 The Government of Kingdom of Saudi Arabia and the Islamic Republic of Pakistan each own 50% shares 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 the Company maintained car.

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

Nature of balances / transactions	Name of the Entity	Unaudited	Audited
		30 September 2017	31 December 2016
		Rupees	Rupees
<b><u>Outstanding balances at the period / year end</u></b>			
- Sponsor			
Other receivables	Public Investment Fund - Saudi Arabia	15,000,000	15,000,000
- Subsidiary/Associated companies			
Investments - cost	Saudi Pak Real Estate Company Ltd	500,000,000	500,000,000
Investments in shares - cost	Saudi Pak Leasing Company Ltd	243,467,574	243,467,574
Investments in preference shares - cost	Saudi Pak Leasing Company Ltd	333,208,501	333,208,501
Security deposit	Saudi Pak Real Estate Company Ltd	278,280	278,280
Rent received in advance	Saudi Pak Real Estate Company Ltd	1,004,900	845,585
Rent payable for generator	Saudi Pak Leasing Company Ltd	-	30,000
- Key management personnel			
Advances to executives		41,234,139	29,959,095
- Employee funds			
Deposits against COIs	Employee Provident Fund	12,500,000	12,500,000
Interest payable	Employee Provident Fund	128,538	54,357
Contribution payable	Staff Gatuity Fund	3,789,595	7,775,609
		Unaudited	Unaudited
		30 September	30 September
		2017	2016
		Rupees	Rupees
<b><u>Transactions during the period</u></b>			
- Subsidiary/Associated companies			
Rent received	Saudi Pak Leasing Company Ltd	456,437	419,265
Rent paid for generator	Saudi Pak Leasing Company Ltd	185,861	104,624
Rent received	Saudi Pak Real Estate Company Ltd	3,426,462	2,995,869
Electricity bills received	Saudi Pak Real Estate Company Ltd	180,481	196,805
- Key management personnel			
Advances to executives		16,024,300	4,748,300
Repayment of advances		6,714,449	11,772,720
- Employee funds			
Deposits against COIs	Employee Provident Fund	-	7,500,000
Contributions paid	Employee Provident Fund	4,778,832	3,737,969
Interest expensed	Employee Provident Fund	579,523	542,679
Contributions paid	Staff Gatuity Fund	7,775,609	2,090,657

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24 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of traded investments is based on quoted market prices, except for securities classified by the Company as 'held to maturity'. Securities classified as held to maturity are carried at amortized cost. Fair value of unquoted equity investments is determined on the basis of break up value of these investments as per the latest available audited financial statements.

Fair value of fixed term loans, other assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to the absence of current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of loans and advances has been calculated in accordance with the Company's accounting policy as disclosed in annual financial statements for the year ended December 31, 2016.

Fair value of remaining financial assets and liabilities except fixed term loans, staff loans, non-performing advances and fixed term deposits is not significantly different from the carrying amounts since assets and liabilities are either short term in nature or are frequently repriced in the case of customer loans and deposits.

24.1 The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets (Pakistan Stock Exchange) for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) available at MUFAP, Reuters page, Redemption prices and determined by valuers on the panel of Pakistan Banker's Association .

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses the financial and non-financial assets carried at fair values, by valuation methods. Valuation of investments is carried out as per guidelines specified by the SBP. In case of non-financial assets, the Company has adopted revaluation model (as per IAS 16) in respect of land and non-banking assets acquired in satisfaction of claims.

	September 30, 2017 - (Unaudited)			Total
	Level 1	Level 2	Level 3	
<b>Rupees</b>				
<b>Financial assets:</b>				
Held for trading				
Quoted securities	-	-	-	-
Available for sale securities				
Market Treasury Bills	-	297,994,800	-	297,994,800
Pakistan Investment Bonds	-	5,385,674,900	-	5,385,674,900
Fully paid ordinary shares / units	2,734,312,544	-	-	2,734,312,544
Term Finance Certificates	-	30,064,473	-	30,064,473
	<u>2,734,312,544</u>	<u>5,713,734,173</u>	<u>-</u>	<u>8,448,046,717</u>
<b>Non-financial assets:</b>				
Operating fixed assets				
Property and equipment (leasehold land)	-	-	2,508,457,804	2,508,457,804
Other assets				
Non-banking assets acquired in satisfaction of claims	-	-	148,293,393	148,293,393
	<u>-</u>	<u>-</u>	<u>2,656,751,197</u>	<u>2,656,751,197</u>

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	December 31, 2016 - (Audited)			Total
	Level 1	Level 2	Level 3	
Rupees				
<b>Financial assets:</b>				
Held for trading				
Quoted securities	67,248,999	-	-	67,248,999
Available for sale securities				
Market Treasury Bills	-	283,990,799	-	283,990,799
Pakistan Investment Bonds	-	8,435,015,650	-	8,435,015,650
Fully paid ordinary shares / units	1,853,954,428	-	-	1,853,954,428
Term Finance Certificates	-	30,213,809	-	30,213,809
	<u>1,921,203,427</u>	<u>8,749,220,258</u>	<u>-</u>	<u>10,670,423,685</u>
<b>Non-financial assets:</b>				
Operating fixed assets				
Property and equipment (leasehold land)	-	-	2,557,131,827	2,557,131,827
Other assets				
Non-banking assets acquired in satisfaction of claims	-	-	150,377,712	150,377,712
	<u>-</u>	<u>-</u>	<u>2,707,509,539</u>	<u>2,707,509,539</u>

24.2 The Company's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused such transfer. There were no transfers between levels during the period.

25 GENERAL

25.1 This condensed interim unconsolidated financial information was authorized for issue by the Board of Directors of the Company in the meeting held on 29 OCT 2017

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



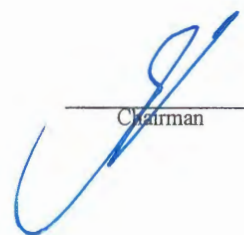
General Manager/Chief Executive



Director



Director



Chairman