

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2018

	Note	Unaudited 30 September 2018 Rupees	Audited 31 December 2017 Rupees
ASSETS			
Cash and balances with treasury banks	6	34,697,277	40,303,180
Balances with other banks	7	122,656,761	123,073,428
Lendings to financial institutions and others	8	808,706,020	-
Investments	9	4,333,877,006	9,468,147,212
Advances	10	7,201,559,311	8,457,894,406
Operating fixed assets	11	2,465,898,127	2,518,447,287
Deferred tax assets		-	-
Other assets	12	820,175,723	1,558,819,473
		15,787,570,225	22,166,684,986
LIABILITIES			
Bills payable		-	-
Borrowings from financial institutions	13	3,401,300,218	9,076,845,649
Deposits and other accounts	14	7,500,000	7,500,000
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		58,400,643	651,353,904
Other liabilities	15	204,375,232	225,559,300
		3,671,576,093	9,961,258,853
NET ASSETS		12,115,994,132	12,205,426,133
REPRESENTED BY			
Share capital		6,600,000,000	6,600,000,000
Reserve fund		926,690,686	926,690,686
General reserve		358,662,940	358,662,940
Unappropriated profit		2,721,299,087	2,746,287,226
		10,606,652,713	10,631,640,852
Surplus on revaluation of assets - net of tax	16	1,509,341,419	1,573,785,281
		12,115,994,132	12,205,426,133
CONTINGENCIES AND COMMITMENTS	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, 2018

	Note	30 September 2018		30 September 2017	
		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	240,795,888	734,233,928	305,993,077	918,224,731
Mark-up/Return/Interest Expensed	19	83,252,009	291,251,195	126,451,145	367,098,666
Net mark-up/Interest Income		157,543,879	442,982,733	179,541,932	551,126,065
Provision / (reversal) against non-performing loans and advances		72,673,482	153,380,842	(9,869,800)	2,472,541
Provision / (reversal) for diminution in the value of investments - net		14,543,964	(72,352,425)	-	(102,613,132)
Bad debts written off directly		-	-	-	-
Net Mark-up/ Interest Income after provisions		87,217,446	81,028,417	(9,869,800)	(100,140,591)
		70,326,433	361,954,316	189,411,732	651,266,656
NON MARK-UP/INTEREST INCOME					
Fee, Commission and Brokerage income		1,186,934	6,228,097	5,204,589	25,055,319
Dividend Income		32,937,002	106,520,740	56,962,626	142,590,070
Gain on sale of securities - net	20	21,383,741	66,614,115	(4,029,420)	94,671,236
Gain on dealing in mutual funds		3,074,875	3,074,875	-	-
Unrealized gain on revaluation of held for trading investments - net		-	-	4,001,950	-
Gain from dealing in foreign currencies		119,424	1,729,339	71,973	74,158
Other income		36,645,274	152,924,477	39,078,852	110,361,692
Total non mark-up/interest Income		95,347,250	337,091,643	101,290,570	372,752,475
		165,673,683	699,045,959	290,702,302	1,024,019,131
NON MARK-UP/INTEREST EXPENSES					
Administrative expenses		98,556,472	283,156,901	85,021,543	242,054,408
Other provisions/ (reversals) /write offs		-	-	-	-
Other charges		-	-	-	-
Total non mark-up/interest expenses		98,556,472	283,156,901	85,021,543	242,054,408
		67,117,211	415,889,058	205,680,759	781,964,723
Extra ordinary / unusual items					
		-	-	-	-
PROFIT BEFORE TAXATION					
		67,117,211	415,889,058	205,680,759	781,964,723
Taxation - Current		12,361,761	145,047,487	55,238,293	184,464,427
- Prior years		16,074,404	618,329,380	-	34,788,138
- Deferred	21	(2,748,896)	(566,172,486)	(8,444,781)	(26,548,967)
		25,687,269	197,204,381	46,793,512	192,703,598
PROFIT AFTER TAXATION					
		41,429,942	218,684,677	158,887,247	589,261,125
Basic earning per share					
		0.063	0.331	0.241	0.893

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


General Manager/Chief Executive


Director



Director


Chairman

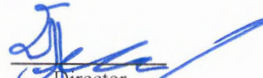
SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
 UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME [UN-AUDITED]
 FOR THE PERIOD ENDED SEPTEMBER 30, 2018


	30 September 2018		30 September 2017	
	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	41,429,942	218,684,677	158,887,247	589,261,125
Other comprehensive income				
Items that will never be reclassified to profit and loss account				
Remeasurement of defined benefit plan	-	-	-	-
Comprehensive income - transferred to statement of changes in equity	<u>41,429,942</u>	<u>218,684,677</u>	<u>158,887,247</u>	<u>589,261,125</u>
Components of comprehensive income not reflected in equity				
Deficit on revaluation of securities - net of tax	(43,693,125)	(11,232,303)	(210,348,553)	(622,180,326)
Total comprehensive income	<u>(2,263,183)</u>	<u>207,452,374</u>	<u>(51,461,306)</u>	<u>(32,919,201)</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, 2018

	30 September 2018 Rupees	30 September 2017 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	415,889,058	781,964,723
Less: Dividend income	(106,520,740)	(142,590,070)
	309,368,318	639,374,653
Adjustments for non-cash charges		
Depreciation/ amortization	99,315,247	100,438,646
Provision against non-performing loans and advances	153,380,842	2,472,541
(Reversal) / provision for diminution in value of investments	(72,352,425)	(102,613,132)
Gain on disposal of operating fixed assets	(37,033,176)	-
Provision for gratuity/compensated absences	4,182,471	3,789,595
	147,492,959	4,087,650
	456,861,277	643,462,303
(Increase) / decrease in operating assets		
Lendings to financial institutions and others	(808,706,020)	340,000,000
Advances	1,102,954,253	1,837,372,011
Other assets (excluding advance taxation)	146,286,995	204,632,575
	440,535,228	2,382,004,586
(Decrease) / increase in operating liabilities		
Borrowings from financial institutions	(5,675,545,431)	(3,643,530,125)
Deposits	-	27,279,362
Other liabilities (excluding current taxation)	(13,960,955)	(58,131,671)
	(5,689,506,386)	(3,674,382,434)
	(4,792,109,881)	(648,915,545)
Gratuity/compensated absences paid	(11,405,584)	(9,025,768)
Income tax/Federal excise duty paid	(137,047,937)	(272,234,021)
	(148,453,521)	(281,259,789)
Net cash used in operating activities	(4,940,563,402)	(930,175,334)
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available for sale securities	5,359,416,997	1,121,458,237
Net investments in held to maturity securities	(169,518,062)	(371,761,868)
Net investment in held for trading securities	11,826,249	67,249,000
Dividend received	70,464,240	102,592,162
Investment in operating fixed assets	(87,158,818)	(12,605,332)
Sale proceeds of property and equipment disposed off	79,510,226	638,634
Net cash generated from investing activities	5,264,540,832	907,570,833
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(330,000,000)	-
Net cash used in financing activities	(330,000,000)	-
Decrease in cash and cash equivalents	(6,022,570)	(22,604,501)
Cash and cash equivalents at beginning of the year	163,376,608	150,420,650
Cash and cash equivalents at the end of the period	157,354,038	127,816,149

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


 General Manager/Chief Executive


 Director

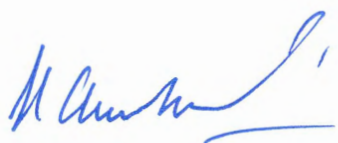

 Director


 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, 2018

	Share Capital Rupees	Reserve Fund Rupees	General Reserve Rupees	Unappropriated Profit Rupees	Total Rupees
Balance as at January 01, 2017	6,600,000,000	801,227,124	358,662,940	2,160,685,872	9,920,575,936
Profit for the period ended September 30, 2017	-	-	-	589,261,125	589,261,125
Other comprehensive income related to equity	-	-	-	-	-
Total comprehensive income	-	-	-	589,261,125	589,261,125
Bonus shares issued	-	-	-	-	-
Transfer to reserve fund	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-
Transferred from surplus on revaluation of operating fixed assets - net of deferred tax	-	-	-	52,329,399	52,329,399
Balance as at September 30, 2017 - Unaudited	6,600,000,000	801,227,124	358,662,940	2,802,276,396	10,561,166,460
Profit for the period ended December 31, 2017	-	-	-	38,056,687	38,056,687
Other comprehensive income related to equity	-	-	-	999,498	999,498
Total comprehensive income	-	-	-	39,056,185	39,056,185
Bonus shares issued	-	-	-	-	-
Transfer to reserve fund	-	125,463,562	-	(125,463,562)	-
Transfer to general reserve	-	-	-	-	-
Transferred from surplus on revaluation of operating fixed assets - net of deferred tax	-	-	-	30,418,207	30,418,207
Balance as at December 31, 2017 - Audited	6,600,000,000	926,690,686	358,662,940	2,746,287,226	10,631,640,852
Profit for the period ended September 30, 2018	-	-	-	218,684,677	218,684,677
Other comprehensive income related to equity	-	-	-	-	-
Total comprehensive income	-	-	-	218,684,677	218,684,677
Transfer to reserve fund	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-
Dividend paid	-	-	-	(330,000,000)	(330,000,000)
Transferred from surplus on revaluation of operating fixed assets - net of deferred tax	-	-	-	86,327,184	86,327,184
Balance as at September 30, 2018 - Unaudited	6,600,000,000	926,690,686	358,662,940	2,721,299,087	10,606,652,713

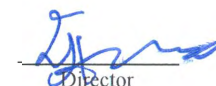
The annexed notes 1 to 25 form an integral part of this condensed interim unconsolidated financial information.



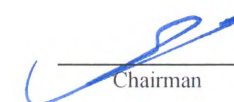
General Manager/Chief Executive



Director



Director



Chairman

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION [UN-AUDITED]
FOR THE PERIOD ENDED SEPTEMBER 30, 2018

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 May 31, 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 These unconsolidated condensed interim financial statements have been prepared under the historical cost convention as modified for certain investments which are carried at fair value and amortized cost, 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 These unconsolidated condensed interim financial statements of the Company for the period ended September 30, 2018 unaudited and have 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 Companies Act, 2017, 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 Act, 2017 and the Banking Companies Ordinance, 1962, and the directives issued by SECP and SBP shall prevail. These are unconsolidated condensed interim financial statements and do not include all the information as required in the annual financial statements. Accordingly, these unconsolidated condensed interim financial statements should be read in conjunction with the Company's unconsolidated financial statements for the year ended December 31, 2017.
- 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 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 these unconsolidated condensed interim financial statements. 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 PERIOD ENDED SEPTEMBER 30, 2018

4. ACCOUNTING POLICIES AND ESTIMATES

- 4.1 Accounting policies, related judgments, estimates and assumptions adopted for the preparation of these unconsolidated (condensed interim) financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended December 31, 2017, except for the following:

Consequent to the enactment of the Companies Act, 2017 (the Act), the Company has changed its accounting policy for treatment of deficit on revaluation of fixed assets wherein any decrease in carrying amount of fixed asset as a result of revaluation is charged to profit and loss account, however the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. Previously, any decrease in the carrying amount of fixed assets was netted off against surplus on revaluation of any other fixed assets. The change in accounting policy has been accounted for retrospectively but the corresponding figures have not been restated since there is no impact of the above change in accounting policy on these unconsolidated condensed interim financial statements.

Amendments and interpretations to approved accounting standards effective from January 1, 2018 are not expected to have a material impact on these unconsolidated condensed interim financial statements.

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, 2017.

Unaudited	Audited
30 September	31 December
2018	2017
Rupees	Rupees

6. CASH AND BALANCES WITH TREASURY BANKS

Balance with State Bank of Pakistan	34,351,088	40,037,929
Cash in hand	346,189	265,251
	34,697,277	40,303,180

7. BALANCES WITH OTHER BANKS

On current accounts - local currency	34,356,689	3,631,571
On deposit accounts		
- Local currency	71,996,580	103,299,978
- Foreign currency	16,303,492	16,141,879
	122,656,761	123,073,428

8. LENDINGS TO FINANCIAL INSTITUTIONS AND OTHERS

Reverse repo - Treasury Bills	458,706,020	-
Reverse repo - PIBs	350,000,000	-
	808,706,020	-

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION [UN-AUDITED]
FOR THE PERIOD ENDED SEPTEMBER 30, 2018

9. INVESTMENTS	(Un-audited) September 30, 2018			(Audited) December 31, 2017		
	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	-	-	-	15,197,333	-	15,197,333
Available for sale (AFS) securities						
Market Treasury Bills	-	-	-	2,624,726,264	1,929,936,155	4,554,662,419
Pakistan Investment Bonds	-	-	-	987,827,349	-	987,827,349
Quoted shares	2,580,953,769	-	2,580,953,769	3,064,581,661	-	3,064,581,661
Unquoted shares	786,333,048	-	786,333,048	786,333,048	-	786,333,048
Term Finance Certificates (TFCs)	773,198,504	-	773,198,504	106,497,841	-	106,497,841
	4,140,485,321	-	4,140,485,321	7,569,966,163	1,929,936,155	9,499,902,318
Held to maturity (HTM) securities						
Term Finance Certificates (TFCs)	1,044,040,893	-	1,044,040,893	874,522,831	-	874,522,831
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
Investments at cost	6,261,202,289	-	6,261,202,289	9,536,362,402	1,929,936,155	11,466,298,557
Provision for diminution in value of un-quoted shares	(273,833,040)	-	(273,833,040)	(273,833,040)	-	(273,833,040)
Provision against subsidiaries	-	-	-	-	-	-
Provision against associates	(576,676,075)	-	(576,676,075)	(576,676,075)	-	(576,676,075)
Provision against TFCs	(470,449,976)	-	(470,449,976)	(465,695,414)	-	(465,695,414)
Provision for impairment loss on quoted shares	(543,570,032)	-	(543,570,032)	(620,677,019)	-	(620,677,019)
	(1,864,529,123)	-	(1,864,529,123)	(1,936,881,548)	-	(1,936,881,548)
Surplus/(deficit) on revaluation of AFS securities	(62,796,160)	-	(62,796,160)	(57,898,713)	-	(57,898,713)
(Deficit) on revaluation of HFT securities	-	-	-	(3,371,084)	-	(3,371,084)
	(62,796,160)	-	(62,796,160)	(61,269,797)	-	(61,269,797)
Investments (net of provisions)	4,333,877,006	-	4,333,877,006	7,538,211,057	1,929,936,155	9,468,147,212

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
 NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION [UN-AUDITED]
 FOR THE PERIOD ENDED SEPTEMBER 30, 2018

	Note	Unaudited 30 September 2018 Rupees	Audited 31 December 2017 Rupees
10 ADVANCES			
Loans, cash, credits, running finances, etc.			
- In Pakistan		9,330,386,072	10,426,876,922
- Outside Pakistan		-	-
		<u>9,330,386,072</u>	<u>10,426,876,922</u>
Net investment in finance lease			
- In Pakistan		150,699,343	157,162,746
- Outside Pakistan		-	-
		<u>150,699,343</u>	<u>157,162,746</u>
		<u>9,481,085,415</u>	<u>10,584,039,668</u>
Less: Provision for non-performing advances	10.2	<u>2,279,526,104</u>	<u>2,126,145,262</u>
		<u>7,201,559,311</u>	<u>8,457,894,406</u>

10.1 Advances placed under non-performing status:

-----30 September 2018-----					
Category of Classification	Domestic	Overseas	Total	Provision Required	Provision Held
	Rupees	Rupees	Rupees	Rupees	Rupees
Substandard	330,693,926	-	330,693,926	82,673,482	82,673,482
Doubtful	-	-	-	-	-
Loss	2,460,205,453	-	2,460,205,453	2,196,852,622	2,196,852,622
	<u>2,790,899,379</u>	<u>-</u>	<u>2,790,899,379</u>	<u>2,279,526,104</u>	<u>2,279,526,104</u>
-----31 December 2017-----					
Category of Classification	Domestic	Overseas	Total	Provision Required	Provision Held
	Rupees	Rupees	Rupees	Rupees	Rupees
Substandard	-	-	-	-	-
Doubtful	76,667,165	-	76,667,165	38,333,583	38,333,583
Loss	2,516,269,721	-	2,516,269,721	2,087,811,679	2,087,811,679
	<u>2,592,936,886</u>	<u>-</u>	<u>2,592,936,886</u>	<u>2,126,145,262</u>	<u>2,126,145,262</u>

10.2 Particulars of provisions against non-performing advances	Unaudited 30 September 2018 Rupees	Audited 31 December 2017 Rupees
	Specific	Specific
Opening balance	2,126,145,262	2,210,414,595
Charge for the year	242,278,693	92,829,063
Amounts written off	-	-
Reversals	(88,897,851)	(177,098,396)
Closing balance	<u>2,279,526,104</u>	<u>2,126,145,262</u>

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
 NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION [UN-AUDITED]
 FOR THE PERIOD ENDED SEPTEMBER 30, 2018

	Note	Unaudited 30 September 2018 Rupees	Audited 31 December 2017 Rupees
11 OPERATING FIXED ASSETS			
Carrying amount at beginning of the period		2,518,447,287	2,625,410,263
Additions during the period	11.1	109,302,306	43,622,797
Book value of disposals	11.2	(64,620,538)	(16,362,283)
Depreciation for the period		(97,230,928)	(134,223,490)
Carrying amount at the end of the period		<u>2,465,898,127</u>	<u>2,518,447,287</u>
11.1 Additions during the period / year represents the following:-			
Leasehold land		27,269,637	-
Building		499,000	240,901
Motor vehicles		23,319,837	7,369,778
Furniture, fixture and fittings		216,525	2,078,932
Office equipments		5,016,994	3,245,962
Electrical appliances		99,999	934,174
Electrical fittings		-	794,439
Heating and air conditioning		1,577,396	245,100
Elevators		36,794,700	537,680
Security systems		93,429	-
Telephone installation		-	55,695
Fire fighting equipment		7,833,150	5,750,200
Work in progress		-	22,143,488
Intangible assets		6,581,639	226,448
		<u>109,302,306</u>	<u>43,622,797</u>
11.2 Disposals during the period/year represents the following:			
Heating & airconditioning		-	506,277
Fire fighting equipments		-	33,074
Motor vehicles		3,176,399	3,035,646
Elevators		6,096,325	12,787,260
Furniture fixture and fittings		-	26
Building - ISE Tower Islamabad		33,204,313	-
Office equipments		13	-
Work in progress		22,143,488	-
		<u>64,620,538</u>	<u>16,362,283</u>
12 OTHER ASSETS			
Income/mark-up accrued in local currency	12.1	194,110,142	224,383,608
Advances, deposits, advance rent and other prepayments		51,626,406	167,639,941
Advance taxation (payments less provision)		254,239,551	880,568,481
Excise duty		78,817,895	78,817,895
Non-banking assets acquired in satisfaction of claims		243,587,403	245,671,722
Dividend receivable		84,942,490	48,885,990
Others		15,000,000	15,000,000
		<u>922,323,887</u>	<u>1,660,967,637</u>
Less: Provision against other assets		<u>(102,148,164)</u>	<u>(102,148,164)</u>
		<u>820,175,723</u>	<u>1,558,819,473</u>
12.1 Income accrued and other receivables			
Accrued fee and commission		6,359,702	6,359,702
Accrued income from advances		944,032,835	930,642,341
Accrued income from investments		327,339,556	353,362,832
Accrued income from lending to financial institutions		540,600	30,110
Rentals receivables		12,548,860	9,764,774
		<u>1,290,821,553</u>	<u>1,300,159,759</u>
Less: Suspense Account		<u>1,096,711,411</u>	<u>1,075,776,151</u>
		<u>194,110,142</u>	<u>224,383,608</u>

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
 NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
 FOR THE PERIOD ENDED SEPTEMBER 30, 2018

		Unaudited 30 September 2018 Rupees	Audited 31 December 2017 Rupees
13 BORROWINGS FROM FINANCIAL INSTITUTIONS			
Secured - in Pakistan local currency			
<i>Financing availed from:</i>			
State Bank of Pakistan (SBP)	13.1	151,300,218	71,767,799
Other financial institutions		3,250,000,000	7,075,000,000
Repo borrowings			
Financial institutions		-	1,930,077,850
		3,401,300,218	9,076,845,649

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 for Rs 7.5 million . These COIs carry mark up at the rate of 7.75% per annum (2017: 6.15%) and having maturity in December 2018.

	Unaudited 30 September 2018 Rupees	Audited 31 December 2017 Rupees
15 OTHER LIABILITIES		
Provision for staff gratuity	970,471	6,821,309
Provision for compensated absences	4,873,075	6,245,350
Advance Rental-Saudipak Tower	94,661,719	93,739,647
Interest/markup accrued on borrowings	40,027,610	49,074,344
Directors' remuneration	3,354,585	3,205,008
Other payable and expenses accrued	60,487,772	66,473,642
	204,375,232	225,559,300

16 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

Surplus on revaluation of:

Operating fixed assets	2,199,389,507	2,306,825,871
Related deferred tax liability	(637,822,957)	(692,047,762)
	1,561,566,550	1,614,778,109
Available for sale investments	(62,796,159)	(57,898,713)
Related deferred tax liability	10,571,028	16,905,885
	(52,225,131)	(40,992,828)
	1,509,341,419	1,573,785,281

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
 NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION [UN-AUDITED]
 FOR THE PERIOD ENDED SEPTEMBER 30, 2018

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 preceeding annual published financial statements for the year ended December 31, 2017 except for the following:

17.1.1 Tax Status

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-A). CIR-A 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 (ATIR) in respect of issues decided against the Company. ATIR decided in favor on the Company on certain expenses but decided against the Company on issue of non-performing loans. In this regard the Company filed reference before Islamabad High Court. 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 filed an appeal before CIR-A who upheld actions of the assessing officer. The Company filed an appeal before Appellate Tribunal Inland Revenue (ATIR) in respect of issues decided against the Company. ATIR decided in favor on the Company on provision of gratuity and compensated absences and remanded the matter of foreign exchange loss.

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. An appeal effect notice No. 276 dated February 20, 2018 was issued and subsequently an appeal effect order DCR No. 07/051 dated June 22, 2018 was passed whereby demand of Rs. 90,771,198 was created which was later rectified to Rs. 28,265,499. The Company filed appeal before The Commissioner Inland Revenue (Appeals) which is pending adjudication.

	Unaudited 30 September 2018 Rupees	Audited 31 December 2017 Rupees
17.2 Direct credit substitutes		
Letter of comfort/Guarantee	618,770,000	118,770,000
17.3 Commitments		
Non disbursed commitment for term and working capital finance	2,949,000,000	2,433,480,000
Commitments for the acquisition of operating fixed assets	-	21,560,060
	3,567,770,000	2,573,810,060
	Unaudited 30 September 2018 Rupees	Unaudited 30 September 2017 Rupees
18 MARK-UP/RETURN/INTEREST EARNED		
Income from investments	121,845,311	435,910,243
Income from advances	520,398,399	478,994,226
Income from lending to financial institutions	91,990,218	3,320,262
	734,233,928	918,224,731

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
 NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION [UN-AUDITED]
 FOR THE PERIOD ENDED SEPTEMBER 30, 2018

	Unaudited 30 September 2018 Rupees	Unaudited 30 September 2017 Rupees
19 MARK-UP/RETURN/INTEREST EXPENSED		
Short Term Borrowings	110,245,523	108,867,339
Long Term Borrowings	171,178,589	154,308,574
Borrowing cost on Repos	9,100,508	103,196,383
Brokerage Fee & Commission	726,575	726,370
	291,251,195	367,098,666
20 GAIN ON SALE OF SECURITIES-NET		
Gain/(loss) on sale of Government securities	81,830,611	(1,836,900)
(Loss)/gain on sale of quoted securities-net	(15,216,496)	96,508,136
	66,614,115	94,671,236

21 TAXATION - PRIOR YEARS

This represents super tax at the rate of 3% of the taxable income extended to the tax year 2018 and charge recognised by the Company during the period in respect of disallowance of provision for non-performing loans (NPLs) classified in prior years.

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
	30.09.2018	30.09.2018	30.09.2018	30.09.2018
	Rupees			
Total income	571,565,225	383,869,045	256,288,312	1,211,722,582
Total expenses	501,761,023	153,675,490	140,397,011	795,833,524
Net income	69,804,202	230,193,555	115,891,301	415,889,058
Segment assets (gross)	11,078,020,060	6,650,162,178	2,305,591,379	20,033,773,616
Segment non performing loans	2,790,899,379	-	-	2,790,899,379
Segment provision required	2,678,312,697	1,567,890,694	-	4,246,203,391
Segment liabilities	1,654,683,092	1,273,208,160	743,684,841	3,671,576,093
Segment return on net assets (ROA) (%)	1.03	6.04	7.42	3.43
Segment cost of funds (%)	8.18	9.15	-	8.54
	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

Assumptions used:

- Administrative expenses have been allocated to segments based on respective segment income.
- Unallocatable assets representing 3.58 % (2017: 5.90 %) of the total assets have been allocated to segments based on their respective incomes.
- Unallocatable liabilities representing 95.80 % (2017: 90.23%) of the total liabilities have been allocated to segments based on their respective assets.

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION [UN-AUDITED]
FOR THE PERIOD ENDED SEPTEMBER 30, 2018

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 which are made under the terms of employment with related parties mainly 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.

23.2 Following are the transactions and balances with related parties:

Nature of balances / transactions	Name of the Entity	Unaudited	Audited
		30 September 2018	31 December 2017
		Rupees	Rupees
<u>Outstanding balances at the period / year end</u>			
- Sponsor			
Other receivables	Ministry of Finance - KSA	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	401,960	401,960
Rent received in advance	Saudi Pak Real Estate Company Ltd	1,065,194	1,004,900
Rent receivable	Saudi Pak Leasing Company Ltd	60,000	-
- Key management personnel			
Advances to executives		60,716,857	36,250,784
- Employee funds			
Deposits against COIs	Employee Provident Fund	7,500,000	7,500,000
Interest payable	Employee Provident Fund	22,295	17,692
Contribution payable	Staff Gratuity Fund	970,471	6,821,309
		Unaudited	Unaudited
		30 September	30 September
		2018	2017
		Rupees	Rupees
<u>Transactions during the period</u>			
- Subsidiary/Associated companies			
Rent received	Saudi Pak Leasing Company Ltd	480,000	456,437
Rent charged for generator	Saudi Pak Leasing Company Ltd	269,638	185,861
Rent received	Saudi Pak Real Estate Company Ltd	3,798,522	3,426,462
Electricity bills received	Saudi Pak Real Estate Company Ltd	216,023	180,481
- Key management personnel			
Advances to executives		42,918,306	16,024,300
Repayment of advances		17,911,959	6,714,449
- Employee funds			
Contributions paid	Employee Provident Fund	5,897,440	4,778,832
Interest expensed	Employee Provident Fund	363,935	579,523
Contributions paid	Staff Gratuity Fund	6,821,309	7,775,609

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION [UN-AUDITED]
FOR THE PERIOD ENDED SEPTEMBER 30, 2018

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, 2017.

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, 2018 - (Unaudited)			Total
	Level 1	Level 2	Level 3	
	Rupees			
Financial assets:				
Held for trading				
Quoted securities	-	-	-	-
Available for sale securities				
Market Treasury Bills	-	-	-	-
Pakistan Investment Bonds	-	-	-	-
Fully paid ordinary shares / units	1,974,038,270	-	-	1,974,038,270
Term Finance Certificates	-	689,934,728	-	689,934,728
	<u>1,974,038,270</u>	<u>689,934,728</u>	<u>-</u>	<u>2,663,972,998</u>
Non-financial assets:				
Operating fixed assets				
Property and equipment (leasehold land)	-	-	1,399,769,637	1,399,769,637
Other assets				
Non-banking assets acquired in satisfaction of claims	-	-	145,514,301	145,514,301
	<u>-</u>	<u>-</u>	<u>1,545,283,938</u>	<u>1,545,283,938</u>

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION [UN-AUDITED]
FOR THE PERIOD ENDED SEPTEMBER 30, 2018

	December 31, 2017 - (Audited)			Total
	Level 1	Level 2	Level 3	
Rupees				
Financial assets:				
Held for trading				
Quoted securities	11,826,249	-	-	11,826,249
Available for sale securities				
Market Treasury Bills	-	4,554,573,400	-	4,554,573,400
Pakistan Investment Bonds	-	1,073,817,000	-	1,073,817,000
Fully paid ordinary shares / units	2,299,341,186	-	-	2,299,341,186
Term Finance Certificates	-	30,156,432	-	30,156,432
	<u>2,311,167,435</u>	<u>5,658,546,832</u>	<u>-</u>	<u>7,969,714,267</u>
Non-financial assets:				
Operating fixed assets				
Property and equipment (leasehold land)	-	-	1,372,500,000	1,372,500,000
Other assets				
Non-banking assets acquired in satisfaction of claims			147,598,620	147,598,620
	<u>-</u>	<u>-</u>	<u>1,520,098,620</u>	<u>1,520,098,620</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 27 OCT 2018

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


 General Manager/Chief Executive


 Director

 
 Director Chairman