SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2017

	Note	Unaudited 31 March 2017 Rupees	Audited 31 December 2016 Rupees
ASSETS			
Cash and balances with treasury banks	6	54,984,144	34,289,134
Balances with other banks	7	56,741,015	116,131,516
Lendings to financial institutions and others	8	-	340,000,000
Investments	9	8,669,900,383	11,349,103,494
Advances	10	8,129,194,307	8,256,263,088
Operating fixed assets	11	2,592,342,908	2,625,410,263
Deferred tax assets		-	-
Other assets	12	1,375,703,267	1,610,549,972
		20,878,866,024	24,331,747,467
LIABILITIES			
Bills payable		-	-
Borrowings from financial institutions	13	7,260,907,824	10,717,907,824
Deposits and other accounts	14	154,515,266	131,399,425
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		832,361,605	857,778,189
Other liabilities	15	195,412,750	238,722,007
		8,443,197,445	11,945,807,445
NET ASSETS		12,435,668,579	12,385,940,022
REPRESENTED BY			
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		2,337,460,042	2,160,685,872
		10,097,350,106	9,920,575,936
Surplus on revaluation of assets - net of tax	16	2,338,318,473	2,465,364,086
		12,435,668,579	12,385,940,022

CONTINGENCIES AND COMMITMENTS 17

The annexed notes 1 to 24 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 MARCH 31, 2017

	Note	31 March 2017 For the period ended Jan to Mar Rupees	31 March 2017 For the period three months ended Rupees	31 March 2016 For the period ended Jan to Mar Rupees	31 March 2016 For the period three months ended Rupees
Mark-up/Return/Interest Earned	18	314,153,808	314,153,808	432,473,502	432,473,502
Mark-up/Return/Interest Expensed	19	118,184,309	118,184,309	186,941,178	186,941,178
Net mark-up/Interest Income		195,969,499	195,969,499	245,532,324	245,532,324
Provision against non-performing loans and advances		42,259,255	42,259,255	43,601,253	43,601,253
Provision for diminution in the value of investments - net		-	-	94,630,568	94,630,568
Bad debts written off directly		-	-	-	-
		42,259,255	42,259,255	138,231,821	138,231,821
Net Mark-up/ Interest Income after provisions		153,710,244	153,710,244	107,300,503	107,300,503
NON MARK-UP/INTEREST INCOME					
Fee, Commission and Brokerage income		245,000	245,000	1,912,055	1,912,055
Dividend Income		33,440,301	33,440,301	50,008,610	50,008,610
Gain on sale of securities - net	20	59,150,979	59,150,979	51,109,615	51,109,615
Unrealized (loss)/gain on revaluation of held for trading investments - net		(3,431,349)	(3,431,349)	5,190,365	5,190,365
Loss from dealing in foreign currencies		(1,473)	(1,473)	(22,099)	(22,099)
Other income		35,806,468	35,806,468	30,362,654	30,362,654
Total non mark-up/interest Income		125,209,926	125,209,926	138,561,200	138,561,200
		278,920,170	278,920,170	245,861,703	245,861,703
NON MARK-UP/INTEREST EXPENSES					
Administrative expenses		72,731,135	72,731,135	67,879,448	67,879,448
Other provisions/ (reversals) /write offs		-	-	-	-
Other charges - penalties imposed by SBP		-	-	-	-
Total non mark-up/interest expenses		72,731,135	72,731,135	67,879,448	67,879,448
		206,189,035	206,189,035	177,982,255	177,982,255
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		206,189,035	206,189,035	177,982,255	177,982,255
Taxation - Current		54,231,792	54,231,792	31,332,648	31,332,648
- Deferred		(7,373,795)	(7,373,795)	(19,154,038)	(19,154,038)
		46,857,997	46,857,997	12,178,610	12,178,610
PROFIT AFTER TAXATION		159,331,038	159,331,038	165,803,645	165,803,645
Basic earning per share		0.241	0.241	0.251	0.251

The annexed notes 1 to 24 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 MARCH 31, 2017

	31 March 2017		31 March 2016	
	For the period ended Jan to Mar Rupees	For the period three months ended Rupees	For the period ended Jan to Mar Rupees	For the period three months ended Rupees
Profit after tax for the period	159,331,038	159,331,038	165,803,645	165,803,645
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	159,331,038	159,331,038	165,803,645	165,803,645
Components of comprehensive income not reflected in equity				
(Deficit)/surplus on revaluation of securities - net of tax	(109,602,477)	(109,602,477)	105,410,961	105,410,961
Total comprehensive income	49,728,561	49,728,561	271,214,606	271,214,606

The annexed notes 1 to 24 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 MARCH 31, 2017

	31 March 2017 Rupees	31 March 2016 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	**206,189,035**	177,982,255
Less: Dividend income	**(33,440,301)**	(50,008,610)
	172,748,734	127,973,645
Adjustments for non-cash charges		
Depreciation/ amortization	**33,415,299**	31,016,543
Provision against non-performing loans and advances	**42,259,255**	43,601,253
Provision/ (reversal) for diminution in value of investments	**-**	94,630,568
Provision for gratuity/compensated absenses	**1,263,198**	1,001,616
Unrealized loss/(gain) on revaluation of held for trading investments	**3,431,349**	(5,190,365)
	80,369,101	165,059,615
	253,117,835	293,033,260
Decrease/ (increase) in operating assets		
Lendings to financial institutions and others	**340,000,000**	25,000,000
Advances	**84,809,526**	(156,324,960)
Other assets (excluding advance taxation)	**261,323,210**	338,090,808
	686,132,736	206,765,848
Increase/ (Decrease) in operating liabilities		
Borrowings from financial institutions	**(3,457,000,000)**	(405,000,000)
Deposits	**23,115,841**	-
Other liabilities (excluding current taxation)	**(36,491,846)**	78,372,713
	(3,470,376,005)	(326,627,287)
	(2,531,125,434)	173,171,821
Gratuity/compensated absenses paid	**(8,080,609)**	(2,545,675)
Income tax/Federal excise duty paid	**(58,485,935)**	(66,977,435)
	(66,566,544)	(69,523,110)
Net cash generated from/ (used in) operating activities	**(2,597,691,978)**	103,648,711
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available for sale securities	**2,507,003,845**	(323,907,130)
Net investments in held to maturity securities	**-**	239,248,748
Net investment in held for trading securities	**37,513,984**	(92,815,019)
Dividend received	**14,826,602**	11,253,610
Investment in operating fixed assets	**(347,944)**	(4,481,172)
Sale proceeds of property and equipment diposed off	**-**	-
Net cash generated/(used in) from investing activities	**2,558,996,487**	(170,700,963)
CASH FLOW FROM FINANCING ACTIVITIES	**-**	-
Decrease in cash and cash equivalents	**(38,695,491)**	(67,052,252)
Cash and cash equivalents at beginning of the year	**150,420,650**	822,877,867
Cash and cash equivalents at the end of the period	**111,725,159**	755,825,615

The annexed notes 1 to 24 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 MARCH 31, 2017

	Share Capital Rupees	Reserve Fund Rupees	General Reserve Rupees	Unappropriated Profit Rupees	Total Rupees
Balance as at January 01, 2016	6,600,000,000	706,004,599	358,662,940	1,715,039,059	9,379,706,598
Profit for the period ended 29 February 2016	-	-	-	165,803,645	165,803,645
Effect of recognition of acturial losses	-	-	-	-	-
Total comprehensive income	-	-	-	165,803,645	165,803,645
Bonus shares issued	-	-	-	-	
Transfer to reserve fund	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-
Transferred from surplus on revaluation of operating fixed assets - net of deferred tax	-	-	-	17,211,435	17,211,435
Balance as at 31 March 2016 - Unaudited	6,600,000,000	706,004,599	358,662,940	1,898,054,139	9,562,721,678
Profit for the period ended 31 December 2016	-	-	-	310,308,982	310,308,982
Effect of recognition of acturial gains	-	-	-	(4,712,479)	(4,712,479)
Total comprehensive income	-	-	-	305,596,503	305,596,503
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	-	-	-	52,257,755	52,257,755
Balance as at 31 December 2016 - Audited	6,600,000,000	801,227,124	358,662,940	2,160,685,872	9,920,575,936
Profit for the period ended 31 March 2017	-	-	-	159,331,038	159,331,038
Effect of recognition of acturial losses	-	-	-	-	-
Total comprehensive income	-	-	-	159,331,038	159,331,038
Transfer to reserve fund	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-
Transferred from surplus on revaluation of operating fixed assets - net of deferred tax	-	-	-	17,443,132	17,443,132
Balance as at 31 March 2017 - Unaudited	**6,600,000,000**	**801,227,124**	**358,662,940**	**2,337,460,042**	**10,097,350,106**

The annexed notes 1 to 24 form an integral part of this condensed interim unconsolidated financial information.

General Manager/Chief Executive | Director | Director | Chairman

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 December 31, 2016. Comparative statement of financial position is extracted from the annual audited financial statements for the year ended December 31, 2016 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 three months period ended March 31, 2016.

3. STATEMENT OF COMPLIANCE

3.1 This unconsolidated condensed interim financial information of the Company for the three months ended March 31, 2017 is unaudited and have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984 and the Banking Companies Ordinance, 1962. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB), as are notified under the Companies Ordinance 1984, provisions of and directives issued under the Companies Ordinance, 1984 and the Banking Companies Ordinance, 1962 or directives issued by the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan (SBP). In case the requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984 and the Banking Companies Ordinance, 1962 and the directives issued by SBP shall prevail.

3.2 International Accounting Standard 39, "Financial Instruments: Recognition and Measurement", International Accounting Standard 40, "Investment Property" and International Financial Reporting Standard 7, "Financial Instruments: Disclosures" are not applicable to Banking Companies in Pakistan. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated financial statements. Accordingly, investments have been classified and valued in accordance with the requirements prescribed by SBP through various circulars.

4. ACCOUNTING POLICIES AND ESTIMATES

Accounting policies, related judgments, estimates and assumptions adopted for the preparation of this condensed interim unconsolidated financial information are the same as those applied in the preparation of the annual financial statements of the Company for the year ended December 31, 2016.

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.

	Unaudited 31 March 2017 Rupees	Audited 31 December 2016 Rupees
6. CASH AND BALANCES WITH TREASURY BANKS		
Balance with State Bank of Pakistan	**54,729,578**	34,051,074
Cash in hand	**254,566**	238,060
	54,984,144	34,289,134
7. BALANCES WITH OTHER BANKS		
On current accounts - local currency	**9,439,791**	16,184,836
On deposit accounts		
- Local currency	**30,451,263**	82,763,844
- Foreign currency	**16,849,961**	17,182,836
	56,741,015	116,131,516
8. LENDINGS TO FINANCIAL INSTITUTIONS AND OTHERS		
Money market placements	**-**	-
Reverse repo - Treasury Bills/PIBs	**-**	340,000,000
	-	340,000,000

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION [UN-AUDITED]
FOR THE THREE MONTHS ENDED MARCH 31, 2017

9. INVESTMENTS

9.1 *Investments by types*

	(Un-audited) March 31, 2017			(Audited) December 31, 2016		
	Held by the Company	Given as collateral	Total	Held by the Company	Given as collateral	Total
		Rupees			Rupees	
Held for trading (HFT)						
Quoted shares	**26,126,349**	-	**26,126,349**	63,640,333	-	63,640,333
Available for sale (AFS) securities						
Market Treasury Bills	**297,335,797**	-	**297,335,797**	296,933,100	-	296,933,100
Pakistan Investment Bonds	**2,256,761,961**	**2,520,585,567**	**4,777,347,528**	2,679,664,033	5,269,482,367	7,949,146,400
Quoted shares	**1,958,201,769**	-	**1,958,201,769**	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)	**106,511,641**	-	**106,511,641**	106,511,641	-	106,511,641
	5,405,144,216	**2,520,585,567**	**7,925,729,783**	5,163,251,261	5,269,482,367	10,432,733,628
Held to maturity (HTM) securities						
Term Finance Certificates (TFCs)	**531,589,926**	-	**531,589,926**	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
Investments at cost	**7,039,536,566**	**2,520,585,567**	**9,560,122,133**	6,835,157,595	5,269,482,367	12,104,639,962
Provision for diminution in value of un-quoted shares	**(358,208,040)**	-	**(358,208,040)**	(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	**(541,195,446)**	-	**(541,195,446)**	(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)
	(1,614,006,676)	-	**(1,614,006,676)**	(1,614,006,676)	-	(1,614,006,676)
Surplus on revaluation of AFS securities	**727,216,275**	-	**727,216,275**	854,861,542	-	854,861,542
Surplus on revaluation of HFT securities	**(3,431,349)**	-	**(3,431,349)**	3,608,666	-	3,608,666
	723,784,926	-	**723,784,926**	858,470,208	-	858,470,208
Investments (net of provisions)	**6,149,314,816**	**2,520,585,567**	**8,669,900,383**	6,079,621,127	5,269,482,367	11,349,103,494

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION [UN-AUDITED]
FOR THE THREE MONTHS ENDED MARCH 31, 2017

	Note	Unaudited 31 March 2017 Rupees	Audited 31 December 2016 Rupees
10 ADVANCES			
Loans, cash, credits, running finances, etc.			
- In Pakistan		10,218,218,736	10,303,964,877
- Outside Pakistan		-	-
		10,218,218,736	10,303,964,877
Net investment in finance lease			
- In Pakistan		163,649,421	162,712,806
- Outside Pakistan		-	-
		163,649,421	162,712,806
		10,381,868,157	10,466,677,683
Less: Provision for non-performing advances	10.2	2,252,673,850	2,210,414,595
		8,129,194,307	8,256,263,088

10.1 Advances placed under non-performing status:

Category of Classification	-31 March 2017-				
	Domestic	Overseas	Total	Provision Required	Provision Held
	Rupees	Rupees	Rupees	Rupees	Rupees
Substandard	-	-	-	-	-
Doubtful	95,833,832	-	95,833,832	47,916,916	47,916,916
Loss	2,637,214,976	-	2,637,214,976	2,204,756,934	2,204,756,934
	2,733,048,808	-	2,733,048,808	2,252,673,850	2,252,673,850

Category of Classification	-31 December 2016-				
	Domestic	Overseas	Total	Provision Required	Provision Held
	Rupees	Rupees	Rupees	Rupees	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
	2,796,201,699	-	2,796,201,699	2,210,414,595	2,210,414,595

10.2 Particulars of provisions against non-performing advances	Unaudited 31 March 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	(50,569,808)	(84,307,541)
Closing balance	2,252,673,850	2,210,414,595

.UDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
)TES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION [UN-AUDITED]
)R THE THREE MONTHS ENDED MARCH 31, 2017

	Note	Unaudited 31 March 2017 Rupees	Audited 31 December 2016 Rupees
1 OPERATING FIXED ASSETS			
Carrying amount at beginning of the period		2,625,410,263	2,738,964,706
Additions during the period	11.1	347,944	23,446,092
Book value of disposals	11.2	-	(3,339,341)
Revaluation surplus		-	-
Depreciation for the period		(33,415,299)	(133,661,194)
Carrying amount at the end of the period		2,592,342,908	2,625,410,263
.1 Additions during the period / year represents the following:-			
Office equipments		70,200	5,853,738
Electrical appliances		-	1,619,628
Furniture, fixture & fittings		98,784	239,775
Building		178,960	1,505,141
Motor vehicles		-	13,876,522
Elevators		-	-
Intangible assets		-	351,288
		347,944	23,446,092
2 Book value of disposals			
Motor vehicles		-	2,658,644
Office Equipments		-	26
Furniture.fixtures and fittings		-	4,619
Fire fighting equipments		-	50,571
Electrical and gas appliances		-	4
Elevators		-	-
Heating & airconditioning		-	226,984
Security		-	397,063
Telephone instalation		-	1,430
		-	3,339,341
OTHER ASSETS			
Income accrued and other receivables	12.1	256,780,385	483,329,454
Advances to suppliers		13,246,355	8,114,683
Advances for purchase of shares		256,792	256,792
Security deposits		7,402,745	7,398,245
Prepayments		16,659,925	5,196,417
Non banking assets acquired in satisfaction of claims		149,682,939	150,377,712
Amounts (payable)/receivable from stock brokers		(37,062,859)	(7,527,710)
Advance taxation (payment less provision)		915,563,869	911,309,726
Federal excise duty		38,255,895	38,255,895
Utility bills receivables		3,992,283	2,913,820
Other receivables		15,000,000	15,000,000
		1,379,778,329	1,614,625,034
Less: Provision against other assets		(4,075,062)	(4,075,062)
		1,375,703,267	1,610,549,972
Income accrued and other receivables			
Accrued fee and commission		6,572,446	6,574,213
Accrued dividend income		25,863,699	7,250,000
Accrued income from advances		925,821,384	929,363,814
Accrued income from investments		375,774,573	654,626,704
Accrued income from lending to financial institutions		30,110	138,165
Rentals receivables		2,900,758	4,668,496
		1,336,962,970	1,602,621,392
Less: Suspense Account		1,080,182,585	1,119,291,938
		256,780,385	483,329,454

	Note	Unaudited 31 March 2017 Rupees	Audited 31 December 2016 Rupees
13 BORROWINGS FROM FINANCIAL INSTITUTIONS			
Secured - in Pakistan local currency			
Financing availed from:			
State Bank of Pakistan (SBP)	13.1	190,907,824	190,907,824
Other financial institutions		4,550,000,000	5,475,000,000
Repo borrowings			
Financial institutions		2,520,000,000	5,052,000,000
		7,260,907,824	10,717,907,824

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 Contibutory Provident Fund and National University of Science & Technology (NUST). These COIs carry mark up ranging from 6.10% to 6.20% per annum (2016: 6.00% to 6.20%).

15 OTHER LIABILITIES	Unaudited 31 March 2017 Rupees	Audited 31 December 2016 Rupees
Provision for staff gratuity	1,263,198	7,775,609
Provision for compensated absences	5,436,732	5,741,732
Advance Rental-Saudipak Tower	80,861,064	102,751,234
Interest/markup accrued on borrowings	63,896,846	56,831,445
Directors' remuneration	4,089,083	3,145,485
Other payable and expenses accrued	39,865,827	62,476,502
	195,412,750	238,722,007
16 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX		
Surplus on revaluation of:		
Operating fixed assets	2,394,555,050	2,419,473,818
Related deferred tax liability	(718,366,517)	(725,842,147)
	1,676,188,533	1,693,631,671
Available for sale investments	727,216,276	854,861,542
Related deferred tax liability	(65,086,336)	(83,129,127)
	662,129,940	771,732,415
	2,338,318,473	2,465,364,086

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, 2016 except for the following:

17.1.1 Tax Contingencies

An appeal effect notice for tax year 2014 was issued to the Company which was duly responded to. An appeal effect order dated January 30, 2017 was passed by the Officer Inland Revenue, Unit – 07, Zone – II, Large Taxpayers Unit, Islamabad in which original demand of Rs 85.4 million was reinstated. The Company has obtained stay from the Appellate Tribunal Inland Revenue against the disputed demand.

		Unaudited 31 March 2017 Rupees	Audited 31 December 2016 Rupees
17.2	**Direct credit substitutes**		
	Letter of comfor/Guarantee	**315,330,000**	340,000,000
17.3	**Commitments**		
	Non disbursed commitment for term and working capital finance	**1,459,102,000**	2,078,289,000
	Commitments for the acquisition of operating fixed assets	**5,582,906**	6,447,656
		1,780,014,906	2,424,736,656

		Unaudited 31 March 2017 Rupees	Unaudited 31 March 2016 Rupees
18	**MARK-UP/RETURN/INTEREST EARNED**		
	Income from investments	**140,548,494**	266,543,913
	Income from advances	**172,675,654**	159,059,158
	Income from lending to financial institutions	**929,660**	6,870,431
		314,153,808	432,473,502
19	**MARK-UP/RETURN/INTEREST EXPENSED**		
	Short Term Borrowings	**39,087,204**	90,614,262
	Long Term Borrowings	**49,573,427**	48,220,645
	Borrowing cost on Repos	**29,430,660**	47,670,418
	Brokerage Fee & Commission	**93,018**	435,853
		118,184,309	186,941,178
20	**GAIN ON SALE OF SECURITIES-NET**		
	(Loss)/gain on sale of Government securities	**(1,836,900)**	51,780,751
	Gain/(loss) on sale of quoted securities-net	**60,987,879**	(671,136)
		59,150,979	51,109,615

21 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
	31.03.2017	31.03.2017	31.03.2017	31.03.2017
		Rupees		
Total income	**172,920,654**	**230,636,612**	**77,448,401**	**481,005,667**
Total expenses	**124,064,803**	**109,109,896**	**41,641,933**	**274,816,632**
Net income	**48,855,851**	**121,526,716**	**35,806,468**	**206,189,035**
Segment assets (gross)	**11,600,881,783**	**10,796,736,238**	**2,429,161,542**	**24,826,779,563**
Segment non performing loans	**2,733,048,808**	**-**	**-**	**2,733,048,808**
Segment provision required	**2,716,763,776**	**1,149,916,750**	**-**	**3,866,680,526**
Segment liabilities	**3,980,467,903**	**3,724,503,957**	**819,458,599**	**8,524,430,459**
Segment return on net assets (ROA) (%)	**1.00**	**2.05**	**2.22**	**1.66**
Segment cost of funds (%)	**1.32**	**1.89**	**-**	**1.59**

	Corporate Finance	Trading and sales	Building rental services	Total
	31.03.2016	31.03.2016	31.03.2016	31.03.2016
		Rupees		
Total income	168,110,755	373,561,323	68,655,179	610,327,257
Total expenses	161,067,735	232,984,742	38,292,525	432,345,002
Net income	7,043,020	140,576,581	30,362,654	177,982,255
	31.12.2016	31.12.2016	31.12.2016	31.12.2016
		Rupees		
Segment assets (gross)	11,536,990,818	14,255,609,010	2,363,568,910	28,156,168,738
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	4,954,019,797	6,150,810,188	840,977,462	11,945,807,447
Segment return on net assets (ROA) (%)	0.18	2.02	1.99	1.44
Segment cost of funds (%)	1.20	2.15	-	1.72

Assumptions used:

– Administrative expenses have been allocated to segments based on respective segment income.
–Unallocatable assets representing 5.62 % (2016: 5.00 %) of the total assets have been allocated to segments based on their respective incomes.
– Unallocatable liabilities representing 89.46% (2016: 92.09%) 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 THREE MONTHS ENDED MARCH 31, 2017

22 RELATED PARTY TRANSACTIONS

22.1 Both the Government of Kingdom of Saudi Arabia and the Islamic Republic of Pakistan 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 the Government of Pakistan which are not material, hence not disclosed in these condensed interim financial information. 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 the Company maintained car.

22.2 Following are the transactions and balances with related parties:

Nature of balances / transactions	Name of the Entity	Unaudited 31 March 2017 Rupees	Audited 31 December 2016 Rupees
Outstanding balances at the period / year end			
- **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	**845,585**	845,585
Rent payable for generator	Saudi Pak Leasing Company Ltd	**-**	30,000
- **Key management personnel**			
Advances to executives		**31,580,402**	29,959,095
- **Employee funds**			
Deposits against COIs	Employee Provident Fund	**12,500,000**	12,500,000
Interest payable	Employee Provident Fund	**130,795**	54,357
Contribution payable	Staff Gatuity Fund	**1,263,198**	7,775,609

		Unaudited 31 March 2017 Rupees	Unaudited 31 March 2016 Rupees
Transactions during the period			
- **Subsidiary/Associated companies**			
Rent received	Saudi Pak Leasing Company Ltd	**148,973**	139,755
Rent paid for generator	Saudi Pak Leasing Company Ltd	**105,000**	30,000
Rent received	Saudi Pak Real Estate Company Ltd	**1,014,702**	4,010,571
Rent receivable	Saudi Pak Real Estate Company Ltd	**-**	966,466
Electricity bills received	Saudi Pak Real Estate Company Ltd	**31,104**	40,626
- **Key management personnel**			
Advances to executives		**2,308,256**	1,891,800
Repayment of advances		**1,849,186**	1,929,132
- **Employee funds**			
Contributions paid	Employee Provident Fund	**1,562,450**	1,337,330
Interest expensed	Employee Provident Fund	**191,096**	117,801
Contributions paid	Staff Gatuity Fund	**7,775,609**	2,090,657

23 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.

23.1 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.

	March 31, 2017 - (Unaudited)			
	Level 1	**Level 2**	**Level 3**	**Total**
	Rupees			
Financial assets:				
Held for trading				
Quoted securities	22,695,000	-	-	22,695,000
Available for sale securities				
Market Treasury Bills	-	297,321,000	-	297,321,000
Pakistan Investment Bonds	-	5,245,298,600	-	5,245,298,600
Fully paid ordinary shares / units	2,078,889,402	-	-	2,078,889,402
Term Finance Certificates	-	30,071,373	-	30,071,373
	2,101,584,402	5,572,690,973	-	7,674,275,375
Non-financial assets:				
Operating fixed assets				
Property and equipment (leasehold land)	-	-	1,380,588,120	1,380,588,120
Other assets				
Non-banking assets acquired in satisfaction of claims	-	-	149,682,939	149,682,939
	-	-	1,530,271,059	1,530,271,059

	December 31, 2016 - (Audited)			
	Level 1	Level 2	Level 3	Total
	Rupees			
Financial assets:				
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
	1,921,203,427	8,749,220,258	-	10,670,423,685
Non-financial assets:				
Operating fixed assets				
Property and equipment (leasehold land)	-	-	1,380,588,120	1,380,588,120
Other assets				
Non-banking assets acquired in satisfaction of claims			150,377,712	150,377,712
	-	-	1,530,965,832	1,530,965,832

23.2 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.

24 GENERAL

24.1 This condensed interim unconsolidated financial information was authorized for issue by the Board of Directors of the Company in the meeting held on 25 APR 2017.

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

General Manager/Chief Executive | Director | Director | Chairman