

PAK – IRAN JOINT INVESTMENT COMPANY LIMITED

**UN-AUDITED FINANCIAL STATEMENTS
FOR THE THIRD QUARTER AND NINE
MONTHS PERIOD ENDED
SEPTEMBER 30, 2009**

Pak - Iran Joint Investment Company Limited

Balance Sheet

As at 30 September 2009

Note

30 September
2009
(Un-audited)

31 December
2008
(Audited)

(Rupees in '000)

ASSETS

Cash and balances with treasury banks		2,065	506,887
Balances with other banks		199,107	1,816,376
Lendings to financial institutions - net	5	739,742	611,000
Investments	6	5,046,076	2,477,998
Advances - net	7	890,639	327,318
Operating fixed assets	8	21,786	21,478
Deferred tax asset-net		83,420	7,283
Other assets	9	76,579	47,126
		7,059,414	5,815,466

LIABILITIES

Bills payable		-	-
Borrowings from financial institutions	10	1,171,879	459,957
Deposits and other accounts		-	-
Sub-ordinate loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		196,967	32,523
		1,368,846	492,480
NET ASSETS		5,690,568	5,322,986

REPRESENTED BY

Share capital		5,000,000	5,000,000
Reserves		131,923	89,250
Unappropriated profit		527,694	357,003
		5,659,617	5,446,253
Surplus/(Deficit) on revaluation of assets - net of tax	11	30,951	(123,267)
		5,690,568	5,322,986

COMMITMENTS

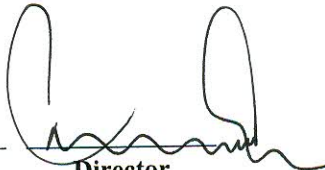
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The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.


Chairman


Chief Executive /
Managing Director


Director


Director

Pak - Iran Joint Investment Company Limited

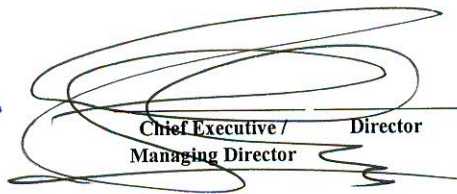
Profit and Loss Account (Un-audited)

For the nine months ended 30 September 2009

	Nine months ended 30 September 2009	Quarter ended 30 September 2009	Nine months ended 30 September 2008	Quarter ended 30 September 2008
------(Rupees in '000)-----				
Mark-up / return / interest earned	605,448	199,925	357,835	139,230
Mark-up / return / interest expensed	76,150	41,463	27,574	11,172
Net mark-up / interest income	529,298	158,462	330,261	128,058
Provision against / (reversal of) non-performing loans and advances	59,000	59,000	-	-
Provision against placements	194,250	48,750	-	-
Provision for diminution / impairment in the value of investments	14,004	(38,497)	-	-
Bad debts written-off directly	-	-	-	-
Net mark-up / interest income after provisions	267,254	69,253	-	-
Net mark-up / interest income after provisions	262,044	89,209	330,261	128,058
NON MARK-UP / INTEREST INCOME				
Fees, commission and brokerage income	9,446	6,289	3,315	558
Dividend income	6,633	3,215	45,560	(68)
Gain on sale of securities	89,929	80,803	22,831	6,220
Income from dealing in government securities	-	-	-	-
Income from dealing in foreign currencies	-	-	-	-
Unrealised surplus on revaluation of held for trading securities	(2,051)	(2,051)	-	(7,126)
Unrealised deficit on revaluation of derivative instruments	-	-	-	9,035
Other income	-	-	-	-
Total non mark-up / interest income	103,957	88,256	71,706	8,619
NON MARK-UP / INTEREST EXPENSES				
Administrative expenses	55,141	20,318	45,722	14,754
Other charges	6,765	-	4,686	-
Total non mark-up / interest expenses	61,906	20,318	50,408	14,754
PROFIT BEFORE TAXATION	304,095	157,147	351,559	121,923
Taxation				
- Current	166,868	50,502	103,600	40,157
- Prior years	-	-	-	-
- Deferred	(76,137)	-	377	-
	90,731	50,502	103,977	40,157
PROFIT AFTER TAXATION	213,364	106,645	247,582	81,766
------(Rupees)-----				
Earnings per share - basic and diluted	0.43	0.27	0.62	0.20

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Pak - Iran Joint Investment Company Limited


Cash Flow Statement - (Un-audited)

For the nine months ended 30 September 2009

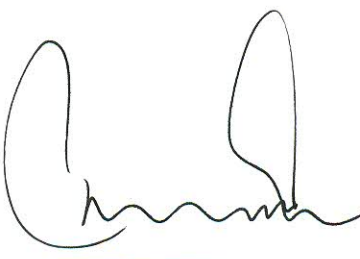
	30-Sep 2009	31 March 2008
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	304,095	89,232
Less: Dividend income	<u>(6,633)</u>	<u>(203)</u>
	297,462	89,029
Adjustments for:		
Depreciation	4,364	1,004
Amortisation	1,515	(1,513)
Unrealised surplus on revaluation of 'held for trading' securities	-	-
Provision for non performin loans and advances	59,000	
Provision against placements	194,250	
Provision against workers welfare fund	6,765	
Provision for diminution / impairment in the value	14,004	-
	<u>279,898</u>	<u>(509)</u>
	577,360	88,520
Increase in operating assets		
Lendings to financial institutions	(322,992)	(830,000)
Loans and advances	(659,821)	(250,000)
Others assets	(29,453)	(13,359)
	<u>(1,012,266)</u>	<u>(1,093,359)</u>
Increase / (decrease) in operating liabilities		
Borrowings from financial institutions	711,922	655,577
Deposits and other accounts	-	-
Other liabilities (excluding current taxation)	107,949	(12,834)
	<u>819,871</u>	<u>642,743</u>
	384,965	(362,096)
Income tax paid	<u>(117,138)</u>	<u>(6,506)</u>
<i>Net cash flows from operating activities</i>	267,827	(368,602)
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments	(2,390,364)	(1,866,050)
Dividend income received	6,633	-
Investments in operating fixed assets	(10,137)	(1,915)
Disposal of operating fixed assets	3,950	
Sale proceeds from disposal of Investments	-	69,474
<i>Net cash flows from investing activities</i>	<u>(2,389,918)</u>	<u>(1,798,491)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
(Decrease) / increase in cash and cash equivalents	<u>(2,122,091)</u>	<u>(2,167,093)</u>
Cash and cash equivalents at beginning of the period	2,323,263	2,827,959
Cash and cash equivalents at end of the period	<u>201,172</u>	<u>660,866</u>

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.


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Chief Executive /
Managing Director


Director


Director

Pak - Iran Joint Investment Company Limited
Statement of Changes in Equity (Un-audited)
For the nine months ended 30 September 2009

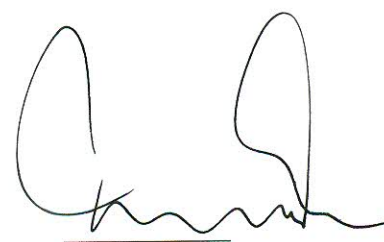
	Share capital	Statutory reserves	Unappropriated profit	Total
	----- (Rupees in '000) -----			
Balance as at 1st January 2008	4,000,000	25,621	102,486	4,128,107
Profit after taxation for the nine months ended ended 30 September 2008	-	-	247,582	247,582
Transfer to statutory reserve		49,516	(49,516)	
Balance as at 30 September 2008	4,000,000	75,137	300,552	4,375,689
Issue of right shares	1,000,000	-	-	1,000,000
Profit after taxation for the three months period ended 31 December 2008	-	-	70,564	70,564
Transfer to statutory reserve		14,113	(14,113)	-
Balance as at 01 January 2009	5,000,000	89,250	357,003	5,446,253
Profit after taxation for the nine months ended 30 September 2009	-	-	213,364	213,364
Transfer to statutory reserves		42,673	(42,673)	
Balance as at 30 September 2009	5,000,000	131,923	527,694	5,659,617

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.


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Managing Director


Director


Director

Pak - Iran Joint Investment Company Limited
Notes to the Financial Statements
For the nine months ended 30 September 2009

1. STATUS AND NATURE OF BUSINESS

Pak-Iran Joint Investment Company Limited is a Public Limited Company incorporated in Pakistan on 15 January 2007 under the Companies Ordinance, 1984. The Company has been notified as a Development Financial Institution (DFI) by the Ministry of Finance, Government of Pakistan. The Company is a 50 : 50 Joint Venture between Government of Pakistan and Iran Foreign Investment Company which is owned by Government of Iran. The Company obtained Certificate of Commencement of Business on 29 May 2007. It is engaged in financing for industrial and commercial projects, capital and money market operations and other investment banking activities. Its registered office and principal office is situated at Progressive Plaza, Beaumont Road, Karachi.

2. STATEMENT OF COMPLIANCE

These financial statements are unaudited and are presented in accordance with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting' and the requirements of the State Bank of Pakistan through its BSD Circular Letter No 02 dated 12 May 2004.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the purpose of these financial statements are the same as those applied in preparation of annual financial statements for the year ended 31 December 2008.

4. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Company for the year ended 31 December 2008.

5. LENDINGS TO FINANCIAL INSTITUTIONS

These carry mark-up rates ranging from 12.30 to 15.00% per annum (December 2008: 21% to 23% per annum) and are due to mature latest by October 05, 2009 (December 2008: January 2009).

6. INVESTMENTS	30 September 2009 (Un-audited)			31 December 2008 (Audited)		
	(Rupees in '000)					
6.1 Investments by types	Held by Company	Given as collateral	Total	Held by Company	Given as collateral	Total
Available for sale						
Treasury bills	1,599,252	757,000	2,356,252	1,012,911	463,730	1,476,641
Units of mutual funds - Listed	819,532	-	819,532	34,532	-	34,532
Fully paid up ordinary shares - Listed	435,090	-	435,090	125,339	-	125,339
Sukuk bonds	259,073	-	259,073	210,000	-	210,000
Term Finance Certificates	1,050,329	-	1,050,329	594,762	-	594,762
	4,163,276	757,000	4,920,276	1,977,544	463,730	2,441,274
Held for Trading						
Shares	71,797	-	71,797	-	-	-
Held to maturity						
Commercial papers	44,552	-	44,552	204,987	-	204,987
Investments at cost	4,279,625	757,000	5,036,625	2,182,531	463,730	2,646,261
Less: Provision for diminution/impairment in value of investments	6.3 (14,004)		(14,004)	(37,500)		(37,500)
Investments - net of provisions	4,265,621	757,000	5,022,621	2,145,031	463,730	2,608,761
Surplus / (deficit) on revaluation of available for sale securities	23,727	(272)	23,455	(127,156)	(3,607)	(130,763)
	4,289,348	756,728	5,046,076	2,017,875	460,123	2,477,998

6.2 Investments by segments	31 March 2009 (Unaudited)	31 December 2008 (Audited)
	(Rupees in '000)	
Listed securities		
- Ordinary shares of listed companies	506,887	125,339
- Units of mutual funds	819,532	34,532
- Term Finance Certificates	850,329	369,762
Unlisted securities		
- Sukuk bonds	259,073	210,000
- Commercial papers	44,552	204,987
- Term Finance Certificates	200,000	225,000
Government securities		
- Treasury bills	2,356,252	1,476,641
Total investments at cost	5,036,625	2,646,261
Provision for diminution / impairment in the value of investments	6.3 (14,004)	(37,500)
Investments - net of provisions	5,022,621	2,608,761
Surplus / (deficit) on revaluation of Investments	23,455	(130,763)
Total investments at market value	5,046,076	2,477,998
6.3 Movements in provision for diminution/impairment in value of investments analysed as follows		
Opening Balance	37,500	-
Provision during the period / year	(23,496)	37,500
Closing Balance	14,004	37,500

	30 September 2009 (Un-audited)	31 December 2008 (Audited)
	----- (Rupees in '000) -----	
7. ADVANCES		
Loans, cash credits, running finances, etc. in Pakistan	987,139	327,318
Less: Provision against non-performing loans & advances	(96,500)	-
	<u><u>890,639</u></u>	<u><u>327,318</u></u>
8. OPERATING FIXED ASSETS		
Following additions have been made to tangible fixed assets during the period:	Nine months ended 30 September 2009 (Un-audited)	Nine months ended 30 September 2008 (Un-audited)
	----- (Rupees in '000) -----	
Additions - Cost	<u>10,137</u>	<u>6,769</u>
9. OTHER ASSETS		
	30 September 2009 (Un-audited)	31 December 2008 (Audited)
	----- (Rupees in '000) -----	
Income / mark-up accrued	67,430	43,185
Dividend receivable	-	160
Security deposits	7,122	2,294
Advances, deposits, advance rent and other prepayments	727	1,487
Commission Income Receivable	1,300	-
	<u>76,579</u>	<u>47,126</u>
10. BORROWINGS FROM FINANCIAL INSTITUTIONS		
The Company has arranged borrowings from commercial banks against sale and repurchase of treasury bill. The mark-up on these finances ranges from 12.15% to 13.00% per annum (31 December 2008: 14.9%) and are due to mature on 05 October 2009 (December 2008: January 2009).		
	30 September 2009 (Un-audited)	31 December 2008 (Audited)
	----- (Rupees in '000) -----	
11. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS - NET OF TAX		
Surplus / (Deficit) arising on revaluation of quoted securities	31,037	(90,195)
Surplus / (Deficit) arising on revaluation of T-Bills	(6,187)	(4,218)
Surplus / (Deficit) arising on revaluation of TFCs	18,320	(19,150)
Surplus / (Deficit) arising on revaluation of Sukuks	(19,715)	(17,200)
	<u>23,455</u>	<u>(130,763)</u>
Related deferred tax asset	7,496	7,496
	<u>30,951</u>	<u>(123,267)</u>
12. COMMITMENTS		
12.1 Commitments for the acquisition of computer software	<u>-</u>	<u>800</u>
12.2 Commitments in respect of repo transactions		
Repurchase	<u>723,887</u>	<u>460,333</u>
Resale	<u>447,992</u>	<u>25,822</u>

13 DATE OF AUTHORISATION FOR ISSUE

28 OCT 2009

These financial statements were authorised for issue in the Board of Directors meeting held on _____.

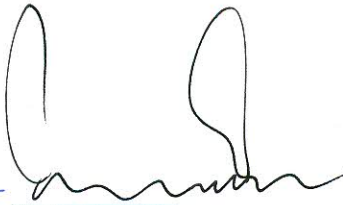
14 GENERAL

Figures have been rounded off to the nearest thousand rupees.


Chairman


Chief Executive /
Managing Director


Director


Director