

Pak-Iran Joint Investment Company Limited

UN-AUDITED FINANCIAL STATEMENTS FOR THE
PERIOD ENDED SEPTEMBER 30, 2010

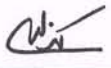
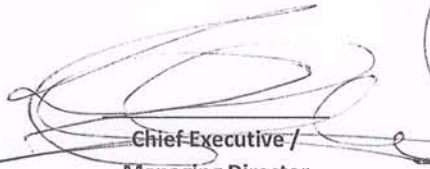
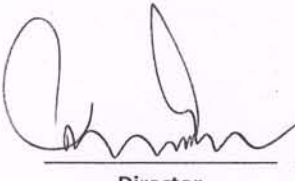
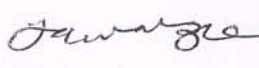
Pak - Iran Joint Investment Company Limited

Balance Sheet

As at 30 September 2010

	Note	30 September 2010 (Un-audited)	31 December 2009 (Audited)
ASSETS			
Cash and balances with treasury banks		2,811	2,633
Balances with other banks		6,276	1,309,451
Lendings to financial institutions - net	5	636,250	446,250
Investments	6	5,092,834	5,326,675
Advances - net	7	1,210,355	945,387
Operating fixed assets	8	37,799	26,071
Deferred tax asset-net		119,989	109,799
Other assets	9	148,525	119,188
		7,254,839	8,285,454
LIABILITIES			
Bills payable		-	-
Borrowings from financial institutions	10	-	1,857,327
Deposits and other accounts		-	-
Sub-ordinate loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		90,168	134,609
		90,168	1,991,936
NET ASSETS		7,164,671	6,293,518
REPRESENTED BY			
Share capital		6,000,000	5,000,000
Advance against issue of shares		-	490,825
Reserves		233,724	163,533
Unappropriated profit		934,899	654,137
		7,168,623	6,308,495
Surplus/(Deficit) on revaluation of assets - net of tax	11	(3,952)	(14,977)
		7,164,671	6,293,518
COMMITMENTS	12		

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

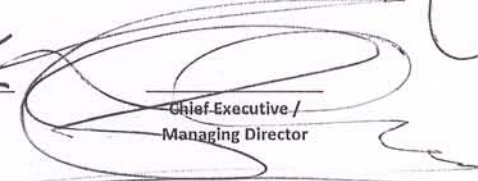
Profit and Loss Account (Un-audited)

For the nine months ended 30 September 2010

	Nine months ended 30 September 2010	Quarter ended 30 September 2010	Nine months ended 30 September 2009	Quarter ended 30 September 2009
Mark-up / return / interest earned	739,673	260,725	605,448	199,925
Mark-up / return / interest expensed	131,416	53,661	76,150	41,463
Net mark-up / interest income	608,257	207,064	529,298	158,462
Provision against / (reversal of) non-performing loans and advances	182	-	59,000	59,000
Provision against placements	-	-	194,250	48,750
Provision for diminution / impairment in the value of investments	57,335	-	14,004	(38,497)
Bad debts written-off directly	-	-	-	-
Net mark-up / interest income after provisions	550,740	207,064	262,044	89,209
NON MARK-UP / INTEREST INCOME				
Fees, commission and brokerage income	4,842	3,899	9,446	6,289
Dividend income	14,080	10,151	6,633	3,215
Gain on sale of securities	77,023	(1,186)	89,929	80,803
Gain on sale of Fixed Assets	392	-	-	-
Income from dealing in government securities	-	-	-	-
Income from dealing in foreign currencies	-	-	-	-
Unrealised surplus on revaluation of held for trading securities	(17,535)	(13,205)	(2,051)	(2,051)
Unrealised deficit on revaluation of derivative instruments	-	-	-	-
Other income	-	-	-	-
Total non mark-up / interest income	78,802	(341)	103,957	88,256
NON MARK-UP / INTEREST EXPENSES				
Administrative expenses	100,858	31,697	55,141	20,318
Other charges	10,422	-	6,765	-
Total non mark-up / interest expenses	111,280	31,697	61,906	20,318
PROFIT BEFORE TAXATION	518,262	175,026	304,095	157,147
Taxation				
- Current	177,880	57,500	166,868	50,502
- Prior years	-	-	-	-
- Deferred	(10,571)	-	(76,137)	-
PROFIT AFTER TAXATION	350,953	117,526	213,364	106,645
Earnings per share - basic and diluted	<u>0.58</u>	<u>0.20</u>	<u>0.43</u>	<u>0.27</u>

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Chairman


Chief Executive /
Managing Director


Director


Director


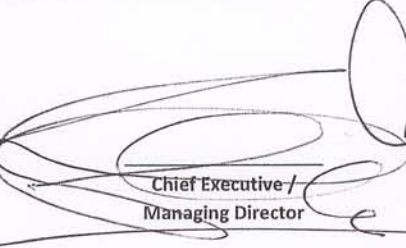
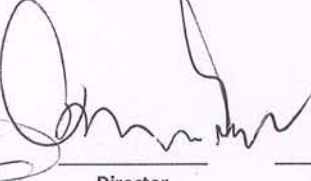
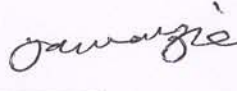
Pak - Iran Joint Investment Company Limited

Cash Flow Statement - (Un-audited)

For the nine months ended 30 September 2010

	30-Sep 2010	31-Dec 2009
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	518,262	482,990
Less: Dividend income	(14,080)	(17,924)
	<u>504,182</u>	<u>465,066</u>
Adjustments for:		
Depreciation	5,114	5,986
Amortisation	1,515	2,020
Unrealised surplus on revaluation of 'held for trading' securities	17,535	627
Provision for non performin loans and advances	182	191,991
Provision against placements	-	48,750
Provision against workers welfare fund	10,422	12,554
Provision against Compensated absences	-	1,252
Provision against Gratuity	-	3,750
Gain / loss on sale of fixed assets	(392)	(1,812)
Provision for diminution / impairment in the value	57,335	15,004
	<u>91,711</u>	<u>280,122</u>
	595,893	745,188
Increase in operating assets		
Lendings to financial institutions	(190,000)	116,000
Loans and advances	(264,786)	(772,560)
Others assets	(20,421)	(71,162)
	<u>(475,207)</u>	<u>(727,722)</u>
Increase / (decrease) in operating liabilities		
Borrowings from financial institutions	(1,857,327)	1,397,370
Deposits and other accounts	-	-
Other liabilities (excluding current taxation)	(27,351)	5,771
	<u>(1,884,678)</u>	<u>1,403,141</u>
	(1,763,992)	1,420,607
Income tax paid	(207,017)	(133,313)
Net cash flows from operating activities	<u>(1,971,009)</u>	<u>1,287,294</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments	170,377	(2,795,534)
Dividend income received	5,164	17,024
Investments in operating fixed assets	(19,028)	(14,964)
Disposal of operating fixed assets	2,324	4,176
Sale proceeds from disposal of Investments	-	-
Net cash flows from investing activities	<u>158,837</u>	<u>(2,789,298)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Right Shares	509,175	490,825
(Decrease) / increase in cash and cash equivalents	(1,302,997)	(1,011,179)
Cash and cash equivalents at beginning of the period	<u>1,312,084</u>	<u>2,323,263</u>
Cash and cash equivalents at end of the period	<u>9,087</u>	<u>1,312,084</u>


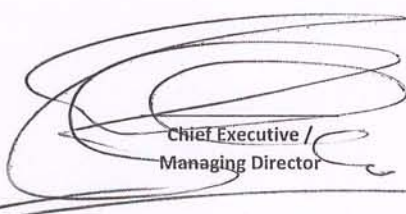

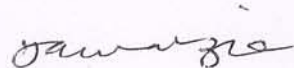
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 Chairman	 Chief Executive / Managing Director	 Director	 Director
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Pak - Iran Joint Investment Company Limited
Statement of Changes in Equity (Un-audited)
For the nine months ended 30 September 2010

	Share capital	Statutory reserves	Unappropriated profit	Total
	----- (Rupees in '000) -----			
Balance as at 1st January 2009	5,000,000	89,250	357,003	5,446,253
Profit after taxation for the nine months ended ended 30 September 2009	-	-	213,364	213,364
Transfer to statutory reserve		42,673	(42,673)	
Balance as at 30 September 2009	5,000,000	131,923	527,694	5,659,617
Advance agt Issue of right shares	490,825	-	-	490,825
Profit after taxation for the three months period ended 31 December 2009	-	-	158,053	158,053
Transfer to statutory reserve		31,610	(31,610)	-
Balance as at 01 January 2010	5,490,825	163,533	654,137	6,308,495
Issue of right shares	1,000,000	-	-	1,000,000
Advance agt Issue of right shares	(490,825)	-	-	(490,825)
Profit after taxation for the nine months ended 30 September 2010	-	-	350,953	350,953
Transfer to statutory reserves		70,191	(70,191)	
Balance as at 30 September 2010	6,000,000	233,724	934,899	7,168,623

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

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Pak - Iran Joint Investment Company Limited

Notes to the Financial Statements

For the nine months ended 30 September 2010

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 2009.

5. LENDINGS TO FINANCIAL INSTITUTIONS

These carry mark-up rates ranging from 11.40% to 15.00% per annum (December 2009: 12.75% to 15.00% per annum) and are due to mature latest by 22-October 2009 (December 2009: January 2009).

6. INVESTMENTS	30 September 2010 (Un-audited)			31 December 2009 (Audited)		
	(Rupees in '000)					
	Held by Company	Given as collateral	Total	Held by Company	Given as collateral	Total
6.1 Investments by types						
Available for sale						
Treasury bills	894,269	-	894,269	498,578	1,928,000	2,426,578
Units of mutual funds - Listed	542,994	-	542,994	369,532	-	369,532
Fully paid up ordinary shares - Listed	526,849	-	526,849	439,514	-	439,514
Sukuk bonds	406,891	-	406,891	293,903	-	293,903
Term Finance Certificates	2,520,962	-	2,520,962	1,712,625	-	1,712,625
	4,891,965	-	4,891,965	3,314,152	1,928,000	5,242,152
Held for Trading						
Shares	286,290	-	286,290	124,017	-	124,017
Held to maturity						
Commercial papers	-	-	-	-	-	-
Investments at cost	5,178,255	-	5,178,255	3,438,169	1,928,000	5,366,169
Less: Provision for diminution/impairment in value of investments	6.3 (72,339)	-	(72,339)	(15,004)	-	(15,004)
Investments - net of provisions	5,105,916	-	5,105,916	3,423,165	1,928,000	5,351,165
Surplus / (deficit) on revaluation of available for sale securities	(13,083)	-	(13,083)	(21,777)	(2,712)	(24,489)
	5,092,833	-	5,092,833	3,401,388	1,925,288	5,326,676

6.2 Investments by segments	30 Sept 2010 (Unaudited)		31 December 2009 (Audited)	
	(Rupees in '000)			
Listed securities				
- Ordinary shares of listed companies			813,139	439,514
- Units of mutual funds			542,994	369,532
- Term Finance Certificates			2,320,962	1,487,625
Unlisted securities				
- Sukuk bonds			406,891	293,903
- Commercial papers			-	-
- Term Finance Certificates			200,000	225,000
Government securities				
- Treasury bills			894,269	2,426,578
Total investments at cost			5,178,255	5,242,152
Provision for diminution / impairment in the value of investments	6.3		(72,339)	(15,004)
Investments - net of provisions			5,105,916	5,227,148
Surplus / (deficit) on revaluation of Investments			(13,083)	(24,489)
Total investments at market value			5,092,833	5,202,659

6.3 Movements in provision for diminution/impairment in value of investments analysed as follows

Opening Balance	(15,004)	-
Provision during the period / year	(57,335)	(15,004)
Closing Balance	(72,339)	(15,004)

	30 September 2010 (Un-audited)	31 December 2010 (Audited)
	----- (Rupees in '000) -----	
7. ADVANCES		
Loans, cash credits, running finances, etc. in Pakistan	1,440,027	1,174,878
Less: Provision against non-performing loans & advances	(229,673)	(229,491)
	<u>1,210,354</u>	<u>945,387</u>

	Nine months ended 30 September 2010 (Un-audited)	Nine months ended 30 September 2009 (Un-audited)
	----- (Rupees in '000) -----	
8. OPERATING FIXED ASSETS		
Following additions have been made to tangible fixed assets during the period:		
Additions - Cost	19,028	10,137

	30 September 2010 (Un-audited)	31 December 2009 (Audited)
	----- (Rupees in '000) -----	
9. OTHER ASSETS		
Income / mark-up accrued	123,371	104,851
Dividend receivable	8,916	1,060
Security deposits	6,268	6,617
Advances, deposits, advance rent and other prepayments	9,970	6,660
Commission Income Receivable	-	-
	<u>148,525</u>	<u>119,188</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 at December 31, 2009 and were due to mature on 05 October 2009.

	30 September 2010 (Un-audited)	31 December 2009 (Audited)
	----- (Rupees in '000) -----	
11. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS - NET OF TAX		
Surplus / (Deficit) arising on revaluation of quoted securities	(35,423)	9,359
Surplus / (Deficit) arising on revaluation of T-Bills	(542)	(3,517)
Surplus / (Deficit) arising on revaluation of TFCs	22,882	(3,850)
Surplus / (Deficit) arising on revaluation of Sukuks	-	(23,659)
	<u>(13,083)</u>	<u>(21,667)</u>
Related deferred tax asset	9,131	7,496
	<u>(3,952)</u>	<u>(14,171)</u>

12. COMMITMENTS

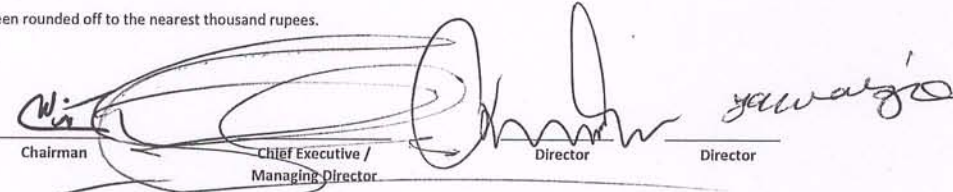
12.1 Commitments for civil works	-	<u>8,805</u>
12.2 Commitments to extend credit	<u>1,218,302</u>	<u>411,736</u>
12.3 Commitments in respect of repo transactions		
Repurchase	-	<u>1,863,887</u>

13. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue in the Board of Directors meeting held on 27 NOV 2010.

14. GENERAL

Figures have been rounded off to the nearest thousand rupees.



 Chairman Chief Executive / Managing Director Director Director