

# Pak - Iran Joint Investment Company Limited

## Balance Sheet

As at 31 March 2009

Note

31 March  
2009  
(Un-audited)

31 December  
2008  
(Audited)

(Rupees in '000)

### ASSETS

Cash and balances with treasury banks		7,004	506,887
Balances with other banks		1,221,129	1,816,376
Lendings to financial institutions	5	743,000	611,000
Investments	6	3,521,452	2,477,998
Advances	7	521,994	327,318
Operating fixed assets	8	20,838	21,478
Deferred tax asset-net		3,908	7,283
Other assets	9	406,699	47,126
		<b>6,446,024</b>	<b>5,815,466</b>

### LIABILITIES

Bills payable		-	-
Borrowings from financial institutions	10	863,755	459,957
Deposits and other accounts		-	-
Sub-ordinate loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		40,734	32,523
		<b>904,489</b>	<b>492,480</b>
		<b>5,541,535</b>	<b>5,322,986</b>

### NET ASSETS

### REPRESENTED BY

Share capital		5,000,000	5,000,000
Reserves		89,250	89,250
Unappropriated profit		465,054	357,003
		<b>5,554,304</b>	<b>5,446,253</b>
Surplus/(Deficit) on revaluation of assets - net of tax	11	(12,769)	(123,267)
		<b>5,541,535</b>	<b>5,322,986</b>


### COMMITMENTS

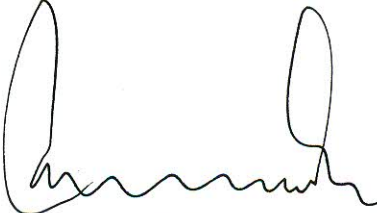
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The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

  
Chairman

  
Chief Executive /  
Managing Director

  
Director

  
Director

# Pak - Iran Joint Investment Company Limited

## Profit and Loss Account (Un-audited)

For the First Quarter ended 31 March 2009

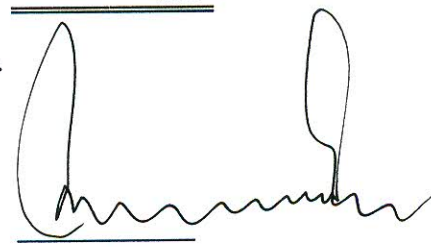
	31 March 2009	31 March 2008
	(Rupees in '000)	
Mark-up / return / interest earned	207,104	102,650
Mark-up / return / interest expensed	<u>13,883</u>	<u>2,807</u>
<b>Net mark-up / interest income</b>	<b>193,221</b>	<b>99,843</b>
Provision against / (reversal of) non-performing loans and advances	-	-
Provision for diminution / impairment in the value of investments	9,444	-
Bad debts written-off directly	-	-
	<u>9,444</u>	<u>-</u>
<b>Net mark-up / interest income after provisions</b>	<b>183,777</b>	<b>99,843</b>
<b>NON MARK-UP / INTEREST INCOME</b>		
Fees, commission and brokerage income	2,100	190
Dividend income	185	203
Gain on sale of securities	983	1,513
Income from dealing in government securities	-	-
Income from dealing in foreign currencies	-	-
Unrealised surplus on revaluation of held for trading securities	73	-
Unrealised deficit on revaluation of derivative instruments	-	-
Other income	-	-
<b>Total non mark-up / interest income</b>	<u>3,341</u>	<u>1,906</u>
<b>NON MARK-UP / INTEREST EXPENSES</b>		
Administrative expenses	15,143	12,517
Other charges	-	-
<b>Total non mark-up / interest expenses</b>	<u>15,143</u>	<u>12,517</u>
<b>PROFIT BEFORE TAXATION</b>	<b>171,975</b>	<b>89,232</b>
Taxation		
- Current	63,924	30,000
- Prior years	-	-
- Deferred	-	-
	<u>63,924</u>	<u>30,000</u>
<b>PROFIT AFTER TAXATION</b>	<b>108,051</b>	<b>59,232</b>
	----- (Rupees) -----	
Earnings per share - basic and diluted	<u>0.22</u>	<u>0.15</u>

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# Pak - Iran Joint Investment Company Limited

## Cash Flow Statement - (Un-audited)

For the First Quarter ended 31 March 2009

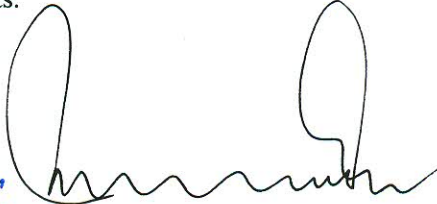
	31 March 2009	31 March 2008
	(Rupees in '000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	171,975	89,232
Less: Dividend income	(185)	(203)
	171,790	89,029
Adjustments for:		
Depreciation	1,316	1,004
Amortisation	505	(1,513)
Unrealised surplus on revaluation of 'held for trading' securities	-	-
Provision for diminution / impairment in the value	9,444	-
	11,265	(509)
	183,055	88,520
Increase in operating assets		
Lendings to financial institutions	(132,000)	(830,000)
Loans and advances	(194,676)	(250,000)
Others assets	(359,573)	(13,359)
	(686,249)	(1,093,359)
Increase / (decrease) in operating liabilities		
Borrowings from financial institutions	403,798	655,577
Deposits and other accounts	-	-
Other liabilities (excluding current taxation)	5,299	(12,834)
	409,097	642,743
	(94,097)	(362,096)
Income tax paid	(61,012)	(6,506)
<b>Net cash flows from operating activities</b>	(155,109)	(368,602)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments	1,083,667	(1,866,050)
Dividend income received	185	-
Investments in operating fixed assets	(1,131)	(1,915)
Sale proceeds from disposal of Investments	(2,022,692)	69,474
<b>Net cash flows from investing activities</b>	(939,971)	(1,798,491)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	-	-
(Decrease) / increase in cash and cash equivalents	(1,095,080)	(2,167,093)
Cash and cash equivalents at beginning of the period	2,323,263	2,827,959
Cash and cash equivalents at end of the period	1,228,183	660,866

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# Pak - Iran Joint Investment Company Limited

## Statement of Changes in Equity (Un-audited)

For the First Quarter ended 31 March 2009

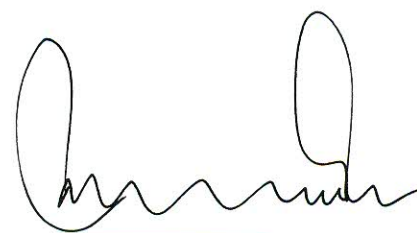
	Share capital	Statutory reserves	Unappropriated profit	Total
	----- (Rupees in '000) -----			
Balance as at 1st January 2008	4,000,000	25,621	102,486	4,128,107
Profit after taxation for the quarter ended ended 31 March 2008	-	-	59,232	59,232
<b>Balance as at 31 March 2008</b>	<b>4,000,000</b>	<b>25,621</b>	<b>161,718</b>	<b>4,187,339</b>
Issue of right shares	1,000,000	-	-	1,000,000
Profit after taxation for the nine months period ended 31 December 2008	-	-	258,914	258,914
Transfer to statutory reserve		63,629	(63,629)	-
<b>Balance as at 01 January 2009</b>	<b>5,000,000</b>	<b>89,250</b>	<b>357,003</b>	<b>5,446,253</b>
Profit after taxation for the quarter ended 31 March 2009	-	-	108,051	108,051
<b>Balance as at 31 March 2009</b>	<b>5,000,000</b>	<b>89,250</b>	<b>465,054</b>	<b>5,554,304</b>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

  
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Managing Director

  
Director

  
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Pak - Iran Joint Investment Company Limited  
Notes to the Financial Statements  
*For the First Quarter ended 31 March 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 13.25% to 15.00% per annum (December 2008: 21% to 23% per annum) and are due to mature latest by 16-June-2009 (December 2008: January 2009).

6. INVESTMENTS	31 March 2009 (Un-audited)			31 December 2008 (Audited)		
	(Rupees in '000)					
	Held by Company	Given as collateral	Total	Held by Company	Given as collateral	Total
6.1 Investments by types						
<b>Available for sale</b>						
Treasury bills	841,499	957,000	1,798,499	1,012,911	463,730	1,476,641
Units of mutual funds - Listed	19,532	-	19,532	34,532	-	34,532
Fully paid up ordinary shares - Listed	236,385	-	236,385	125,339	-	125,339
Sukuk bonds	258,776	-	258,776	210,000	-	210,000
Term Finance Certificates	1,084,592	-	1,084,592	594,762	-	594,762
	2,440,784	957,000	3,397,784	1,977,544	463,730	2,441,274
<b>Held for Trading</b>						
Shares	1,535	-	1,535	-	-	-
<b>Held to maturity</b>						
Commercial papers	185,967	-	185,967	204,987	-	204,987
<b>Investments at cost</b>	2,628,286	957,000	3,585,286	2,182,531	463,730	2,646,261
Less: Provision for diminution/impairment in value of investments	6.3 (46,944)		(46,944)	(37,500)		(37,500)
<b>Investments - net of provisions</b>	2,581,342	957,000	3,538,342	2,145,031	463,730	2,608,761
Surplus / (deficit) on revaluation of available for sale securities	(32,532)	15,642	(16,890)	(127,156)	(3,607)	(130,763)
	2,548,810	972,642	3,521,452	2,017,875	460,123	2,477,998

6.2 Investments by segments	31 March 2009 (Unaudited)		31 December 2008 (Audited)	
	(Rupees in '000)			
<b>Listed securities</b>				
- Ordinary shares of listed companies			237,920	125,339
- Units of mutual funds			19,532	34,532
- Term Finance Certificates			1,084,592	594,762
<b>Unlisted securities</b>				
- Sukuk bonds			258,776	210,000
- Commercial papers			185,967	204,987
<b>Government securities</b>				
- Treasury bills			1,798,499	1,476,641
<b>Total investments at cost</b>			3,585,286	2,646,261
Provision for diminution / impairment in the value of investments	6.3		(46,944)	(37,500)
<b>Investments - net of provisions</b>			3,538,342	2,608,761
Surplus / (deficit) on revaluation of Investments			(16,890)	(130,763)
<b>Total investments at market value</b>			3,521,452	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			9,444	37,500
Closing Balance			46,944	37,500

	<b>31 March 2009 (Un-audited)</b>	<b>31 December 2008 (Audited)</b>
	----- <b>(Rupees in '000)</b> -----	
<b>7. ADVANCES</b>		
Loans, cash credits, running finances, etc. in Pakistan	521,994	327,318
	<u>521,994</u>	<u>327,318</u>

**8. OPERATING FIXED ASSETS**

Following additions have been made to tangible fixed assets during the period:

	<b>Quarter ended 31 March 2009 (Un-audited)</b>	<b>Quarter ended 31 March 2008 (Un-audited)</b>
	----- <b>(Rupees in '000)</b> -----	
Additions - Cost	1,131	-

**9. OTHER ASSETS**

	<b>31 March 2009 (Un-audited)</b>	<b>31 December 2008 (Audited)</b>
	----- <b>(Rupees in '000)</b> -----	
Income / mark-up accrued	84,288	43,185
Dividend receivable	-	160
Security deposits	2,294	2,294
Advances, deposits, advance rent and other prepayments	2,035	1,487
Receivable against sale of shares	21,185	-
Advance against Investments	296,897	-
	<u>406,699</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 14.00% to 14.50% per annum (31 December 2008: 14.9%) and are due to mature on 7 April 2009 (December 2008: January 2009).

	<b>31 March 2009 (Un-audited)</b>	<b>31 December 2008 (Audited)</b>
	----- <b>(Rupees in '000)</b> -----	

**11. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS - NET OF TAX**

Surplus / (Deficit) arising on revaluation of quoted securities	(37,777)	(90,195)
Surplus / (Deficit) arising on revaluation of T-Bills	8,929	(4,218)
Surplus / (Deficit) arising on revaluation of TFCs	32,661	(19,150)
Surplus / (Deficit) arising on revaluation of Sukuks	(20,703)	(17,200)
	<u>(16,890)</u>	<u>(130,763)</u>
Related deferred tax asset	4,121	7,496
	<u>(12,769)</u>	<u>(123,267)</u>

**12. COMMITMENTS**

**12.1 Commitments for the acquisition of computer software**

	-	800
	<u>-</u>	<u>800</u>

**12.2 Commitments in respect of repo transactions**

Repurchase	865,130	460,333
	<u>865,130</u>	<u>460,333</u>
Resale	-	25,822
	<u>-</u>	<u>25,822</u>

**13. RELATED PARTY TRANSACTIONS**

Transactions entered into with related parties are as follows

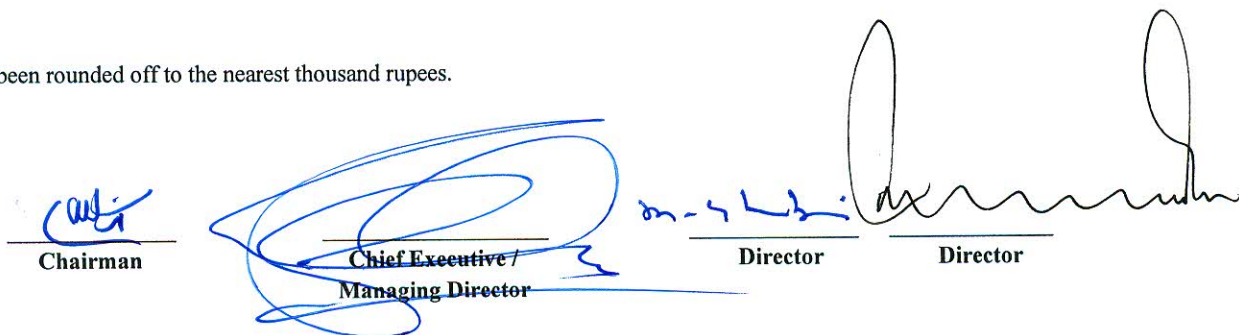
	<b>31 March 2009 (Un-audited)</b>	<b>31 December 2008 (Audited)</b>
	----- <b>(Rupees in '000)</b> -----	
<b>Investments</b>		
Balance as at January 1	150,000	-
Additions during the period / year	-	150,000
Repayments	-	-
Closing balance	<u>150,000</u>	<u>150,000</u>
<b>Placements</b>		
Balance as at January 1	-	1,000,000
Additions during the period / year	-	950,373
Repayments	-	(1,950,373)
Closing balance	<u>-</u>	<u>-</u>
<b>Borrowings / Deposits</b>		
Balance as at January 1	459,957	-
Additions during the period / year	2,799,027	2,245,039
Repayments	(3,258,984)	(1,785,082)
Closing balance	<u>-</u>	<u>459,957</u>
<b>Transactions, income and expenses</b>		
Income earned on Investments	6,100	1,157
Interest earned on placements	-	9,493
Markup expense on borrowings	(823)	(9,100)
	<u>-</u>	<u>-</u>
	<b>Quarter ended 31 March 2009 (Un-audited)</b>	<b>Quarter ended 31 March 2008 (Un-audited)</b>
	----- <b>(Rupees in '000)</b> -----	
<b>Transactions with Retirement Benefit Funds</b>		
Defined contribution plan	<u>530</u>	<u>412</u>
<b>Key Management Compensation</b>		
Salaries and other short term benefits	8,530	7,660
Staff retirement benefits	290	128
Non-executive director's fee	-	-
	<u>8,820</u>	<u>7,788</u>
Mark-up received on loans to key management personnel	<u>211</u>	<u>-</u>
<b>Loans to key management personnel</b>		
Balance as at January 1	16,693	-
Additions during the period / year	255	-
Repayments	(440)	-
Closing balance	<u>16,508</u>	<u>-</u>

**14. DATE OF AUTHORISATION FOR ISSUE**

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

**15. GENERAL**

Figures have been rounded off to the nearest thousand rupees.



Chairman
Chief Executive /  
Managing Director
Director
Director