



PAiR Investment Company Limited


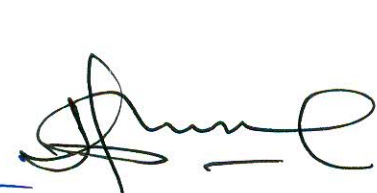
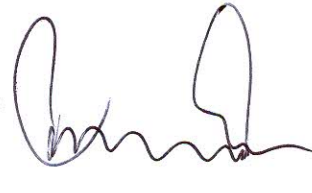

Un-audited Financial Statements

For the period ended 31 March 2012

PAiR Investment Company Limited
Condensed Interim Statement of Financial Position
As at 31 March 2012

	Note	31 March 2012 (Un-audited) (Rupees in '000)	31 December 2011 (Audited) (Rupees in '000)
ASSETS			
Cash and balances with treasury banks		12,134	9,143
Balances with other banks		24,785	20,675
Lendings to financial institutions		-	-
Investments	7	9,989,724	8,974,337
Advances	8	3,214,890	2,475,156
Operating fixed assets	9	57,028	48,060
Deferred tax assets - net		80,756	80,756
Other assets	10	344,560	236,992
		13,723,877	11,845,119
LIABILITIES			
Bills payable		-	-
Borrowings from financial institutions	11	5,357,199	3,695,484
Deposits and other accounts		265,000	260,000
Sub-ordinate loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		137,370	158,938
		5,759,569	4,114,422
NET ASSETS		7,964,308	7,730,697
REPRESENTED BY			
Share capital	12	6,000,000	6,000,000
Reserves		355,673	327,714
Unappropriated profit		1,422,699	1,310,862
		7,778,372	7,638,576
Surplus on revaluation of assets - net of tax		185,936	92,121
		7,964,308	7,730,697
CONTINGENCIES AND COMMITMENTS	13		

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

			
Chairman	Managing Director and Chief Executive Officer	Director	Director

PAiR Investment Company Limited
Condensed Interim Profit and Loss Account (Un-audited)
For the Quarter ended 31 March 2012

	31 March 2012 (Rupees in '000)	31 March 2011 (Rupees in '000)
Mark-up / return / interest earned	344,399	314,702
Mark-up / return / interest expensed	129,953	80,846
Net mark-up / interest income	<u>214,446</u>	<u>233,856</u>
Provision / (reversal) against non-performing loans and advances	-	-
(Reversal) against / provision for diminution / impairment in value of investments	(7,725)	9,312
Bad debts written-off directly	-	-
	<u>(7,725)</u>	<u>9,312</u>
Net mark-up / interest income after provisions	222,171	224,544
NON MARK-UP / INTEREST INCOME		
Fee, commission and brokerage income	4,082	4,641
Dividend income	11,016	9,845
Income from dealing in foreign currencies	-	-
Gain on sale of securities - net	15,186	32,378
Gain on sale of fixed assets	253	-
Unrealised gain / (loss) on revaluation of 'held for trading' securities	2,795	(3,949)
Other income	-	-
Total non mark-up / interest income	33,332	42,915
NON MARK-UP / INTEREST EXPENSES		
Administrative expenses	48,852	31,659
Other charges	3,855	4,753
Total non mark-up / interest expenses	52,707	36,412
PROFIT BEFORE TAXATION	202,796	231,047
Taxation - Current	63,000	76,190
- Prior year	-	-
- Deferred	-	-
	<u>63,000</u>	<u>76,190</u>
PROFIT AFTER TAXATION	139,796	154,857
	(Rupees)	(Rupees)
Basic and diluted earnings per share	0.23	0.26

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


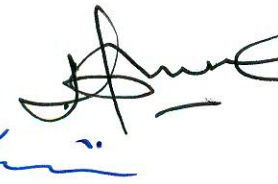



Chairman
Managing Director and
Chief Executive Officer
Director
Director

PAiR Investment Company Limited
Condensed Interim Statement of Comprehensive Income (Un-audited)
For the Quarter ended 31 March 2012

	31 March 2012 (Rupees in '000)	31 March 2011 (Rupees in '000)
Profit after taxation for the period	139,796	154,857
Other comprehensive income	-	-
Total comprehensive income for the period	<u><u>139,796</u></u>	<u><u>154,857</u></u>

Surplus / deficit on revaluation of "Available-for-Sale" securities is presented under a separate account below equity as "surplus / deficit on revaluation of assets" in accordance with the requirements specified by the Companies Ordinance, 1984 and the directive of State Bank of Pakistan vide its BSD Circular Letter No. 07, dated April 20, 2010.

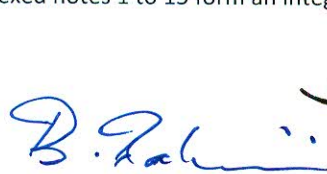
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Chairman	Managing Director and Chief Executive Officer	Director	Director

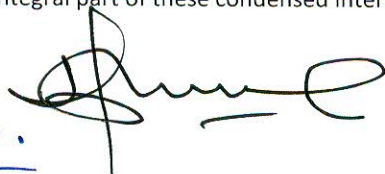
PAIR Investment Company Limited
Condensed Interim Cash Flow Statement - (Un-audited)
For the Quarter ended 31 March 2012

	31 March 2012 (Rupees in '000)	31 March 2011 (Rupees in '000)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	202,796	171,975
Dividend income	(11,016)	(185)
	<u>191,780</u>	<u>171,790</u>
Adjustments for:		
Depreciation	4,093	1,316
Amortisation	145	505
(Reversal) / provision against diminution in the value of investments	(7,725)	9,444
Gain on sale of fixed assets	(253)	-
Unrealised surplus on revaluation of 'held for trading' securities	(2,795)	-
	<u>(6,535)</u>	<u>11,265</u>
	<u>185,245</u>	<u>183,055</u>
(Increase) in operating assets		
Lendings to financial institutions	-	(132,000)
Loans and advances	(739,734)	(194,676)
Others assets	(103,783)	(359,573)
	<u>(843,517)</u>	<u>(686,249)</u>
Increase / (decrease) in operating liabilities		
Borrowings from financial institutions	1,661,715	403,798
Deposits and other accounts	5,000	-
Other liabilities (excluding current taxation)	(15,282)	5,299
	<u>1,651,433</u>	<u>409,097</u>
Income tax paid	993,161	(94,097)
Net cash flows from operating activities	<u>923,876</u>	<u>(155,109)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments	(911,052)	(939,025)
Dividend income received	7,230	185
Sale proceeds from sale of operating fixed assets	1,555	-
Investments in operating fixed assets	(14,508)	(1,131)
Net cash flows used in investing activities	<u>(916,775)</u>	<u>(939,971)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
	-	-
Increase / (decrease) in cash and cash equivalents	<u>7,101</u>	<u>(1,095,080)</u>
Cash and cash equivalents at beginning of the period	<u>29,818</u>	<u>2,323,263</u>
Cash and cash equivalents at end of the period	<u><u>36,919</u></u>	<u><u>1,228,183</u></u>

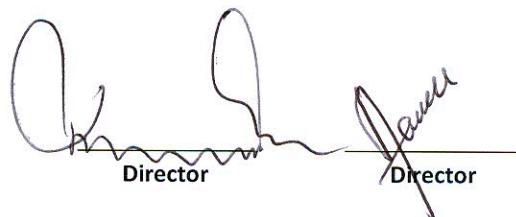
The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.



Chairman



Managing Director and
Chief Executive Officer



Director

Director

PAiR Investment Company Limited
Condensed Interim Statement of Changes in Equity (Un-audited)
For the Quarter ended 31 March 2012

	Share capital	Statutory reserves	Unappropriated profit	Total
	------(Rupees in '000)-----			
Balance as at 01 January 2011	6,000,000	279,204	1,116,823	7,396,027
Total comprehensive income for the period ended 31 March 2011	-	-	154,857	154,857
Transfer to statutory reserve	-	30,971	(30,971)	-
Balance as at 31 March 2011	6,000,000	310,175	1,240,709	7,550,884
Total comprehensive income for the period ended 31 December 2011	-	-	87,692	87,692
Transfer to statutory reserve	-	17,539	(17,539)	-
Balance as at 1 January 2012	6,000,000	327,714	1,310,862	7,638,576
Total comprehensive income for the period ended 31 March 2012	-	-	139,796	139,796
Transfer to statutory reserve	-	27,959	(27,959)	-
Balance as at 31 March 2012	6,000,000	355,673	1,422,699	7,778,372

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

 Chairman	 Managing Director and Chief Executive Officer	 Director	 Director
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PAİR Investment Company Limited

Notes to the Condensed Interim Financial Statements (Un-audited)

For the Quarter ended 31 March 2012

1. STATUS AND NATURE OF BUSINESS

PAİR 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. 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 ICCI building, Clifton, Karachi

2. BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except that certain investments have been stated at revalued amounts in accordance with the directives of the State Bank of Pakistan.

3. STATEMENT OF COMPLIANCE

These financial statements are unaudited and are presented in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting', provisions of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 and directives issued by the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan. In case where requirements differ, the provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the said directives have been followed.

The Disclosures made in these condensed interim financial statements have been limited based on the format prescribed by the SBP vide BSD Circular Letter No. 2, dated May 12, 2004 and International Accounting Standard (IAS) 34, 'Interim Financial Reporting' and do not include all the information required in the annual financial statements. Accordingly, these condensed interim financial statements should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2011.

4. 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 2011.

5. ESTIMATES

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by the management in applying the accounting policies and the key sources of estimating uncertainty were the same as those applied to financial statements for the year ended 31 December 2011.

6. 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 2011.

7. INVESTMENTS	Note	31 March 2012 (Un-audited)			31 December 2011 (Audited)		
		Held by Company	Given as collateral	Total	Held by Company	Given as collateral	Total
7.1	Investments by types	------(Rupees in '000)-----					
	Held for Trading						
	Units of mutual funds and shares	139,872	-	139,872	2,607	-	2,607
	Available for sale						
	Market treasury bills	357,495	3,720,000	4,077,495	179,402	3,779,000	3,958,402
	Fully paid up ordinary shares / certificates / units - Listed	1,594,195		1,594,195	1,369,323	-	1,369,323
	Fully paid up ordinary shares / certificates / units - Unlisted	296,860		296,860	296,860	-	296,860
	Sukuk bonds - unlisted	593,943		593,943	414,776	-	414,776
	Term Finance Certificates	3,512,076		3,512,076	3,262,301	-	3,262,301
		6,354,569	3,720,000	10,074,569	5,522,662	3,779,000	9,301,662
	Held to maturity						
	Commercial paper	-	-	-	-	-	-
	Investments at cost	6,494,441	3,720,000	10,214,441	5,525,269	3,779,000	9,304,269
	Provision for diminution in value of investments	(412,047)	-	(412,047)	(419,772)	-	(419,772)
	Investments - net of provision	6,082,394	3,720,000	9,802,394	5,105,497	3,779,000	8,884,497
	Surplus / (deficit) on revaluation of 'held for trading' securities	2,795	-	2,795	(879)	-	(879)
	Surplus / (deficit) on revaluation of 'available for sale' securities	190,283	(5,748)	184,535	90,719	-	90,719
		<u>6,275,472</u>	<u>3,714,252</u>	<u>9,989,724</u>	<u>5,195,337</u>	<u>3,779,000</u>	<u>8,974,337</u>
7.2	Investments by segments				31 March 2012 (Unaudited)	31 December 2011 (Audited)	
	Federal Government securities				(Rupees in '000)		
	- Market treasury bills				4,077,495	3,958,402	
	Fully paid up ordinary shares / certificates / units						
	- Listed				1,734,067	1,371,930	
	- Unlisted				296,860	296,860	
					2,030,927	1,668,790	
	Term finance certificates (TFCs)						
	- Listed				2,635,867	2,784,796	
	- Unlisted				876,209	477,505	
					3,512,076	3,262,301	
	Commercial papers				-	-	
	Sukuk bonds - unlisted				593,943	414,776	
	Total investments at cost				10,214,441	9,304,269	
	Provision for diminution in value of investments				(412,047)	(419,772)	
	Investments - net of provisions				9,802,394	8,884,497	
	Surplus / (deficit) on revaluation of 'held for trading' securities				2,795	(879)	
	Surplus on revaluation of 'available for sale' securities				184,535	90,719	
	Total investments at market value				<u>9,989,724</u>	<u>8,974,337</u>	
7.3	Particulars of provision for diminution in value of investments						
	Opening balance				419,772	138,149	
	(Reversal) / charge during the period / year - net				(7,725)	281,623	
	Closing balance				<u>412,047</u>	<u>419,772</u>	

	Note	31 March 2012 (Un-audited)	31 December 2011 (Audited)
----- (Rupees in '000) -----			
8. ADVANCES			
Loans, cash credits, running finances, etc. in Pakistan		3,312,074	2,574,149
Staff Loans		20,470	18,661
Advances - Gross		3,332,544	2,592,810
Provision for non performing loans and advances	8.1.1	(117,654)	(117,654)
Advances - Net of Provision		3,214,890	2,475,156

8.1 Advances include 393 million (December 2011 : 393 million) which have been placed under non-performing status as detailed below:

Category of classification	Domestic	Overseas	Total	Provision required	Provision held
----- (Rupees in '000) -----					
Substandard	-	-	-	-	-
Doubtful	-	-	-	-	-
Loss	393,141	-	393,141	117,654	117,654
	<u>393,141</u>	<u>-</u>	<u>393,141</u>	<u>117,654</u>	<u>117,654</u>

8.1.1 Particulars of provision against non-performing advances:

	31 March 2012			31 December 2011		
	Specific	General	Total	Specific	General	Total
----- (Rupees in '000) -----						
Opening balance	117,654	-	117,654	75,141	-	75,141
Charge for the period	-	-	-	42,513	-	42,513
Reversals	-	-	-	-	-	-
	-	-	-	42,513	-	42,513
Amounts written off	-	-	-	-	-	-
Closing balance	<u>117,654</u>	<u>-</u>	<u>117,654</u>	<u>117,654</u>	<u>-</u>	<u>117,654</u>

	31 March 2012 (Un-audited)	31 December 2011 (Audited)
----- (Rupees in '000) -----		
9. OPERATING FIXED ASSETS		
Operating fixed assets - Book value	57,028	48,060
Following additions have been made to operating fixed assets during the period:		
Additions - Cost	14,508	20,255
Transfer from capital work in progress to fixed assets	255	496
10. OTHER ASSETS		
Income / mark-up accrued in local currency	230,758	201,639
Dividend receivable	10,294	-
Security deposits	6,508	6,508
Advances, deposits, advance rent and other prepayments	97,000	28,845
	<u>344,560</u>	<u>236,992</u>

11. BORROWINGS FROM FINANCIAL INSTITUTIONS

The mark-up on these borrowings range from 11.65 % to 11.90 % per annum (December 2011: 11.90 % to 12 % per annum) and are due to mature on April 2012 (December 2011: February 2012).

12. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Ordinary Shares of Rs.10 each			31 March	31 December
2012	2011		2012	2011
(Un-audited)	(Audited)		(Un-audited)	(Audited)
(Number of shares)			(Rupees in '000)	
<u>1,000,000,000</u>	<u>1,000,000,000</u>	Ordinary shares of Rs. 10 each	<u>10,000,000</u>	<u>10,000,000</u>
Issued, subscribed and paid-up capital				
Ordinary Shares of Rs.10 each				
2012	2011			
(Number of shares)				
<u>600,000,000</u>	<u>600,000,000</u>	Ordinary shares of Rs. 10 each issued for cash	<u>6,000,000</u>	<u>6,000,000</u>

13. CONTINGENCIES AND COMMITMENTS

13.1 The department of inland revenue has re-opened the assessment for the tax years 2009 and 2010 and raised an additional demand in respect of allocation of expenses against exempt capital gains and dividend income subject to tax at reduced rate.

The Company in consultation with the Tax Advisor has filed an appeal and is confident that the ultimate outcome on the matter would be in favour of the Company inter alia on the basis of the advice of the tax consultants.

	31 March	31 December
	2012	2011
	(Un-audited)	(Audited)
	(Rupees in '000)	
13.2 Commitments in respect of repo transactions	<u>3,051,966</u>	<u>2,497,953</u>
13.3 Commitments to extend credit	<u>300,000</u>	<u>182,023</u>

14. GENERAL

Figures have been rounded off to the nearest thousand rupees.

15. DATE OF AUTHORISATION FOR ISSUE

30 APR 2012

These condensed interim financial statements were authorized for issue on _____ by the Board of Directors.

			
Chairman	Managing Director and Chief Executive Officer	Director	Director