

**FINANCING GROWTH
SINCE 1991**

Quarterly
Accounts
Unaudited
March 31, 2010

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Corporate Information

BOARD OF DIRECTORS

Mr. Muhammad Rashid Zahir	Chairman
Senator (R) Ihsanul Haq Piracha	Vice Chairman
Mr. Farrukh Shauket Ansari	Chief Executive Officer
Mr. Aasim Azim Siddiqui	Director
Mr. Haroon Ihsan	Director
Mr. Faridullah Khan	Director
Mr. Muhammad Tariq Masud	Director

AUDIT COMMITTEE

Mr. Muhammad Rashid Zahir	Chairman
Senator (R) Ihsanul Haq Piracha	Vice Chairman
Mr. Muhammad Tariq Masud	Director

CREDIT COMMITTEE

Mr. Haroon Ihsan	Chairman
Mr. Aasim Azim Siddiqui	Director
Mr. Faridullah Khan	Director

HUMAN RESOURCE COMMITTEE

Mr. Aasim Azim Siddiqui	Chairman
Mr. Haroon Ihsan	Director
Mr. Muhammad Tariq Masud	Director

COMPANY SECRETARY & CHIEF FINANCIAL OFFICER

Mr. Mazhar Abbas Zaidi

HEAD OF INTERNAL AUDIT

Mr. Imran Masood

AUDITORS

M/s. M. Yousuf Adil Saleem & Co.
Chartered Accountants

LEGAL ADVISOR

Mandviwalla & Zafar

TAX CONSULTANTS

M/s. Muniff Ziauddin Junaidy & Co.
Chartered Accountants

CREDIT RATING AGENCY

JCR-VIS Credit Rating Company (Pvt.) Limited

CREDIT RATING

Long-term - (B)

Short-term - (B)

BANKS & LENDING INSTITUTIONS

National Bank of Pakistan
MCB Bank Limited
Askari Bank Limited
Standard Chartered Bank (Pakistan) Limited
Silkbank Limited

United Bank Limited
Allied Bank Limited
The Royal Bank of Scotland
HSBC Bank Middle East Limited

REGISTERED OFFICE

6th Floor, Lakson Square, Building # 1,
Sarwar Shaheed Road, Saddar, Karachi.
Tel: (021) 35655181-85, 35655215-19
Fax: (021) 35210607-9

BRANCHES**Lahore**

Pakistan Engineering Congress (PEC) Building
First Floor, 97/A-D/1, Liberty Market,
Gulberg-III, Lahore.
Tel: (042) 35762644-47, 35762634
Fax: (042) 35672633

Islamabad

10th Floor, High-Rise Block, Saudi Pak Tower
61-A, Jinnah Avenue, Blue Area, Islamabad.
Tel: (051) 2800206-07
Fax: (051) 2800205

Faisalabad

Allama Iqbal Road (Kotwali Road), Faisalabad.
Tel: (041)-2412082

Sialkot

2nd Floor, Sanori Building
27, Paris Road, Sialkot.
Tel: (052)-4296364, 3005335
Fax: (052)-4296365

Universal Access Number: 111-888-999
Karachi, Lahore & Islamabad

Website: www.saudipakleasing.com

REGISTRAR AND SHARE TRANSFER OFFICE

THK Associates (Pvt.) Ltd.
Ground Floor, State Life Building No.3,
Dr. Ziauddin Ahmed Road, Karachi 75530.
Tel: (021) 111-000-322
Fax: (021) 35655595

Directors' Review

The directors are pleased to present their report of Saudi Pak Leasing Company Limited for the nine months ended March 31, 2010.

Economic Scenario

Pakistan's economy has witnessed improvement in a number of macroeconomic indicators such as lower current account deficit, rebuilding of foreign exchange reserves and declining inflation. Despite continuing energy shortage and rising production costs, the large scale manufacturing activity is gathering pace. The foreign exchange rate has also exhibited relative stability and the exchange rate depreciated by 4.3 per cent during July-February 2010 compared to 14.5 per cent in the corresponding period last year. The foreign investor confidence has revived during the period as a result the net inflow of foreign funds in the stock market during the period of nine months ended March 31, 2010 comes to USD 392.52 million and the KSE-100 Index jumped by 42 per cent to 10,178 points as on March 31, 2010 from 7,162 points as on June 30, 2009. However, growth prospects for the 2009-10 remain grim as the economy continues to face serious challenges on both external and domestic fronts.

Financial Performance

The continuing liquidity crunch and higher cost of doing business is posing serious threats to the financial sector in Pakistan. The financial institutions are still reluctant to lend money to the NBFC sector in general and leasing sector in particular. Due to liquidity crunch, the company could not undertake the new business resulting into further erosion in eroding its lease and loan portfolio during the period of nine months ended March 2010.

The gross revenue of the company decreased to Rs.294 million in July-March 2010 from Rs.579 million in the corresponding period of the previous year. Finance lease revenue decreased to Rs.194 million from Rs.344 million and income from operating lease to Rs.25 million from Rs.49 million. Other operating income also declined to Rs.74 million from Rs.185 million.

Despite difficult circumstances when no considerable financial support was available from financial institutions or lenders, your Company paid back major portion of its liabilities to financial institutions, DFIs and COIs' holders were paid around Rs.941million along with financial charges of Rs.356 million during the period under review. The Company successfully decreased its financial charges to Rs.396 million from Rs.596 million in the same period last year due to reduction in borrowing level and decrease in KIBOR rate. Despite high inflation and sharp increases in utilities costs the management of the Company succeeded in reducing the operating expenses by over 23 per cent during the current nine months period as compared to the last nine month period ended March, 2009. Due to decrease in operating lease portfolio the direct cost of operating lease has also decreased to Rs.19 million as compared to Rs.33 million in the previous period under review. High financial cost and lower revenue has resulted in an operating loss of Rs.191 million as against operating loss of Rs.139 million in the corresponding period in the last year. The provision and fair

value changes increased to Rs.194 million up from Rs.152 million in the last nine months period ended March, 2009. Major component of this was impairment on available for sale investment amounting to Rs.107 million which has been recognized in the profit and loss account in accordance with the SRO 150(I)/2009 dated February 13, 2009. The net loss after provisions and reversal of deferred tax for July-March 2010 amounted to Rs.240 million as compared to a loss of Rs.232 million in the corresponding period last year. The major dent in the profitability has emanated from stock market exposure. On one hand the investments in stock market are not yielding the desired returns while on the other hand the diminution in the value of these investments is affecting the bottom line of the Income Statement.

Credit Rating

JCR-VIS Credit Rating Company Limited has assigned the credit rating of B (single B) for both medium to long term and short term with outlook 'Negative'.

The credit rating agency has also assigned the credit rating of 'BB+' (Double B Plus) for the listed TFC. Outlook on the ratings is 'Negative'.

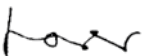
Future Outlook

Despite improvement in the outlook of many important economic indicators, the economy as a whole continues to face challenges. Internal structural problems persist in the form of power shortage, law and order situation and absence of domestically garnered resources. The Financial institutions are still reluctant to lend money to the NBFC sector. Keeping in view the liquidity crunch being faced by the Company, the management has successfully negotiated with major lenders some relaxations in the terms and conditions of loans including enhancement in repayment periods and reduction in mark up rates. However, the NBFC sector and particularly leasing industry is in dire need of Government support to allow them breathing space for smooth sailing in the prevailing economic turmoil they are facing.

In order to support the liquidity and minimum capital requirement of the Company, the Board of Directors of Saudi Pak Industrial and Agricultural Investment Company Limited has converted its various loans amounting to Rs. 333.208 million into interest free subordinated debt. This subordinated debt will be converted into ordinary share capital of the Company after following the prescribed regulatory process.

The Board appreciates the support of the lending institutions, regulatory authorities and COI holders, and recognizes the dedicated services rendered by the management and other members of the staff of the Company.

For and on behalf of the Board of Directors



Muhammad Rashid Zahir
Chairman

Dated: April 30, 2010

Condensed Interim Balance Sheet

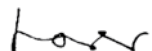
As at March 31, 2010 (Un-audited)

	Note	March 31, 2010 Rupees (Un-audited)	June 30, 2009 Rupees (Audited)
ASSETS			
Current Assets			
Cash and bank balances		2,928,172	14,124,771
Short-term loans		700,347,395	863,647,100
Short-term investments	5	212,150,702	260,012,655
Advances		34,481,294	83,964,244
Accrued mark-up		46,794,311	79,820,479
Trade deposits and short term prepayments		1,536,602	1,013,414
Advance tax - net of provision		2,686,751	1,201,135
Other receivables		117,437,938	107,664,629
Assets classified as held for sale		69,700,675	123,268,550
Current maturity of non-current assets	6	2,042,643,407	2,134,558,945
Total current assets		3,230,707,247	3,669,295,922
Non-current assets			
Long-term loans	7	83,273,985	76,796,621
Net investment in leases	8	1,155,208,196	1,880,875,577
Long term investments		15,446,383	15,169,918
Deferred tax asset		148,117,797	-
Property, plant and equipment	9	126,569,729	260,795,453
Total non-current assets		1,528,616,090	2,233,637,569
Total Assets		4,759,323,337	5,902,933,491
LIABILITIES			
Current liabilities			
Borrowings from financial institutions		716,198,263	1,166,990,577
Certificates of investment		538,828,000	850,470,000
Accrued mark-up		148,618,866	109,120,803
Accrued and other payables		28,792,583	79,498,462
Current maturity of non-current liabilities	10	1,107,778,089	975,750,513
Total current liabilities		2,540,215,801	3,181,830,355
Non-current liabilities			
Certificates of investment		59,404,000	98,324,000
Long term finances	11	1,117,390,374	1,340,704,879
Sub-ordinated debt	12	333,208,499	333,208,499
Deposits against leases		704,519,676	876,652,626
Total non-current liabilities		2,214,522,549	2,648,890,004
Total liabilities		4,754,738,350	5,830,720,359
NET ASSETS			
		4,584,987	72,213,132
FINANCED BY			
Authorized Capital			
100,000,000 (June 30, 2009: 100,000,000) ordinary shares of Rs. 10/-each		1,000,000,000	1,000,000,000
Issued, subscribed and paid-up capital		451,605,000	451,605,000
Capital Reserves		148,257,389	148,257,389
Accumulated loss		(621,290,551)	(382,714,525)
		(21,428,162)	217,147,864
Surplus / (Deficit) on revaluation of assets - net	13	26,013,149	(144,934,732)
CONTINGENCIES AND COMMITMENTS			
	14	-	-
		4,584,987	72,213,132

The annexed notes from 1 to 21 form an integral part of these financial statements.



Farrukh S. Ansari
Chief Executive Officer



Muhammad Rashid Zahir
Chairman

Condensed Interim Profit and Loss Account

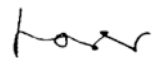
For the Nine Months ended March 31, 2010 (Un-audited)

	Nine Months Ended		Quarter Ended	
	March 31, 2010	March 31, 2009 Restated	March 31, 2010	March 31, 2009 Restated
	-----Rupees-----		-----Rupees-----	
Revenues				
Income from:				
Finance leases	193,837,558	343,809,140	51,100,180	108,199,462
Operating leases	25,013,482	49,203,876	3,122,680	14,503,623
	218,851,040	393,013,016	54,222,860	122,703,085
Other operating income	74,923,634	185,870,533	25,269,089	66,368,374
	293,774,674	578,883,549	79,491,949	189,071,459
Expenses				
Financial and other charges	395,833,703	596,087,486	99,692,148	199,542,891
Administrative, selling and other operating expenses	67,791,690	87,769,351	20,923,630	28,690,664
Amount written off directly against loans, lease receivables and investments	2,620,541	-	46,725	-
Direct cost of operating leases	18,743,799	33,584,067	4,287,292	11,412,708
	484,989,733	717,440,904	124,949,795	239,646,263
Operating loss before provisions	(191,215,059)	(138,557,355)	(45,457,846)	(50,574,804)
Provisions and fair value changes				
Provisions for doubtful leases, loans and other receivables	86,153,595	68,620,785	27,735,921	33,397,205
Impairment on available-for-sale investments	107,523,099	82,924,536	-	82,924,536
Unrealized (gain)/loss in the market value of investments classified as held-for-trading	(1,517)	3,357	-	973
	193,675,177	151,548,678	27,735,921	116,322,714
	(384,890,236)	(290,106,033)	(73,193,767)	(166,897,518)
Share of profit from associate	276,465	-	274,617	-
Loss before taxation	(384,613,771)	(290,106,033)	(72,919,150)	(166,897,518)
Taxation				
- Current	6,032,470	-	1,290,400	-
- Prior Year	(2,395,671)	-	-	-
- Deferred	(148,117,797)	(57,612,835)	-	(35,873,350)
	(144,480,998)	(57,612,835)	1,290,400	(35,873,350)
Loss after taxation	(240,132,773)	(232,493,198)	(74,209,550)	(131,024,168)
Loss per share- basic and diluted	(5.32)	(5.15)	(1.64)	(2.90)

The annexed notes from 1 to 21 form an integral part of these financial statements.



Farrukh S. Ansari
Chief Executive Officer



Muhammad Rashid Zahir
Chairman

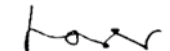
Condensed Interim Cash Flow Statement

For the Nine Months ended March 31, 2010 (Un-audited)

	Note	Nine Months Ended	
		March 31, 2010	March 31, 2009
-----Rupees-----			
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations after working capital changes	16	291,738,768	447,081,791
Financial charges paid		(356,335,641)	(598,113,744)
Taxes paid		(5,122,415)	(3,151,209)
Deposits paid to lessees		(123,873,634)	(121,354,178)
Decrease in net investment in leases		752,665,769	709,966,438
		267,334,079	(12,652,693)
Net cash generated from operating activities		559,072,847	434,429,098
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(1,832,807)	(4,682,480)
Investment in operating lease assets		(3,169,366)	(48,425,500)
Proceeds from sale of property, plant and equipment		116,809,036	22,830,645
Decrease/(Increase) in investments		117,945,000	(21,724,283)
Increase in long term loans		(16,881,299)	(71,147,117)
Decrease in short-term loans		147,851,844	149,712,886
Dividend received		9,913,714	7,834,144
Net cash from investing activities		370,636,122	34,398,295
CASH FLOW FROM FINANCING ACTIVITIES			
(Decrease)/Increase in long term finances		(69,441,245)	198,388,506
(Decrease)/Increase in borrowing from financial institutions		(450,792,314)	673,990,577
Decrease in certificates of investment		(420,667,000)	(1,386,454,000)
Dividend paid		(5,009)	(42,210)
Net cash used in financing activities		(940,905,568)	(514,117,127)
Net decrease in cash and cash equivalents		(11,196,599)	(45,289,734)
Cash and cash equivalents at beginning of the period		14,124,771	49,704,341
Cash and cash equivalents at the end of the period		2,928,172	4,414,607

The annexed notes from 1 to 21 form an integral part of these financial statements.


Farrukh S. Ansari
Chief Executive Officer


Muhammad Rashid Zahir
Chairman

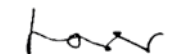
Condensed Interim Statement of Changes in Equity

For the Nine Months ended March 31, 2010 (Un-audited)

	Share capital	Statutory reserve	Accumulated (loss) / Un-appropriated profit	Total
----- Rupees -----				
Balance as at July 1, 2008 - restated	451,605,000	148,257,389	71,343,624	673,806,013
Loss after taxation for the period ended March 31, 2009	-	-	(232,493,198)	(232,493,198)
Transfer from surplus on revaluation of properties on account of incremental depreciation	-	-	934,050	934,050
Balance as at March 31, 2009	451,605,000	148,257,389	(160,215,524)	442,246,865
Balance as at July 1, 2009	451,605,000	148,257,389	(382,714,525)	217,147,864
Loss after taxation for the period ended March 31, 2010	-	-	(240,132,773)	(240,132,773)
Transfer from surplus on revaluation of properties on account of incremental depreciation	-	-	1,556,747	1,556,747
Balance as at March 31, 2010	451,605,000	148,257,389	(621,290,551)	(21,428,162)

The annexed notes from 1 to 21 form an integral part of these financial statements.


Farrukh S. Ansari
Chief Executive Officer


Muhammad Rashid Zahir
Chairman

Selected Notes to the Condensed Interim Financial Statements

For the Nine Months ended March 31, 2010 (Un-audited)

1 STATUS AND NATURE OF BUSINESS

Saudi Pak Leasing Company Limited (the Company) was incorporated in Pakistan and is listed on all the three Stock Exchanges in Pakistan. The registered office of the Company is situated at 6th floor, Lakson Square Building No.1, Sarwar Shaheed Road, Saddar, Karachi. The main business activity of the Company is leasing of moveable assets.

Saudi Pak Industrial and Agricultural Investment Company Limited (SAPICO) is the holding company.

2 BASIS OF PRESENTATION

These condensed interim financial statements (un-audited) have been prepared in accordance with the requirements of the International Accounting Standard 34, "Interim Financial Reporting" as applicable in Pakistan, the Companies Ordinance, 1984, the Non Banking Finance Companies (NBFCs) Rules, 2003 (the Rules), Non Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations) and directives issued by the SECP.

These condensed interim financial statements (un-audited) are being submitted to shareholders as required by Listing Regulations of Karachi, Lahore and Islamabad Stock Exchanges and section 245 of the Companies Ordinance, 1984.

3 ACCOUNTING POLICIES AND ESTIMATES

The accounting policies and basis for accounting estimates adopted for the preparation of these condensed interim financial statements (un-audited) are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2009.

These interim financial statements (un-audited) are in condensed form and should be read in conjunction with the annual audited financial statements of the company for the year ended June 30, 2009.

4 RISK MANAGEMENT POLICIES

Risk management policies are consistent with those disclosed in the financial statements for the year ended 30 June, 2009.

		March 31, 2010 Rupees (Un-audited)	June 30, 2009 Rupees (Audited)
5 SHORT-TERM INVESTMENTS	Note		
Available for sale	5.1	212,150,702	260,010,615
At fair value through profit or loss-held for trading			
Investment in equity securities		-	2,040
		212,150,702	260,012,655
5.1 Available for sale			
- Ordinary shares of listed companies	5.1.1	288,198,859	455,304,334
- Cumulative preference shares of listed companies		-	11,250,000
- Ordinary shares of unlisted companies		69,583,330	69,583,330
- Units of mutual funds		43,234,473	58,234,476
Available for sale at cost		401,016,662	594,372,140
Impairment loss recognized	5.1.2	(188,865,960)	(168,877,727)
		212,150,702	425,494,413
Deficit on revaluation of available for sale securities		-	(165,483,798)
		212,150,702	260,010,615

Selected Notes to the Condensed Interim Financial Statements

For the Nine Months ended March 31, 2010 (Un-audited)

5.1.1 Equity securities aggregating to Rs. 56,250,000 (June 2009: Rs 56,250,000) have been pledged against short-term borrowings from financial institutions.

5.1.2 This represents impairment loss recognised in accordance with S.R.O 150(I)/2009 dated February 13, 2009 issued by Securities and Exchange Commission of Pakistan.

		March 31, 2010 Rupees (Un-audited)	June 30, 2009 Rupees (Audited)
6 CURRENT MATURITY OF NON - CURRENT ASSETS	Note		
Current portion:			
Long term Loans	7	215,329,284	208,836,931
Net Investment in leases	8	1,827,314,123	1,920,622,014
Long term investments		-	5,100,000
		2,042,643,407	2,134,558,945
7 LONG TERM LOANS			
Related party			
Due from employees - considered good		13,036,202	22,464,216
Other than related party			
Term loan to customers			
Considered good		106,467,649	70,685,117
Non-performing loans		184,485,968	199,104,219
	7.1	290,953,617	269,789,336
		303,989,819	292,253,552
Allowance for non-performing loans		5,386,550	6,620,000
		298,603,269	285,633,552
Recoverable within one year shown as current portion of long term loans		215,329,284	208,836,931
		83,273,985	76,796,621
7.1 Term loan due from customers is secured against property and pledge of listed securities. The rate of return on these loans ranges from 16.00% to 19.50% (June 30, 2009: 14.55% to 22.66%)			
8 NET INVESTMENT IN LEASES			
Minimum lease payments receivable		2,897,928,244	3,725,757,147
Add: Residual value of leased assets		1,023,254,182	1,141,754,478
Gross investment in leases		3,921,182,426	4,867,511,625
Less: Unearned lease income		296,712,908	550,762,266
Income suspended		305,102,548	242,086,290
Provision for potential lease losses		336,844,651	273,165,478
		938,660,107	1,066,014,034
Net investment in leases		2,982,522,319	3,801,497,591
Less: Current portion of net investment in leases	6	1,827,314,123	1,920,622,014
		1,155,208,196	1,880,875,577

Selected Notes to the Condensed Interim Financial Statements For the Nine Months ended March 31, 2010 (Un-audited)

8.1 The internal rate of return on leases disbursed during the period ranges from 12.50% to 18.76% (June 30, 2009: 16.12% to 28.34%) per annum. Certain leases rentals have been hypothecated against long term finance obtained (refer note 11.)

9 PROPERTY, PLANT AND EQUIPMENT

	Own use		Operating lease assets	
	Addition	Disposal	Addition	Disposal
	----- Rupees -----		----- Rupees -----	
Vehicles	-	3,819,000	569,366	157,206,673
Office equipment	177,400	490,000	-	-
Office premises	-	7,000,000	-	-
Plant and machinery	-	-	2,600,000	-
Software	1,655,407	-	-	-
Total	1,832,807	11,309,000	3,169,366	157,206,673

9.1 The above statement shows cost of additions to and disposals from property, plant and equipment during the nine months ended March 31, 2010.

10 CURRENT MATURITY OF NON- CURRENT LIABILITIES	Note	March 31, 2010 Rupees (Un-audited)	June 30, 2009 Rupees (Audited)
Current portion of:			
Certificates of investments		56,590,000	126,695,000
Long term finances		751,451,360	597,578,100
Deposits against leases		299,736,729	251,477,413
		1,107,778,089	975,750,513
11 LONG TERM FINANCES			
Long term finances - secured	11.1	1,314,228,487	1,198,246,260
Term finance certificates - secured	11.2	554,613,247	740,036,719
		1,868,841,734	1,938,282,979
Less: Current maturity shown under current liabilities	10	751,451,360	597,578,100
		1,117,390,374	1,340,704,879

11.1 These represent long term finances availed from financial institutions and are secured by hypothecation of specific leased assets and associated lease rentals.

11.2 This represents third issue of registered and listed TFCs issued by the Company to financial institutions, trusts and general public. These are secured by way of a first exclusive charge on specific leases including lease rental and receivables against lease with 25% margin available at all times to the TFCs holders on total outstanding amount of the issue.

Profit on these TFCs is payable on a semi-annual basis at the rate of six month KIBOR plus 1.50% per annum without any Floor or Cap. The principal to be repaid in eight (8) semi-annual installments in arrears after a grace period of 12 months from the date of issuance.

Selected Notes to the Condensed Interim Financial Statements

For the Nine Months ended March 31, 2010 (Un-audited)

12 SUB-ORDINATED DEBT

This represents long-term financing obtained from the holding company. Through a resolution passed by board of directors of holding company and endorsed by board of directors of the Company, the long-term finance aggregating to Rs. 333,208,499 has been converted into an interest free, unsecured debt sub-ordinated to all other debts of the Company.

	March 31, 2010	June 30, 2009
	Rupees	Rupees
13 SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS - NET	(Un-audited)	(Audited)
Surplus on revaluation of property, plant and equipment	18,992,319	20,549,066
Unrealised gain/(loss) on available-for-sale investments	7,020,830	(165,483,798)
	26,013,149	(144,934,732)

The properties of the Company were revalued as at September 28, 2008. The revaluation was carried out by an independent valuer, Messer Tracom (Private) Limited on the basis of professional assessment of present market values and resulted in surplus of Rs. 33,769,445, over the written down value.

Had there been no revaluation the carrying amount of the revalued assets would have been as follows:

	March 31, 2010	June 30, 2009
	Rupees	Rupees
14 CONTINGENCIES AND COMMITMENTS	(Un-audited)	(Audited)
Premises	15,950,452	17,734,704
	March 31, 2010	June 30, 2009
	Rupees	Rupees
	(Un-audited)	(Audited)
Contingencies	-	-
Commitments for lease disbursements	-	26,645,000

15 CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The minimum equity requirement applicable to Company (Leasing License) under NBFC regulations, 2007 was Rs. 200 million while the company was required to comply with the enhanced requirement of Rs. 350 million by June 30, 2008. Under NBFC regulations, 2008 deadline for meeting the equity of Rs. 350 million was extended till June 30, 2009. Subsequent to year end Securities and Exchange Commission of Pakistan through its notification S.R.O. 764 (I) 2009 dated September 2, 2009 amended the Schedule of regulations 2008 for minimum equity requirements of leasing companies. According to amended schedule, leasing companies are now required to meet the minimum equity requirements of Rs. 350 million by June 30, 2011 instead of June 30, 2009.

Selected Notes to the Condensed Interim Financial Statements For the Nine Months ended March 31, 2010 (Un-audited)

The equity of the Company qualifying for ensuring compliance with minimum equity requirement comprises the following :

	Rupees
Issued, subscribed and paidup capital	451,605,000
Capital reserves	148,257,389
Accumulated loss	(621,290,551)
Sub-ordinated debt	333,208,499
	311,780,337

As at March 31, 2010, the equity of the Company (excluding unrealized gain/(loss) on revaluation of available for sale as allowed by SECP) as noted above aggregates to Rs 311,780,337 as against the required minimum equity requirement of Rs.200 million.

	Nine Months Ended March 31, 2010 (Un-audited) Rupees	Nine Months Ended March 31, 2009 (Un-audited) Rupees
16 CASH GENERATED FROM OPERATIONS		
Loss for the period before taxation	(384,613,771)	(290,106,033)
Adjustment for non cash charges and other items :		
Depreciation - owned assets	6,217,523	8,312,658
Depreciation - assets under operating lease	18,141,878	33,259,997
Financial charges and other charges	395,833,703	594,107,481
Provision for doubtful leases, loans and other receivables	86,153,595	68,620,785
Dividend income	(9,913,714)	(7,083,019)
Unrealized (gain)/loss in market value of investments classified as held for trading	(1,517)	3,357
Impairment on available-for-sale investments	107,523,099	82,924,536
Amount written off directly against loans, lease receivable and investments	2,620,541	-
Share of profit from associate	(276,465)	-
Gain on sale of property, plant and equipment	(1,940,540)	(4,076,524)
	604,358,103	776,069,271
Profit before working capital changes	219,744,332	485,963,238
Working capital changes		
Advances, deposits, prepayments and other receivables	122,695,306	279,934
Accrued and other payables	(50,700,870)	(39,161,381)
	71,994,436	(38,881,447)
Cash generated from operations after working capital changes	291,738,768	447,081,791

Selected Notes to the Condensed Interim Financial Statements For the Nine Months ended March 31, 2010 (Un-audited)

17 NON CASH TRANSACTIONS

- 17.1 The decrease in net investment in leases includes an amount aggregating to Rs. 146.944 million representing adjustments against short-term and long-term financing facilities of Rs. 92.434 million and Rs. 54.510 million respectively.
- 17.2 The decrease in investments includes an amount aggregating to Rs. 16.350 million representing adjustments against short-term financing facility.
- 17.3 The decrease in assets classified as held for sale includes an amount aggregating to Rs. 103.52 million representing adjustments against certificate of investments.

18 TRANSACTIONS WITH RELATED PARTIES AND ASSOCIATED UNDERTAKINGS

The related parties comprises Saudi Pak Industrial and Agricultural Investment Company Limited, related group companies, key management personnel and companies in which directors are common or a director hold office.

Aggregate transactions with related parties and associated undertakings which are not disclosed in respective notes are as follows:

	Nine Months Ended March 31, 2010 (Un-audited) Rupees	Nine Months Ended March 31, 2009 (Un-audited) Rupees
<u>Controlling entity</u>		
Rent paid	669,915	544,575
Mark-up paid on Certificates of investments	9,967,525	-
<u>Other group Companies</u>		
Rentals received during the period	3,716,472	5,174,323
Mark-up paid on Certificates of investments	-	11,850,821
<u>Key management personnel</u>		
Contribution to provident fund	790,580	2,495,023
Payments to gratuity fund	2,776,653	2,195,154

Selected Notes to the Condensed Interim Financial Statements
For the Nine Months ended March 31, 2010 (Un-audited)

	March 31, 2010 Rupees	March 31, 2009 Rupees
19 CASH AND CASH EQUIVALENTS		
Cash and bank balances	<u>2,928,172</u>	<u>4,414,607</u>

20 RECLASSIFICATION

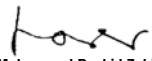
Corresponding figures have been rearranged and reclassified to reflect more appropriate presentation of events and transactions for the purposes of comparisons.

21 DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue on April 30, 2010 by the Board of Directors.



Farrukh S. Ansari
Chief Executive Officer



Muhammad Rashid Zahir
Chairman

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6th Floor, Lakson Square Building # 1,
Sarwar Shaheed Road, Saddar, Karachi-74200, Pakistan.

Tel: (021)35755181-85, 35655215-19

Fax: (021) 35210607-9

UAN: 111-888-999