



SAUDI PAK LEASING COMPANY LIMITED

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Muhammad Rashid Zahir	Chairman
Mr. Ihsanul Haq Piracha	Vice Chairman
Mr. Farrukh Shaukat Ansari	Chief Executive
Mr. Asim Azim Siddiqui	Director
Mr. Haroon Ihsan	Director
Mr. Farridullah Khan	Director
Mr. Muhammad Tariq Masud	Director

AUDIT COMMITTEE

Mr. Muhammad Rashid Zahir	Chairman
Mr. Ihsanul Haq Piracha	Vice Chairman
Mr. Asim Azim Siddiqui	Director

CREDIT COMMITTEE

Mr. Ihsanul Haq Piracha	Chairman
Mr. Asim Azim Siddiqui	Director
Mr. Farridullah Khan	Director

HUMAN RESOURCE COMMITTEE

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

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Mr. Shyam Lal, ACA

AUDITORS

Anjum Asim Shahid Rahman & Co,
Chartered Accountants

LEGAL ADVISOR

Mandviwalla & Zafar

CREDIT RATING AGENCY

JCR-VIS Credit Rating Company (Pvt) Limited

ENTITY RATING

LONG TERM A-
SHORT TERM A-2



CORPORATE INFORMATION

BANKS AND FINANCIAL INSTITUTIONS

ABN AMRO Bank N.V	Oman International Bank S.A.O.G.
Askari Commercial Bank Limited	Standard Chartered Bank
MCB Bank Limited	Saudi Pak Commercial Bank Limited
My Bank Limited	United Bank Limited
National Bank of Pakistan	

REGISTERED OFFICE

6th Floor, Lakson Square Building No. 1,
Sarwar Shaheed Road, Saddar, Karachi.
Tel : 021- 5655181-85, 021-5655215-19
Fax : 021-5210607-9

BRANCHES

Lahore

Pakistan Engineering Congress Building
First Floor, 97/A-D/1, Liberty Market,
Gulberg-III, Lahore.
Tel : 042- 5762644-47, 042-5762634
Fax : 042-5762633

Islamabad

2nd Floor, High-Rise Block, Saudi Pak Tower
61-A, Jinnah Avenue, Blue Area, Islamabad
Tel : 051- 2272652
Fax : 051-2272657

Faisalabad

Kotwali Road (Allama Iqbal Road)
Faisalabad
Tel : 041- 619891, 041-619973
Fax : 041-619984

Sialkot

2nd Floor, Soneri Building
27 Paris Road, Sialkot.
Tel : 052- 4296364
Fax : 052- 4296365



CORPORATE INFORMATION

Universal Access Number : 111-888-999

Karachi, Lahore and Islamabad

[Website : www.saudipakleasing.com](http://www.saudipakleasing.com)

REGISTRAR AND SHARE TRANSFER OFFICE

THK Associates (Pvt) Ltd.

Ground Floor, State Life Building No. 3,

Dr. Ziauddin Ahmed Road, Karachi.

Tel : 111-000-322



DIRECTORS' REVIEW

The directors are pleased to present their report and review of the accounts of your Company for the nine months ended March 31, 2007.

Economic Scenario

Significant improvement and stability in the macroeconomic fundamentals, high growth rates in recent years, sustained policy focus on the implementation of reforms for the liberalization of the economy, and relative stability of the exchange rate, created favourable investment climate, resulting in a substantial rise in investment, particularly Foreign Direct Investment (FDI). It is expected that the performance of industrial and service sectors, which pushed up GDP growth rate in the preceding years, will remain strong in FY 2007 and the GDP growth rate target of 7 percent set by the Government for FY 2007 will be met.

The monetary tightening measures undertaken by State Bank of Pakistan have been successful in reducing excess demand from the economy, without hurting the growth momentum. The average annual inflation while declining to 7.7 percent is above the 6.5 percent annual target.

Tax collection by CBR stood at Rs. 586,298 million during July - March 2007 as against the target of Rs.584,500 million. The equities market also surged ahead with the index touching 11,272 points at end March 2007 compared to a low of 8,766 points in June 2006.

Financial Performance

During the period under review, your company maintained diversification of lease and loan portfolio. Disbursements amounted to Rs.1,693 million in July-March 2007 as against Rs.1,685 million in the corresponding period of the previous year. Total gross revenue increased to Rs.522 million in July-March 2007 from Rs.458 million in the corresponding period of the previous year showing growth of 14 percent. Lease revenue increased to Rs.339 million from Rs.287 million indicating an increase of 18 percent while income on investments rose to Rs.171 million from Rs.152 million. During the period under review financial charges increased to Rs.395 million from Rs.300 million owing to rise in cost of funds.

Operating profit amounted to Rs.44 million down from Rs.94 million over the corresponding period of the last year. Net profit after provisions and tax for the first three quarters of FY 2007 was recorded at Rs.37 million compared to Rs.68 million in the same period of FY 2006 on account of higher financial cost and charge for tax.

The balanced growth in the portfolio mix was maintained whereby exposure to a specific sector was kept below 20 percent to achieve minimum concentration risk. Approximately, 18 percent was disbursed to Textile sector followed by 17 percent to Service sector. Plant and Machinery accounted for 67 percent of the lease portfolio and Motor Vehicles 17 percent of the lease portfolio.



DIRECTORS' REVIEW

Future Outlook

The leasing market is facing reducing margins due to interest rate hike and stiff competition. Being fully alive to the market realities and adopting a pro-active approach, the management keeps on re-aligning its policies and infrastructure to be able to sustain the planned growth and quality of portfolio, for the benefit of the stakeholders.

The Directors recognize and appreciate the support of the lending institutions, regulatory authorities, COI holders and the dedicated service rendered by the management and the members of the staff to promote steady and sound growth of the Company.

For and on behalf of the Board of Directors

A handwritten signature in black ink, appearing to read "Rashid", written over a light blue horizontal line.

Muhammad Rashid Zahir
Chairman

Islamabad: April 24, 2007



**BALANCE SHEET
AS AT MARCH 31, 2007**

	Note	March 31, 2007 Rupees (Un-audited)	June 30, 2006 Rupees (Audited)
ASSETS			
Current assets			
Cash and bank balances		26,997,287	164,161,545
Loans and fund placements		428,964,971	450,729,221
Short term investments	4	502,911,412	487,769,472
Loans and receivables		51,960,916	65,583,454
Advances, deposits, prepayments and other receivables		357,532,371	215,918,825
Current maturity of non- current assets	5	2,429,704,710	2,380,757,678
Total current assets		3,798,071,667	3,764,920,195
Non-current assets			
Long term loans	6	101,805,870	357,704,434
Net investment in leases	7	2,105,964,838	1,789,012,338
Long term investments		16,296,456	23,643,400
Property, plant and equipment	8	178,445,437	84,378,311
Total non-current assets		2,402,512,601	2,254,738,483
Total Assets		6,200,584,268	6,019,658,678
LIABILITIES			
Current liabilities			
Borrowings from financial institutions		1,090,000,000	1,280,000,000
Certificates of investment		1,420,982,000	1,521,923,000
Accrued and other payables		129,049,085	123,344,314
Current maturity of non-current liabilities	9	1,007,769,494	696,993,691
Taxation		1,797,316	4,749,856
Total current liabilities		3,649,597,895	3,627,010,861
Non-current liabilities			
Borrowings from financial institutions		-	100,000,000
Certificates of investment		329,828,000	161,699,000
Long term finances	10	829,166,674	695,833,334
Deposits against leases		822,387,347	847,557,476
Deferred tax		53,581,969	49,581,968
Total non-current liabilities		2,034,963,990	1,854,671,778
Total Liabilities		5,684,561,885	5,481,682,639
NET ASSETS		516,022,383	537,976,039
FINANCED BY			
Authorized capital 100,000,000 (June 30,2006: 100,000,000) ordinary shares of Rs. 10 each		1,000,000,000	1,000,000,000
Issued, subscribed and paid-up capital		430,100,000	430,100,000
Reserves		132,764,057	125,324,754
Unappropriated profit		73,777,003	108,534,789
		636,641,060	663,959,543
Unrealized loss on investments classified as available for sale		(120,618,677)	(125,983,504)
Total equity		516,022,383	537,976,039
CONTINGENCIES AND COMMITMENTS	11	-	-

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

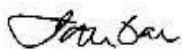
**FARRUKH S. ANSARI
CHIEF EXECUTIVE**

**MUHAMMAD RASHID ZAHIR
CHAIRMAN**

**PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2007**

	NINE MONTHS ENDED		QUARTER ENDED	
	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006
	----- Rupees -----			
Revenue				
Finance lease operations	314,880,955	278,909,711	97,468,272	94,287,392
Operating lease operations	24,396,542	8,563,286	5,655,026	1,313,726
Investments	171,140,661	151,713,042	59,443,926	60,055,260
Other income	11,918,124	18,747,868	6,381,154	8,429,699
	522,336,282	457,933,907	168,948,378	164,086,077
Expenses				
Financial and other charges	395,230,384	299,842,011	133,475,774	105,492,638
Administrative and operating expenses	82,677,725	64,431,448	29,305,710	22,121,874
	477,908,109	364,273,459	162,781,484	127,614,512
Operating profit before provisions	44,428,173	93,660,448	6,166,894	36,471,565
Provision and fair value changes				
Decrease/(Increase) in provision for potential lease losses	5,992,825	(14,870,148)	11,452,080	(20,734,358)
Decrease in market value of investments classified as held for trading	(224,481)	(1,751,902)	(677,709)	(2,048,832)
	5,768,344	(16,622,050)	10,774,371	(22,783,190)
Profit before taxation	50,196,517	77,038,398	16,941,265	13,688,375
Taxation - Current	9,000,000	7,500,000	1,500,000	2,500,002
- Deferred	4,000,000	1,000,000	500,000	-
	13,000,000	8,500,000	2,000,000	2,500,002
Profit after taxation	37,196,517	68,538,398	14,941,265	11,188,373
Earnings per share- Basic and Diluted	0.86	1.97	0.35	0.32

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



**FARRUKH S. ANSARI
CHIEF EXECUTIVE**



**MUHAMMAD RASHID ZAHIR
CHAIRMAN**



**CASH FLOW STATEMENT (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2007**

	July 01, 2006 to March 31, 2007	July 01, 2005 to March 31, 2006
	----- Rupees -----	
	Note	
CASH FLOW FROM OPERATING ACTIVITIES		
Cash generated from operations after working capital changes	12	114,974,039
Financial charges paid		220,201,327
Taxes paid		(205,791,797)
Deposits received		(171,714,620)
Increase in net investment in leases		(6,786,216)
		56,439,009
		155,551,963
		(34,091,934)
		(604,154,101)
		(195,397,261)
		(627,102,974)
Net cash used in operating activities		(80,423,222)
		(406,901,647)
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure		(113,418,612)
Proceeds from sale of property and equipments		(17,760,601)
Decrease in loans and receivables		1,868,787
Decrease in investments		34,428,700
Increase in long term loans		21,764,250
(Increase)/Decrease in short term loans		-
Dividend received		4,221,031
		51,676,047
		(71,803,858)
		(237,475,093)
		13,622,538
		(28,645,152)
		16,284,809
		14,446,327
Net cash used in investing activities		(127,461,055)
		(183,329,772)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase in borrowing in long term loan		362,500,005
(Decrease)/Increase in Borrowing from financial institution		399,583,334
Increase/(Decrease) in certificates of investment		(290,000,000)
Share deposit money received against right shares		180,000,000
Dividend paid		67,188,000
		(123,985,000)
		-
		151,800,000
		(64,204,435)
		(24,966,496)
Net cash flows from financing activities		75,483,570
		582,431,838
Net decrease in cash and cash equivalents		(132,400,707)
		(7,799,581)
Cash and cash equivalents at beginning of the period		164,161,545
		55,520,438
Cash and cash equivalents at end of the period		31,760,838
		47,720,857

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

**FARRUKH S. ANSARI
CHIEF EXECUTIVE**

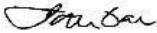
**MUHAMMAD RASHID ZAHIR
CHAIRMAN**




STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2007

	Share capital	Reserve for issue of bonus shares	CAPITAL RESERVES		Total reserves	Share deposit money	Unappropriated profit	Unrealized loss on investments classified as available for sale	Total equity
			Contingency reserve	Statutory reserve					
----- Rupees -----									
Balance as at June 30, 2005	253,000,000	-	2,600,000	104,136,924	106,736,924	-	84,783,468	(63,230,725)	381,289,667
Unrealized gain in market value of investments classified as available for sale	-	-	-	-	-	-	-	40,578,325	40,578,325
Realized loss in market value of investments classified as available for sale	-	-	-	-	-	-	-	(3,368,085)	(3,368,085)
Net income recognized directly in equity	-	-	-	-	-	-	-	37,210,240	37,210,240
Profit after taxation for the nine months ended March 31, 2006	-	-	-	-	-	-	68,538,398	-	68,538,398
Transfer of profit to reserve for issue of bonus shares declared subsequent to year end	-	25,300,000	-	-	25,300,000	-	(25,300,000)	-	-
Transfer to capital as bonus shares	25,300,000	(25,300,000)	-	-	(25,300,000)	-	-	-	-
Final dividend for the year ended June 30, 2005 declared and issued subsequent to year end	-	-	-	-	-	-	(25,300,000)	-	(25,300,000)
Right shares subscription received	-	-	-	-	-	151,800,000	-	-	-
Transfer to paid up capital against right shares	151,800,000	-	-	-	-	(151,800,000)	-	-	151,800,000
Transfer to statutory reserve	-	-	-	13,707,680	13,707,680	-	(13,707,680)	-	-
Balance as at March 31, 2006	430,100,000	-	2,600,000	117,844,604	120,444,604	-	89,014,186	(26,020,485)	650,748,545
Balance as at June 30, 2006	430,100,000	-	2,600,000	122,724,754	125,324,754	-	108,534,789	(125,983,504)	537,976,039
Unrealized loss in market value of investments classified as available for sale	-	-	-	-	-	-	-	(54,309,769)	(54,309,769)
Realized gain in market value of investments classified as available for sale	-	-	-	-	-	-	-	59,674,596	59,674,596
Net income recognized directly in equity	-	-	-	-	-	-	-	5,364,827	5,364,827
Profit after taxation for the nine months ended March 31, 2007	-	-	-	-	-	-	37,196,517	-	37,196,517
Final dividend for the year ended June 30, 2006 declared and issued subsequent to year end	-	-	-	-	-	-	(64,515,000)	-	(64,515,000)
Transfer to statutory reserve	-	-	-	7,439,303	7,439,303	-	(7,439,303)	-	-
Balance as at March 31, 2007	430,100,000	-	2,600,000	130,164,057	132,764,057	-	73,777,003	(120,618,677)	516,022,383

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


FARRUKH S. ANSARI
CHIEF EXECUTIVE


MUHAMMAD RASHID ZAHIR
CHAIRMAN



**NOTES TO THE ACCOUNTS
FOR THE NINE MONTHS ENDED MARCH 31, 2007**

1. STATUS AND NATURE OF BUSINESS

Saudi Pak Leasing Company Limited 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.

2. STATEMENT OF COMPLIANCE

These unaudited financial statements are being submitted to the shareholders in accordance with section 245 of the 'Ordinance, 1984 and have been prepared in accordance with the requirements of International Accounting Standards (IAS) ' - 34 "Interim Financial Reporting", as applicable in Pakistan.

3. ACCOUNTING POLICIES

The accounting policies and methods of computation followed for the preparation of these financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2006.

4. SHORT TERM INVESTMENTS

	March 31, 2007 (Unaudited)	June 30, 2006 (Audited)
----- Rupees -----		
Available for sale		
Investment in securities	398,212,868	436,425,074
Mutual funds	81,421,129	42,354,398
	479,633,997	478,779,472
Held for trading		
Investment in securities	23,277,415	8,990,000
	502,911,412	487,769,472

5. CURRENT MATURITY OF NON - CURRENT ASSETS

Term Loans	6	405,418,196	72,952,223
Net Investment in lease	7	2,006,669,634	2,283,537,375
Long term investments		17,616,880	24,268,080
		2,429,704,710	2,380,757,678

6. LONG TERM LOANS - secured, considered good

Term loan to customers	6.1	497,298,970	425,495,112
Due from employees		9,925,096	5,161,545
		507,224,066	430,656,657
Less: Recoverable within one year shown as current portion of term loans	5	405,418,196	72,952,223
		101,805,870	357,704,434

6.1 Term loan due from customers is secured against property and pledge of listed securities. The rate of return on these loans ranges from 11.5% to 20% (June 30, 2006: 11.5% to 20%) per annum.



**NOTES TO THE ACCOUNTS
FOR THE NINE MONTHS ENDED MARCH 31, 2007**

	March 31, 2007 (Unaudited)	June 30, 2006 (Audited)
	----- Rupees -----	
7. NET INVESTMENT IN LEASES		
Minimum lease payments receivable	3,874,803,273	3,879,323,842
Add: Residual value of leased assets	1,018,536,848	965,000,424
Gross investment in leases	4,893,340,121	4,844,324,266
Less: Unearned lease income	575,210,056	585,823,437
Income suspended	77,345,798	50,615,924
Provision for potential lease losses	128,149,795	135,335,192
	780,705,649	771,774,553
Net investment in leases	4,112,634,472	4,072,549,713
Less: Current portion of net investment in leases	2,006,669,634	2,283,537,375
	2,105,964,838	1,789,012,338

7.1 The internal rate of return on leases disbursed during the period ranges from 10% to 30.82% (June 30, 2006: 10% to 24.59%) per annum.

8. PROPERTY, PLANT AND EQUIPMENT

	Own use		Operating lease assets	
	Addition	Disposal	Addition	Disposal
Office premises	7,000,000	-	-	-
Furniture, fixtures & fittings	492,697	-	-	-
Vehicles	8,307,000	-	53,512,500	879,000
Office equipment	1,406,415	141,900	-	-
Plant and machinery	1,500,000	-	41,200,000	-
Total	18,706,112	141,900	94,712,500	879,000

8.1 The above statement shows cost of additions to and disposals from property, plant and equipment during the nine months ended March 31, 2007.

	March 31, 2007 (Unaudited)	June 30, 2006 (Audited)
	----- Rupees -----	
9. CURRENT MATURITY OF NON- CURRENT LIABILITIES		
Finance under mark-up arrangements	841,666,665	612,500,000
Deposits against lease	166,102,829	84,493,691
	1,007,769,494	696,993,691
10. LONG TERM FINANCES		
Long-term finance under mark-up arrangements	1,670,833,339	1,308,333,334
Less: Current maturity shown under current liabilities	841,666,665	612,500,000
	829,166,674	695,833,334
11. CONTINGENCIES AND COMMITMENTS		
Commitments for lease disbursements	295,162,466	282,521,824



**NOTES TO THE ACCOUNTS
FOR THE NINE MONTHS ENDED MARCH 31, 2007**

	July 01, 2006 to March 31, 2007	July 01, 2005 to March 31, 2006
12. CASH GENERATED FROM OPERATIONS	(Unaudited)	
	----- Rupees -----	
Profit for the period before taxation	50,196,516	77,038,398
Adjustment for non cash charges and other items :		
Depreciation - owned assets	6,806,196	6,020,898
- assets under operating lease	11,681,651	4,358,111
Financial charges	220,982,113	187,902,298
Provision for potential lease losses	(5,992,825)	14,870,148
Dividend income	(20,420,934)	(14,446,327)
Gain on disposal of fixed assets	(1,005,143)	(5,189,733)
	212,051,058	193,515,395
Profit before working capital changes	262,247,574	270,553,793
Movement in working capital		
Increase in advances, deposits, prepayments and other receivables	(141,613,546)	(14,771,117)
Decrease in creditors, accrued and other liabilities	(5,659,989)	(35,581,349)
	(147,273,535)	(50,352,466)
Cash generated from operations after working capital changes	114,974,039	220,201,327

13. TRANSACTIONS WITH RELATED PARTIES AND ASSOCIATED UNDERTAKINGS

The related parties comprises Saudi Pak Industrial & Agricultural Investment Company (Private) Limited (an associated company), related group companies and key management personnel.

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

	July 01, 2006 to March 31, 2007	July 01, 2005 to March 31, 2006
	(Unaudited)	
	----- Rupees -----	
Rent paid	582,435	129,430
Purchase of Property	-	4,132,908
Leases		
Lease money disbursed during the period	12,988,000	1,279,000
Rentals received during the period	6,992,787	14,980,357
Lease key money received during the period	1,298,800	127,900
Contract receivables- net	31,984,250	36,344,555
Borrowing		
Borrowing	340,000,000	125,000,000
14. CASH AND CASH EQUIVALENTS		
Cash and bank balances	26,997,287	47,720,857
15. DATE OF AUTHORIZATION		

These financial statements were authorized for issue on April 24, 2007 by the Board of Directors.

**FARRUKH S. ANSARI
CHIEF EXECUTIVE**

**MUHAMMAD RASHID ZAHIR
CHAIRMAN**