



SAUDI PAK LEASING COMPANY LIMITED

FINANCIAL STATEMENTS

FOR THE QUARTER ENDED

SEPTEMBER 30, 2007

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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 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
Mr. Ihsanul Haq Piracha	Vice Chairman
Mr. Aasim Azim Siddiqui	Director

CREDIT COMMITTEE

Mr. Ihsanul Haq Piracha	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. Shyam Lal, ACA

HEAD OF INTERNAL AUDIT

Mr. Imran Masood

AUDITORS

Anjum Asim Shahid Rahman
Chartered Accountants

TAX CONSULTANTS

Anjum Asim Shahid Rahman
Chartered Accountants



CORPORATE INFORMATION

LEGAL ADVISOR

Mandviwalla & Zafar

CREDIT RATING AGENCY

JCR-VIS Credit Rating Company (Pvt.) Limited

CREDIT RATING

Long-term- (A-)

Short-term-(A-2)

National Bank of Pakistan

United Bank Limited

MCB Bank Limited

Allied Bank Limited

Askari Bank Limited.

The Bank of Punjab

ABN AMRO Bank (Pakistan) Limited

Standard Chartered Bank (Pakistan) Limited

The Hong Kong and Shanghai Banking Corp. Ltd

Saudi Pak Commercial Bank Limited

REGISTERED OFFICE

6th Floor, Lakson Square, Building #1,

Sarwar Shaheed Road, Saddar, Karachi.

Tel: (021) 5655181-85, (021) 5655215-19

Fax: (021) 5210607-9

BRANCHES

Lahore

Pakistan Engineering Congress (PEC) Building

First Floor, 97/A-D/1, Liberty Market,

Gulberg-III, Lahore.

Tel: (042) 5762644-47, 5762634

Fax: (042) 5672633

Islamabad

2nd Floor, High-Rise Block, Saudi Pak Tower

61-A, Jinnah Avenue, Blue Area, Islamabad

Tel: (051) 2800207, 2800206

Fax: (051) 2800205



CORPORATE INFORMATION

Faisalabad

Kotwali Road (Allama Iqbal 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) 5655595



DIRECTORS' REVIEW

The directors are pleased to present their report and review of the accounts of your Company for the quarter ended September 30, 2007.

Economic Scenario

The economy continued impressive growth on the back of strong fundamentals. All the three major sectors of the economy are showing positive developments. The reforms and policies pursued over the last seven years are attracting interest of foreign investors. The areas of the economy on which the government is focusing are i) controlling inflation, ii) reducing trade deficit, iii) expanding tax base and iv) attracting foreign direct investment.

Good monsoon rains improved the prospects of wheat, sugarcane and rice crops. Similarly industrial sector would benefit from investment in the cement, steel and fertilizer sectors. Service sector continued robust growth with major contribution from banking and telecom sectors.

The equities surged ahead with the index touching all time high of 14,787 points on October 22, 2007 compared to 13,772 points as at close of June 2007.

Financial Performance

During the period under review, your company maintained diversification of lease and loan portfolio. Disbursements recorded at Rs.765 million in July–September 2007 as against Rs.734 million in the corresponding period last year showed an increase of 4.2 percent. Meanwhile, total gross revenues increased to Rs.202.1 million in July–September 2007 as compared to Rs.173 million in the preceding year showing a healthy growth of 16.8 percent. Lease revenues increased to Rs.121.7 million from Rs.117.9 million in the corresponding period last year while other operating income increased to Rs.80.5 million up from Rs.55.1 million. During the period under review financial charges increased to Rs.135.3 million from Rs.124.7 million in the same period last year.

As a result operating profit increased to Rs.38.6 million from Rs.24.9 million over the corresponding quarter last year. The net profit after provisions and tax for the quarter increased to Rs.17.3 million compared to Rs.13.9 million in the corresponding period last year.

The balanced growth in the portfolio mix was maintained whereby exposure to a particular sector was kept below 25 percent to achieve minimum concentration risk. Approximately, 22 percent was disbursed to Textile sector followed by 16 percent to Energy, Oil and Gas sector. Plant and Machinery accounted for 73 percent of the lease portfolio and Commercial Vehicles 12 percent of the lease portfolio.

Future Outlook

The consistency of macro economic policies over the last seven years has built strong fundamentals in the economy. A stable government with investor friendly policies will enable the economy to continue up the path of prosperity. The State Bank continues to implement a tight monetary policy to control inflation.

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

Your directors recognize and appreciate the support of the lending institutions, regulatory authorities, COI holders and the dedicated service rendered by the management and other members of the staff of the Company to promote its steady growth on sound lines.

For and on behalf of the Board of Directors

A handwritten signature in black ink, appearing to read "M. Rashid Zahir".

Muhammad Rashid Zahir
Chairman

Karachi: October 22, 2007



Saudi Pak Leasing Company Limited
Balance Sheet
As at September 30, 2007 (Unaudited)

		September 30, 2007	June 30, 2007
ASSETS		----- Rupees -----	
Current assets			
Cash and bank balances		47,165,338	104,618,359
Loans and fund placements		1,099,394,386	851,069,387
Short term investments	4	509,129,386	407,293,928
Loans and receivables		35,149,647	36,960,916
Advances, deposits, prepayments and other receivables		335,831,108	437,258,882
Current maturity of non- current assets	5	1,932,177,943	2,091,038,978
Total current assets		3,958,847,808	3,928,240,450
Non-current assets			
Long-term loans	6	168,387,757	103,473,089
Net investment in leases	7	2,440,051,782	2,281,114,477
Long-term investments		50,204,397	16,641,900
Property, plant and equipment	8	228,219,877	208,860,551
Total non-current assets		2,886,863,813	2,610,090,017
Total Assets		6,845,711,621	6,538,330,467
LIABILITIES			
Current liabilities			
Borrowings from financial institutions		965,000,000	965,000,000
Certificates of investment		1,808,486,000	1,811,676,000
Accrued and other payables		188,815,761	150,849,930
Current maturity of non-current liabilities	9	828,255,631	942,136,470
Provision for taxation-net		3,050,891	1,834,633
Total current liabilities		3,793,608,283	3,871,497,033
Non-current liabilities			
Certificates of investment		572,384,000	571,139,000
Long term finances	10	912,500,006	555,833,340
Deposits against leases		889,862,030	846,942,192
Deferred tax		58,081,968	54,581,968
Total non-current liabilities		2,432,828,004	2,028,496,500
Total Liabilities		6,226,436,287	5,899,993,533
NET ASSETS			
Authorized capital 100,000,000 (June 30,2007: 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		139,616,783	136,164,293
Unappropriated profit		101,187,904	87,377,946
Unrealized loss on investments classified as available for sale		670,904,687 (51,629,353)	653,642,239 (15,305,305)
Total equity		619,275,334	638,336,934
CONTINGENCIES AND COMMITMENTS	11	-	-

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

Farrukh S. Ansari
Chief Executive Officer

Muhammad Rashid Zahir
Chairman

Saudi Pak Leasing Company Limited
Profit and Loss Account
For the Quarter ended September 30, 2007 (Unaudited)



	Quarter ended September 30, 2007	Quarter ended September 30, 2006
	----- Rupees -----	
Revenue		
Finance lease operations	107,026,204	108,708,312
Operating lease operations	14,630,247	9,191,052
	121,656,451	117,899,364
Other Operating income	80,449,282	55,138,137
	202,105,733	173,037,501
Expenses		
Financial and bank charges	135,289,686	124,678,744
Administrative and operating expenses	28,176,240	23,398,391
	163,465,926	148,077,135
Operating profit before provisions	38,639,807	24,960,366
Provision and fair value changes		
Provision for potential lease losses	12,097,869	4,837,354
Unrealized loss in the market value of investments classified as held for trading	1,779,490	-
	13,877,359	4,837,354
Profit before taxation	24,762,448	20,123,012
Taxation - Current	4,000,000	3,750,000
- Deferred	3,500,000	2,500,000
	7,500,000	6,250,000
Profit after taxation	17,262,448	13,873,012
Earnings per share- Basic and Diluted	0.40	0.32

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

Farrukh S. Ansari
Chief Executive Officer

Muhammad Rashid Zahir
Chairman



Saudi Pak Leasing Company Limited
Cash Flow Statement
For the Quarter ended September 30, 2007 (Unaudited)

	Note	Quarter ended September 30, 2007	Quarter ended September 30, 2006
		----- Rupees -----	
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations after working capital changes	12	299,541,436	127,334,552
Financial charges paid		(120,527,689)	(43,749,734)
Taxes paid		(2,783,742)	(2,180,232)
Deposits received		39,038,999	49,777,725
Increase in long term loans		(71,803,858)	(35,667,008)
Increase in loans and fund placements		(248,324,999)	(42,608,369)
Increase in net investment in leases		(5,284,950)	(162,644,557)
Net cash used in operating activities		(110,144,803)	(109,737,623)
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure		(24,002,203)	(60,447,550)
Decrease in loans and receivables		1,811,269	1,811,269
(Increase)/Decrease in investments		(173,501,493)	38,158,967
Dividend received		3,665,617	2,969,667
Net cash used in investing activities		(192,026,810)	(17,507,647)
CASH FLOW FROM FINANCING ACTIVITIES			
Increase in long term finances		246,666,666	168,750,000
Increase in borrowing from financial institutions		-	337,900,000
Decrease in certificates of investment		(1,945,000)	(250,000,000)
Dividend paid		(3,074)	(212)
Net cash generated from financing activities		244,718,592	256,649,788
Net (decrease)/increase in cash and cash equivalents		(57,453,021)	129,404,518
Cash and cash equivalents at beginning of the period		104,618,359	164,161,545
Cash and cash equivalents at end of the period		47,165,338	293,566,063

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

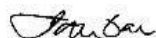
Farrukh S. Ansari
Chief Executive Officer

Muhammad Rashid Zahir
Chairman

Statement of Changes in Equity
For the Quarter ended September 30, 2007 (Unaudited)

	CAPITAL RESERVES		Total reserves	Un-appropriated profit	Unrealized loss on investments classified as available for sale	Total equity	
	Share capital	Contingency reserve					Statutory reserve
----- Rupees -----							
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 gain in market value of investments classified as available for sale	-	-	-	-	-	16,233,346	16,233,346
Realized Loss in market value of investments classified as available for sale	-	-	-	-	-	(5,188,644)	(5,188,644)
Net income recognized directly in equity	-	-	-	-	-	11,044,702	11,044,702
Profit after taxation for the quarter ended September 30, 2006	-	-	-	-	13,873,012	-	13,873,012
Transfer to statutory reserve	-	-	2,774,602	2,774,602	(2,774,602)	-	-
Balance as at September 30, 2006	430,100,000	2,600,000	125,499,356	128,099,356	119,633,199	(114,938,802)	562,893,753
Balance as at June 30, 2007	430,100,000	2,600,000	133,564,293	136,164,293	87,377,946	(15,305,305)	638,336,934
Unrealized loss in market value of investments classified as available for sale	-	-	-	-	-	(53,582,875)	(53,582,875)
Realized gain in market value of investments classified as available for sale	-	-	-	-	-	17,258,827	17,258,827
Net loss recognized directly in equity	-	-	-	-	-	(36,324,048)	(36,324,048)
Profit after taxation for the quarter ended September 30, 2007	-	-	-	-	17,262,448	-	17,262,448
Transfer to statutory reserve	-	-	3,452,490	3,452,490	(3,452,490)	-	-
Balance as at September 30, 2007	430,100,000	2,600,000	137,016,783	139,616,783	101,187,904	(51,629,353)	619,275,334

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



Farukh S. Ansari
Chief Executive Officer



Muhammad Rashid Zahir
Chairman

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 and housing finance business.

2. STATEMENT OF COMPLIANCE

These unaudited financial statements are being submitted to the shareholders in accordance with section 245 of the Companies 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, 2007.

4. SHORT TERM INVESTMENTS

		September 30, 2007	June 30, 2007
		----- Rupees -----	
<u>Related party</u>			
Available for sale			
Investment in equity securities		55,000,000	58,920,000
<u>Other than related party</u>			
Available for sale			
	4.1	440,043,416	322,314,908
At fair value through profit or loss-held for trading			
Investment in equity securities		14,085,970	26,059,020
		509,129,386	407,293,928
4.1 Available for sale			
Investment in equity securities		350,960,879	220,768,655
Mutual funds		89,082,537	101,546,253
		440,043,416	322,314,908

5. CURRENT MATURITY OF NON - CURRENT ASSETS

Term Loans	6	119,082,041	112,142,246
Net Investment in lease	7	1,801,192,540	1,966,788,076
Long term investments		11,903,362	12,108,656
		1,932,177,943	2,091,038,978
Term loan to customers	6.1	274,055,684	203,985,649
Due from employees		13,414,114	11,629,686
		287,469,798	215,615,335
Less: Recoverable within one year shown as current portion of term loans	5	119,082,041	112,142,246
		168,387,757	103,473,089

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 14.55% to 20% (June 30, 2007: 11.5% to 20%) per annum.

	September 30, 2007	June 30, 2007
	----- Rupees -----	
7. NET INVESTMENT IN LEASES		
Minimum lease payments receivable	3,963,656,291	4,018,724,432
Add: Residual value of leased assets	1,102,108,360	1,064,967,670
Gross investment in leases	5,065,764,651	5,083,692,102
Less: Unearned lease income	580,834,553	601,469,115
Income suspended	95,414,511	90,721,566
Provision for potential lease losses	148,271,265	143,598,868
	824,520,329	835,789,549
Net investment in leases	4,241,244,322	4,247,902,553
Less: Current portion of net investment in leases	1,801,192,540	1,966,788,076
	2,440,051,782	2,281,114,477

7.1 The internal rate of return on leases disbursed during the period ranges from 14.43% to 23.74% (June 30, 2007: 10% to 30.82%) per annum.

8. PROPERTY, PLANT AND EQUIPMENT

	Own use		Operating lease assets	
	Addition	Disposal	Addition	Disposal
	----- Rupees -----			
Premises	80,000	-	-	-
Vehicles	-	-	18,472,000	-
Office equipment	170,200	-	-	-
Plant and machinery	-	-	5,280,000	-
Total	250,200	-	23,752,000	-

8.1 The above statement shows cost of additions to and disposals from property, plant and equipment during the quarter ended September 30, 2007.

	September 30, 2007	June 30, 2007
	----- Rupees -----	
9. CURRENT MATURITY OF NON- CURRENT LIABILITIES		
Long term finances	643,333,333	753,333,333
Deposits against lease	184,922,298	188,803,137
	828,255,631	942,136,470
10. LONG TERM FINANCES		
Long-term finances	1,555,833,339	1,309,166,673
Less: Current maturity shown under current liabilities	643,333,333	753,333,333
	912,500,006	555,833,340
11. CONTINGENCIES AND COMMITMENTS		
Contingencies	-	-
Commitments for lease disbursements	218,965,307	243,223,300

	Quarter ended September 30, 2007	Quarter ended September 30, 2006
12. CASH GENERATED FROM OPERATIONS		
	----- Rupees -----	
Profit for the period before taxation	24,762,448	20,123,012
Adjustment for non cash charges and other items :		
Depreciation - owned assets	1,399,535	2,090,015
- assets under operating lease	3,243,342	3,023,600
Financial charges	135,063,861	73,673,334
Provision for potential lease losses	12,097,869	4,837,354
Dividend income	(8,484,461)	(13,980,409)
Unrealized loss in market value of investments	1,779,490	-
	145,099,636	69,643,894
Profit before working capital changes	169,862,084	89,766,906
Movement in working capital		
Increase/(decrease) in advances, deposits, prepayments and other receivables	106,246,618	(56,472,248)
Increase in accrued and other payables	23,432,734	94,039,894
	129,679,352	37,567,646
Cash generated from operations after working capital changes	299,541,436	127,334,552

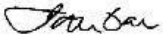
13. TRANSACTIONS WITH RELATED PARTIES AND ASSOCIATED UNDERTAKINGS


The related parties comprises Saudi Pak Industrial & Agricultural Investment Company (Private) 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:

	Quarter ended September 30, 2007	Quarter ended September 30, 2006
	----- Rupees -----	
Controlling entity		
Rent paid	-	64,175
Other group Companies		
Lease money disbursed during the period	4,403,500	11,151,000
Rentals received during the period	5,634,288	5,069,595
Lease key money received during the period	440,350	1,115,100
Rentals received on property during the period	708,000	-
14. CASH AND CASH EQUIVALENTS		
Cash and bank balances	47,165,338	293,566,063
15. DATE OF AUTHORIZATION		

These financial statements were authorized for issue on October 22, 2007 by the Board of Directors.


Farrukh S. Ansari
Chief Executive Officer


Muhammad Rashid Zahir
Chairman