

DIRECTORS' REPORT

The Directors of Saudi Pak Leasing Company Limited have pleasure in presenting the un-audited financial statements for the half year ended December 31, 2011.

Consolidated Operating & Financial Results for the six months period ended December 31, 2011

	Rupees
Loss before tax	(440,200,588)
Less: Provision for taxation	<u>(217,030,656)</u>
Loss after taxation	(657,231,244)
Accumulated loss brought forward	(839,410,437)
Transfer from surplus on revaluation of properties to accumulated losses	<u>66,004</u>
Accumulated loss carried forward	<u><u>(1,496,575,677)</u></u>
Loss Per Share	<u><u>(14.55)</u></u>

During the current year, the financial difficulties resulting from the overall economic instability further aggravated by energy shortfall and deteriorating law and order situation. This has badly affected the Company and resulted in increased delinquent and non-performing assets.

The constant liquidity crunch and amplified non-performing facilities are posing serious challenges to the Company. However, the management aggressively pursued recovery and negotiated with the lenders restructuring of the loans and reduction in the mark-up rates to have a positive impact on the profitability and equity of the Company.

In half year ending December 31, 2011, the Company incurred a loss after tax of Rs.657 million as compared to Rs.49 million in the previous year. This includes provision for doubtful lease/loans of Rs.279.5 million as compared to Rs.21.5 million in the previous year, provision for taxation Rs.217 million and impairment on available for sale investments of Rs.20 million etc..

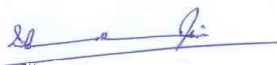
The management of the company is dedicated for revival of the company and has prepared a Rehabilitation and Liability Settlement Plan which was presented to the Board and it has been unanimously approved by the Board. We are confident about the implementation of the same by the management.

It should be appreciated that the management has successfully reduced its liability by Rs. 2.4 billion in 2 years time from Rs. 5.8 billion to Rs. 3.4 billion. Total impact of our efforts is expected to bring adequate improvements to ensure the status of going concern.

The Director and Chairman of the Board Mr. Muhammad Anwar has resigned and Mr. Muhammad Iqbal Hussain has been appointed by the Board as Chairman and Ms. Parveen Malik has been appointed as director in his place. In addition Mr. Farhan Malik has been appointed as director on the Board in place of Mr. Nayyar Alam Ilyas. The Board has also appointed Mr. Ahsanullah Khan as Chief Executive Officer in place of Mr. Nayyar Alam Ilyas who was the Acting Chief Executive Officer.

The Board assures you that the management is fully aware of its responsibility towards its stakeholders and is determined to improve the financial condition of the Company.

For and on behalf of the Board



Muhammad Iqbal Hussain
Chairman

Dated: March 28, 2012

Extract of Minutes of the 105th meeting of Board of Directors of Saudi Pak Leasing Company Limited held on March 08, 2012 at Saudi Pak Tower, Islamabad

Resolution:

“Resolved that Mr. Ahsanullah Khan s/o Mr. Maseet Ullah Khan is hereby appointed as CEO of Saudi Pak Leasing Company Limited on the gross salary of Rs 350,000/- per month which includes house rent and utilities, Company maintained car and all other perks and privileges as per Company Policy.”

“Further Resolved that the Chairman is authorized to issue Letter of Appointment and to execute employment contract with Mr. Ahsanullah Khan.”


Company Secretary





KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2
Beaumont Road
Karachi, 75530 Pakistan

Telephone + 92 (21) 3568 5847
Fax + 92 (21) 3568 5095
Internet www.kpmg.com.pk

Auditor's Report on review of Condensed Interim Financial Information to the Members

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Saudi Pak Leasing Company Limited** ("the Company") as at 31 December 2011 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the condensed interim financial information for the six months period then ended (here-in-after-referred to as "the condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As discussed in note 14, certain reclassifications have been made in the current period. International Accounting Standard (IAS) 1 (Presentation of Financial Statements) states that in case of reclassifications, etc. a balance sheet as at beginning of the earliest comparative period should also be presented and under International Accounting Standard (IAS) 8 (Accounting Policies, Changes in Accounting Estimates and Errors), adjustments should be made with retrospective effect. Had this adjustment for restatement been so made, the effect thereof and the related disclosure of the statement of financial position as at the beginning of the earliest comparative period is given in note 14.

Qualified Conclusion

Based on our review, with the exception of the matter described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying condensed



KPMG Taseer Hadi & Co.

interim financial information as at and for the six months period ended 31 December 2011 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting.

Emphasis of matter

- We draw attention to note 1.2 to the condensed interim financial information which indicates that the Company has incurred net loss of Rs. 657.2 million during the six months period ended 31 December 2011, and as of that date, its accumulated losses amounted to Rs. 1,495.7 million and its equity was Nil; the total liabilities exceeded the total assets by Rs. 879.9 million and current liabilities exceeded the current assets by Rs. 823 million. These conditions, along with other matters as set forth in note 1.2, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.
- We also draw attention to note 1.3 to the condensed interim financial information which gives the details of certain requirements of NBFC Regulation, 2008 not met by the Company as its equity as at 31 December 2011 is nil.

Our opinion is not qualified in respect of these matters.

Other matters

The figures for the quarter ended 31 December 2011 in the condensed interim profit and loss account and statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The condensed interim financial information of the Company for the six months period ended 31 December 2010 and financial statements for the year ended 30 June 2011 were reviewed and audited by another firm of auditors whose reports dated 28 February 2011 and 4 October 2011, expressed a modified conclusion and opinion thereon respectively, through the inclusion of emphasis of matter paragraph in respect of the going concern assumption of the Company.

Date: 28 MAR 2012

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Aryn Pirani


Saudi Pak Leasing Company Limited
Condensed Interim Balance Sheet
As at 31 December 2011

	Note	31 December 2011 (Unaudited) (Rupees)	30 June 2011 (Audited)
ASSETS			
Current assets			
Cash and bank balances	6	19,090,923	31,700,552
Short term loans	7	341,367,679	391,537,756
Short term investments	8	133,249,392	184,144,146
Advances		760,000	1,529,000
Accrued mark-up		6,187,560	41,137,710
Trade deposits and short term prepayments		1,091,464	1,150,707
Other receivables	9	51,005,764	76,576,514
Current maturity of non-current assets	10	1,722,739,989	1,581,440,953
		<u>2,275,492,771</u>	<u>2,309,217,338</u>
Non-current assets classified as held for sale	14	-	87,820,767
		<u>2,275,492,771</u>	<u>2,397,038,105</u>
Non-current assets			
Long term loans	11	24,205,297	60,739,607
Net investment in finance leases	12	68,355,624	453,839,825
Long term investments	13	12,254,616	12,254,616
Investment properties	14	68,887,299	-
Deferred tax asset - net	15	-	137,773,920
Property, plant and equipment	16	91,358,269	99,759,348
Intangibles		643,759	919,664
		<u>265,704,864</u>	<u>765,286,980</u>
Total assets		<u>2,541,197,635</u>	<u>3,162,325,085</u>
LIABILITIES			
Current liabilities			
Borrowings from financial institutions	17	428,121,589	431,121,589
Certificates of investment		132,838,000	204,638,000
Accrued mark-up	18	323,970,748	251,747,281
Sub-ordinated debt	19 & 27	333,208,499	-
Accrued expenses and other payables	20	93,325,378	40,694,759
Provision for taxation		3,102,482	2,773,065
Current maturity of non-current liabilities	21	1,784,132,314	1,346,605,070
		<u>3,098,699,010</u>	<u>2,277,579,764</u>
Non-current liabilities			
Certificates of investment		20,900,000	22,600,000
Deferred tax liability - net	15	76,835,029	-
Long term finances	22	104,582	580,551,276
Sub-ordinated debt	19 & 27	-	333,208,499
Long term deposits	23	224,559,430	164,268,926
		<u>322,399,041</u>	<u>1,100,628,701</u>
Total liabilities		<u>3,421,098,051</u>	<u>3,378,208,465</u>
NET ASSETS		<u>(879,900,416)</u>	<u>(215,883,380)</u>
FINANCED BY			
Authorised share capital			
100,000,000 (30 June 2011: 100,000,000) ordinary shares of Rs. 10 each		<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued, subscribed and paid-up capital		451,605,000	451,605,000
Capital reserves		148,257,389	148,257,389
Accumulated loss		(1,495,707,639)	(839,410,437)
Surplus on revaluation on available-for-sale investments	8.1	66,004	6,851,796
Total equity		<u>(895,779,246)</u>	<u>(232,696,252)</u>
Surplus on revaluation on fixed assets	24	15,878,830	16,812,872
		<u>(879,900,416)</u>	<u>(215,883,380)</u>
CONTINGENCIES AND COMMITMENTS			
	25		

The annexed notes 1 to 32 form an integral part of this condensed interim financial information.



Chief Executive



Chairman

Saudi Pak Leasing Company Limited
Condensed Interim Profit and Loss Account (Unaudited)
For the six months period ended 31 December 2011

	Note	Six months period ended 31 December		Three months period ended 31 December	
		2011	2010	2011	2010
----- (Rupees) -----					
INCOME					
Finance leases	26	19,416,690	61,438,579	9,632,382	26,156,936
Operating leases		2,168,643	5,478,404	687,993	2,698,475
		<u>21,585,333</u>	<u>66,916,983</u>	<u>10,320,375</u>	<u>28,855,411</u>
Other operating (loss) / income - net		<u>(15,748,761)</u>	<u>20,607,251</u>	<u>(16,036,136)</u>	<u>16,713,075</u>
		<u>5,836,572</u>	<u>87,524,234</u>	<u>(5,715,761)</u>	<u>45,568,486</u>
EXPENSES					
Finance cost		86,546,170	114,446,896	42,427,534	69,862,950
Administrative, selling and other operating expenses		42,648,670	43,827,991	25,052,743	23,624,558
Amount written off directly against loans, lease receivables and investments		10,566,253	4,642,827	10,566,253	4,642,827
Direct cost of operating leases		6,522,231	8,002,852	3,274,621	4,039,106
		<u>146,283,324</u>	<u>170,920,566</u>	<u>81,321,151</u>	<u>102,169,441</u>
		<u>(140,446,752)</u>	<u>(83,396,332)</u>	<u>(87,036,912)</u>	<u>(56,600,955)</u>
Provision for doubtful leases, loans and other receivables		279,496,668	21,544,648	230,840,153	(8,528,040)
Impairment on available for sale investments		20,257,168	1,173,533	16,188,050	1,173,533
		<u>299,753,836</u>	<u>22,718,181</u>	<u>247,028,203</u>	<u>(7,354,507)</u>
		<u>(440,200,588)</u>	<u>(106,114,513)</u>	<u>(334,065,115)</u>	<u>(49,246,448)</u>
Share of (loss) from an associated company	13	-	(2,121,667)	-	(2,121,667)
		<u>(440,200,588)</u>	<u>(108,236,180)</u>	<u>(334,065,115)</u>	<u>(51,368,115)</u>
Taxation					
- Current		2,421,707	4,111,166	1,178,400	1,859,664
- Prior year		-	(1,226,945)	-	(1,226,945)
- Deferred	15	214,608,949	(61,940,463)	214,608,949	(61,940,463)
		<u>217,030,656</u>	<u>(59,056,242)</u>	<u>215,787,349</u>	<u>(61,307,744)</u>
(Loss) / profit after taxation		<u><u>(657,231,244)</u></u>	<u><u>(49,179,938)</u></u>	<u><u>(549,852,464)</u></u>	<u><u>9,939,629</u></u>
(Loss) / earnings per share					
- basic and diluted	29	<u><u>(14.55)</u></u>	<u><u>(1.09)</u></u>	<u><u>(12.18)</u></u>	<u><u>0.22</u></u>

The annexed notes 1 to 32 form an integral part of this condensed interim financial information.



Chief Executive



Chairman

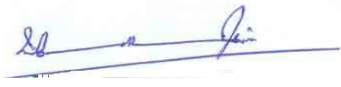
Saudi Pak Leasing Company Limited
Condensed Interim Statement of Comprehensive Income (Unaudited)
For the six months period ended 31 December 2011

	Six months period ended 31 December		Three months period ended 31 December	
	2011	2010	2011	2010
	----- (Rupees) -----			
(Loss) / profit after tax	(657,231,244)	(49,179,938)	(549,852,464)	9,939,629
Other comprehensive income				
Changes in surplus on revaluation of available-for-sale investment	(2,643,235)	13,557,864	1,416,475	12,241,068
Realisation of surplus on disposal of available-for-sale investments	(4,142,557)	-	-	-
Transfer from surplus on revaluation of properties on account of incremental depreciation	934,042	934,048	(23,956)	467,024
	(5,851,750)	14,491,912	1,392,519	12,708,092
Total comprehensive income for the period	(663,082,994)	(34,688,026)	(548,459,945)	22,647,721

The annexed notes 1 to 32 form an integral part of this condensed interim financial information.



Chief Executive



Chairman

Saudi Pak Leasing Company Limited
Condensed Interim Cash Flow Statement (Unaudited)
For the six months period ended 31 December 2011

Note	Six months period ended 31 December	
	2011	2010
	(Rupees)	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(440,200,588)	(108,236,180)
Adjustments for:		
Depreciation - own assets	5,041,539	3,893,296
Depreciation - assets under operating lease	6,435,642	7,885,692
Depreciation - investment property	7,282,473	-
Financial and other charges	86,546,170	114,446,896
Provision for doubtful leases, loans and other receivables	279,496,668	21,544,648
Dividend income	(1,251,026)	(1,607,375)
Impairment on available-for-sale investments	20,257,168	1,173,533
Amount written off directly against loans and lease receivables	10,566,253	4,642,827
Amortisation on treasury bills	(304,328)	-
Loss on disposal of investments	1,634,366	-
Share of loss from associate	-	2,121,667
Gain on sale of property, plant and equipment	(553,485)	(288,400)
	415,151,440	153,812,784
Operating profit before working capital changes	(25,049,148)	45,576,604
Movement in working capital <i>(Increase) / decrease in operating assets</i>		
Advances, deposits, prepayments and other receivables	(13,420,763)	(11,474,941)
Accrued mark-up	34,950,150	42,597,492
Short term loans	4,560,859	131,443,154
	26,090,246	162,565,705
<i>Increase / (decrease) in operating liabilities</i>		
Accrued and other payables	52,630,619	(14,882,551)
Cash generated from operations	53,671,717	193,259,758
Financial charges paid	(14,322,703)	(66,660,812)
Taxes paid	(2,092,290)	(492,547)
Deposits paid to lessees	(24,570,314)	(103,245,539)
Decrease in net investment in finance leases	80,750,444	566,080,651
	39,765,137	395,681,753
Net cash flows from operating activities	93,436,854	588,941,511
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	83,050	(113,000)
Investment in operating lease assets	(900,000)	(565,000)
Purchase of treasury bills	(30,426,600)	-
Proceeds from sale of property, plant and equipment	1,527,552	344,300
Decrease in investments - net	52,954,106	16,103,280
Long term loans	4,023,015	58,170,877
Dividend received	1,251,026	1,607,375
Net cash flows from investing activities	28,512,149	75,547,832
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term finances	(43,408,632)	(451,494,892)
Decrease in borrowings from financial institutions - net	(3,000,000)	(95,727,555)
Repayment of certificates of investment	(88,150,000)	(131,230,333)
Net cash flows from financing activities	(134,558,632)	(678,452,780)
Net increase in cash and cash equivalents	(12,609,629)	(13,963,437)
Cash and cash equivalents at beginning of the period	31,700,552	18,541,525
Cash and cash equivalents at end of the period	19,090,923	4,578,088

The annexed notes 1 to 32 form an integral part of this condensed interim financial information.



Chief Executive



Chairman

Saudi Pak Leasing Company Limited
 Condensed Interim Statement of Changes in Equity (Unaudited)
 For the six months period ended 31 December 2011

	Issued, subscribed and paid-up capital	Statutory reserve	Accumulated loss	Surplus / (deficit) on revaluation of available-for-sale investments	Total shareholders' equity
----- (Rupees) -----					
<i>Balance as at 30 June 2010</i>	451,605,000	148,257,389	(723,600,422)	6,580,151	(117,157,882)
Total comprehensive income for the period					
Loss for the six months period ended 31 December 2010	-	-	(49,179,938)	-	(49,179,938)
Transfer from surplus on revaluation of properties on account of incremental depreciation - net of deferred tax	-	-	934,048	-	934,048
Changes in surplus on revaluation of available-for-sale investments	-	-	-	13,557,864	13,557,864
	-	-	(48,245,890)	13,557,864	(34,688,026)
<i>Balance as at 31 December 2010</i>	451,605,000	148,257,389	(771,846,312)	20,138,015	(151,845,908)
Total comprehensive income for the period					
Loss for the six months period ended 30 June 2011	-	-	(68,498,174)	-	(68,498,174)
Transfer from surplus on revaluation of properties on account of incremental depreciation - net of deferred tax	-	-	934,049	-	934,049
Changes in surplus on revaluation of available-for-sale investments	-	-	-	(13,286,219)	(13,286,219)
	-	-	(67,564,125)	(13,286,219)	(80,850,344)
<i>Balance as at 30 June 2011</i>	451,605,000	148,257,389	(839,410,437)	6,851,796	(232,696,252)
Total comprehensive income for the period					
Loss for the six months period ended 31 December 2011	-	-	(657,231,244)	-	(657,231,244)
Transfer from surplus on revaluation of properties on account of incremental depreciation - net of deferred tax	-	-	934,042	-	934,042
Changes in surplus on revaluation of available-for-sale investments	-	-	-	(2,643,235)	(2,643,235)
Realisation of surplus on available for sale investments on disposal	-	-	-	(4,142,557)	(4,142,557)
	-	-	(656,297,202)	(6,785,792)	(663,082,994)
Balance as at 31 December 2011	451,605,000	148,257,389	(1,495,707,639)	66,004	(895,779,246)

The annexed notes 1 to 32 form an integral part of this condensed interim financial information.



Chief Executive



Chairman

Saudi Pak Leasing Company Limited

Notes to the Condensed Interim Financial Information (Unaudited)

For the six months period ended 31 December 2011

1. STATUS AND NATURE OF BUSINESS

1.1 Saudi Pak Leasing Company Limited (the Company) was incorporated in Pakistan on 08 January 1991 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 the leasing of assets. The Company's license to carry out the business of leasing had expired on 18 May 2010 and renewal is pending with the Security and Exchange Commission of Pakistan.

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

1.2 The leasing entities in the country, due to various reasons beyond its control, cumulatively have been going through liquidity crunch due to which a wave of defaults spread across this particular financial sector, soaring the percentage of bad loan portfolios beyond previous highs. The Company, being one of these financial sector victims, also started facing defaults in repayments by its lessees and other credit exposure. Heavy drop in market values of the Company's investments in equity portfolio also deteriorated financial position of the Company and resultantly affecting the Company in the following manner:

- During the six months period ended 31 December 2011, the Company incurred a loss of Rs. 657.2 million and as of that date its accumulated losses amounted to Rs. 1,495.7 million and its equity was Rs. Nil (in negative), as against the minimum equity requirement of Rs. 350 million and Rs. 500 million by 30 June 2012. Furthermore its total liabilities exceeded total assets by Rs. 879.9 million and current liabilities exceeded current assets by Rs 823.2 million.
- As of 31 December 2011 impairment loss of Rs. 720.97 million and Rs. 56.41 million on lease and loans portfolios, and investment portfolio respectively have been recognised till 31 December 2011 (and are included in the above accumulated loss figure).
- Furthermore its license to carry out the leasing business had expired on 18 May 2010 and it is renewal is pending with the Securities and Exchange Commission of Pakistan.
- The Company's rating was downgraded as at 30 June 2010 not permitting the Company to issue new certificate of investments. Subsequently, the management has not reviewed the rating agreement with JCR - VIS, a credit rating company.

Although material uncertainty exists due to the above factors which may cast doubt on the Company's ability to continue as a going concern, however, the management of the Company is confident that due to steps / measures as explained in the ensuing paragraphs, the going concern assumption is appropriate, and has as such prepared these financial statements on a going concern basis.

- The Board of Directors support the Company in negotiating the terms of restructuring of various borrowings amounting to Rs. 2,266.5 million (including mark-up thereon) from the Company's lenders (including the financial institutions, Term Certificate Holders, holders of Certificate of Investments, etc.) which will help the Company to continue as a going concern.

- The management has commenced negotiations with TFC holders for restructuring of term finance certificates resulting in relaxation of payments.
- The management has more or less finalised / initiated negotiations on agreements with certain lenders which would result in the settlements of the Company's obligations , inclusive of principal and accrued mark-up, through the surrender of its assets (refer notes 17.1, 17.2 and 25.1 also to this condensed interim financial information), restructuring and conversion of obligation in certain cases to preference shares.
- The management has also prepared rehabilitation and liability plans which has been approved by the Board of Directors. These plans contain proposals for settlement of the Company's liabilities and recoveries.
- Management has also applied to Securities and Exchange Commission of Pakistan for granting extension in timelines for meeting the minimum equity requirement of Rs. 350 million.

Management is hopeful that the reduction in financing cost through restructuring / settlements with the defaulted borrowers and the issuance of preference shares against settlement of loans will assist in reducing the losses and improving the equity. This will make the Company an attractive candidate for equity participation / merger. In the meantime the Company intends to follow-up with its non-performing portfolio.

1.3 Due to the fact that at 31 December 2011, the Company's equity is Nil (in negative), the Company could not meet the regulatory requirements of NBFC Regulations, 2008 (apart from those mentioned in notes 1.2 above and 27), including the following:

- Regulation 5 (1) - Aggregate liabilities, excluding contingent liabilities and security deposits, of an NBFC, shall not exceed ten times of the company's equity (in case of operations beyond the first 2 years).
- Contingent liabilities shall not exceed seven times of the NBFC (in case of the NBFC is in operation for more than 2 years).
- Regulation 17 (1) - total outstanding exposure (fund and non-fund based) of an NBFC to a person shall not at any time exceed 30 % of the equity of the NBFC, provided that the maximum outstanding fund based exposure should not exceed 20 % of the NBFC's equity.
- Regulation 17 (2) - total outstanding exposure (fund based and non-fund based) of an NBFC to any group shall not exceed 50 % of the equity of the NBFC, provided that the maximum outstanding fund based exposure should not exceed 35 % of the equity.
- Regulation 28 (d) - total investments of the leasing company in shares, equities or scrips shall not exceed 50 % of the equity of the leasing company.
- Regulation 28 (e) - a leasing company shall not own shares, equities or scrips of any one company in excess of 10 % of its own equity or the issued capital of that company, whichever is lower.

- 1.4** Securities and Exchange Commission of Pakistan has amended the time based criteria for calculating the provision against non-performing leases. The new criteria will be applicable from 01 July 2012. Under the revised criteria, classification and provisioning / suspension requirement would start from the 90th day of default and would need to be fully provided on 1 year of default (earlier starting 90th day up to 3 years). Management is in the process of quantifying the impact of the change.

2. BASIS OF PREPARATION

- 2.1** This condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. The disclosures in the condensed interim financial information do not include all the information reported for full annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2011. As mentioned in note 1.1 above, although the Company's license to carry out the business of leasing had expired on 18 May 2010, these financial statements have been prepared in accordance with the format generally followed for financial institutions and the provision requirements have been determined in accordance with the requirements of NBFC Regulations, 2008.
- 2.2** The requirements of International Accounting Standard 39 (IAS 39), "Financial Instruments: Recognition and Measurement", relating to the assessment of impairment loss on leasing portfolio have not been followed in the preparation of this condensed interim financial information based on a clarification received from the SECP specifying that the requirements of IAS 39 should only be followed by leasing companies so far as it relates to investments made by them.
- 2.3** This condensed interim financial information is Unaudited and is being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and the listing regulation of Stock Exchange. However, a limited scope review has been carried out by the auditors. Further, the figures in the condensed interim financial information for the quarter ended 31 December 2011 and 31 December 2010 have not been reviewed by the auditors.
- 2.4** The comparative balance sheet presented in the condensed interim financial information as at 31 December 2011 has been extracted from the audited financial statements of the Company for the year ended 30 June 2011, whereas the comparative profit and loss account, statement of comprehensive income, statement of changes in equity and the cash flow statements have been extracted from the condensed interim financial information of the Company for the six months period ended 31 December 2010.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the condensed interim financial information are the same as those applied in preparation of the financial statements of the Company as at and for the year ended 30 June 2011. However, in respect of investment properties, mentioned in note 14 to these condensed interim financial information, the Company has adopted the following accounting policy:

"These are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is charged to profit and loss accounts by applying using the straight line method at the rates of 5% per annum after taking into account residual value, if any. Depreciation on additions is charged from the month of classification, while no depreciation is charged in the month in which the assets are disposed off. The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each balance sheet date.

Gains or losses on sale of assets are charged to the profit and loss account in the period in which they arise."

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information 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. However, actual results may differ from these estimates.

In preparing this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimates uncertainty were the same as those that applied to the financial statements of the Company for the year ended 30 June 2011.

5. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Company as at and for the year ended 30 June 2011.

6. CASH AND BANK BALANCES

	31 December 2011 (Unaudited)	30 June 2011 (Audited)
	(Rupees)	
Cash in hand	97,112	101,343
Balance with State Bank of Pakistan in current account	33,014	35,749
Balances with banks in:		
- current accounts - local currency	943,720	942,187
- current accounts - foreign currency	5,401	5,401
- saving accounts	6.1 18,011,676	30,615,872
	<u>19,090,923</u>	<u>31,700,552</u>

6.1 These saving accounts carry profit ranging from of 5% to 7% per annum (30 June 2011: 5% to 8% per annum).

7. SHORT TERM LOANS

Considered good		12,483,068	27,635,273
Non-performing loans		421,365,810	410,774,464
	7.1	433,848,878	438,409,737
Provision against non-performing loans	7.2	(92,481,199)	(46,871,981)
		<u>341,367,679</u>	<u>391,537,756</u>

7.1 These represents term finance facilities provided to the customers on mark-up up to 25%.

7.2 The above provision for non-performing loans is net of forced sales value (FSVs) of collaterals amounting Rs. 317.928 million (30 June 2011: Rs. 335.693 million) considered by the Company for the purpose of determination of provision requirements. Had this benefit of FSVs not been taken by the Company, the specific provisions against non-performing loans would have been higher by Rs. 233.439 million (30 June 2011: Rs. 259.276 million) and the Company's accumulated losses (before taxation, if any) would also have been higher by the same amount.

8. SHORT TERM INVESTMENTS		31 December 2011 (Unaudited) (Rupees)	30 June 2011 (Audited)
Available-for-sale	8.1	102,518,464	184,144,146
Held till maturity treasury bills	8.2	30,730,928	-
		<u>133,249,392</u>	<u>184,144,146</u>
8.1 Available-for-sale			
Ordinary shares of listed companies	8.3	49,281,385	252,302,567
Ordinary shares of unlisted companies	8.4	69,583,330	69,583,330
Term Finance Certificates	8.5	40,000,000	40,000,000
Available-for-sale at cost		<u>158,864,715</u>	<u>361,885,897</u>
Impairment loss recognised	8.6	(56,412,255)	(184,593,547)
		<u>102,452,460</u>	<u>177,292,350</u>
Surplus on revaluation on available-for-sale shares of listed companies		<u>66,004</u>	<u>6,851,796</u>
		<u>102,518,464</u>	<u>184,144,146</u>
8.2	These treasury bills carry 11.74% effective profit rate and will mature on 29 November 2012. Market value of these bills at the period end amounted to Rs. 30.63 million.		
8.3	The investments in the listed equity securities held as available-for-sale are valued at prices quoted on stock exchanges.		
8.4	Details of investments in the ordinary shares of unlisted companies are as follows:		
Pace Barka Properties Limited (subsequently 5.2 million shares transferred)		56,250,000	56,250,000
Burj Bank Limited		13,333,330	13,333,330
		<u>69,583,330</u>	<u>69,583,330</u>
8.5	This represent Flying Board & Paper Products Limited's Term Finance Certificates (TFCs). Trade rates of these certificates are not quoted by MUFAP. Provision of Rs. 20 million has been made against the above TFCs, resulting in a net carrying value of Rs. 20 million. Subsequently these were transferred by the Company at Rs. 20 million.		
8.6	Details of impairment loss recognised by the Company up to the period end / year-end are as follows:		
Against investment in listed shares		34,070,507	174,593,547
Against investment in unlisted ordinary shares		2,341,748	-
Against investment in Term Finance Certificates		20,000,000	10,000,000
		<u>56,412,255</u>	<u>184,593,547</u>
9. OTHER RECEIVABLES			
Operating lease rentals		26,248,761	11,545,095
Receivable on termination of lease and term loans		92,930,393	98,325,653
Others		2,207,589	2,207,589
		<u>121,386,743</u>	<u>112,078,337</u>
Provision against doubtful other receivable		(70,380,979)	(35,501,823)
		<u>51,005,764</u>	<u>76,576,514</u>

10. CURRENT MATURITY OF NON-CURRENT ASSETS		31 December 2011 (Unaudited)	30 June 2011 (Audited)
		(Rupees)	
Current portion of:			
- Long term loans	<i>11</i>	192,068,782	159,548,849
- Net investment in leases	<i>12</i>	1,530,671,207	1,421,892,104
		<u>1,722,739,989</u>	<u>1,581,440,953</u>
11. LONG TERM LOANS - secured			
Related party			
Due from employees - considered good		6,181,241	9,235,400
Other than related party			
Term loan to customers			
- Considered good		1,700,000	7,778,472
- Non-performing loans		224,813,584	219,703,968
	<i>11.1</i>	<u>226,513,584</u>	<u>227,482,440</u>
		232,694,825	236,717,840
Allowance for non-performing loans	<i>11.2</i>	<u>(16,420,746)</u>	<u>(16,429,384)</u>
		216,274,079	220,288,456
Recoverable within one year shown as current portion of long term loans	<i>10</i>	<u>(192,068,782)</u>	<u>(159,548,849)</u>
		<u>24,205,297</u>	<u>60,739,607</u>
11.1	Term loan due from customers is secured against property and equipments, etc. The rate of return on these loans ranges from 18% to 24% (30 June 2011: 17% to 19.75%) per annum.		
11.2	The above provision for non-performing loans is net of forced sales value (FSVs) of collaterals of Rs. 181.366 million (30 June 2011: Rs. 155.454 million) considered by the Company for the purpose of determination of provision requirements. Had this benefit of FSVs not been taken by the Company, the specific provisions against non-performing loans would have been higher by Rs. 145.145 million (30 June 2011: Rs. 90.933 million) and the Company's accumulated loss (before taxation, if any) would also have been higher by the same amount.		
12. NET INVESTMENT IN FINANCE LEASES			
Minimum lease payments receivable		1,968,724,084	2,033,589,589
Residual value of leased assets		713,390,221	743,880,634
Gross investment in leases	<i>12.1</i>	<u>2,682,114,305</u>	<u>2,777,470,223</u>
Unearned lease income		<u>(93,247,295)</u>	<u>(142,806,936)</u>
Net investment in leases		2,588,867,010	2,634,663,287
Income suspended		<u>(377,767,773)</u>	<u>(342,794,188)</u>
Provision for non-performing lease losses	<i>12.2</i>	<u>(612,072,406)</u>	<u>(416,137,170)</u>
		<u>(989,840,179)</u>	<u>(758,931,358)</u>
		1,599,026,831	1,875,731,929
Current portion of net investment in lease	<i>10</i>	<u>(1,530,671,207)</u>	<u>(1,421,892,104)</u>
		<u>68,355,624</u>	<u>453,839,825</u>

- 12.1** The internal rate of return (IRR) on lease contract receivable ranges from 6.01% to 25.96% per annum (30 June 2011: 8.5% to 25% per annum).
- 12.2** The above provision for non-performing lease losses is net of the forced sales values (FSVs) of leased assets / collaterals of Rs. 684.365 million (30 June 2011: Rs. 829.860 million) considered by the Company for the purpose of determination of provision requirements. Had this benefit of FSVs not been taken by the Company, specific provision against non-performing lease portfolio would have been higher by Rs. 539.720 million (30 June 2011: Rs. 556.827 million) and Company's accumulated losses (before tax, if any) would also have been higher by the same amount.
- 12.3** As per NBFC Regulation 28(a), a leasing company undertaking the business of lease only, shall invest at least 70% of its assets in the business of leasing. As at 31 December 2011 the Company's investment in lease assets were 65% of the total assets (less allowable deduction) (30 June 2011: 63.8%).

13. LONG TERM INVESTMENTS

This represents investment in the 2.5 million ordinary shares of Saudi Pak Insurance Company Limited, an associated company, accounted for under the equity method of accounting. However, during the period, effect of the results of operations, etc. of the associated company has not been considered as the year-end audited financial statements of the associated company are not available. Nonetheless, the management does not consider the effect to be material.

14. INVESTMENT PROPERTIES

This represents properties acquired by the Company in settlement of loan and lease amounts due to the Company (repossessed properties). Up to the previous year, these properties were classified as 'Non-Current Assets Held for Sale'. However, since this classification does not meet the categorisation requirements under IFRSs, hence in the current period these have been re-classified as investment properties under IAS 40 (Rs. 76.2 million) and property, plant and equipment under IAS 16 (Rs. 2.80 million), as the management is of the view that these classifications appropriately reflects the substance of the transactions.

Market values of these 3 investment properties were last determined in April 2009, December 2009 and December 2010 (amounting in total to Rs. 74.3 million).

These properties also include a property with carrying value of Rs. 19.4 million, which is jointly owned with the holding company. A property of Rs. 51.7 million has been let out on rent. During the year, an amount of Rs. 8.9 million was charged off in the current period (previously classified as held for sale).

The re-classification has been made from the current financial period, at carrying values as of 30 June 2011, though under the International Accounting Standard 8 (IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors) the re-classifications have to be made with retrospective effect. The cumulative depreciation on investment properties carried under historical cost basis to date amounting to Rs. 7.2 million have been charged in the current period (including Rs. 5.3 million relating to prior period).

International Accounting Standard 1 (IAS 1 - 'Presentation of Financial Statement') states that a 'complete set of financial statements' includes 'a statement of financial position' as at the beginning of the earliest comparative period when an entity applies an accounting policy retrospectively or makes a retrospective re-statement of items in its financial statements, or when it re-classifies items in its financial statements. This statement of financial position as at the beginning of the earliest comparative period has not been presented under IAS 1. Had the financial position (balance sheet) as at the beginning of the earliest comparative been so presented and adjustments been made with retrospective effect as required under IAS 8, the same in respect of the above re-classified / re-stated caption / balance would have been as follows:

	31 December 2011	30 June 2011	01 July 2010
	----- (Rupees) -----		
Investment properties	<u>68,887,299</u>	<u>70,791,543</u>	<u>74,195,193</u>
Accumulated loss (due to the charge for depreciation and a balance charged off)	<u>1,495,707,639</u>	<u>842,814,087</u>	<u>734,425,996</u>

Furthermore, had depreciation and a balance so charged off been recorded with retrospective effect, loss for the year would have been lower by Rs. 14.23 million. Similarly, the balance of 'Non-Current Assets classified as Held for Sale' as earlier reported at Rs. 87.8 million as at 30 June 2011 and Rs. 68.791 million as at 01 July 2010 would have been Nil. All other balances as earlier reported would have remained the same.

		31 December 2011 (Unaudited)		
15. DEFERRED TAX ASSET / (LIABILITY)		Opening balance	Recognised in profit and loss account	Closing balance
15.1 Movement for the period ended 31 December 2011		----- (Rupees) -----		
<i>Taxable temporary differences:</i>				
Excess of net investment in leases over written down value of leases		(55,021,655)	-	(55,021,655)
Accelerated tax depreciation		(12,760,288)	-	(12,760,288)
Surplus on revaluation of property, plant and equipment		<u>(9,053,086)</u>	-	<u>(9,053,086)</u>
		<u>(76,835,029)</u>	-	<u>(76,835,029)</u>
<i>Deductible temporary differences:</i>				
	15.2			
Provision against term loans		22,155,478	(22,155,478)	-
Provision against other receivables		12,425,638	(12,425,638)	-
Investment in associates		4,460,884	(4,460,884)	-
		<u>39,042,000</u>	<u>(39,042,000)</u>	-
Unabsorbed depreciation and carry forward losses	15.2	<u>175,566,949</u>	<u>(175,566,949)</u>	-
		<u>137,773,920</u>	<u>(214,608,949)</u>	<u>(76,835,029)</u>

15.2 During the period, the management re-evaluated the deferred tax asset recognised and has decided to write off as a matter of prudence in view of the uncertainty of its realisation.

16. PROPERTY, PLANT AND EQUIPMENT

	31 December 2011 (Unaudited) (Rupees)	30 June 2011 (Audited)
Property, plant and equipment - own use	44,157,340	46,912,762
Property, plant and equipment - operating lease	47,200,929	52,846,586
	<u>91,358,269</u>	<u>99,759,348</u>

		For the six months period ended 31 December	
		2011	2010
		(Unaudited) (Rupees)	
Additions			
<i>Owned</i>			
Land (transferred from 'non-current assets classified as held for sale')	14	2,800,000	-
Vehicles		-	113,000
Office equipment		83,050	-
		<u>2,883,050</u>	<u>113,000</u>
<i>Operating leased assets</i>			
Plant and machinery		-	565,000
Generator		900,000	-
		900,000	565,000
Total additions		<u>3,783,050</u>	<u>678,000</u>
Disposals			
<i>Owned</i>			
Vehicles		3,219,000	-
Office equipment		-	781,100
		3,219,000	781,100
<i>Operating leased assets</i>			
Generator		1,100,000	-
Total disposals		<u>4,319,000</u>	<u>781,100</u>

17. BORROWINGS FROM FINANCIAL INSTITUTIONS

17.1 This includes a borrowing of Rs. 100 million from a mutual fund. Under an agreement dated 18 February 2011, and a tripartite agreement dated 28 April 2011, between the Company, the lending mutual fund and a borrower, the loan is adjustable through the transfer of collateral asset held by the Company against its own lending. The necessary legal matters are being addressed by the Company for the transfer of the title of the said asset and the Company expects the transfer and the related settlement of liability shortly.

- 17.2** This includes letter of placements of Rs. 117 million due to two mutual funds. Under the terms of partial settlement of the above liability and mark-up liability of Rs. 21.87 million (total being Rs. 138.87 million), the Company has transferred certain assets subsequent to the period end / will transfer the leases after the execution of tripartite agreements between the Company, the lessees and the asset management company on behalf of the mutual funds amounting in total to Rs. 91.12 million. In addition the Company will also arrange alternate securities of Rs. 13.33 million. Total expected wavier is Rs. 11.333 million which will be recorded subsequently on meeting the terms of settlement.

The total letter of placements as at the period end amount to Rs. 328 million (including Rs. 117 million mentioned above) .

18. ACCRUED MARK-UP

This include mark-up payable amounting to Rs. 21.87 million, details of which are given in the note 17.2 to this condensed interim financial information. This also includes mark-up of Rs. 33.89 million included in note 25.1 to this condensed interim financial information.

19. SUB-ORDINATED DEBT

This represents sub-ordinated loan obtained from the holding company.

20. ACCRUED EXPENSES AND OTHER PAYABLES

This includes matured certificates of investments liability of Rs. 43.68 million (30 June 2011: Nil).

21. CURRENT MATURITY OF NON-CURRENT LIABILITES

		31 December 2011 (Unaudited)	30 June 2011 (Audited)
		(Rupees)	
Long term finances	22	1,303,708,073	766,670,011
Certificates of investment		13,204,000	27,854,000
Deposits against leases	23	467,220,241	552,081,059
		<u>1,784,132,314</u>	<u>1,346,605,070</u>

22. LONG TERM FINANCES

Long term finance - secured	22.1	691,504,676	721,912,160
Long term finance - unsecured		100,000,000	100,000,000
		<u>791,504,676</u>	<u>821,912,160</u>
Term Finance Certificates - secured	22.2	512,307,979	525,309,127
		<u>1,303,812,655</u>	<u>1,347,221,287</u>

Current maturity

- Long term loans - secured		691,400,094	626,816,345
- Long term loans - unsecured		100,000,000	55,250,000
- Term finance certificates - secured		512,307,979	84,603,666
	21	(1,303,708,073)	(766,670,011)
		<u>104,582</u>	<u>580,551,276</u>

22.1 These represents finances availed from financial institutions and are secured by hypothecation of specific leased assets and associated lease rentals and carry mark-up ranging from 9.20% to 15.8% per annum (30 June 2011: 9.12% to 15.64%).

22.2 The Company paid its dues up to September 2011 and including due to the reasons below, the entire balance has been classified as short term.

The TFC holders in their meeting held on 26 December 2011, tentatively decided to revise the terms effective from January 2012. However, no tenor extension was indicated. The restructuring will be finalised only after the approval of the TFC holders through Extra Ordinary Resolution.

23. LONG TERM DEPOSITS

		31 December 2011 (Unaudited)	30 June 2011 (Audited)
		(Rupees)	
Security deposits against finance leases	23.1	691,779,671	716,349,985
Current maturity of security deposits	21	(467,220,241)	(552,081,059)
		<u>224,559,430</u>	<u>164,268,926</u>

23.1 These represent security deposits received against lease contracts and are refundable / adjustable at the expiry / termination of the respective leases.

24. SURPLUS ON REVALUATION OF FIXED ASSETS

Surplus on revaluation of office premises		<u>13,878,830</u>	<u>14,812,872</u>
---	--	--------------------------	-------------------

24.1 The properties of the Company were revalued as at 28 September 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:

Office premises		<u>13,452,499</u>	<u>14,167,892</u>
-----------------	--	--------------------------	-------------------

25. CONTINGENCIES AND COMMITMENTS

Guarantees given by the Company on behalf of a lessee	25.1	<u>-</u>	<u>18,645,000</u>
Claims against the Company not acknowledged as debt		<u>32,000,000</u>	<u>90,657,388</u>

25.1 The liability of Rs. 18.645 million has been recorded as of 31 December 2011 and subsequent to the period end, the balance along with mark-up liability of Rs. 33.89 million (note 18) was settled through the transfer of asset of the Company.

- 25.2** The Company has also filed various claims for the recovery of defaulted amounts.
- 25.3** The Company has been issued with a notice under section 14 of the Federal Excise Act, 2005. In the notice it has been alleged that the Company has not paid Federal Excise Duty (FED) in terms of section 3 read with Entry 8 of Table-II of the first schedule to the Federal Excise Act 2005 for the periods 2007-08, 2008-09 & 2009-10. Accordingly, Rs. 126,204,794 has been alleged to be recoverable. The above amount of FED has been imposed on all the income of the Company for the three years including mark up income earned on finance lease contracts.

According to the Company's tax advisor, FED is applicable in respect of document fee, front end fee and syndicate lease income. These represent services rendered by leasing companies in respect of finance lease which are funded services. These services for the periods 2007-08 and 2008-09 are not chargeable to FED because of the reason that for those years FED was chargeable on services which were non-funded. However, for the periods 2009-10 due to amendment in entry 8 the said services are chargeable to FED as provisions of the Federal Excise Act, 2005. Accordingly the amount of liability comes out of Rs. 198,530.

The above has been communicated to the authorities in reply to the notice. However, no order in this regard has been passed.

26. INCOME FROM FINANCE LEASE

	31 December 2011 (Unaudited)	30 June 2011 (Audited)
	(Rupees)	
Income on finance lease contracts	16,112,330	58,684,201
Document fee, front end fee and other charges	-	2,416,168
Gain on termination of leases	3,304,360	338,210
	<u>19,416,690</u>	<u>61,438,579</u>

27. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

Capital requirements applicable to the Company are set and regulated by the Securities and Exchange Commission of Pakistan (SECP). These requirements are put in place to ensure sufficient solvency margins. SECP extended the minimum equity requirement as per NBFC Regulations, 2008 vide SRO 764(I)/2009 dated 2 September 2009 wherein the Company is required to meet the minimum equity requirements of Rs. 350 million, Rs. 500 million and Rs. 700 million by 2011, 2012 and 2013 respectively.

The Company has requested the Securities and Exchange Commission of Pakistan (SECP) for relaxation in the requirement and is hopeful that this request will be accepted based on the condition of the business environment and the Company's position in the overall leasing sector, as well as its past performance and the reason given in note 1.2.

28. TRANSACTIONS WITH RELATED PARTIES

The related parties comprises of Saudi Pak Industrial & Agricultural Investment Company Limited (the holding company), other group companies (including associated company), key management personnel and employee benefit plans. Details of transactions with related parties which are not disclosed in other notes are as follows:

31 December 2011 (Unaudited)				
	Saudi Pak Industrial & Agricultural Company Limited	Other group companies	Key management personnel	Other related parties
----- (Rupees) -----				
Rent paid	249,435	-	-	-
Principal repayment on certificates of investments	-	-	-	1,000,000
Rentals received	-	537,290	-	-
Remuneration of key management personnel	-	-	3,222,853	-
Payments to the gratuity fund	-	-	-	1,012,200
	<u>249,435</u>	<u>537,290</u>	<u>3,222,853</u>	<u>2,012,200</u>
31 December 2010 (Unaudited)				
	Saudi Pak Industrial & Agricultural Company Limited	Other group companies	Key management personnel	Other related parties
----- (Rupees) -----				
Rent paid	446,610	-	-	-
Mark-up paid on certificate of investments	-	3,654,764	-	-
Mark-up paid on long term and short term finances	-	108,864	-	-
Rentals received	-	2,233,600	-	-
Remuneration of key management personnel	-	-	6,856,057	-
Payments to the gratuity fund	-	-	-	1,418,988
	<u>446,610</u>	<u>5,997,228</u>	<u>6,856,057</u>	<u>1,418,988</u>
			30 June 2011 (Un-audited)	31 December 2010 (Audited)
			----- (Rupees) -----	
<i>Net investment in finance lease</i>				
Beginning of the year				13,638,783
Disbursement during the year				-
Maturities during the year				4,035,544
At the period / year end			<u>-</u>	<u>9,603,239</u>
Lease income				
Lease key money deposits				
Beginning of the year			8,436,723	9,882,723
Received during the year			-	-
Maturities during the year			3,111,500	1,446,000
At the period / year end			<u>5,325,223</u>	<u>8,436,723</u>

31 December 2011 (Unaudited)	30 June 2011 (Audited)
(Rupees)	

Balances with related parties can be summarised as follows:

Certificates of investments	<u>55,000,000</u>	<u>56,000,000</u>
Deposit margin by holding company for the lease facility	<u>6,609,723</u>	<u>8,436,723</u>
Total rentals receivables (for the entire lease period)	<u>700,154</u>	#REF!
Lease facility provided to holding Company	<u>15,703,089</u>	<u>19,202,066</u>
Net investment in finance lease	<u>1,764,868</u>	<u>2,122,032</u>

29. LOSS PER SHARE - BASIC AND DILUTED

**For the six months period
ended 31 December**

	<u>2011</u>	<u>2010</u>
	(Unaudited)	
	(Rupees)	
Net loss for the period	<u>(657,231,244)</u>	<u>(49,179,938)</u>
	(Number)	
Weighted average number of ordinary shares outstanding during the period	<u>45,160,500</u>	<u>45,160,500</u>
	(Rupees)	
Loss per share - Basic and diluted	<u>(14.55)</u>	<u>(1.09)</u>

30. RE-CLASSIFICATION

Following re-classifications to the corresponding figures have been made in the financial statements for the six months period ended 31 December 2011 (refer note 14):

Re-classification from	Re-classification to	(Rupees)
Non-current asset classified as held for sale	Property, plant and equipment	<u>2,800,000</u>
Non-current asset classified as held for sale	Investment property (net of depreciation)	<u>68,887,299</u>
Non-current asset classified as held for sale	Profit and loss account	<u>8,850,995</u>

31. SEGMENT INFORMATION

The business of the Company is divided into four reporting segments namely finance lease operations, operating lease, term loans & placements and investments based on the nature of business and the related risks and returns associated with these segments.

Operation of finance and operating lease segments includes leasing of moveable assets. Term loans include secured loans for tenure ranging from 3 months to 5 years whereas investments include securities and derivative transactions.

Segment assets and liabilities include all assets and liabilities related to the segment and relevant proportion of the assets and liabilities allocated to the segment on a reasonable basis.

Segment revenues and expenses include all revenues and expenses related to the segment and relevant proportion of the revenues and expenses allocated to the segment on a reasonable basis.

	31 December 2011 (Unaudited)					Total
	Finance Lease	Operating lease	Term loans	Investments	Others	
	----- (Rupees) -----					
Segment revenue	19,416,690	2,168,643	(19,793,947)	(79,012)	4,124,198	5,836,572
Direct cost and provisions and fair value changes	195,935,236	6,522,231	45,594,842	20,257,168	37,966,590	306,276,067
Segment results	(176,518,546)	(4,353,588)	(65,388,789)	(20,336,180)	(33,842,392)	(300,439,495)
Unallocated cost						
Financial and bank charges	-	-	-	-	-	86,546,170
Administrative, selling and other operating expenses	-	-	-	-	-	42,648,670
Write-offs	-	-	-	-	-	10,566,253
						139,761,093
						(440,200,588)
Taxation	-	-	-	-	-	217,030,656
Loss for the year						(223,169,932)
Other information						
Segment assets	1,599,026,831	47,200,929	557,641,758	145,504,008	-	2,349,373,526
Unallocated assets	-	-	-	-	191,824,109	191,824,109
Total assets						2,541,197,635
Segment liabilities	691,337,674	441,997	-	-	-	691,779,671
Unallocated liabilities	-	-	-	-	2,729,318,380	2,729,318,380
Total liabilities						3,421,098,051
Net assets						(879,900,416)

	31 December 2010 (Unaudited)					Total
	Finance Lease	Operating lease	Term loans	Investments	Others	
	----- (Rupees) -----					
Segment revenue	61,438,579	5,478,404	12,629,080	5,036,586	2,941,585	87,524,234
Direct cost and provisions and fair value changes	23,559,438	8,002,852	(14,105,224)	1,173,533	12,090,434	30,721,033
Segment results	37,879,141	(2,524,448)	26,734,304	3,863,053	(9,148,849)	56,803,201
Unallocated cost						
Financial and bank charges	-	-	-	-	-	114,446,896
Administrative, selling and other operating expenses	-	-	-	-	-	43,827,991
Write-offs	-	-	-	-	-	4,642,827
						162,917,714
Share of loss from associate	-	-	-	-	-	(2,121,667)
						(108,236,180)
Taxation	-	-	-	-	-	59,056,242
Loss for the year						(49,179,938)

30 June 2011 (Audited)

	Finance Lease	Operating lease	Term loans	Investments	Others	Total
----- (Rupees) -----						
Other information						
Segment assets	1,875,731,929	52,846,586	641,135,006	196,398,762	-	2,766,112,283
Unallocated assets	-	-	-	-	396,212,802	396,212,802
Total assets						<u>3,162,325,085</u>
Segment liabilities	716,349,985	536,331	-	-	-	716,886,316
Unallocated liabilities	-	-	-	-	2,661,322,149	2,661,322,149
Total liabilities						<u>3,378,208,465</u>
Net assets						<u>(215,883,380)</u>

32. GENERAL

This condensed interim financial information was authorised for issue by the Board of Directors of the Company on March 28, 2012



Chief Executive



Chairman