

Quarterly
Accounts Unaudited
September 30, 2010

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Corporate Information

BOARD OF DIRECTORS

Mr. Muhammad Rashid Zahir	Chairman
Senator (R) Ihsanul Haq Piracha	Vice Chairman
Mr. Farrukh Shauket Ansari	Chief Executive Officer
Mr. Haroon Ihsan	Director
Mr. Muhammad Tariq Masud	Director
Ms. Parveen A. Malik	Director
Mr. Arsalan I. Khan	Director

AUDIT COMMITTEE

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

CREDIT COMMITTEE

Mr. Haroon Ihsan	Chairman
Ms. Parveen A. Malik	Director
Mr. Arsalan I. Khan	Director

HUMAN RESOURCE COMMITTEE

Mr. Haroon Ihsan	Chairman
Mr. Muhammad Tariq Masud	Director
Mr. Arsalan I. Khan	Director

COMPANY SECRETARY & CHIEF FINANCIAL OFFICER

Mr. Mazhar Abbas Zaidi

HEAD OF INTERNAL AUDIT

Mr. Imran Masood

AUDITORS

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

LEGAL ADVISOR

Mandviwalla & Zafar

TAX CONSULTANTS

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

BANK & LENDING INSTITUTIONS

National Bank of Pakistan
United Bank Limited
MCB Bank Limited
Allied Bank Limited
Askari Bank Limited.
The Royal Bank of Scotland
Standard Chartered Bank (Pakistan) Limited
HSBC Bank Middle East Limited
Silkbank Limited

REGISTERED OFFICE

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

BRANCHES**Lahore**

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

Islamabad

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

Faisalabad

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

Sialkot

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

Universal Access Number: 111-888-999

Karachi, Lahore & Islamabad

Website: www.saudipakleasing.com

REGISTRAR AND SHARE TRANSFER OFFICE

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

Directors' Review

The Directors are pleased to present their report and the review of unaudited financial statements of Saudi Pak Leasing Company Limited for the quarter ended September 30, 2010.

Economic Scenario

The large scale of devastation caused by the recent floods has severe implications for the economy of the country. The provisional estimates suggest that economic growth for FY 2011 could come down to 2.5 per cent from an earlier target of 4.5 per cent. The impact of losses due to catastrophic floods on agriculture and infrastructure are more direct and visible while its impact on industries and opportunities for the work force is going to be indirect.

The damage to crops and disruption of supply chain in rural areas is expected to lead to increase in inflation during the quarter July-September 2010, which rose to 13.77 per cent over the same period of last year. The current account deficit narrowed by 7 per cent to reach a level of USD 545 million in the first quarter of FY 2011. The turnaround came from decline of services and surge in remittance. The remittances sent home by overseas Pakistanis continued to show a rising trend as an amount of USD 2.6 billion was received during July-September of the current fiscal year, showing an increased of 13.5 per cent over the same period last fiscal year. The improvement in current account and higher remittance sent by overseas Pakistanis helped in improving foreign exchange reserves and stabilizing the exchange rate. During the quarter under review, the stock market remained range bound for the most of the period due to development on margin product, discount rate hike and political uncertainty. The KSE-100 Index gained 3 per cent to 10,013 points from 9,722 points as on September 30, 2010.

Financial Performance

Your company has put business on hold since October, 2008 owing to liquidity crunch and high cost of funds. Therefore, no disbursement of lease or loan has been made during the current period resulting into further erosion in lease and loan portfolio. As a result the gross revenue of the company decreased to Rs. 42 million in July-September 2010 from Rs. 98 million in the corresponding period of the previous year. Finance lease revenue decreased to Rs. 35 million from Rs. 76 million and income from operating lease to Rs. 3 million from Rs. 11 million. Other operating income also declined to Rs. 4 million from Rs. 11 million partly due to adverse stock market conditions.

Your Company repaid principal amount of Rs. 374 million along with financial charges of Rs. 44 million to the lenders during the quarter ended September 30, 2010. The Company successfully decreased its financial charges to Rs. 45 million from Rs. 156 million in the same period last year mainly due to reduction in mark up rate and borrowing level. Despite high inflation and sharp increase in utilities costs the management of the Company succeeded in reducing the operating expenses by 16 per cent during the current quarter as compared to the last quarter ended September, 2009. Due to decrease on operating lease portfolio the depreciation cost for the period has also declined resulting in reduced direct cost of operating lease to Rs. 4 million as compared to Rs. 9 million in the previous quarter.

The Company incurred an operating loss of Rs. 27 million as against operating loss of Rs. 93

million in the corresponding period in the last year. Non conducive business conditions have been further impacted by weak law and order situation, high inflation and increase in discount rate. This situation has increased delinquent and non-performing assets resulting in higher provision against non performing loans and leases. The Company incurred a loss after tax of Rs. 59 million during the period ended September 30, 2010. The loss includes provision for doubtful leases/loans of Rs. 30 million.

Credit Rating

Due to adverse business conditions the management has suspended issuance of fresh Certificate of Investment Certificates and accordingly the management has not renewed the rating agreement with JCR VIS Credit Rating Company.

Future Outlook

Keeping in view the liquidity crunch being faced by the Company, the management has successfully negotiated with major lenders for restructuring the loans and reduction in mark-up charges. The Company has also restructured its Term Finance Certificates by increasing the repayment period by 4 years and substantial reduction in mark-up rate. We are hopeful that the reduction in financing cost through restructuring/settlements and expected reversals of provisions resulting from settlement with the defaulted borrowers will enable the Company to come out of losses.

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

For and on behalf of the Board of Directors



Muhammad Rashid Zahir
Chairman

Dated: October 30, 2010

Condensed Interim Balance Sheet

As at September 30, 2010 (Un-audited)

	Note	September 30, 2010 Rupees (Un-audited)	June 30, 2010 Rupees (Audited)
ASSETS			
Current Assets			
Cash and bank balances		14,041,018	18,541,525
Short-term loans		568,039,407	620,176,633
Short-term investments	5	178,322,626	184,682,678
Advances		100,000	145,000
Accrued mark-up		67,838,932	107,901,582
Trade deposits and short term prepayments		1,972,575	1,297,025
Advance tax - net of provision		-	2,088,468
Other receivables		113,740,981	98,563,601
Assets classified as held for sale		93,800,437	68,790,556
Current maturity of non-current assets	6	1,796,692,777	1,960,463,212
Total current assets		2,834,548,753	3,062,650,280
Non-current assets			
Long-term loans	7	52,881,019	122,760,408
Net investment in leases	8	941,115,114	1,069,278,428
Long term investments		14,334,347	14,334,347
Deferred tax asset		81,735,676	81,735,676
Intangible assets		1,333,522	1,471,472
Property, plant and equipment	9	113,549,939	119,282,715
Total non-current assets		1,204,949,617	1,408,863,046
Total Assets		4,039,498,370	4,471,513,326
LIABILITIES			
Current liabilities			
Borrowings from financial institutions		600,500,001	632,000,000
Certificates of investment		417,461,669	459,228,333
Accrued mark-up		172,373,248	172,215,801
Income Tax payable		11,643	-
Accrued and other payables		66,808,734	35,709,237
Current maturity of non-current liabilities	10	1,028,374,496	1,501,478,944
Total current liabilities		2,285,529,791	2,800,632,315
Non-current liabilities			
Certificates of investment		46,123,000	54,173,000
Long term finances	11	792,940,854	689,051,826
Sub-ordinated debt	12	333,208,499	333,208,499
Deposits against leases		740,609,502	692,924,599
Total non-current liabilities		1,912,881,855	1,769,357,924
Total liabilities		4,198,411,646	4,569,990,239
NET ASSETS		(158,913,276)	(98,476,913)
FINANCED BY			
Authorized capital			
100,000,000 (June 30, 2010: 100,000,000) ordinary shares of Rs. 10/-each		1,000,000,000	1,000,000,000
Issued, subscribed and paid-up capital		451,605,000	451,605,000
Capital reserves		148,257,389	148,257,389
Accumulated loss		(781,761,991)	(723,600,422)
		(181,899,602)	(123,738,033)
Surplus on revaluation of assets - net	13	22,986,326	25,261,120
CONTINGENCIES	14	-	-
		(158,913,276)	(98,476,913)

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


Farrukh S. Ansari
Chief Executive Officer


Muhammad Rashid Zahir
Chairman

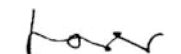
Condensed Interim Profit and Loss Account

For the Quarter ended September 30, 2010 (Un-audited)

	Quarter ended September 30, 2010 Rupees	Quarter ended September 30, 2009 Rupees
Revenues		
Income from:		
Finance leases	35,281,643	75,645,774
Operating leases	2,779,929	11,074,787
	38,061,572	86,720,561
Other operating income	3,894,176	11,336,445
	41,955,748	98,057,006
Expenses		
Financial and other charges	(44,583,946)	(156,018,340)
Administrative, selling and other operating expenses	(20,203,433)	(24,028,835)
Amount written off directly against loans, lease receivables and investments	-	(2,573,816)
Direct cost of operating leases	(3,963,746)	(8,896,508)
	(68,751,125)	(191,517,499)
Operating loss before provisions	(26,795,377)	(93,460,493)
Provisions and fair value changes		
Provisions for doubtful leases, loans and other receivables	(30,072,688)	(23,957,979)
Impairment on available-for-sale investments	-	(57,351,736)
Unrealized gain in the market value of investments classified as held for trading	-	1,005
	(30,072,688)	(81,308,710)
Loss before taxation	(56,868,065)	(174,769,203)
Taxation		
- Current	(2,251,502)	(1,886,424)
- Deferred	-	81,922,964
	(2,251,502)	80,036,540
Loss after taxation	(59,119,567)	(94,732,663)
Loss per share- basic and diluted	(1.31)	(2.10)

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


Farrukh S. Ansari
Chief Executive Officer


Muhammad Rashid Zahir
Chairman


Condensed Interim Cash Flow Statement

For the Quarter ended September 30, 2010 (Un-audited)

	Note	Quarter ended September 30, 2010 Rupees	Quarter ended September 30, 2009 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations after working capital changes	16	49,393,424	121,956,931
Financial charges paid		(43,759,323)	(159,965,646)
Taxes paid		(151,391)	(2,541,253)
Deposits paid to lessees		(28,439,128)	(40,939,257)
Decrease in net investment in leases		293,601,392	180,122,740
		221,251,550	(23,323,416)
Net cash generated from operating activities		270,644,974	98,633,515
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		-	(129,000)
Investment in operating lease assets		(45,000)	(3,169,366)
Proceeds from sale of property, plant and equipment		-	81,099,403
Decrease in investments		5,043,256	42,494,643
Decrease in long term loans		45,590,578	18,286,321
Decrease in short-term loans		48,230,212	21,099,014
Dividend received		443,525	701,170
Net cash generated from investing activities		99,262,571	160,382,185
CASH FLOW FROM FINANCING ACTIVITIES			
Decrease in long term finances		(279,501,389)	(38,955,824)
Decrease in borrowing from financial institutions		(31,499,999)	(122,570,000)
Decrease in certificates of investment		(63,406,664)	(101,008,000)
Net cash used in financing activities		(374,408,052)	(262,533,824)
Net decrease in cash and cash equivalents		(4,500,507)	(3,518,124)
Cash and cash equivalents at beginning of the period		18,541,525	14,124,771
Cash and cash equivalents at the end of the period		14,041,018	10,606,647

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


Farrukh S. Ansari
Chief Executive Officer


Muhammad Rashid Zahir
Chairman

Condensed Interim Statement of Changes in Equity

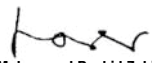
For the Quarter ended September 30, 2010 (Un-audited)

	Share capital	Statutory reserve	Accumulated loss	Total
	----- Rupees -----			
Balance as at July 1, 2009	451,605,000	148,257,389	(382,714,525)	217,147,864
Loss after taxation for the period ended September 30, 2009	-	-	(94,732,663)	(94,732,663)
Transfer from surplus on revaluation of properties on account of incremental depreciation	-	-	467,024	467,024
Balance as at September 30, 2009	451,605,000	148,257,389	(476,980,164)	122,882,225
Balance as at July 1, 2010	451,605,000	148,257,389	(723,600,422)	(123,738,033)
Loss after taxation for the period ended September 30, 2010	-	-	(59,119,567)	(59,119,567)
Transfer from surplus on revaluation of properties on account of incremental depreciation	-	-	957,998	957,998
Balance as at September 30, 2010	451,605,000	148,257,389	(781,761,991)	(181,899,602)

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



Farrukh S. Ansari
Chief Executive Officer



Muhammad Rashid Zahir
Chairman

Selected Notes to the Condensed Interim Financial Statements For the Quarter ended September 30, 2010 (Un-audited)

1 STATUS AND NATURE OF BUSINESS

Saudi Pak Leasing Company Limited (the Company) was incorporated in Pakistan and is listed on all the three Stock Exchanges in Pakistan. The registered office of the Company is situated at 6th floor, Lakson Square Building No.1, Sarwar Shaheed Road, Saddar, Karachi. The main business activity of the Company is leasing of assets. The Company's license to carry out the business of leasing has expired on May 18, 2010 and renewal is pending with the Securities and Exchange Commission of Pakistan.

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

2 BASIS OF PRESENTATION

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

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

3 ACCOUNTING POLICIES AND ESTIMATES

The accounting policies and basis for accounting estimates adopted for the preparation of these condensed interim financial statements (un-audited) are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2010.

These interim financial statements (un-audited) are in condensed form and should be read in conjunction with the annual audited financial statements of the company for the year ended June 30, 2010.

4 RISK MANAGEMENT POLICIES

Risk management policies are consistent with those disclosed in the financial statements for the year ended 30 June, 2010.

5 SHORT-TERM INVESTMENTS

		September 30, 2010 Rupees (Un-audited)	June 30, 2010 Rupees (Audited)
Available for sale	5.1	178,322,626	184,682,678
		178,322,626	184,682,678
5.1 Available for sale			
- Ordinary shares of listed companies	5.1.1	281,736,655	287,386,637
- Ordinary shares of unlisted companies		69,583,330	69,583,330
- Units of mutual funds		24,729,670	33,236,044
Available for sale at cost		376,049,655	390,206,011
Impairment loss recognized	5.1.2	(202,990,384)	(212,103,484)
		173,059,271	178,102,527
Surplus on revaluation of available for sale securities		5,263,355	6,580,151
		178,322,626	184,682,678

5.1.1 Equity securities aggregating to Rs. 56,250,000 (June 2010: Rs 56,250,000) have been pledged against short-term borrowings from financial institutions.

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

Selected Notes to the Condensed Interim Financial Statements

For the Quarter ended September 30, 2010 (Un-audited)

		September 30, 2010 Rupees (Un-audited)	June 30, 2010 Rupees (Audited)
6 CURRENT MATURITY OF NON - CURRENT ASSETS	Note		
Current portion:			
Long term Loans	7	215,464,412	191,175,601
Net Investment in leases	8	1,581,228,365	1,769,287,611
		1,796,692,777	1,960,463,212
		September 30, 2010 Rupees (Un-audited)	June 30, 2010 Rupees (Audited)
7 LONG TERM LOANS	Note		
Related party			
Due from employees - considered good		11,452,572	12,459,778
Other than related party			
Term loan to customers			
- Considered good		26,062,007	26,341,297
- Non-performing loans		256,867,666	301,143,734
	7.1	282,929,673	327,485,031
Allowance for non-performing loans		294,382,245	339,944,809
		(26,036,814)	(26,008,800)
Recoverable within one year shown as current portion of long term loans		268,345,431	313,936,009
		(215,464,412)	(191,175,601)
		52,881,019	122,760,408
7.1		Term loan due from customers is secured against property and pledge of listed securities. The rate of return on these loans ranges from 16.00% to 19.50% (June 30, 2010: 15% to 22.66%) per annum.	
		September 30, 2010 Rupees (Un-audited)	June 30, 2010 Rupees (Audited)
8 NET INVESTMENT IN LEASES			
Minimum lease payments receivable		2,489,492,876	2,760,601,760
Add: Residual value of leased assets		964,758,036	990,503,849
Gross investment in leases		3,454,250,912	3,751,105,609
Less: Unearned lease income		(240,014,262)	(255,439,019)
Income suspended		(307,892,264)	(295,720,812)
Provision for potential lease losses		(384,000,907)	(361,379,739)
		(931,907,433)	(912,539,570)
Net investment in leases		2,522,343,479	2,838,566,039
Less: Current portion of net investment in leases	6	(1,581,228,365)	(1,769,287,611)
		941,115,114	1,069,278,428

8.1 The internal rate of return on leases disbursed during the period ranges from 12.50% to 18.76% (June 30, 2010: 12.50% to 20.01%) per annum. Certain leases rentals have been hypothecated against long term finance obtained (refer note 11.)

Selected Notes to the Condensed Interim Financial Statements For the Quarter ended September 30, 2010 (Un-audited)

9 PROPERTY, PLANT AND EQUIPMENT

	Own use		Operating lease assets	
	Addition	Disposal	Addition	Disposal
	----- Rupees -----		----- Rupees -----	
Plant and Machinery	-	-	45,000	-

9.1 The above statement shows cost of additions to and disposals from property, plant and equipment during the quarter ended September 30, 2010.

	Note	September 30, 2010 Rupees (Un-audited)	June 30, 2010 Rupees (Audited)
10 CURRENT MATURITY OF NON- CURRENT LIABILITIES			
Current portion of:			
Certificates of investments		43,231,000	56,821,000
Long term finances		782,857,793	1,166,248,210
Deposits against leases		202,285,703	278,409,734
		1,028,374,496	1,501,478,944
11 LONG TERM FINANCES			
Long term finances - secured and unsecured	11.1	1,019,851,048	1,300,019,613
Term finance certificates - secured	11.2	555,947,599	555,280,423
		1,575,798,647	1,855,300,036
Less: Current maturity shown under current liabilities	10	(782,857,793)	(1,166,248,210)
		792,940,854	689,051,826

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

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

The Company has successfully negotiated with Term Finance Certificates (TFC) holders for restructuring of the Principal amount and reduction in Markup rate.

12 SUB-ORDINATED DEBT

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

	September 30, 2010 Rupees (Un-audited)	June 30, 2010 Rupees (Audited)
13 SURPLUS ON REVALUATION OF ASSETS - NET		
Surplus on revaluation of property, plant and equipment	17,722,971	18,680,969
Unrealised gain on available-for-sale investments	5,263,355	6,580,151
	22,986,326	25,261,120

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

Selected Notes to the Condensed Interim Financial Statements For the Quarter ended September 30, 2010 (Un-audited)

	September 30, 2010 Rupees (Un-audited)	June 30, 2010 Rupees (Audited)
14 CONTINGENCIES		
Guarantees given by the Company on behalf of the lessees	18,645,000	18,645,000
15 CAPITAL MANAGEMENT POLICIES AND PROCEDURES		
The Company's objective for managing capital is to safeguard its ability to continue as a going concern.		
Capital requirement applicable to 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. The Company manages its Capital requirements by assessing its capital structure against the required capital level on a regular basis.		
The minimum equity requirement applicable to company (Leasing License) under NBFC regulations, 2008 was Rs. 200 million. Due to heavy losses, the company is facing shortfall in complying with minimum equity requirement. The company's license is pending for approval with SECP since May 2010. The equity of the company is as follows:		
	Rupees	
Issued, subscribed and paidup capital	451,605,000	
Capital reserves	148,257,389	
Accumulated loss	(781,761,991)	
Sub-ordinated debt	333,208,499	
	<u>151,308,897</u>	
	Rupees	
	(Un-audited)	Rupees (Un-audited)
16 CASH GENERATED FROM OPERATIONS	Quarter ended September 30, 2010 Rupees (Un-audited)	Quarter ended September 30, 2009 Rupees (Un-audited)
Loss for the period before taxation	(56,868,065)	(174,769,203)
Adjustment for non cash charges and other items :		
Depreciation - owned assets	1,976,779	2,276,820
Depreciation - assets under operating lease	3,938,945	8,833,358
Financial charges and other charges	43,916,770	155,097,571
Provision for doubtful leases, loans and other receivables	30,072,688	23,957,979
Dividend income	(443,525)	(701,170)
Unrealized gain in market value of investments classified as held for trading	-	(1,005)
Impairment on available-for-sale investments	-	57,351,736
Gain on sale of property, plant and equipment	-	(724,234)
	79,461,657	246,091,055
Profit before working capital changes	22,593,592	71,321,852
Working capital changes		
Advances, deposits, prepayments and other receivables	(4,299,666)	62,571,307
Accrued and other payables	31,099,498	(11,936,228)
	26,799,832	50,635,079
Cash generated from operations after working capital changes	49,393,424	121,956,931

Selected Notes to the Condensed Interim Financial Statements For the Quarter ended September 30, 2010 (Un-audited)

17 NON CASH TRANSACTIONS

- 17.1 The decrease in net investment in leases includes an amount aggregating to Rs. 121.765 million representing adjustments against borrowings.
- 17.2 The decrease in long term borrowing includes an amount aggregating to Rs. 258 million representing adjustments against Leases and Term Finances.
- 17.3 The decrease in term loan includes an amount aggregating to Rs. 111.27 million representing adjustments against Borrowings.

18 TRANSACTIONS WITH RELATED PARTIES AND ASSOCIATED UNDERTAKINGS

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

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

	Quarter ended September 30, 2010 Rupees (Un-audited)	Quarter ended September 30, 2009 Rupees (Un-audited)
Controlling entity		
Rent paid	148,870	-
Other group Companies		
Rentals received during the period	1,141,300	886,397
Mark-up paid on Certificates of investments	3,470,860	5,692,403
Key management personnel		
Contribution to provident fund	-	788,180
Payments to gratuity fund	709,494	925,551
	September 30, 2010 Rupees (Un-audited)	September 30, 2009 Rupees (Un-audited)
19 CASH AND CASH EQUIVALENTS	14,041,018	10,606,647
Cash and bank balances	14,041,018	10,606,647

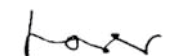
20 RECLASSIFICATION

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

21 DATE OF AUTHORIZATION

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


Farrukh S. Ansari
Chief Executive Officer


Muhammad Rashid Zahir
Chairman

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