

Contents

Corporate Information	02
Directors' Review	04
Condensed Interim Balance Sheet	05
Condensed Interim Profit And Loss Account	06
Condensed Interim Statement of Comprehensive Income	07
Condensed Interim Cash Flow Statement	08
Condensed Interim Statement of Changes in Equity	09
Selected Notes to the Condensed Interim Financial Information	10
Branch Network	16

Corporate Information

BOARD OF DIRECTORS

Mr. Nasser Durrani	Chairman
Mr. Naveed Amin	Chief Executive Officer/Director
Mr. Ali A. Rahim	Director
Ms. Mehnaz Kaludi	Director
Mr. Junaid Mohmand	Director
Mian Tahir Bashir	Director
Mr. Ateeq Ur Rehman	Director

AUDIT COMMITTEE

Mr. Ateeq Ur Rehman Chairman	(Independent Director)
Mian Tahir Bashir Member	(Non-Executive Director)
Ms. Mehnaz Kaludi Member	(Independent Director)
Ms. Shafque Akhter	(Committee Secretary)

HUMAN RESOURCE COMMITTEE

Ms. Mehnaz Kaludi Chairperson	(Independent Director)
Mr. Nasser Durrani Member	(Non-Executive Director)
Mr. Junaid Mohmand Member	(Non-Executive Director)

Corporate Information

03

ACTING COMPANY SECRETARY & CFO
Mr. Naeem-ul-Hasan

EXTERNAL AUDITORS
KPMG Taseer Hadi & Co.
Chartered Accountants

INTERNAL AUDITOR
Ms. Shafque Akhter

TAX CONSULTANT
Earnst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

LEGAL ADVISOR
Mohsin Tayebaly & Company,
Advocate & Legal Consultant

CREDIT RATING
Long-term: BB + Short-term: B

REGISTERED OFFICE
40, Jang Building, A.K. Fazal-ul-Haq Road,
Blue Area, Islamabad.

MAIN OFFICE
Office # 304, 3rd Floor, Business Arcade,
Shahra-e-Faisal, Karachi.
Tel: (+92-21) 34322128-129-137
Fax: (+92-21) 34322082
E-mail: info@smelease.com

REGISTRAR AND SHARE
TRANSFER OFFICE
Technology Trade (Pvt.) Ltd.
241-C, Block-2, P.E.C.H.S., Off. Shahrah-e-Quaideen, Karachi.
Tel: (+92-21) 34391316-7 & 19, 34387960-61
Fax: (+92-21) 34391318

BANKS AND LENDING INSTITUTIONS
Allied Bank Limited
MCB Bank Limited
SME Bank Limited
United Bank Limited

Directors' Review

The Directors of SME Leasing Limited are pleased to present the un-audited financial statements for the 3rd quarter ended on September 30, 2013.

During the period under review Pakistan's economic condition remained full of uncertainties due to poor law and order situation, energy crises, etc, the impact of which inflated the cost of doing business. Also, the leasing sector, since 2008 financial meltdown, is facing severe difficulties regarding NPLs and non availabilities of low cost funds, however the companies modified their behavior according to the situation and, for the time being, shifted into recovery mode. Now the leasing sector has almost passed the bad phase, yet at present the main issue for the available potential market of SME sector is availability of funds.

The company, during the period under review, owing to the vacancies created at key executive levels in the absence of a full-time CEO, remained focused on recoveries which resulted in reduction in the financing portfolio and thus in revenue. Total assets of the company have reduced to Rs 509.44 million from Rs 587.05 million as of December 2012 mainly due to aggressive recovery efforts and meager disbursements. The gross revenue of the company has decreased to Rs 18.71 million as compared to Rs 36.36 million in the corresponding period of the previous year. Operating expenses have gone down to Rs 20.78 million as against Rs 30.21 million in the corresponding period mainly due to decrease in financial charges resulting from reduction in borrowing level as well as decline in interest rates. Loss before taxation for the period amounts to Rs 9.82 million (2012: Rs 23.68 million) owing to the decrease in provision against non-performing portfolio.

Leasing in Pakistan surfeited the thirst of industrial sector, particularly SME Sector, until 2007 but NBFI sector has been left in a lurch when the regulatory body raised the minimum capital requirement. The Company has been suffering losses since the year ended December 31, 2009, mainly on account of provision of non-performing loans and is observing a decline in revenue from fresh disbursements due to liquidity constraint. As a result of which the equity of the Company as at September 30, 2013, is Rs 198.68 million which is Rs 501.32 million short, as detailed in note 1.2 of quarterly accounts. The Non Banking Financial (NBF) Sector Reform Committee through its stakeholders has forwarded its recommendations to Securities and Exchange Commission of Pakistan (SECP) regarding relaxation in minimum equity requirement and hopefully, by a favorable decision of SECP, the reduction will alleviate issues facing the companies to a great extent.

The board has filled the position of Chief Executive Officer during the quarter and appointed Mr. Naveed Amin, a seasoned professional and fellow member of Institute of Chartered Accountants of Pakistan. The company is aggressively working to revive itself by writing new leases. The Company is also working on various funding options for its growth. Further, management is uncompromisingly pursuing recoveries against non-performing portfolio and is hopeful that these efforts will have positive impact on results in the near future.

The Board recognizes and appreciates the support and role of the lending institutions, regulatory authorities, management team and all the staff members of the company.

For and on behalf of the Board of Directors



Nasser Durrani
Chairman


Dated: October 25, 2013

Condensed Interim Balance Sheet (Un-audited)

As at September 30, 2013

	Note	September 30, 2013 (Un-audited)	December 31, 2012 (Audited) (Restated)
..... Rupees			
ASSETS			
Current assets			
Cash and bank balances	3	6,789,312	7,191,492
Mark-up accrued		246,102	557,555
Loans and advances		1,422,887	1,469,279
Deposits, prepayments and other receivables		2,176,435	1,716,970
Investments - available for sale	4	3,720,181	3,809,432
Current maturity of non current assets		429,209,329	457,954,941
Total current assets		443,564,246	472,699,669
Non-current assets			
Long term finances and loans	5	5,436,545	9,669,087
Net investment in leases	6	40,407,919	82,582,479
Long-term deposits and prepayments		880,222	1,299,022
Property and equipment	7	19,152,908	20,804,081
		65,877,594	114,354,669
Total assets		509,441,840	587,054,338
LIABILITIES			
Current liabilities			
Trade and others payable		6,161,977	6,839,103
Mark-up accrued		751,530	1,704,444
Short term borrowings		21,477,817	55,758,690
Certificates of Investment		-	8,112,646
Current maturity of long-term finances	8	2,723,676	10,980,525
Current maturity of liabilities against assets subject to finance lease		1,170,280	946,328
Current maturity of long term deposits		226,436,849	217,626,238
Provision for compensated absences		443,410	837,805
Taxation payable		12,348,991	12,349,697
Total current liabilities		271,514,530	315,155,476
Non-current liabilities			
Long-term finances	8	1,651,986	3,540,531
Long term Certificates of Investment		200,000	200,000
Liabilities against assets subject to finance lease		277,396	1,109,025
Long-term deposits		34,372,643	55,798,107
Deferred liabilities		2,741,170	3,365,393
		39,243,195	64,013,056
Total liabilities		310,757,725	379,168,532
NET ASSETS		198,684,115	207,885,806
FINANCED BY			
Authorised share capital			
100,000,000 (2010: 100,000,000) ordinary shares of Rs. 10 each		1,000,000,000	1,000,000,000
Issued, subscribed and paid-up capital		320,000,000	320,000,000
Reserves		48,466,329	48,466,329
Accumulated (Loss)		(170,322,395)	(160,709,956)
		198,143,934	207,756,373
Unrealized loss on available for sale investments		540,181	129,433
Total shareholder's equity		198,684,115	207,885,806
Contingencies and commitments	9		

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


Naveed Amin
Chief Executive Officer


Mian Tahir Bashir
Director



Condensed Interim Profit and Loss Account (Un-audited) For the nine months ended September 30, 2013

Note	Nine Months period ended		Three Months period ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
----- (Rupees) -----				
REVENUE				
	10			
Income from operations	18,232,053	35,976,830	5,618,089	10,431,539
Other operating income	476,905	384,942	157,744	112,976
Total revenue	18,708,958	36,361,772	5,775,833	10,544,515
EXPENSES				
Administrative	20,778,946	30,207,405	6,054,810	9,107,756
Finance cost	6,536,716	16,289,697	1,276,678	4,733,398
Total expenses	27,315,662	46,497,102	7,331,488	13,841,154
Operating (loss) before provisions	(8,606,705)	(10,135,330)	(1,555,656)	(3,296,639)
PROVISIONS				
Provision for potential lease losses	805,143	11,595,463	980,154	10,804,769
Provision for loans and receivables	408,896	1,894,862	(625)	907,870
Provision for impairment on available for sale investments	-	55,000	-	36,000
Total provisions	1,214,039	13,545,325	979,529	11,748,639
(Loss) before taxation	(9,820,744)	(23,680,655)	(2,535,185)	(15,045,278)
TAXATION				
Current	187,089	363,618	122,423	103,856
Deferred	-	-	-	-
	187,089	363,618	122,423	103,856
(Loss) for the period	(10,007,832)	(24,044,273)	(2,657,607)	(15,149,134)
Earnings per share - basic and diluted	(0.31)	(0.75)	(0.08)	(0.47)

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


Naveed Amin
Chief Executive Officer


Mian Tahir Bashir
Director

Condensed Interim Statement of
Comprehensive Income (Un-audited)
For the nine months ended September 30, 2013

	Nine months period ended		Three months period ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
	----- (Rupees) -----			
(Loss) for the period after tax	(10,007,832)	(24,044,273)	(2,657,607)	(15,149,134)
Other comprehensive income				
Unrealized Gain/(loss) on revaluation of available for sale investment	410,748	(183,500)	336,317	0
(Deficit) on comprehensive income	-	(76,634)	-	(76,634)
Actuarial Gain / (loss) on obligatin	395393	0	395,393	0
Total comprehensive (loss) for the period	(9,201,691)	(24,304,407)	(1,925,897)	(15,225,768)

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


Naveed Amin
Chief Executive Officer


Mian Tahir Bashir
Director

Condensed Interim Cash Flow Statement (Un-audited)

For the nine months ended September 30, 2013

	Note	September 30, 2013	September 30, 2012
..... Rupees			
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations after working capital changes	9	(1,584,897)	12,370,990
(Increase)/Decrease in net investment in leases		62,799,408	108,113,746
(Increase)/Decrease in loans and receivables		11,139,287	3,198,828
Mark-up paid		(7,293,598)	(16,018,552)
Mark-up received		433,712	385,621
Gratuity paid		(843,760)	(1,779,290)
Taxes paid		(187,795)	(450,266)
Long term deposits received		(12,614,853)	(53,749,446)
		53,432,401	39,700,641
Net cash used in operating activities		51,847,504	52,071,631
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from disposal of fixed assets		-	178,500
Capital expenditure		-	(50,700)
(Increase)/Decrease in investments		500,000	-
(Increase)/Decrease in long-term deposits and prepayments		418,800	(9,958)
Net cash from / (used-in) investing activities		918,800	117,842
CASH FLOW FROM FINANCING ACTIVITIES			
Increase/(Decrease) in long-term finance		(10,145,394)	(23,653,673)
Increase in Certificates of Investment		(8,112,646)	1,333,927
Lease rentals paid		(629,571)	(1,226,279)
Net cash from financing activities		(18,887,611)	(23,546,025)
Net increase / (decrease) in cash and cash equivalents		33,878,693	28,643,448
Cash and cash equivalents at beginning of the year		(48,567,198)	(98,440,649)
Cash and cash equivalents at end of the period	10	(14,688,505)	(69,797,201)

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


Naveed Amin
 Chief Executive Officer


Mian Tahir Bashir
 Director

Condensed Interim Statement of Changes in Equity (Un-audited) For the nine months ended September 30, 2013

Issued, subscribed and paid-up capital	Capital reserves		Revenue reserves			Total shareholder's equity	
	Share premium	Statutory reserve	Reserve against future losses	Accumulated loss	Surplus / (deficit) on revaluation of available-for-sale investments		
----- Rupees -----							
Balance as at January 1, 2012	320,000,000	10,000,000	28,019,277	10,447,052	(131,177,123)	183,500	237,472,706
Deficit on revaluation of available-for-sale investments - Net	-	-	-	-	-	(183,500)	(183,500)
Actuarial Gain / (loss) on obligatin	-	-	-	-	(76,634)	-	(76,634)
(Loss) after Tax	-	-	-	-	(24,044,273)	-	(24,044,273)
Transferred to reserve against future losses	-	-	-	-	-	-	-
Balance as at September 30, 2012 - restated	320,000,000	10,000,000	28,019,277	10,447,052	(155,298,030)	-	213,168,299
(Loss) after Taxation	-	-	-	-	(5,335,292)	-	(5,335,292)
Other Comprehensive Income	-	-	-	-	-	-	-
Surplus on revaluation of available-for-sale investments - Net	-	-	-	-	-	129,433	129,433
Actuarial Gain / (loss) on obligatin	-	-	-	-	(76,634)	-	(76,634)
Balance as at December 31, 2012	320,000,000	10,000,000	28,019,277	10,447,052	(160,709,956)	129,433	207,885,806
Total comprehensive (Loss) for the period ended December 31, 2012	-	-	-	-	-	-	-
(Loss) after Taxation	-	-	-	-	(10,007,832)	-	(10,007,832)
Other Comprehensive Income	-	-	-	-	-	-	-
Surplus on revaluation of available-for-sale investments - Net	-	-	-	-	-	410,748	410,748
Actuarial Gain / (loss) on obligatin	-	-	-	-	395,393	-	395,393
Balance as at September 30, 2013	320,000,000	10,000,000	28,019,277	10,447,052	(170,322,395)	540,181	198,684,115

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


Naveed Amin
Chief Executive Officer


Mian Tahir Bashir
Director



Selected Notes to the Condensed Interim Financial Information (Un-audited) For the nine months ended September 30, 2013

1. THE COMPANY AND ITS OPERATIONS

SME Leasing Limited was incorporated in Pakistan on July 12, 2002 as an unlisted public company and acquired the status of a listed company on December 13, 2006. The company is a subsidiary of SME Bank Limited, who holds 73.14% (2010: 73.14%) of the shareholding of the company. At the time of incorporation, the company was a wholly owned subsidiary of SME Bank Limited, whereby under an arrangement the assets and liabilities of the leasing division of SME Bank Limited were transferred to the company on January 28, 2003. The company is listed on Lahore Stock Exchange and its registered office is situated at 40 Jang Building, A.K.Fazal-ul-Haq Road, Blue Area, Islamabad. The core objective of the company is to extend lease and working capital financing facilities to small and medium enterprises of the country.

The company is registered with the Securities and Exchange Commission of Pakistan as a leasing company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003. These rules were amended vide SRO No. 1131 (I)/2007 on 21 November 2007 whereby Non Banking Finance Companies and Notified Entities Regulations, 2007 (NBFC Regulations) were issued. Subsequently NBFC Regulations were amended vide SRO,1203,(1)/2008 on November 21,2008,whereby Non-Banking Finance Companies and Notified Regulations,2008 were issued.

- 1.2 Regulation 4 of Non-Banking finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations 2008) require a leasing company to maintain, at all times, minimum equity of Rs.700 millions by 30, June 2013. The equity of the company as at 30, September 2013 is Rs.198.68 million which is Rs.501.32 million short of the minimum capital requirement. The company has been incurring losses since the year ended 31 December 2009 which has resulted in erosion of equity. During the period ended 30 September 2013, the Company has incurred a loss of Rs.10.01 million and the accumulated losses, as at 30 September 2013, amount to Rs.170.32 million. Further, the net assets of the company amounting to Rs. 198.68 million includes non performing loans, net of provision.

2. STATEMENT OF COMPLIANCE

These un-audited financial statements are being presented and submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and has been presented in accordance with the requirements of International Accounting Standards 34 " Interim Financial Reporting" as applicable in Pakistan, the Companies Ordinance, 1984, the Non Banking Companies (NBFCs) Rules, 2003 (the Rules), Non Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations) and directives issued by the SECP.

2.1. ACCOUNTING POLICIES

The accounting policies and methods of computations followed for the preparation of these accounts are same as those applied in preparing the annual accounts for the year ended December 31, 2012.

3. CASH AND BANK BALANCES

	September 30, 2013 Un-Audited	December 31, 2012 (Audited)
 Rupees	
With State Bank of Pakistan in current account	10,693	17,755
With banks:		
in current accounts	3,735,831	3,705,284
in saving accounts	2,979,276	3,414,744
Cash in hand	63,512	53,709
	6,789,312	7,191,492

Selected Notes to the Condensed Interim
Financial Information (Un-audited)
For the nine months ended September 30, 2013

3.1. Return on saving accounts is earned at rates ranging from 6 percent. (2012: 6 percent) per annum.

Note	September 30, 2013 Un-Audited	December 31, 2012 (Audited)
..... Rupees		
4 INVESTMENTS - Available for Sale		
Special saving certificates	4.1. 2,000,000	2,500,000
Mutual Funds		
- Open end	-	-
- Close end	2,500,000	2,500,000
	4,500,000	5,000,000
Less: Provision for impairment in investment	(1,320,000)	(1,320,000)
Add: Surplus on revaluation of investment	540,181	129,433
	(779,819)	(1,190,567)
Fair value at the end of the period	3,720,181	3,809,433
4.1 Represents investments made as required under rule 12(3)(f) of the Non-Banking Finance Companies & Notified Entities, Regulations, 2008 to maintain liquidity against certificates of investment. These are redeemable up to December 2013 and carries profit rate ranging from 12.00% to 13.00% (2012: 11.60% to 14.20%)		
5. LONG TERM FINANCES AND LOANS - Secured		
Related Parties - Considered good		
Employees	1,529,512	1,590,776
Others than Related parties		
Customers		
Considered good	20,408,582	34,773,492
Considered doubtful	40,348,263	37,061,376
	60,756,845	71,834,868
Less: Provision	(5,234,293)	(4,825,397)
	55,522,552	67,009,471
	57,052,064	68,600,247
Less: Current maturity		
Related parties - Employees	91,884	88,509
Other than Related parties - Customers	51,523,635	58,842,651
Employees	(51,615,519)	(58,931,160)
	5,436,545	9,669,087



Selected Notes to the Condensed Interim
Financial Information (Un-audited)
For the nine months ended September 30, 2013

Note	September 30, 2013 Un-Audited	December 31, 2012 (Audited)
..... Rupees		
6. NET INVESTMENT IN LEASES		
Minimum lease payments receivable	383,408,425	444,708,823
Add: Residual value of leased assets	260,809,492	273,424,345
Lease contract receivable	644,217,917	718,133,168
Less: Unearned lease income	67,261,155	78,376,998
Less: Provision for potential lease losses	158,955,033	158,149,910
	226,216,188	236,526,908
Net investment in leases	418,001,729	481,606,260
Less: Current maturity of net investment in leases	377,593,810	399,023,781
Net investment in leases	40,407,919	82,582,479

6.1. The Internal Rate of Return (IRR) on lease contract receivable ranges from 9.5 percent to 25.11 percent (2012: 9.50 percent to 25.11 percent) per annum.

7. PROPERTY AND EQUIPMENTS

The following is the detail of additions disposals in the operating assets during the current period.

	September 30, 2013		December 31, 2012	
	Additions	Deletions	Additions	Deletions
..... Rupees				
Owned				
Office Premises / Building improvements	-	-	-	1,169,206
Furniture and fixtures	-	-	98,666	330,420
Computers	61,659	-	36,270	371,554
Office equipment & others	-	-	65,900	35,932
Vehicles	994,000	994,000	-	1,080,210
1,055,659	1,055,659	994,000	200,836	2,987,322
Leased Assets				
Vehicles	-	994,000	950,000	1,205,000
	1,055,659	1,988,000	1,150,836	4,192,322

8 LONG TERM FINANCES

Long Term Loans	8.1		
SME Bank Limited (holding company) - related party		-	2,379,780
Other financial institutions		4,375,662	12,141,276
		4,375,662	14,521,056
Less: Current maturity-Long term loans		2,723,676	10,980,525
		1,651,986	3,540,531

Selected Notes to the Condensed Interim
Financial Information (Un-audited)
For the nine months ended September 30, 2013

8.1. The facility for long term loans from SME Bank Limited and ENERCON for financing lease operations of the company. These finance are secured by way of hypothecation of the company's leased assets and related receivables.

Note	September 30, 2013 Un-Audited	December 31, 2012 (Audited)
------	-------------------------------------	-----------------------------------

..... Rupees

9. CONTINGENCIES AND COMMITMENTS

Contingencies

None

Commitments

Lease disbursements

10. INCOME FROM OPERATIONS

Income from finance lease operations

Gain/(Loss) on termination of leases

Finances and loans

Customers

OTHER OPERATING INCOME

Income from Investments

Income from financial assets

(Loss) from non-financial assets

11. FINANCE COST

Mark-up on:

Long term finance from banking companies and
financial institutions

Certificates of Investment

Short term borrowings

Lease finance charges

Bank charges

Finance cost includes mark up expense related to
SME Bank Limited, related party:

Long term finance

Short term borrowings

	-	-
	600,000	-
	13,944,029	28,364,388
	82,577	-
	14,026,606	28,364,388
	4,205,447	7,612,442
	374,994	317,260
	58,718	68,361
	43,193	-
	476,905	385,621
	238,719	2,049,801
	530,935	453,462
	5,379,520	8,595,187
	6,149,174	11,098,450
	196,032	229,127
	191,510	228,722
	6,536,716	11,556,299
	17,494	356,891
	5,379,520	8,595,187
	5,397,014	8,952,078

Selected Notes to the Condensed Interim
 Financial Information (Un-audited)
 For the nine months ended September 30, 2013

	September, 30, 2013 Un-Audited	December 31, 2012 (Audited)
..... Rupees		
12. CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES		
(Loss) before income tax expense	(9,820,744)	(23,680,655)
Adjustment for non-cash charges and other items		
Depreciation	1,470,425	1,773,640
Gratuity expense	664,713	663,285
Mark-up expense	6,340,684	15,910,352
Mark-up income	(433,712)	(385,621)
Financial charges on leased assets	196,032	379,345
(Gain) on disposal of property and equipment	(43,193)	679
Provision for impairment on available for sale investments	-	19,000
Provision for potential lease losses	805,143	11,595,464
Provision for loans and receivables	408,896	1,894,861
Total adjustments for non-cash charges and other items	9,408,989	31,851,005
Cash generated from operations before working capital changes	(411,755)	8,170,350
Working capital changes		
(Increase) / decrease in current assets		
Other receivable / Interest accrued	311,453	(67,747)
Deposits, prepayments & Other receivables	(459,466)	1,023,978
Loans and advances	46,392	67,544
	(101,621)	1,023,775
Increase / (Decrease) in current liabilities		
Provision for compensated absences	(394,395)	(692,700)
Trade and other payables	(677,126)	3,869,565
	(1,071,521)	3,176,865
Total working capital changes	(1,173,142)	4,200,640
Cash generated from operations after working capital changes	(1,584,897)	12,370,990
13. CASH AND CASH EQUIVALENTS		
Cash and bank balances	6,789,312	7,448,787
Short term borrowings	(21,477,817)	(77,209,988)
	(14,688,505)	(69,761,201)
14. TRANSACTIONS WITH RELATED PARTIES		
The related parties comprises SME Bank Limited and key management personnel. The aggregate transactions with related parties during the period under review are as follows:		

Selected Notes to the Condensed Interim
Financial Information (Un-audited)
For the nine months ended September 30, 2013

	September 30, 2013		31 December 2012	
	Key Management Personnel	SME Bank Ltd. (Holding Company)	Key Management Personnel	SME Bank Ltd. (Holding Company)
..... Rupees				
Borrowings				
Balance as at January 1	-	58,138,470		115,524,439
Add: Borrowings during the period	-	-		-
Less: Repayments during the period		(36,660,653)		(57,385,969)
Balance as at September 30, 2013	-	21,477,817	-	58,138,470
Loans and advances				
Balance as at January 1	190,000		242,499	
Add: Advances given during the period	228,000		568,287	
Less: Repayments during the period	(418,000)		(620,786)	
Balance as at September 30, 2013	-		190,000	-

	September 30, 2013	December 31, 2012
..... Rupees		
Mark-up expense for the period	5,397,014	13,020,543
Other transactions		
Rent expense	240,974	166,976
Provident fund - company's contribution	259,087	303,666

- All transactions with the holding company are carried out on commercial terms and conditions.
- Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The company considers all departmental heads, chief executives and directors to be key management personnel. There are no transactions with key management personnel other than under their terms of employment.

15. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on October 25th 2013 by the Board of Directors of the company.


Naveed Amin
Chief Executive Officer


Mian Tahir Bashir
Director

Branch Network

KARACHI

Main Branch: Office # 304, 3rd Floor
Business Arcade,
Shahra-e-Faisal, Karachi.

F.B. Area Branch: Office No. 9, Rahimabad, Block-14,
F.B. Area, Shara-e-Pakistan.
Phone: 021-99246458, 36807584
Fax: 021-36806940

HYDERABAD

M-06, Mezzanine Floor,
Rabi Shopping Centre,
Cantonment Area, Saddar.
Phone: 022-9200747, 022-2782418
Fax: 022-9201060

LAHORE

Gulberg Branch: 13-L, Mini Market, Gulberg-II.
Phone: 042-35714499
Fax: 042-35714499

Allama Iqbal Town Branch: Office No. 03, 2nd Floor, Sky Centre,
Karim Block, Allama Iqbal Town Road.
Phone: 042-35295423
Fax: 042-35295424

ISLAMABAD

Office No. 15, 2nd Floor,
Rehmat Centre, I-8 Markaz.
Phone: 051-9257524, 051-861407
Fax: 051-9257520

SIALKOT

Small Industrial Estate Uggoki Road,
Shahabpura.
Phone: 052-3257138
Fax: 052-3257138

PESHAWAR

34, Ground Floor,
State Life Building,
The Mall, Peshawar Cantt.
Phone: 091-9211683, 091-5254004
Fax: 091-9211683