



Quarterly Report | 2009  
(Un-audited) September 30



**SME Leasing Limited**  
(A subsidiary of SME Bank Ltd.)



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# Corporate Information

## **BOARD OF DIRECTORS**

1. Mr. R.A. Chughtai	Chairman
2. Mrs. Arjumand A. Qazi	Director/CEO
3. Mr. Nasser Durrani	Director
4. Mr. Raheel Anjum	Director
5. Mr. Zubair F. Tufail	Director
6. Mr. Masood Naqi	Director
7. Mr. Ali A. Rahim	Director

## **AUDIT COMMITTEE**

Mr. Ali A. Rahim <i>Chairman</i>	(Non-Executive Director)
Mr. Raheel Anjum <i>Member</i>	(Non-Executive Director)
Mr. Zubair F. Tufail <i>Member</i>	(Non-Executive Director)
Ms. Shafque Akhtar	Committee Secretary

## **MANAGEMENT COMMITTEE**

Mrs. Arjumand A. Qazi  
Mr. Tanveer Ul Bari  
Mr. Shaheen Akhtar

## **COMPANY SECRETARY & CFO**

Mr. Tanveer Ul Bari

## **EXTERNAL AUDITORS**

Anjum Asim Shahid Rahman,  
Chartered Accountants

## **INTERNAL AUDITORS**

Ford Rhodes Sidat Hyder & Company,  
Chartered Accountants

## **TAX CONSULTANT**

A.F. Ferguson & Co.,  
Chartered Accountants

## **LEGAL ADVISOR**

Mohsin Tayebaly & Company,  
Advocate & Legal Consultant

## **CREDIT RATING**

Long-term: A-      Short-term: A-2

## **REGISTERED OFFICE**

40, Jang Building, A.K. Faza-ul-Haq Road,  
Blue Area, Islamabad.

## **MAIN OFFICE**

2nd Floor, Tower-B, Finance & Trade Center (FTC),  
Shahra-e-Faisal, Karachi.  
Phone: 021-99204751-53 Fax: 021-99204754

## **REGISTRAR AND SHARE TRANSFER OFFICE**

Progressive Management Services (Pvt) Ltd.  
10th Floor, Mehdi Towers, A-115, S.M.C.H.S.,  
Shahra-e-Faisal, Karachi.  
Phone: 021-34526983-84 Fax: 021-34526985

## **BANKS AND LENDING INSTITUTIONS**

Allied Bank Limited  
Emirates Global Islamic Bank Limited  
Faysal Bank Limited  
MCB Bank Limited  
National Bank of Pakistan  
Pak Oman Investment Co. Limited  
Saudi Pak Commercial Bank Limited  
United Bank Limited



The Board of Directors of SME Leasing Limited presents the un-audited condensed interim financial statements for the quarter and nine months ended September 30, 2009.

The period under review remained under pressure due to continuing of liquidity crises, abnormal rise in KIBOR and change in NBFC regulations. Despite improvement in overall liquidity situation, banks and other lending institutions are still reluctant in taking further exposure with the leasing companies. These factors are constraining the leasing sector from reviving their operations.

During the period under review the gross revenue of the Company has decreased to Rs. 103 million as compared to Rs. 125 million in the corresponding period of the previous year. Operating expenses increased to Rs. 108 million as compared to Rs. 103 million in the same period last year mainly due to increase in financial charges owing to the market conditions and interest rate. As a result, the Company has suffered an operating loss of Rs. 4.79 million as against operating profit of Rs. 21.30 million in the corresponding period in the last year. The net loss after provisions and taxes is Rs. 26.15 million as compared to net profit of Rs. 16.65 million in the corresponding period of the previous year, mainly attributable to reduction in business volumes and the factors stated above.

Despite the decline in results, due to market conditions and socio-economic situation, your Company intends to continue with its more cautious and prudent business approach, and is working on different fund-raising options for improving disbursement volumes.

Investments, held as available-for-sale, have been dealt with in accordance with SRO 150(I/2009) dated February 13, 2009. Impairment loss as of September 30, 2009, has been reduced to Rs. 2.52 million as against Rs. 8.783 million as of December 31, 2008. Charge for the nine months amounting to Rs. 1.891 million has been recognized in the profit and loss account while the balance has been treated as unrealized loss which shall be recognized in the remaining quarter of the year 2009.

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

For and on behalf of the Board of Directors

**R.A. Chughtai**  
Chairman

**Karachi-OCTOBER 28, 2009**

# Condensed Interim Balance Sheet

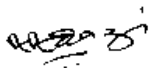
as at September 30, 2009 (Un-Audited)



SME Leasing Limited

	Note	(Un-Audited) September 30, 2009 Rupees	(Audited) December 31, 2008 Rupees
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances		10,726,310	33,963,839
Placements with financial institutions		-	31,307,857
Mark-up accrued		839,689	905,519
Loans and advances		4,387,712	3,719,929
Deposits, prepayments and other receivables		2,699,538	3,130,304
Investments - available-for-sale	3	35,978,979	20,216,663
Current maturity long-term finances and loans	4	78,844,404	71,597,796
Current maturity of net investment in leases	5	526,083,268	593,112,620
<b>Total current assets</b>		<b>659,559,900</b>	<b>757,954,527</b>
<b>Non-current assets</b>			
Long-term finances and loans	4	39,049,812	64,037,390
Net investment in leases	5	999,250,652	1,146,981,289
Long-term deposits and prepayments		934,090	907,195
Property and equipment	6	14,562,011	10,028,252
<b>Total assets</b>		<b>1,053,796,565</b>	<b>1,221,954,126</b>
		<b>1,713,356,465</b>	<b>1,979,908,653</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and others payable		16,830,937	20,048,479
Mark-up accrued		12,284,239	18,081,719
Short-term borrowings		109,805,404	67,041,428
Certificates of Investment		2,930,889	-
Current maturity of long-term finances	7	272,807,732	353,467,639
Current maturity of liabilities against assets subject to finance lease		1,218,242	1,345,762
Current maturity of long-term deposits		211,811,550	204,768,493
Taxation payable		10,632,098	8,668,494
<b>Total current liabilities</b>		<b>638,321,091</b>	<b>673,422,014</b>
<b>Non-current liabilities</b>			
Long-term finances	7	138,621,805	307,851,688
Liabilities against assets subject to finance lease		1,158,021	1,229,814
Long-term deposits		540,236,138	580,906,614
Deferred liabilities		2,437,581	5,918,387
<b>Total liabilities</b>		<b>1,320,774,636</b>	<b>1,569,328,517</b>
<b>NET ASSETS</b>			
		<b>392,581,829</b>	<b>410,580,136</b>
<b>FINANCED BY</b>			
<b>Authorised share capital</b>			
100,000,000 (2008: 100,000,000) ordinary shares of Rs. 10 each		1,000,000,000	1,000,000,000
<b>Issued, subscribed and paid-up capital</b>			
Reserves		320,000,000	320,000,000
Unappropriated profit		48,466,329	48,466,329
		24,745,755	50,897,144
		393,212,084	419,363,473
Unrealized loss on available-for-sale investments		(630,255)	(8,783,337)
<b>Total shareholders' equity</b>		<b>392,581,829</b>	<b>410,580,136</b>
<b>Contingencies and commitments</b>			
	9		

The annexed notes 1 to 12 form an integral part of these financial statements. The details of valuation of investments, impairment and impact on profit and loss account are given in note no. 3.3.

  
**Arjumand A. Qazi**  
 Chief Executive Officer

  
**Zubair F. Tufail**  
 Director

# Condensed Interim Profit and Loss Account


for the Nine Months ended September 30, 2009 (Un-Audited)



SME Leasing Limited

	Nine Months Ended		Quarter Ended	
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
	Rupees	Rupees	Rupees	Rupees
<b>REVENUE</b>				
Income from operations	102,182,593	121,059,914	32,090,445	38,131,338
Income from investments	17,161	3,076,371	17,161	3,076,371
Other operating income	803,925	660,991	233,553	416,477
<b>Total revenue</b>	<b>103,003,679</b>	<b>124,797,276</b>	<b>32,341,159</b>	<b>41,624,186</b>
<b>EXPENSES</b>				
Administrative	33,804,162	33,522,623	11,499,182	11,264,287
Finance cost	73,993,248	69,971,759	20,239,104	27,869,325
<b>Total expenses</b>	<b>107,797,410</b>	<b>103,494,382</b>	<b>31,738,286</b>	<b>39,133,612</b>
Operating (loss)/profit before provisions	(4,793,731)	21,302,894	602,873	2,490,574
<b>PROVISIONS</b>				
Provision for potential lease losses	20,755,740	3,863,539	4,814,505	863,539
Provision for loans and receivables	40,792	(15,342)	7,055	104,119
Provision for impairment on available-for-sale investments	1,890,766	-	(1,136,392)	-
<b>Total provisions</b>	<b>22,687,298</b>	<b>3,848,197</b>	<b>3,685,168</b>	<b>967,658</b>
<b>(Loss)/Profit before taxation</b>	<b>(27,481,029)</b>	<b>17,454,697</b>	<b>(3,082,295)</b>	<b>1,522,916</b>
<b>TAXATION</b>				
Current	2,069,536	-	484,876	-
Deferred	(3,399,176)	800,000	-	300,000
	(1,329,640)	800,000	484,876	300,000
<b>(Loss)/Profit for the period</b>	<b>(26,151,389)</b>	<b>16,654,697</b>	<b>(3,567,171)</b>	<b>1,222,916</b>
<b>Earnings per share - basic and diluted</b>	<b>(0.82)</b>	<b>0.52</b>	<b>(0.11)</b>	<b>0.04</b>

The annexed notes 1 to 12 form an integral part of these financial statements. The details of valuation of investments, impairment and impact on profit and loss account are given in note no. 3.3.

  
**Arjumand A. Qazi**  
 Chief Executive Officer

  
**Zubair F. Tufail**  
 Director

# Condensed Interim Cash Flow Statement

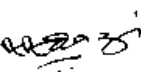
for the Nine Months ended September 30, 2009 (Un-Audited)



SME Leasing Limited

	Note	September 30, 2009 Rupees	September 30, 2008 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash generated from operations after working capital changes	9	65,173,312	82,172,944
(Increase)/Decrease in net investment in leases		194,004,249	65,791,620
(Increase)/Decrease in loans and receivables		17,700,178	(43,451,802)
Mark-up paid		(77,992,125)	(63,515,258)
Mark-up received on loans to employees		354,273	263,870
Mark-up received		511,205	1,858,052
Financial charges paid		(196,590)	(310,320)
Gratuity paid		(136,470)	(849,252)
Taxes paid		(105,932)	(74,773)
Long-term deposits received		(33,627,419)	52,872,126
		<u>100,511,368</u>	<u>12,584,263</u>
<b>Net cash used in operating activities</b>		<b>165,684,680</b>	<b>94,757,207</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Capital expenditure		(5,599,582)	(1,881,521)
Proceed from disposal of fixed assets		168,000	-
(Increase)/Decrease in short-term placements		31,307,857	(100,000,000)
Proceeds from redemption of Mutual Funds units		2,017,161	823,561
(Increase)/Decrease in long-term loans and advances		-	4,848,747
(Increase) in investments		(11,500,000)	(29,500,000)
(Increase)/Decrease in long-term deposits and prepayments		(26,895)	201,314
<b>Net cash from / (used-in) investing activities</b>		<b>16,366,541</b>	<b>(125,507,899)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Increase/(Decrease) in long-term finance		(249,889,790)	33,923,500
Increase in Certificates of Investment		2,930,889	-
Dividend paid		-	(23,411,176)
Lease rentals paid		(1,093,825)	(2,390,983)
<b>Net cash from financing activities</b>		<b>(248,052,726)</b>	<b>8,121,341</b>
Net increase / (decrease) in cash and cash equivalents		<b>(66,001,505)</b>	<b>(22,629,351)</b>
Cash and cash equivalents at beginning of the year		<b>(33,077,589)</b>	<b>15,148,588</b>
Cash and cash equivalents at end of the period	11	<b>(99,079,094)</b>	<b>(7,480,763)</b>

The annexed notes 1 to 12 form an integral part of these financial statements. The details of valuation of investments, impairment and impact on profit and loss account are given in note no. 3.3.

  
**Arjumand A. Qazi**  
 Chief Executive Officer

  
**Zubair F. Tufail**  
 Director



# Condensed Interim Statement of Changes in Equity

for the Nine Months ended September 30, 2009 (Un-Audited)



SME Leasing Limited

	Capital reserves		Revenue reserves			Total shareholders' equity	
	Issued, subscribed and paid-up capital	Share premium	Statutory reserve	Reserve against future losses	Un-appropriated profit		Deficit on revaluation of available-for-sale investments
<b>Rupees</b>							
<b>Balance as at January 1, 2008</b>	<b>320,000,000</b>	<b>10,000,000</b>	<b>26,477,094</b>	<b>8,354,766</b>	<b>70,820,696</b>	<b>(412,500)</b>	<b>435,240,056</b>
Unrealized gain on re-measurement of available-for-sale investment	-	-	-	-	-	(892,964)	(892,964)
Profit for the period	-	-	-	-	16,654,697	-	16,654,697
Transferred to statutory reserve	-	-	3,330,939	-	(3,330,939)	-	-
Final dividend for the year December 31, 2007	-	-	-	-	(24,000,000)	-	(24,000,000)
Transferred to reserve against future losses	-	-	-	100,000	(100,000)	-	-
<b>Balance as at September 30, 2008</b>	<b>320,000,000</b>	<b>10,000,000</b>	<b>29,808,033</b>	<b>8,454,766</b>	<b>60,044,454</b>	<b>(1,305,464)</b>	<b>427,001,789</b>
<b>Balance as at January 1, 2009</b>	<b>320,000,000</b>	<b>10,000,000</b>	<b>28,019,277</b>	<b>10,447,052</b>	<b>50,897,144</b>	<b>(8,783,337)</b>	<b>410,580,136</b>
Unrealized gain on re-measurement of available-for-sale investments	-	-	-	-	-	6,262,316	6,262,316
Provision against impairment loss on available-for-sale investments	-	-	-	-	-	1,890,766	1,890,766
Loss for the nine months	-	-	-	-	(26,151,389)	-	(26,151,389)
<b>Balance as at September 30, 2009</b>	<b>320,000,000</b>	<b>10,000,000</b>	<b>28,019,277</b>	<b>10,447,052</b>	<b>24,745,755</b>	<b>(630,255)</b>	<b>392,581,829</b>

The annexed notes 1 to 12 form an integral part of these financial statements. The details of valuation of investments, impairment and impact on profit and loss account are given in note no. 3.3.

**Arjumand A. Qazi**  
Chief Executive Officer

**Zubair F. Tufail**  
Director

# Selected Notes to the Condensed Interim Financial Statements

for the Nine Months ended September 30, 2009 (Un-Audited)



SME Leasing Limited

## 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% (2008: 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 1131 (I)/2007 on November 21, 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.

## 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

### 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, 2008.

	Note	September 30, 2009 Rupees	December 31, 2008 Rupees
<b>3. INVESTMENTS - Available-for-Sale</b>			
<b>Government Securities</b>	3.2	<b>500,000</b>	-
<b>Mutual Funds</b>			
- Open end		<b>35,500,000</b>	26,500,000
- Close end		<b>2,500,000</b>	2,500,000
		<b>38,500,000</b>	29,000,000
Less: Unrealized loss on revaluation		<b>(630,255)</b>	(8,783,337)
Provision for impairment loss	3.3	<b>(1,890,766)</b>	-
		<b>(2,521,021)</b>	(8,783,337)
Fair value at the end of the period		<b>35,978,979</b>	20,216,663

3.2 Represents investments made as required under rule 12(3)(f) of the Non-Banking Finance Companies and Notified Entities, Regulations, 2008 to maintain liquidity against certificates of investment. These are redeemable between June 2012 to September 2012 and carries profit rate ranging from 11.60% to 14.2% (2008: Nil).

3.3 Securities and Exchange Commission of Pakistan (SECP) vide SRO 150 (1)/2009 dated February 13, 2009 has allowed that the impairment loss, if any, recognized as on December 31, 2008 due to valuation of listed equity investments held as 'Available-for-Sale' to quoted market prices may be shown under the equity. However, the amount taken to the equity including any adjustment, effect for price movements shall be taken to profit and loss account on quarterly basis during the year ending December 31, 2009. The amount taken to the equity as at December 31, 2008 shall be treated as a charge to profit and loss account for the purpose of distribution as dividend.

The impairment loss based on the net assets values as at September 30, 2009 has been worked out at Rs. 2,521,021 (December 31, 2008: Rs. 8,783,337). Charge for the period amounting to Rs. 1,890,766 has been duly provided in the profit and loss account and the balance Rs. 630,255 has been treated as unrealized loss and the same shall be recognised, after taken into account any adjustment, effect for price movements, during remaining quarter of the year ending December 31, 2009.

The recognition of unrecognised impairment loss based on the market values as at June 30, 2009 would have had the following effect on these financial statements:

Increase in 'Impairment Loss' in Profit and Loss Account	<b>630,255</b>	8,783,337
(Increase in loss)/Decrease in profit for the period/year - after tax	<b>(630,255)</b>	8,783,337
Decrease in earnings per share - after tax	<b>(0.02)</b>	(0.27)
Decrease in deficit on revaluation of available for sale investments	<b>630,255</b>	8,783,337
Decrease in unappropriated profit	<b>630,255</b>	8,783,337

# Selected Notes to the Condensed Interim Financial Statements

for the Nine Months ended September 30, 2009 (Un-Audited)



SME Leasing Limited

	September 30, 2009 Rupees	December 31, 2008 Rupees		
<b>4. LONG TERM FINANCES AND LOANS - Secured</b>				
<b>Considered good</b>				
Related parties				
Executives	800,302	1,006,293		
Others				
Employees	2,402,396	2,945,903		
Customers	72,126,463	97,137,442		
	<u>74,528,859</u>	<u>100,083,345</u>		
	75,329,161	101,089,638		
<b>Considered doubtful</b>				
Others				
Customers	42,916,941	34,856,642		
Less: Provision	(351,886)	(311,094)		
	<u>42,565,055</u>	<u>34,545,548</u>		
	117,894,216	135,635,186		
<b>Less: Current maturity</b>				
Related parties	288,677	276,629		
Others				
Employees	251,693	336,135		
Customers	77,866,180	70,985,032		
	<u>78,844,404</u>	<u>71,597,796</u>		
	39,049,812	64,037,390		
<b>5. NET INVESTMENT IN LEASES</b>				
Minimum lease payments receivable	1,003,942,894	1,195,584,398		
Add: Residual value of leased assets	752,047,688	785,675,107		
Lease contract receivable	1,755,990,582	1,981,259,505		
	<u>195,367,577</u>	<u>226,632,251</u>		
Less: Unearned lease income	35,289,085	14,533,345		
Less: Provision for potential lease losses	230,656,662	241,165,596		
	<u>1,525,333,920</u>	<u>1,740,093,909</u>		
Less: Current maturity of net investment in leases	526,083,268	593,112,620		
Net investment in leases	<u>999,250,652</u>	<u>1,146,981,289</u>		
<b>6. PROPERTY AND EQUIPMENTS</b>				
The following is the detail of additions/disposals in the operating assets during the current period.				
	September 30, 2009		December 31, 2008	
	Additions	Deletions	Additions	Deletions
<b>Owned</b>				
Office premises	5,550,000	-	-	-
Building improvements	-	-	46,290	-
Furniture and fixtures	54,150	-	106,885	-
Office equipment & others	36,400	-	78,950	-
Computers	13,182	-	41,750	-
Vehicles	570,100	-	669,943	(239,553)
Computer software	-	-	361,430	-
	<u>6,223,832</u>	-	<u>1,305,248</u>	(239,553)
<b>Leased Assets</b>				
Vehicles	898,800	(1,188,100)	1,605,353	(1,482,184)
	<u>7,122,632</u>	<u>(1,188,100)</u>	<u>2,910,601</u>	<u>(1,721,737)</u>

# Selected Notes to the Condensed Interim Financial Statements

for the Nine Months ended September 30, 2009 (Un-Audited)



SME Leasing Limited

## 7. LONG-TERM FINANCES

### Long-term Loans

SME Bank Limited (holding company) - related party  
Other financial institutions

September 30, 2009  
Rupees

**13,561,137**  
**164,535,064**  
**178,096,201**

December 31, 2008  
Rupees

5,847,258  
334,638,735  
340,485,993

### Privately Placed Term Finance Certificates

**233,333,336**  
**411,429,537**

320,833,334  
661,319,327

Less: Current maturity - Long-term loans  
Current maturity - Privately placed term finance certificates

**156,141,066**  
**116,666,666**  
**272,807,732**

213,884,305  
139,583,334  
353,467,639

**138,621,805**

**307,851,688**

## 8. CONTINGENCIES AND COMMITMENTS

### Contingencies

None

-

-

### Commitments

Lease disbursements

**8,539,000**

47,600,000

## 9. CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES

(Loss)/Profit before income tax expense

September 30, 2009  
Rupees

**(27,481,029)**

September 30, 2008  
Rupees

17,454,697

### Adjustment for non-cash charges and other items

Depreciation  
Gratuity expense  
Mark-up expense  
Mark-up income  
Mark-up on short-term placements  
Financial charges on leased assets  
Loss/(Gain) on disposal of property and equipment  
Interest income on loans to employees  
Provision for potential lease losses  
Provision for loans and receivables  
Provision for impairment on available-for-sale investments  
**Total adjustments for non-cash charges and other items**

**1,736,335**  
**54,840**  
**72,194,645**  
**(511,204)**  
**(17,161)**  
**196,590**  
**56,000**  
**(348,721)**  
**20,755,740**  
**40,792**  
**1,890,766**  
**96,048,622**

1,858,195  
713,131  
67,497,941  
(149,350)  
-  
310,320  
(252,346)  
(259,295)  
3,863,539  
(15,342)  
-  
73,566,793

**Cash generated from operations before working capital changes**

**68,567,593**

91,021,490

### Working capital changes

#### (Increase) / Decrease in current assets

Mark-up accrued  
Deposits, prepayments and other receivables  
Loans and advances

**60,278**  
**430,766**  
**(667,783)**  
**(176,739)**

509,371  
912,755  
249,501  
1,671,627

#### Increase / (Decrease) in current liabilities

Trade and other payables

**(3,217,542)**

(9,976,064)

Total working capital changes

**(3,394,281)**

(8,304,437)

**Cash generated from operations after working capital changes**

**65,173,312**

82,717,053

## 10. CASH AND CASH EQUIVALENTS

Cash and bank balances  
Short-term borrowings

**10,726,310**  
**(109,805,404)**  
**(99,079,094)**

17,656,640  
(25,137,403)  
(7,480,763)

# Selected Notes to the Condensed Interim Financial Statements

for the Nine Months ended September 30, 2009 (Un-Audited)



SME Leasing Limited

## 11. TRANSACTIONS WITH RELATED PARTIES

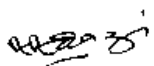
The related parties comprises SME Bank Limited and key management personnel. The aggregate transactions with related parties during the period under review are as follows:

	September 30, 2009		December 31, 2008	
	Rupees		Rupees	
	Key management personnel	SME Bank Limited (Holding Company)	Key management personnel	SME Bank Limited (Holding Company)
<b>Borrowings</b>				
Balance as at January 1	-	5,847,251	-	52,654,781
Add: Borrowings during the period	-	45,000,000	-	-
Less: Repayments during the period	-	(7,286,114)	-	(46,807,530)
Balance as at September 30, 2009	-	43,561,137	-	5,847,251
<b>Loans and advances</b>				
Balance as at January 1	120,834	-	4,644,391	-
Add: Advances given during the period	150,000	-	220,000	-
Less: Repayments during the period	(202,497)	-	(4,743,557)	-
Balance as at September 30, 2009	68,337	-	120,834	-
Mark-up expense for the period	-	13,009,354	-	2,498,102
Mark-up income for the period	-	-	314,133	-
<b>Other transactions</b>				
Lease facility provided to holding company	-	19,202,066	-	24,781,881
Deposit margin by holding company for the lease facility	-	9,882,723	-	13,579,223
Total rentals receivables (for the entire lease period)	-	11,577,021	-	7,806,230
Total rentals received during the period	-	2,724,010	-	8,388,775
Rent expense	-	201,330	-	302,550
Remuneration and salaries paid	4,221,000	-	4,328,187	-

- 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.

## 12. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on October 28, 2009 by the Board of Directors of the company.

  
**Arjumand A. Qazi**  
 Chief Executive Officer

  
**Zubair F. Tufail**  
 Director

# Notes



SME Leasing Limited

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# Branch Network

## BRANCHES

### KARACHI

#### Main Branch

2nd Floor, Tower "B",  
Finance & Trade Center (FTC),  
Shahra-e-Faisal.

Phone: 021-99204751-53  
Fax: 021-99204754

#### F.B. Area Branch

Shop No. 9, Rahimabad, Block-14,  
F.B. Area, Shahra-e-Pakistan.

Phone: 021-99246458, 36807584  
Fax: 021-36806940

### HYDERABAD

M-06, Mezzanine Floor, Rabi Shopping Center,  
Cantonment Area, Saddar.

Phone: 022-9200747  
Fax: 022-9201060

### LAHORE

#### Gulberg Branch

13-L, Mini Market, Gulberg-II.

Phone: 042-35714499  
Fax: 042-35714499

#### Iqbal Town Branch

Office No. 17, 2nd Floor, Sky Centre,  
Karim Block, Allama Iqbal Town Road.

Phone: 042-35295423  
Fax: 042-35295424

### ISLAMABAD

Office No. 2, 1st Floor, Rehmat Centre,  
I-8 Markaz.

Phone: 051-9257524  
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  
Fax: 091-9211683

### MARDAN

The Mall Office No. 26,  
Adjacent Allied Bank Limited,  
Mardan Cantt.

Phone: 0937-9230800  
Fax: 0937-9230800

### MIRPURKHAS

Office No. 403/2, New Town.

Phone: 0233-9290411  
Fax: 0233-9290411

**Main Office:**

2nd Floor, Tower "B", Finance & Trade Centre,  
Shahra-e-Faisal, Karachi.

Tel: (021) 99204751-53 Fax: (021) 99204754

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