Annual Report
June 30, 2009

Standard Chartered
Leasing Limited
Member Standard Chartered Group

Vision

To be the preferred provider of Leasing Products in the market.

Mission

To create exceptional value for our clients, investors and staff; through market leadership in providing innovative Leasing Products & Solutions, and by adopting and living our core values.

Our Values

Courageous
Stand up for what we believe to be right. We accept accountability and take calculated risks.

Responsive
We listen to our customers and colleagues and build strong relationships based on mutual respect. We work quickly, thoughtfully and effectively to deliver the best solution.

International
We value our diversity. We share standards and best practice. We work together, as one team across the organization for the benefit of our customers.

Creative
We are innovative and imaginative in working with opportunities and challenges. We continuously improve the way we work, making it simpler, better and faster.

Trustworthy
We do what is best for the organization and our customers. We deliver on our promises and work to high standards. We are reliable, open and honest.

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Board of Directors

Mr. Badar Kazmi	-	Chairman
Mr. Ahsan Aziz	-	Chief Executive
Mr. Arjumand Ahmed Minai		
Mr. Cyrus J. Masani		
Mr. Imran Ahad		
Mr. Monis Mirza		
Mr. Tufail J. Ahmad		

Company Secretary
Mr. Rehan Anjum

Audit & Risk Committee

Mr. Cyrus J. Masani	-	Chairman
Mr. Monis Mirza	-	Member
Mr. Imran Ahad	-	Member
Mr. Tufail J. Ahmad	-	Member

Bankers/Financial Institutions
Standard Chartered Bank (Pakistan) Limited

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

Legal Advisor
Mansoor Ahmad Khan & Company
F/2-3, Block 8, Kehkashan, K.D.A. Scheme 5
Clifton, Karachi 75600

Registrar and Share Transfer Office
Hameed Majeed Associates (Pvt) Limited
H.M. House, 7 Bank Square
Lahore
Tel : (042) 7235081, 7235082
Fax : (042) 7358817

Registered Office/Principal Office
Karachi Branch
Ground Floor, Al-Rahim Towers,
I.I. Chundrigar Road, Karachi-74000
Tel: (021) 2427727 Fax: (021) 2438211

Lahore Branch
1st Floor, SCB Bldg., 27-Ali Block
New Garden Town, Lahore
Tel : (042) 5908680
Fax : (042) 2715082

Islamabad Branch
2nd Floor, Union Arcade
6A, F/7 Markaz, Islamabad
Tel : (051) 2651711
Fax : (051) 2653909

Faisalabad Branch
P-69, Kotwali Road
Faisalabad
Tel : (041) 2620686
Fax : (041) 2610446

Sialkot Branch
109/2, Aziz Shaheed Road
Sialkot Cantt.
Tel : (052) 4296968
Fax : (052) 4294430

Hyderabad Branch
D-3, Block D, Railway Employees Co.
Main Auto Bhan Road, Hyderabad
Tel : (022) 3813908
Fax : (022) 3813918

Peshawar Branch
2, Islamia Road, Peshawar
Tel : (091) 5261138

On behalf of the Board of Directors, I am pleased to present the Sixteenth Directors' Report of Standard Chartered Leasing Limited (SCLL) along with audited financial statements and Auditors report for the year ended June 30, 2009.

Economy

During H1'09 the economy has made significant progress in bringing down the large trade and fiscal deficits, which has helped to contain inflation and build FX reserves. The inflationary cycle is finally coming to an end, with headline inflation decelerating to 13.1% y/y in June'09, down from peak levels of 25% in Oct 08. Similarly, the current account deficit has come down to USD 8.5 billion (5.5% of GDP) in FY'09 compared to USD14 billion (8.5% of GDP) in FY'08. The sharp decline in international commodity prices, combined with record high remittances of USD 7.8 billion (increase of 21% y/y) have helped to contain the large current account deficit and increase FX reserves to USD 12.3 billion by the end of June'09, compared to USD 6.5 billion at the end of Oct'08. Foreign investment of USD 46 million was witnessed in the stock market in June'09, reversing 18 months of capital flight.

However, while economic indicators are pointing towards an improved business environment, it has yet to translate into higher growth. Persistently high inflation, tough measures taken under the IMF programme, and the rising costs of deteriorating law and order are weighing heavily on the economy. GDP growth declined to 2% y/y in FY'09 (July'08 to June'09) from an average growth of 7% in the past six years. The weak performance has also hit the Financial sector. The rapid deterioration in their loan/lease portfolios has made Financial Institutions more risk-averse, prompting them to cut back credit lines and limit their exposure across industries. As a result, credit growth has slowed more sharply than expected.

Government projects with higher fiscal spending combined with significant easing of monetary policy will stimulate the economy, with output increasing by 3.3% in FY'10 compared to growth of 2% in FY'09. However, risks remain high due to the ongoing conflict in the tribal belt bordering Afghanistan and the rising international commodity prices. The economic recovery is expected to be slow and will depend heavily on the large aid pledges materializing in the near future.

OPERATING RESULTS AND BUSINESS OVERVIEW

Standard Chartered Group's commitment towards the socio economic development of the country has remained a priority. While redefining business strategies it also provided equity of Rs.587.Million to SCLL to meet both the equity requirement of SECP and enable it to undertake quality lease business.

Your Company closed the year end as on June 30, 2009 with a loss after taxation of Rs.59.97 Million reduced from loss of Rs.63.26 Million in the previous corresponding year. Major reasons for the loss were recognition and provisions on subjective basis in accordance with SECP Prudential Regulations against non performing leases in the textile, transportation and health sector.

Due to pressure of global financial conditions and difficult local economic environment, the leasing industry continued to operate under increased stress in the year 2009 which resulted in declining margins, rising cost of funds and passive demand drivers of the lease business during the period. However despite the above SCLL recorded a Profit before Provision and taxes of Rs.34.89 Million against a Loss before Provision and taxes of Rs.4.64 Million in the previous corresponding year. This is the first time since 2006-07 that the company made a profit before provision and taxes during the year. This was mainly due to booking of new leases, efficient financial management, effective cost control and optimum utilization of resources. This is also evident from the increase in income from financial leases by Rs.14.71M, decrease in financial charges by Rs.46.43 Million and a positive gross margin of Rs.88.72 Million.

	July 08 to June 09	July 07 to June 08
	Rupees in Million	
Gross Revenue	179.88	181.24
Finance cost	(91.16)	(137.59)
Administrative and operating expenses	(53.83)	(48.29)
Profit / (Loss) before provisions/impairment	**34.89**	**(4.64)**
Provision against finance lease	(81.49)	(46.24)
Impairment of available for sale securities/others	(9.94)	(5.86)
(Loss) after provisions	**(56.55)**	**(56.74)**

The robust rental recovery and collections efforts during the period have yielded Rs.586.20 Million achieving rental collection of 84 % for the entire portfolio.

The company prudently continues to pave its way forward through the difficult economic situation with increased focus on deposit mobilization and selective growth in SME & Corporate sector. These focused measures have enabled the company to book new lease business during the period amounting to Rs.1.04 Billion against Rs.203 Million in the corresponding year ending June 30, 2008. SCLL paid off high cost COI's (Certificate of Investments) and generated new low cost deposit of PKR 468 Million. The COI base as at June 09 is PKR635 Million.

Environment

The Securities and Exchange Commission of Pakistan introduced the revised Notification for Non Banking Finance Companies and Notified Entities Regulations, 2008 vide SRO 1203 (I) / 2008. Important aspects of which would improve the performance of the leasing industry, resource mobilization, cost of funds, expansion of branch network and commercial property development in accordance with positive policy initiatives of the SECP.

Credit Rating

The Pakistan Credit Rating Agency Limited (PACRA) current Credit Rating agency has maintained the long term credit Rating at A+ (Single A plus) and the short term credit Rating at A1(Single A one), in spite of downgrading the leasing industry as a whole. Credit Ratings such as above denote a low expectation of credit risk emanating from a strong capacity for timely payments of financial commitments and are applicable to senior unsecured creditors of the company and support of the

Standard Chartered Bank Pakistan Limited.

Future Outlook

In 2009-10, in a continued challenging external environment our strategy is to increase our deposit base and grow our market share in SME and Corporate sector. However we need to maintain focus on Revenue Growth, Controls (Risk and Credit), Recovery and Cost Efficiency.

Corporate Governance and System Upgrade

To strengthen the over all process of corporate governance, the function of Internal Audit of SCLL has been outsourced to an independent firm of professional accountants namely Anjum Asim Shahid Rahman Chartered Accountants, a member of Grant Thornton International. The Internal Auditors assist the Board of Directors and management of SCLL in maintaining and constantly improving internal controls in accordance with the type of business and operational risks. The audit findings in the shape of Internal Audit Report are reported directly to the Audit & Risk Committee of the Board of Directors of SCLL on quarterly basis.

SCLL continued its efforts to modernize and strengthen company's IT infrastructure and services during the year. The Company is in the process of upgrading the present system which will provide more functionality/controls and will improve efficiency and reduce costs.

External Auditors

The present auditors, Messrs KPMG Taseer Hadi & Co., Chartered Accountants, retire and, being eligible, offer themselves for re-appointment till the conclusion of next Annual General Meeting.

Pattern of Shareholding

The pattern of Shareholding as on June 30, 2009 is annexed to these statements.

Directors Statement in Compliance to the Code of Corporate Governance

This part of the Directors' report to shareholders is given as required under section 236 of the Companies Ordinance 1984:

1. The financial statements prepared by the management of Standard Chartered Leasing Limited present fairly its state of affairs, the result of its operations, cash flows and changes in equity.

2. Proper books of account of Standard Chartered Leasing Limited have been maintained.

3. Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.

4. International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.

5. The system of internal control is sound in design and has been effectively implemented and monitored.

6. There are no significant doubts upon the ability of Standard Chartered Leasing Limited to continue as a going concern.

7. There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.

8. The value of the funded provident fund of Standard Chartered Leasing Limited as on June 30, 2009 was Rs. 1.9 Million (2008 : Rs. 1.25 Million) The provident fund has been audited up to June 30, 2008.

9. No trading in shares was carried out by other directors, Chief Executive, Chief Financial Officer/Company Secretary and their spouses and minor children during the year.

10. The Board of Directors of Standard Chartered Leasing Limited held Five meetings (2008: Five) during the period under review. The attendance of directors is appended below:

S. No.	Names of Directors	Attendances
1	Mr. Badar Kazmi	5
2	Mr. Ahsan Aziz	3
3	Mr. Cyrus J. Masani	5
4	Mr. Arjumand Minai	3
5	Mr. Imran Ahad	3
6	Mr. Tufail J Ahmad	3
7	Mr. Monis Mirza	4
8	Mr. Rafi Ahmed Shariff (Ex-director)	2

Date of appointment Mr. Ahsan Aziz September 25, 2008.
Date of resignation of Mr. Rafi Ahmed Shariff September 25, 2008.

Acknowledgement

The Board takes this opportunity to thank its valued shareholders and customers for their confidence and patronage. It would like to place on record its appreciation for the help and guidance provided by the Securities & Exchange Commission of Pakistan and the State Bank of Pakistan.

The Board also wishes to place on record its appreciation of the hard work and dedication shown by the staff.

On behalf of the Board

Badar Kazmi
Chairman

September 24, 2009

Statement of Compliance with the Code of Corporate Governance

The Board of Directors of Standard Chartered Leasing Limited (the Company) has always supported and reconfirms its commitments to continue support and implementation of the highest standards of Corporate Governance at all times.

This statement is being presented to comply with Code of Corporate Governance contained in listing regulations of Karachi, Lahore and Islamabad Stock Exchanges respectively, for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of non-executive directors representing minority interests on its Board of Directors. However, at present the Board comprises of six executives of the holding Company and Chief Executive of the Company.

2. None of the directors of the Company is serving as a director in more than ten listed companies, including this Company.

3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. The directors filled up casual vacancies occurring in the Board within thirty days thereof.

5. The Company has prepared a statement of Ethic and Business Practices', which has been signed by all the directors and employees of the Company.

6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant polices along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO.

8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose.

9. The Board of Directors have met five times in the year and notices of meetings, agendas and related papers are always circulated at least seven days before the meeting except in case where an emergent meeting is to be held. The minutes of the meetings were appropriately recorded and circulated.

10. The company is planning to arrange an orientation course for the directors to apprise them of their duties and responsibilities.

11. The Board has approved the appointment of CFO and Company Secretary including his remuneration and terms and conditions of employment, as determined by CEO.

12. The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

13. The financial statements of the Company were duly endorsed by CEO and CFO before approval from the Board.

14. The Directors, CEO and Executives do not hold any interest in the shares of the Company except for qualification shares and as mentioned in Pattern of Shareholding as at June 30, 2009.

15. The Company has complied with all the corporate and financial reporting requirements.

16. The meetings of the Audit Committee were held prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The Board has set up an effective internal audit function which has been outsourced to a firm of Chartered Accountants whose reports are regularly received and presented to the audit committee.

18. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.

19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

20. All material information, as described in clause (xxiii) of the Code is disseminated to the Stock Exchange and Securities and Exchange Commission of Pakistan in a timely fashion.

21. The company has complied with requrements as stipulated in the newly inserted clause 35 (xiii) (a) relating to related party transactions.

22. We confirm that all other material principles contained in the Code have been complied with.

For and on behalf of the Board

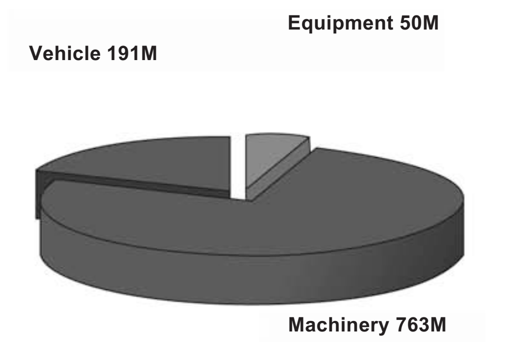
Ahsan Aziz
CEO/Managing Director

September 24, 2009

Rs. in Million

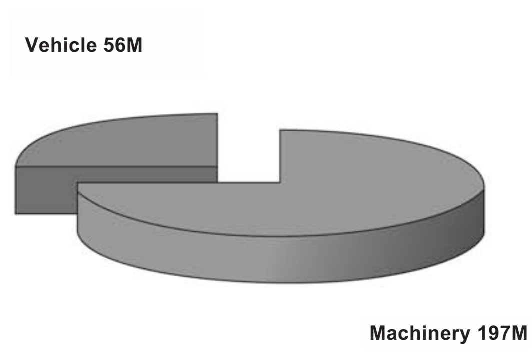
	2004	2005	2006	2007	2008	2009
Operating Results						
Gross Revenues	376.61	366.01	399.25	304.79	181.24	179.89
Financial Charges	214.81	233.60	291.64	256.39	137.59	91.16
Gross Margin	161.80	132.41	107.60	48.40	43.65	88.72
Profi/(Loss) Before Taxation	100.33	74.13	(12.02)	(349.65)	(56.74)	(56.55)
Profit/(Loss) After Taxation	76.33	84.13	0.35	(234.61)	(63.26)	(59.97)
Operating Profit/(Loss) - (before Provisions and Taxes)	116.97	75.96	38.14	(23.06)	(4.64)	34.89
Balance Sheet						
Net Investment in Lease	3,299.60	3,859.98	3,674.17	2,120.42	1,440.41	1,684.68
Shareholders' Equity	447.78	505.61	499.79	277.42	208.24	732.25
Working Capital	366.35	(118.52)	401.89	18.56	(146.98)	(255.08)
Total Assets	3,808.70	4,455.45	4,262.18	2,795.86	1,751.96	2,001.53
Financial Ratios						
Earning Per Share	3.59	3.35	0.01	(9.21)	(2.48)	(0.84)
Dividend Payout	2.00	2.00	-	-	-	-
Book Value	14.84	14.21	12.77	7.09	5.32	7.48
Market Value	14.05	11.65	11.25	11.10	5.00	2.01
Return on Assets	2.00%	1.89%	0.01%	(8.39%)	(3.61%)	(3.00%)
Return on Equity	17.05%	16.64%	0.07%	(84.57%)	(30.38%)	(8.19%)
Current Ratio	6.05 : 1	1.87 : 1	4.26 : 1	(8.83 : 1)	4.16 : 1	1.09:1
Gearing Ratio (Total Debts/Equity)	5.62 : 1	5.81 : 1	5.49 : 1	6.50 : 1	4.19 : 1	0.96:1

Category-wise Disbursements Rs. 1,004 Million



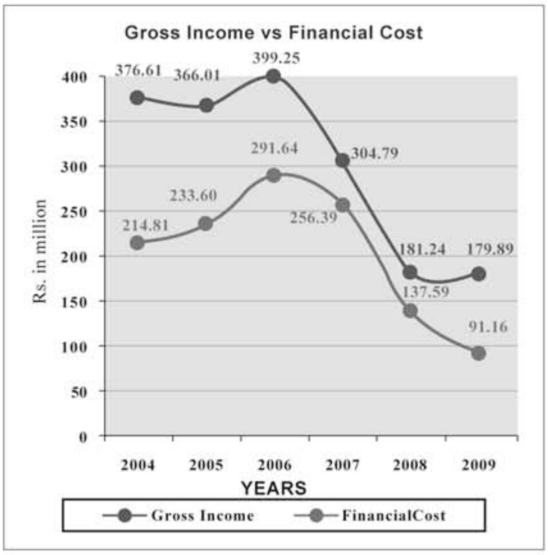
YEAR 2008-09

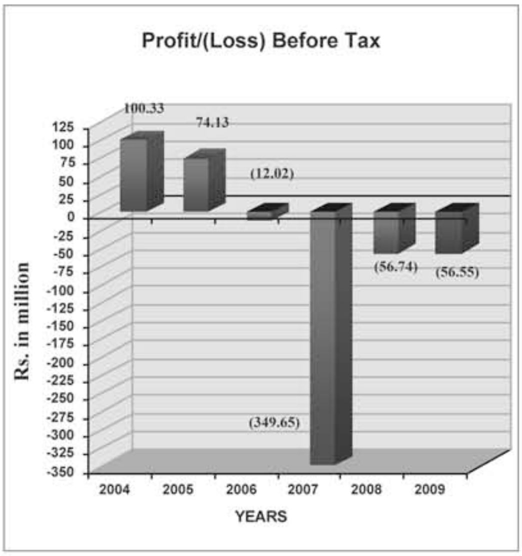
Category-wise Disbursements Rs. 253 Million

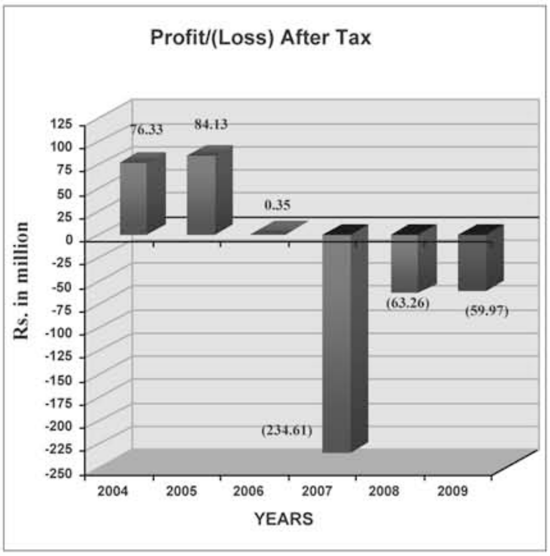


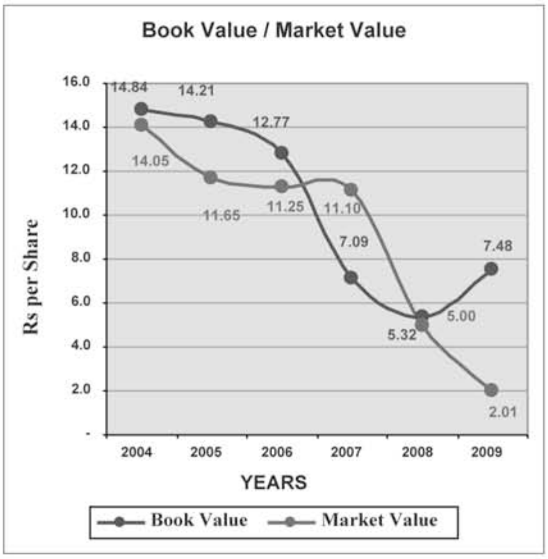
YEAR 2007-08

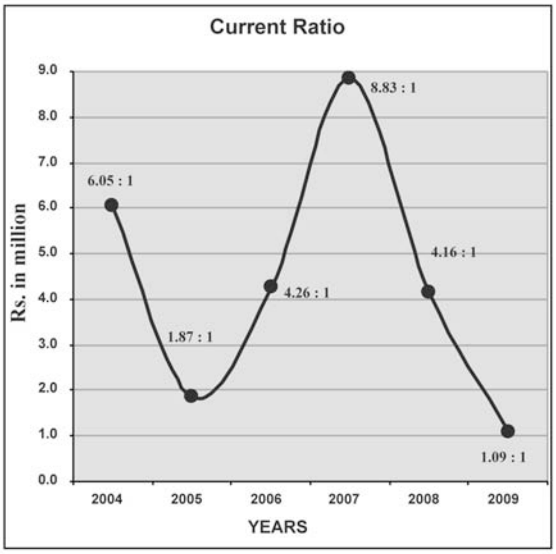
Financial Highlights

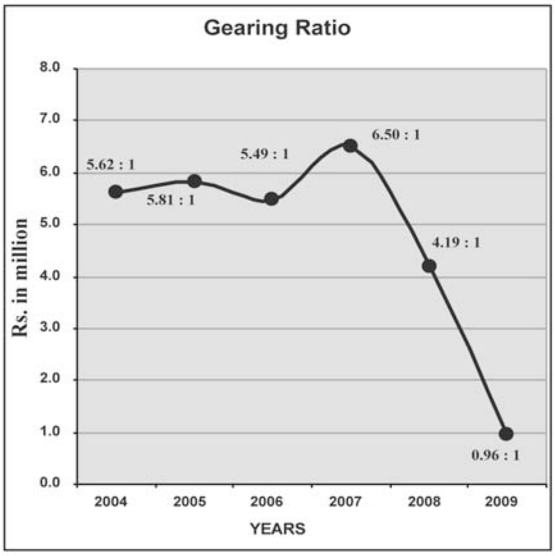




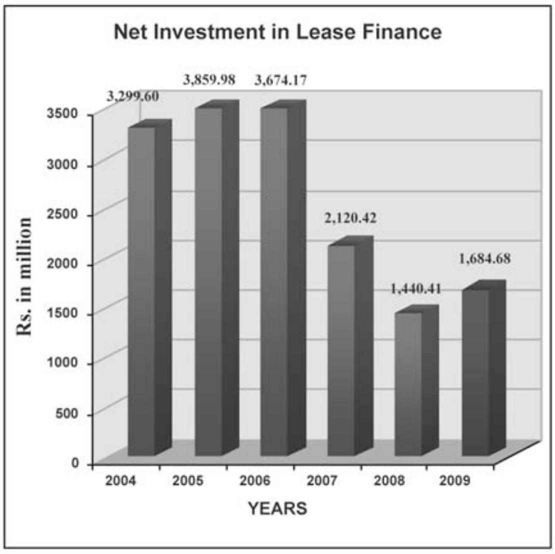





Current Ratio
Rs. in million
YEARS
2004 2005 2006 2007 2008 2009
6.05 : 1
1.87 : 1
4.26 : 1
8.83 : 1
4.16 : 1
1.09 : 1


Gearing Ratio
Rs. in million
YEARS
2004 2005 2006 2007 2008 2009
5.62 : 1
5.81 : 1
5.49 : 1
6.50 : 1
4.19 : 1
0.96 : 1


Total Asset Base
Rs. in million
YEARS
2004 2005 2006 2007 2008 2009
3,808.70
4,455.45
4,262.18
2,795.86
1,751.96
2,001.53


Net Investment in Lease Finance
Rs. in million
YEARS
2004 2005 2006 2007 2008 2009
3,299.60
3,859.98
3,674.17
2,120.42
1,440.41
1,684.68

NOTICE IS HEREBY GIVEN THAT **16th Annual General Meeting** of Standard Chartered Leasing Limited will be held on Friday October 23, 2009 at 9:30 a.m. at the Institute of Bankers of Pakistan, Karachi.

1. To Confirm the Minutes of 15th Annual General Meeting held on October 30, 2008 at Karachi.

2. To receive and adopt the Audited Accounts for the year ended June 30, 2009, together with Auditors' and Directors' reports thereon.

3. To appoint Auditors for the year 2009-2010 and fix their remuneration. The present Auditors KPMG Taseer Hadi & Co., Chartered Accountants, retire and being eligible offer themselves for re-appointment.

4. To consider the recommendation of the Board of Directors for transmission of quarterly accounts through website in compliance with Section 245 of the Companies Ordinance, 1984 and Securities & Exchange Commission of Pakistan (SECP) circular No. 19 of 2004 and if deemed fit pass the following resolution as an ordinary resolution:

   "RESOLVED that the Corporation is hereby authorized to place its quarterly accounts on its website instead of sending the same to members by post, subject to compliance with the terms and conditions stipulated by the Securities & Exchange Commission of Pakistan (SECP) vide it circular No 19 of 2004".

5. Any other business with the permission of the Chair.

September 24, 2009
Karachi

By Order of the Board
Rehan Anjum
(Company Secretary)

Notes:

a) The Share Transfer Books of the Company shall remain closed from **October 17, 2009** to **October 23, 2009** (both days inclusive).

b) A member eligible to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies in order to be effective must be received at the Share Registrar Office not less than 48 hours before the time for holding the Meeting.

c) CDC account holders will in addition have to follow the under mentioned guidelines as laid down in Circular No. 1 dated January 26, 2000 of the Securities & Exchange Commission of Pakistan for attending the meeting.

   (i) **In case of individuals,** the account holder or sub account holder and / or the person whose securities are in group account; and their registration details are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original National Identity Card (NIC) or original passport at the time of attending the meeting. The shareholders registered on CDS are also requested to bring their Participant I.D. numbers and account numbers in CDS.

   (ii) **In case of corporate entity**, the Board of Directors resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

d) Shareholders are requested to notify the change of their addresses, if any, to Share Registrars, **M/s Hameed Majeed Associates (Pvt.) Limited, H.M. House, 7-Bank Square, Lahore.**
Tele No. 7235081-2

Review Report To The Members on Statement of Compliance with Best Practices of Code of Corporate Governance

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of Standard Chartered Leasing Limited to comply with the Listing Regulations of the Karachi, Lahore and Islamabad Stock Exchanges where the Company is listed.

The Responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquires of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal controls system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Further, sub-regulation (xiii) (A) of Listing Regulations No. 35 (previously Regulation No. 37) notified by The Karachi Stock Exchange (Guarantee) Limited vide circular KSE/N-269 dated 19 January 2009 requires the Company to place before the Board of Directors for their consideration and approval of related party transactions distinguishing between transactions carried out on terms equivalent to those that prevailed in arm's length transactions and transaction which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance.

Date: September 24, 2009
Karachi.

KPMG Taseer Hadi & Co.
Chartered Accountants

We have audited the annexed balance sheet of Standard Chartered Leasing Limited as at 30th June 2009 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof (hereinafter referred to as the financial statements), for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also include assessing the accounting policies and significant estimates made by the management, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a) in our opinion, proper books of accounts have been kept by the Company as requried by the Companies Ordinance, 1984;

b) in our opinion:

   i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreeement with the books of accounts and are further in accordance with accounting polices consistently applied;

   ii) the expenditure incurred during the year was for the purpose of the Company's business; and

   iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

c) in our opnion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof confirm with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so requried and respectively give a true and fair view of the state of the Company's affairs as at 30th June 2009 and of the loss, its cash flows and changes in equity for the year then ended; and

d) in our opnion, Zakat deductible at source under the Zakat and ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the central Zakat Fund established under section 7 of that ordinance.

Date: September 24, 2009
Karachi.

KPMG Taseer Hadi & Co.
Chartered Accountants

Balance Sheet
As at 30 June 2009

Standard Chartered Leasing Limited

	Note	2009	2008
ASSETS			
		(Rupees)	
Current Assets			
Cash and bank balances	4	**5,293,906**	5,121,909
Accrued mark-up / return	5	**3,038,081**	3,333,165
Advances, prepayments and other receivables	6	**23,025,348**	10,892,710
Short term investments	7	**5,740,890**	14,698,035
Short term loans and fund placements		**-**	42,105
Current portion of non-current assets	8	**647,212,519**	875,026,906
Taxation recoverable - net		**25,159,517**	26,749,502
Total current assets		**709,470,261**	935,864,332
Non-current Assets			
Long term investments	9	**157,828,286**	163,737,314
Net investment in finance leases	10	**1,043,785,054**	567,723,700
Long term loans	11	**13,327,078**	4,375,236
Long term deposits and deferred cost	12	**381,450**	642,067
Deferred tax asset	13	**70,000,000**	70,000,000
Fixed assets	14	**6,734,168**	9,617,970
Total non-current assets		**1,292,056,036**	816,096,287
Total Assets		**2,001,526,297**	1,751,960,619
LIABILITIES			
Current Liabilities			
Accrued mark-up / return	15	**15,673,157**	22,507,322
Accrued and other liabilities	16	**29,316,219**	34,316,442
Short term borrowings	17	**101,043,259**	99,626,475
Short term certificates of investment	18	**505,677,105**	68,428,114
Current portion of non-current liabilities	19	**312,835,684**	857,966,793
Total current liabilities		**964,545,424**	1,082,845,146
Non-current Liabilities			
Long term finances	20	**-**	66,666,668
Long term deposits	21	**201,334,061**	285,129,059
Long term certificates of investment	22	**102,552,193**	108,787,163
Deferred liabilities	23	**849,311**	288,065
Total non-current liabilities		**304,735,565**	460,870,955
Total Liabilities		**1,269,280,989**	1,543,716,101
NET ASSETS		**732,245,308**	208,244,518
FINANCED BY			
Share capital	24	**978,354,800**	391,341,920
Reserves	25	**(246,109,492)**	(183,097,402)
		732,245,308	208,244,518
COMMITMENTS	26		

The annexed notes 1 to 39 form an integral part of these financial statements.

Chairman

Chief Executive

Profit and Loss Account
For the year ended 30 June 2009

	Note	**2009**	2008
		(Rupees)	
INCOME			
Income from finance leases	27	**165,421,770**	150,714,524
Interest / mark-up / return earned	28	**12,789,882**	23,087,987
Gain on sale of investments		**-**	7,493,382
Gain / (loss) on sale of fixed assets		**614,120**	(268,592)
Other income	29	**1,060,078**	209,231
		14,464,080	30,522,008
EXPENSES			
Finance cost	30	**91,164,472**	137,590,000
Administrative and operating expenses	31	**53,833,248**	48,292,279
Provision against net investment in finance leases		**81,494,926**	45,107,940
Provision against other receivables		**134,777**	1,130,222
Impairment of available-for-sale securities		**9,810,590**	5,531,220
Discount on settlement of TFCs		**-**	2,201,271
Reversal of provision for diminution in value of investments		**-**	(1,878,611)
		236,438,013	237,974,321
Loss before taxation		**(56,552,163)**	(56,737,789)
Taxation	32	**(3,420,774)**	(6,523,966)
Loss after taxation		**(59,972,937)**	(63,261,755)
Loss per share - basic and diluted	33	**(0.84)**	(2.48)

The annexed notes 1 to 39 form an integral part of these financial statements.

Chairman

Chief Executive

Cash Flow Statement
For the year ended 30 June 2009

Standard Chartered Leasing Limited

	Note	2009	2008
		(Rupees)	
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation		**(56,552,163)**	(56,737,789)
Adjustment for:			
- Depreciation		**2,879,805**	2,377,433
- Provision for gratuity		**637,375**	1,960,170
- (Gain) loss on sale of operating lease asset		**(614,120)**	268,592
- Gain on sale of available-for-sale investments		**-**	(7,493,382)
- Amortisation of deferred cost		**260,617**	444,473
- Finance cost		**91,164,472**	137,590,000
- Provision against net investment in finance leases		**81,494,926**	45,107,940
- Discount on settlement of TFCs		**-**	2,201,271
- Provision against other receivables		**134,777**	1,130,222
- Impairment of available-for-sale securities		**9,810,590**	5,531,220
- Write off of loan		**47,012**	-
- Reversal of provision for diminution in value of investments		-	(1,878,611)
- Dividend income		**(506,150)**	(1,100,750)
		185,309,304	186,138,578
Operating profit before working capital changes		**128,757,141**	129,400,789
Movement in working capital			
(Increase) / decrease in operating assets			
- Advances, prepayments and other receivables		**(12,267,415)**	(9,376,487)
- Accrued mark-up / return		**295,084**	3,345,166
- Investment in finance leases		**(325,768,559)**	634,905,334
- Long term loans		**(14,672,188)**	27,481,985
(Decrease) / increase in operating liabilities			
- Accrued and other liabilities		**(4,974,000)**	8,865,001
- Long term deposits (lease key money)		**(106,239,926)**	(124,825,828)
- Gratuity paid		**(76,129)**	(2,883,926)
		(463,703,133)	537,511,245
Cash generated from operations		**(334,945,992)**	666,912,034
Taxes paid		**(1,830,789)**	(8,012,795)
Interest / mark-up paid		**(97,998,637)**	(153,157,115)
Net cash (outflow) / inflow from operating activities		**(434,775,418)**	505,742,124
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure		**(2,657,740)**	(8,812,143)
Proceeds from disposal of fixed assets		**3,275,857**	4,283,409
Long term investments - net		**7,609,028**	74,603,717
Short term investments - net		**-**	36,299,720
Dividend received		**506,150**	1,100,750
Net cash inflow from investing activities		**8,733,295**	107,475,453
CASH FLOW FROM FINANCING ACTIVITIES			
Long term finances - net		**(220,000,003)**	(597,202,384)
Proceeds from issue of right shares		**587,012,880**	-
Certificates of investment - net		**61,703,280**	(344,759,117)
Expenditures on right shares		**(3,892,598)**	-
Dividend paid		**(26,223)**	(5,977)
Net cash inflow/(outflow) financing activities		**424,797,336**	(941,967,478)
Net increase / (decrease) in cash and cash equivalents		**(1,244,787)**	(328,749,901)
Cash and cash equivalents at beginning of the period		**(94,504,566)**	234,245,335
Cash and cash equivalents at end of the period	34	**(95,749,353)**	(94,504,566)

The annexed notes 1 to 39 form an integral part of these financial statements.

Chairman

Chief Executive

Statement of Changes in Equity
For the year ended 30 June 2009

			Reserves			
	Share capital	Statutory reserve	Accumulated loss	Suprlus / (deficit) on revaluation of available-for-sale investments	Total	Share holders' equity
	(Rupees)					
Balance as at 30 June 2007	391,341,920	94,407,485	(213,389,687)	5,062,443	(113,919,759)	(277,422,161)
Loss after taxation for the year ended 30 June 2008	-	-	(63,261,755)	-	(63,261,755)	(63,261,755)
Deficit on revaluation of available for-sale investments	-	-	-	(5,915,888)	(5,915,888)	(5,915,888)
Total recognized income and expenses	-	-	(63,261,755)	(5,915,888)	(69,177,643)	(69,177,643)
Balance as at 30 June 2008	391,341,920	94,407,485	(276,651,442)	(853,445)	(183,097,402)	208,244,518
Right share issue	587,012,880	-	-	-	-	587,012,880
Loss after taxation for the year ended 30 June 2009	-	-	(59,972,937)	-	(59,972,937)	(59,972,937)
Right share issue expenses	-	-	(3,892,598)	-	(3,892,598)	(3,892,598)
Deficit on revaluation of available-for-sale investments	-	-	-	(8,957,145)	(8,957,145)	(8,957,145)
Imparirment loss recognised	-	-	-	9,810,590	9,810,590	9,810,590
Total recognized income and expenses	-	-	(63,865,535)	853,445	(63,012,090)	(63,012,090)
Balance as at 30 June 2009	**978,354,800**	**94,407,485**	**(340,516,977)**	**-**	**(246,109,492)**	**732,245,308**

The annexed notes 1 to 39 form an integral part of these financial statements.

Chairman

Chief Executive

1. STATUS AND NATURE OF BUSINESS

Standard Chartered Leasing Limited ('the Company') was incorporated in Pakistan on 02 October 1993 under the Companies Ordinance, 1984. The Company is a subsidiary of Standard Chartered Bank (Pakistan) Limited. The Company is principally engaged in business of leasing and is listed on all the three stock exchanges in Pakistan. The registered office and principal office of the Company is situated at Al Rahim Tower Ground Floor I .I Chundrigar Road, Karachi. The Company also has branch offices located at Lahore, Faisalabad, Islamabad, Sialkot, Hyderabad and Peshawar.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance,1984, and Non-Banking Finance Companies and Notified Entities Regulations, 2008. In case requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984, and Non Banking Finance Companies and Notified Entities Regulations, 2008 shall prevail.

2.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention except available- for-sale investments have been measured at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Company and rounded off to the nearest rupee.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Significant accounting estimates and areas where judgments were made by the management in the application of accounting policies are discussed in the following notes:

i) Employee benefits (notes 3.7 and 36)
ii) Provision for taxation (notes 3.9 and 32)
iii) Provision for potential lease losses (note 10.1)
iv) Estimation of useful lives and residual values of fixed assets (note 14)

2.5 Initial application of a standard or an interpretation

- IFRS 7 – Financial Instruments: Disclosures (effective for annual periods beginning on or after 28 April 2008) supersedes IAS 30 – Disclosures in the Financial Statements of Banks and Similar Financial Institutions and the disclosure requirements of IAS 32 – Financial Instruments: Disclosure and Presentation. The application of the standard did not have significant impact on the Company's financial statements other than increase in disclosures.

- IAS 29 – Financial Reporting in Hyperinflationary Economies (effective for annual periods beginning on or after 28 April 2008). The Company does not have any operations in Hyperinflationary Economies and therefore the application of the standard did not affect the Company's financial statements.

  IFRIC 13 – Customer Loyalty Programmes (effective for annual periods beginning on or after 01 July 2008) addresses the accounting by entities that operate or otherwise participate in customer loyalty programmes under which the customer can redeem credits for awards such as free or discounted goods or services. The application of IFRIC 13 did not affect the Company's financial statements.

- IFRIC 14 – IAS 19- The Limit on Defined Benefit Asset, Minimum Funding Requirements and their interaction (effective for annual periods beginning on or after 1 January 2008) clarifies when refunds or reductions in future contributions in relation to defined benefit assets should be regarded as available and provides guidance on minimum funding requirements for such asset. The application of IFRIC 14 did not affect the Company's financial statements.

2.6 New accounting standards and IFRIC interpretations that are not yet effective

The following standards, amendments and interpretations of approved accounting standards are effective for accounting periods beginning on or after 1 July 2009:

- Revised IAS 1 - Presentation of financial statements (effective for annual periods beginning on or after 1 January 2009) introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement), or in an income statement and a separate statement of comprehensive income.

- Revised IAS 23 - Borrowing costs (effective for annual periods beginning on or after 1 January 2009) removes the option to expense borrowing costs and requires that an entity capitalize borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The application of the standard is not likely to have an effect on the Company's financial statements.

- Amendments to IAS 32 - Financial instruments: Presentation and IAS 1 Presentation of Financial Statements (effective for annual periods beginning on or after 1 January 2009) – Puttable Financial Instruments and Obligations Arising on Liquidation requires puttable instruments, and instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation, to be classified as equity if certain conditions are met. The amendments, which require retrospective application, are not expected to have any impact on the Company’s financial statements.

- Amendment to IFRS 2 - Share-based Payment – Vesting Conditions and Cancellations (effective for annual periods beginning on or after 1 January 2009) clarifies the definition of vesting conditions, introduces the concept of non-vesting conditions, requires non-vesting conditions to be reflected in grant-date fair value and provides the accounting treatment for non-vesting conditions and cancellations. The application of this standard is not likely to have any effect on the Company’s financial statements.

- Revised IFRS 3 - Business Combinations (applicable for annual periods beginning on or after 1 July 2009) broadens among other things the definition of business resulting in more acquisitions being treated as business combinations, contingent consideration to be measured at fair value, transaction costs other than share and debt issue costs to be expensed, any pre-existing interest in an acquiree to be measured at fair value, with the related gain or loss recognized in profit or loss and any non-controlling (minority) interest to be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of an acquiree, on a transaction-by-transaction basis. The application of this standard will not effect the Company’s financial statements.

- Amended IAS 27 - Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1 July 2009) requires accounting for changes in ownership interest by the group in a subsidiary, while maintaining control, to be recognized as an equity transaction. When the group loses control of subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognized in the profit or loss. The application of this standard is not likely to have an effect on the Company’s financial statements.

- IFRS 8 - Operating Segments (effective for annual periods beginning on or after 1 January 2009) introduces the “management approach” to segment reporting. IFRS 8 will require a change in the presentation and disclosure of segment information based on the internal reports that are regularly reviewed by the Company’s “chief operating decision maker” in order to assess each segment’s performance and to allocate resources to them. Since the Company's operations are limited to one segment only, the application of this standard will not have any effect on the Company's financial statements.

- IFRIC 15- Agreement for the Construction of Real Estate (effective for annual periods beginning on or after 1 October 2009) clarifies the recognition of revenue by real estate developers for sale of units, such as apartments or houses, 'off-plan', that is, before construction is complete. The IFRIC is not relevant to the Company’s operations.

- IFRIC 16 - Hedge of Net Investment in a Foreign Operation (effective for annual periods beginning on or after 1 October 2008) clarifies that net investment hedging can be applied only to foreign exchange differences arising between the functional currency of a foreign operation and the parent entity’s functional currency and only in an amount equal to or less than the net assets of the foreign operation, the hedging instrument may be held by any entity within the group except the foreign operation that is being hedged and that on disposal of a hedged operation, the cumulative gain or loss on the hedging instrument that was determined to be effective is reclassified to profit or loss. The Interpretation allows an entity that uses the step-by-step method of consolidation an accounting policy choice to determine the cumulative currency translation adjustment that is reclassified to profit or loss on disposal of a net investment as if the direct method of consolidation had been used. The amendment is not relevant to the Company’s operations.

  The International Accounting Standards Board made certain amendments to existing standards as part of its first annual improvements project. The effective dates for these amendments vary by standard and most will be applicable to the Company’s 2010 financial statements. These amendments are unlikely to have an impact on the company’s financial statements.

- Amendments to IAS 39 Financial Instruments: Recognition and Measurement – Eligible hedged Items (effective for annual periods beginning on or after 1 July 2009 clarifies the application of existing principles that determine whether specific risks or portions of cash flows are eligible for designation in a hedging relationship. The amendment is not likely to have an effect on the Company's financial statements.

- IAS 27 'Consolidated and separate financial statements (effective for annual periods beginning on or after 1 January 2009). The amendment removes the definition of the cost method from IAS 27 and replaces it with a requirement to present dividends as income in the separate financial statements of the investor. The amendment is not likely to have an effect on Company's financial statements.

- IFRIC – 17 Distributions of Non-cash Assets to Owners (effective for annual periods beginning on or after 1 July 2009) states that when a company distributes non cash assets to its shareholders as dividend, the liability for the dividend is measured at fair value. If there are subsequent changes in the fair value before the liability is discharged, this is recognised in equity. When the non cash asset is distributed, the difference between the carrying amount and fair value is recognised in the income statement. As the Company does not distribute non-cash assets to its shareholders, this interpretation has no impact on the Company's financial statements.

- IFRIC 18 Transfers of Assets from Customers (to be applied prospectively to transfers of assets from customers received on or after 01 July 2009). This interpretation clarifies the requirements of IFRSs for agreements in which an entity receives from a customer an item of property, plant, and equipment that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services (such as a supply of electricity, gas or water). The interpretation is not relevant to the Company's operations.

- IFRS 4 - Insurance Contracts (effective for annual periods beginning on or after 1 January 2009). The IFRS makes limited improvements to accounting for insurance contracts until the Board completes the second phase of its project on insurance contracts. The standard also requires that an entity issuing insurance contracts (an insurer) to disclose information about those contracts.The standard is not applicable to the Company's operations.

- Amendment to IFRS 7 - Improving disclosures about Financial Instruments (effective for annual periods beginning on or after 1 January 2009). These amendments have been made to bring the disclosure requirements of IFRS 7 more closely in line with US standards. The amendments introduce a three-level hierarchy for fair value measurement disclosures and require entities to provide additional disclosures about the relative reliability of fair value measurements. The amendment is not likely to have an effect on Company's financial statements.

- Amendments to IAS 39 and IFRIC 9 - Embedded derivatives (effective for annual periods beginning on or after 1 January 2009). Amendments require entities to assess whether they need to separate an embedded derivative from a hybrid (combined) financial instrument when financial assets are reclassified out of the fair value. The amendments are not likely to have an effect on Company's financial statements.
  The International Accounting Standards Board made certain amendments to existing standards as part of its Second annual improvements project. The effective dates for these amendments vary by standard and most will be applicable to the Company's 2011 financial statements. These amendments are unlikely to have an impact on the Company's financial statements.

- Amendment to IFRS 2 – Share-based Payment – Group Cash-settled Share-based Payment Transactions (effective for annual periods beginning on or after 1 January 2010). Currently effective IFRSs requires attribution of group share-based payment transactions only if they are equity-settled. The amendments resolve diversity in practice regarding attribution of cash-settled share-based payment transactions and require an entity receiving goods or services in either an equity-settled or a cash-settled payment transaction to account for the transaction in its separate or individual financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

For the purpose of cash flow statement cash and cash equivalents carried in the balance sheet include cash in hand and balances with banks in current and saving accounts, short term borrowings and short term fund placements having maturity of three months or less from the date of acquisition.

3.2 Investments

The management determines the appropriate classification of its investments in accordance with the requirements of International Accounting Standard 39; Financial Instruments: Recognition and Measurement (IAS 39) at the time of initial recognition.

All purchase and sale of investments that require delivery within the time frame established by regulation or market convention are recognised at the trade date, which is the date the Company commits to purchase or sell the investment.

The existing portfolio of the Company has been categorized as "held-to-maturity" and "available-for-sale".

3.2.1 Held-to-maturity

Held-to-maturity investments are financial assets with fixed or determinable payments and fixed maturity that the Company has a positive intent and ability to hold to maturity. These are initially recognised at their fair value plus transaction costs that are directly attributable to the acquisition and are subsequently measured at amortised cost.

3.2.2 Available-for-sale

Available-for-sale investments are financial assets that are not (a) loans and receivables originated by the Company (b) held-to-maturity investments, or (c) financial assets at fair value through profit and loss. These are initially recognized at their fair value plus transaction costs that are directly attributable to the acquisition. Subsequent to initial measurement, these are revalued and are remeasured at fair value. The difference in fair value and cost is taken to equity. Impairment in value of investments are routed through profit and loss account. Any cumulative loss recognised previously in equity is transferred to profit or loss account.

3.3 Fixed assets

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the assets. Gains and losses on disposal of an asset are determined by comparing the proceeds from disposal with the carrying amount of an asset and are recognised in the profit or loss account. Subsequent costs are included in assets' carrying amount or are recognised as a separate asset, as appropriate, if it is probable that the future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Maintenance and repairs are charged to profit or loss account during the financial period in which they are incurred. Renewals and improvements are capitalised and the assets so replaced, if any, are retired. Gains and losses on disposal of fixed assets, if any, are included in profit and loss account currently.

Depreciation is charged to profit or loss account applying the straight line method using the rates mentioned in note 14, over the estimated useful lives of the assets. The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at each balance sheet date. Depreciation on all fixed assets is charged from the day the asset is put to use till the day before its disposal.

3.4 Deferred cost

Deferred cost comprises of costs incurred on issue of shares and software license fees. Cost of issue of shares is being amortised over a period of 5 years from the date of allotment of shares and cost of software license fee is being amortised over 5 years from the date of payment of license fee as permitted by Circular No. 1 of 2005 dated 19 January 2005 issued by SECP.

3.5 Net investment in finance leases

Leases where the Company transfers substantially all the risks and rewards incidental to the ownership of an asset are classified as finance leases. A receivable is recognised at an amount equal to the present value of the minimum lease payments under the lease agreement, including guaranteed residual value, if any.

Specific provision for non-performing leases are made on the basis of the requirements set out in the Non-Banking Finance Companies and Notified Entities Regulations, 2008 issued by the Securities and Exchange Commission of Pakistan.

3.6 Impairment of non financial assets

The carrying amount of assets, other than deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists then the asset's recoverable amount is estimated. Where the carrying value exceeds the estimated recoverable amount, assets are written down to their recoverable amount. The resulting impairment loss is taken to profit and loss account.

3.7 Employee benefits

3.7.1 Defined contribution plans

The Company operates a provident fund scheme for its permanent employees. Monthly contributions are made to the fund equally by the Company and the employees at the rate of 8.33 percent of basic salary. The Company has no further payment obligations once the contributions have been paid. The contributions made by the Company are recognised as employee benefit expense when they are due.

3.7.2 Defined benefit plans

The Company operates an unfunded gratuity scheme for its permanent employees who have completed the eligible period of service mentioned in the scheme. Actuarial valuation of the scheme is carried out with sufficient regularity, using the Projected Unit Credit Method, and the latest valuation was carried out at 30 June 2009.

Provisions are made to cover the obligations under the scheme on the basis of actuarial recommendations. Cumulative net unrecognised actuarial gains or losses at the end of the previous year which exceed 10% of the present value of the Company's gratuity obligation or fair value of plan assets are amortized over the expected average remaining working lives of the employees.

3.8 Revenue recognition

- The Company follows the effective interest method in accounting for the recognition of lease income. Under this method, the unearned lease income i.e. the excess of aggregate lease rentals and the estimated residual value over the cost of the leased assets is deferred and taken to income over the term of the lease, so as to produce a systematic return on the net investment in lease. Unrealised lease income pertaining to non-performing leases is held in suspense account, where necessary, in accordance with the requirements of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

- Processing, front end fee, commitment fee, penal charges and commission are recognised as income when realised.

- Return on loans and securities are recognised on time proportion basis taking into account effective yield on instrument.

- Capital gain or losses arising on sale of investments are taken to income in the period in which they arise.

- Dividend income is recognised when the Company's right to receive dividend is established.

3.9 Income tax

Income tax comprises current and deferred tax. Income tax expense is recognised in profit or loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

3.9.1 Current

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

3.9.2 Deferred

Deferred tax is recognised using the balance sheet liability method on all major temporary differences between the carrying amount of assets and liabilities used for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax is charged or credited to the profit and loss account except deferred tax, if any, on revaluation of investments which is recognised as an adjustment to surplus / deficit on revaluation.

3.10 Provisions

Provisions are recognised when the Company has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

3.11 Financial instruments

All financial assets and liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognised at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognised at the time when they are extinguished, i.e. when the obligation specified in the contract is discharged, cancelled or expires. Any gain or loss on recognition or derecognition of the financial assets and financial liabilities is taken to profit and loss account.

3.12 Dividend distribution

Dividend distribution (including stock dividend) to the Company's shareholders is accounted for in the period in which the dividends are declared.

3.13 Off-setting of financial assets and liabilities

Financial assets and financial liabilities are off-set and the net amount is reported in the financial statements, only when the Company has a legally enforceable right to set off the recognised amounts and the Company intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

	Note	2009	2008
		(Rupees)	
4. CASH AND BANK BALANCES			
Cash in hand		**14,032**	74,700
Balances with banks:			
- in current accounts		**5,511**	60,629
- in saving accounts	4.1	**5,267,413**	4,979,630
Balance with State Bank of Pakistan		**6,950**	6,950
		5,279,874	5,047,209
		5,293,906	5,121,909

4.1 This represents amount held in dividend account.

	Note	2009	2008
5. ACCRUED MARK-UP / RETURN			
Mark-up receivable on long term loans		**-**	3,855,097
Mark-up suspended		**-**	(3,855,097)
		-	-
Interest / mark-up receivable on investments and short term loans		**3,038,081**	3,333,165
Profit accrued on deposits and placements		**-**	170,322
Mark-up suspended		**-**	(170,322)
		-	-
		3,038,081	3,333,165
6. ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES			
Advance against finance lease		**19,896,800**	2,425,500
Prepayments		**835,289**	700,305
Receivable from employee retirement contribution plan		-	4,356,642
Other receivables			
- Considered good		**2,293,259**	3,068,862
- Considered doubtful		**21,130,275**	26,806,631
Less: Provision for doubtful receivables	6.1	**21,130,275**	26,465,230
		-	341,401
		2,293,259	3,410,263
		23,025,348	10,892,710

6.1 Movement in provision for doubtful receivables is as follows:

	2009	2008
Balance at beginning of the year	**26,465,230**	25,335,008
Charged during the year	**134,777**	1,130,222
Amounts written off	**(5,469,732)**	-
Balance at end of the year	**21,130,275**	26,465,230

7. SHORT TERM INVESTMENTS
Available-for-sale

7.1 Shares of listed companies	**Number of shares**	**Cost**		**Market value**		**Surplus / (Deficit)**	
		2009	2008	**2009**	2008	**2009**	2008
		(Rupees)		**(Rupees)**		**(Rupees)**	
Pakistan Telecommunication Company Limited	260,000 (2008: 260,000)	**4,482,400**	10,046,400	**4,482,400**	10,046,400	**-**	-
AMZ Ventures Limited	183,000 (2008: 183,000)	**96,990**	505,080	**96,990**	505,080	**-**	-
		4,579,390	10,551,480	**4,579,390**	10,551,480	**-**	-
7.2 Mutual Funds	**Number of Units / Certificates**						
First Dawood Mutual Fund	580,750 (2008: 580,750)	**1,161,500**	5,000,000	**1,161,500**	4,146,555	**-**	(853,445)
		1,161,500	5,000,000	**1,161,500**	4,146,555	**-**	(853,445)
		5,740,890	15,551,480	**5,740,890**	14,698,035	**-**	(853,445)

7.3 The Company does not hold more than 10 percent of the equity of any investee company.

7.4 The cost of shares of listed companies is net of impairment loss recognised.

8. CURRENT PORTION OF NON-CURRENT ASSETS

		2009	2008
		(Rupees)	
Long term investments	9	**-**	1,700,000
Net investment in finance leases including overdue amounts	10	**640,898,273**	872,685,994
Long term loans	11	**6,314,246**	640,912
		647,212,519	875,026,906

9. LONG TERM INVESTMENTS - Held to Maturity

Government Securities			
Pakistan Investment Bonds	9.1	**157,828,286**	163,737,314
Term Finance Certificates		**-**	1,700,000
		157,828,286	163,437,314
Less: Current portion shown under current assets		**-**	1,700,000
		157,828,286	163,737,314

The market value of investments at 30 June 2009 amounted to Rs. 142,523,487 (30 June 2008: Rs. 138,592,808). The current maturity in financial statements at 30 June 2008 has been corrected.

9.1 These investments have been made to comply with the requirements of Regulation 14(4)(I) of the Non Banking Finance Companies and Notified Entities Regulations, 2008 to maintain liquidity against certain certificates of investment. These investments mature between April 2011 and December 2012. Profit on these investments is receivable at rates ranging from 9 percent to 14 percent (2008: 9 percent to 14 percent) per annum.

10. NET INVESTMENT IN FINANCE LEASES

	2009	2008
	(Rupees)	
Net investment in finance leases	**1,684,683,327**	1,440,409,694
Less: Current portion shown under current assets	**(640,898,273)**	(872,685,994)
	1,043,785,054	567,723,700

	2009				2008			
	Not later than one year	**Later than one year and less than five years**	**Later than five years**	**Total**	Not later than one year	Later than one year and less than five years	Later than five years	Total
	(Rupees)							
Minimum lease payments	**1,076,896,242**	**1,078,482,224**	**558,942**	**2,155,937,408**	1,088,236,207	406,095,041	15,288	1,494,346,536
Add: Residual value of leased assets	**215,464,408**	**204,723,339**	**830,000**	**421,017,747**	228,519,771	299,518,266	360,000	528,398,037
Gross investment in leases	**1,292,360,650**	**1,283,205,563**	**1,388,942**	**2,576,955,155**	1,316,755,978	705,613,307	375,288	2,022,744,573
Less: Unearned lease income	**(186,882,641)**	**(211,045,359)**	**(22,478)**	**(397,950,478)**	(109,236,832)	(83,331,890)	-	(192,568,722)
Less: Mark-up held in suspense (note 10.2)	**(119,201,148)**	**-**	**-**	**(119,201,148)**	(95,136,711)	-	-	(95,136,711)
	(306,083,789)	**(211,045,359)**	**(22,478)**	**(517,151,626)**	(204,373,543)	(83,331,890)	-	(287,705,433)
	986,276,861	**1,072,160,204**	**1,366,464**	**2,059,803,529**	1,112,382,435	622,281,417	375,288	1,735,039,140
Less: Provision against net investment in finance leases (note 10.1)	**(345,378,588)**	**(29,741,614)**	**-**	**(375,120,202)**	(239,696,441)	(54,933,005)	-	(294,629,446)
Net investment in finance leases	**640,898,273**	**1,042,418,590**	**1,366,464**	**1,684,683,327**	872,685,994	567,348,412	375,288	1,440,409,694

As at 30 June 2009, leases with outstanding principal of Rs. 453 million (2008: 432 million) have been placed on non-performing status.

10.1 Provision against net investment in finance lease

	2009	2008
	(Rupees)	
Balance at beginning of the year	**294,629,446**	362,667,229
Charge during the year	**81,494,926**	45,107,940
Written off during the year	**(1,004,170)**	(113,145,723)
Balance at end of the year	**375,120,202**	294,629,446

10.2 Mark-up held in suspense

	2009	2008
Balance at beginning of the year	**95,136,711**	98,246,341
Income suspended during the year	**38,209,403**	59,139,983
	133,346,114	157,386,324
Suspended income:		
- realised during the year	**(12,649,066)**	(17,883,683)
- written off during the year	**(1,495,900)**	(44,365,930)
	(14,144,966)	(62,249,613)
	119,201,148	95,136,711

11. LONG TERM LOANS

	Note	2009	2008
		(Rupees)	
Loans to employees - considered good			
Executives	11.1	**13,965,637**	-
Non-executive employees		**5,675,687**	5,016,148
		19,641,324	5,016,148
Less: Current portion shown under current assets		**6,314,246**	640,912
		13,327,078	4,375,236

11.1 Loans to Chief Executive and Executives

	Chief Executive		Executive	
	2009	2008	**2009**	2008
Balance at beginning of the year	-	-	**-**	24,753,244
Disbursements made during the year	4,716,000	-	**(10,656,351)**	-
Repayments received during the year	**(628,800)**	-	**(777,914)**	(24,753,244)
Balance at end of the year	**4,087,200**	-	**9,878,437**	-

These represent house loans, car loans and personal loans provided by the Company to its executives and other staff as per service rules. House loans are repayable in a maximum of 300 monthly instalments and carry mark-up at the rate of 3 percent (2008: 3 percent) per annum. Car loans and personal loans are repayable in 84 and 36 monthly instalments respectively and both carry mark-up at the rate of 4 percent (2008: Car Loans 4 percent, Personal loans 4 percent) per annum. House loans are secured by way of equitable mortgage on property and car loans are secured by registration of vehicles in the name of the Company. Personal loans are clean up to a limit of Rs. 100,000 and loans above Rs. 100,000 are secured by hypothecation over household assets of the employees. The car loan to the Chief Executive has been provided in accordance with SCB Group's policy as a benefit to Chief Executive. The loan is interest free and repayable in equal instalments over five years.

Maximum aggregate amount due from Chief Executive and Executives at any month-end during the year was Rs. 11,315,474 (2008: Rs. 24,306,788).

12. LONG TERM DEPOSITS AND DEFERRED COST

	2009	2008
Security deposits	**381,450**	381,450
Deferred cost	**1,844,633**	1,844,633
Less: Amortisation to date	**1,844,633**	1,584,016
	-	260,617
	381,450	642,067

14. DEFERRED TAX ASSET

The deferred tax asset comprises of the following components:

	2009	2008
Accelerated tax depreciation	**(49,017,227)**	17,103,438
Allowance against net investment in finance leases	**109,805,715**	124,215,039
Provision for gratuity	**223,081**	686,060
Unamortised balance relating to loans, TFCs and deferred cost	**-**	(91,216)
Carry forward losses	**104,870,564**	14,397,520
	165,882,133	156,310,841
Deferred tax asset not recognised	**(95,882,133)**	(86,310,841)
	70,000,000	70,000,000

Standard Chartered Leasing Limited

14. FIXED ASSETS

2009

	COST			ACCUMULATED DEPRECIATION			Net book value as at 30 June 2009	Depreciation rate % per annm
	As at 1 July 2008	Additions / (deletions)	As at 30 June 2009	As at 1 July 2008	Charge for the year / (accumulated depreclation on deletions)	As at 30 June 2009		
	---(Rupees)---							
Owned								
Furniture and fittings	808,729	-	808,729	368,574	76,286	444,860	363,869	10
Office equipment, appliances and computer systems	6,763,371	962,563 (2,190,972)	5,534,962	5,090,506	899,395 (2,190,944)	3,798,957	1,736,007	20 and 33.33
Motor vehicles	9,125,750	1,695,177 (4,239,770)	6,581,157	1,620,800	1,904,123 (1,578,059)	1,946,865	4,634,292	20
	16,697,850	**2,657,740** **(6,430,740)**	**12,924,850**	**7,079,880**	**2,879,805** **(3,769,003)**	**6,190,682**	**6,734,168**	

2008

	COST			ACCUMULATED DEPRECIATION			Net book value as at 30 June 2008	Depreciation rate % per annm
	As at 1 July 2007	Additions / (deletions)	As at 30 June 2008	As at 1 July 2007	Charge for the year / (accumulated depreclation on deletions)	As at 30 June 2008		
	---(Rupees)---							
Owned								
Furniture and fittings	1,118,029	- (309,300)	808,729	356,529	82,633 (70,588)	368,574	440,155	10
Office equipment, appliances and computer systems	5,582,652	1,621,419 (440,700)	6,763,371	4,910,655	381,003 (201,152)	5,090,506	1,672,865	20 and 33.33
Motor vehicles	8,303,465	7,190,724 (6,368,439)	9,125,750	2,001,701	1,913,797 (2,294,698)	1,620,800	7,504,950	20
	15,004,146	8,812,143 (7,118,439)	16,697,850	7,268,885	2,377,433 (2,566,438)	7,079,880	9,617,970	

14.1 Particulars of disposal of fixed assets

Particulars	Cost	WDV	Sale proceeds	Gain / (loss) on disposal	Mode of disposal	Particulars of buyers
Vehicles						
	632,000	464,390	490,723	26,333	As per service rule	Imran Bari
	2,876,150	1,693,594	2,150,000	457,406	As per service rule	Ali Azhar Naqvi
	606,000	504,724	509,134	4,410	As per service rule	Ali Khan
	54,900	2	8,000	7,998	Negotiations	S. Mujahid Hussain
	70,720	2	8,000	7,998	Negotiations	Muhammad Raiz
Equipments						
Computers	919,630	11	65,500	65,489	Negotiations	Sprout Computers
	1,107,340	11	40,500	40,489	Negotiations	Ali Sajjad Kazmi
	164,000	4	4,000	3,996	Negotiations	Sabir Maseh
	6,430,740	2,661,737	3,275,857	614,120		

15. ACCRUED MARK-UP / RETURN

	Note	**2009** (Rupees)	2008 (Rupees)
Mark-up / return accrued on:			
Long term finances	15.1	**1,653,333**	13,898,442
Short term finances	15.1	**3,255,004**	187,122
Certificates of investment		**10,764,820**	8,421,758
		15,673,157	22,507,322

15.1 This includes an amount of Rs. 4,908,337 (2008: Rs. 10,260,141) payable to Standard Chartered Bank (Pakistan) Limited.

16. ACCRUED AND OTHER LIABILITIES

	Note	2009	2008
Accrued expenses			
Provision for leave fare assistance		**761,912**	632,758
Other expenses	16.1	**7,275,094**	12,494,120
		8,037,006	13,126,878
Other liabilities			
Advances from customers pending lease execution		**5,187,700**	(277)
Customer insurance payable		**9,883,489**	16,556,013
Unclaimed dividend		**3,826,753**	3,852,976
Others		**2,381,271**	780,852
		21,279,213	21,189,564
		29,316,219	34,316,442

16.1 This includes an amount of Rs.1,518,660 (2008: Rs. 9,518,924) payable to Standard Chartered Bank (Pakistan) Limited.

17. SHORT TERM BORROWINGS

The Company holds a running finance facility amounting to Rs. 950 million from Standard Chartered Bank (Pakistan) Limited, the Holding Company. The facility carries mark-up at the rate of 3-months KIBOR plus 2.25 (2008: 3-months KIBOR plus 0.75) percent per annum. The facility is secured by way of a hypothecation charge on specific leased assets and lease rentals receivable to the extent of Rs. 1,084 million including term finance 3 as referred to in note 20.1.

		2009	2008
18. SHORT TERM CERTIFICATES OF INVESTMENT - unsecured		(Rupees)	
Short term certificates of investment	18.1	**505,677,105**	68,428,114

18.1 These certificates have been issued for periods ranging from three months to one year. Rates of return range from 8.1 percent to 16.75 percent (2008: 5.5 percent to 10.5 percent) per annum.

19. CURRENT PORTION OF NON-CURRENT LIABILITIES			
Long term finances	20	**66,666,668**	220,000,003
Long term deposits	21	**219,042,292**	241,529,325
Long term certificates of investment	22	**27,126,724**	396,437,465
		312,835,684	857,966,793

20. LONG TERM FINANCES			
From related parties	20.1	**66,666,668**	153,333,334
From banking companies		**-**	133,333,337
		66,666,668	286,666,671
Less: Current portion shown under current liabilities			
- long term finances from related parties	20.1	**(66,666,668)**	(86,666,666)
- long term finances from banking companies		**-**	(133,333,337)
		(66,666,668)	(220,000,003)
		-	66,666,668

20.1 From related parties

Name of lending Institution	Facility amount (Rupees in million)	Security (Hypothecation of specific leased assets and rentals receivable)	Commencement and mode of repayment	Mark-up rate % per annum		
Standard Chartered Bank (Pakistan) Limited - Term Finance - 2	80	Nil (2008: Rs. 1,084 million)	-	-	**-**	20,000,000
					-	-
Standard Chartered Bank (Pakistan) Limited - Term Finance - 3	200	Rs. 1,084 million (2008: Rs. 1,084 million) including short term finances.	Six half yearly installments of Rs. 33.33 million each, commencing 31 October 2007	6-Month KIBOR plus 0.75 (2008: 6-Month KIBOR plus 0.75)	**66,666,668**	133,333,334
					66,666,668	153,333,334
Less: Current portion shown under current liabilities					**(66,666,668)**	(86,666,666)
					-	66,666,668

21. LONG TERM DEPOSITS

		2009	2008
		(Rupees)	
Long term security deposits	21.1	**420,376,656**	526,658,384
Less: Current portion shown under current liabilities		**219,042,292**	241,529,325
		201,334,061	285,129,059

21.1 These represent interest free security deposits received against lease contracts and are refundable / adjustable on expiry / termination of the respective leases.

22. LONG TERM CERTIFICATES OF INVESTMENT - unsecured

Other than related parties		**129,678,917**	505,224,628
Less: Current portion shown under current liabilities		**27,126,724**	396,437,465
		102,552,193	108,787,163

22.1 These certificates have been issued for periods ranging from two years to five years and carry mark-up at rates ranging from 5.5 percent to 16 percent (2008: 5 percent to 14 percent) per annum.

23. DEFERRED LIABILITIES

Provision for gratuity	36.5	**849,311**	288,065

24. SHARE CAPITAL

Authorised capital

2009	2008			
(Number of shares)				
100,000,000	50,000,000	Ordinary shares of Rs.10 each	**1,000,000,000**	500,000,000

Issued, subscribed and paid-up share capital

84,051,288	25,350,000	Ordinary shares of Rs.10 each fully paid in cash	**84,512,880**	253,500,000
13,784,192	13,784,192	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	**137,841,920**	137,841,920
97,835,480	39,134,192		**978,354,800**	391,341,920

24.1 Standard Chartered Bank (Pakistan) Limited, the Holding Company, owns 84,579,276 (2008: 25,917,296) ordinary shares which constitutes 86.45 percent (2008: 66.23 percent) of the total issued, subscribed and paid-up share capital.

25. RESERVES

	Note	2009	2008
		(Rupees)	
Statutory reserve	25.1	**94,407,485**	94,407,485
Accumulated loss		**(336,624,371)**	(276,651,442)
Share issue expenses incurred during the year		**(3,892,598)**	-
(Deficit) / surplus on revaluation of investments	25.2	**-**	(853,445)
		(246,109,492)	(183,097,402)

25.1 Statutory reserve represents profits after tax set aside to comply with the requirements of Prudential Regulations for Non-Banking Finance Companies issued by the Securities and Exchange Commission of Pakistan.

25.2 (Defieit) / surplus on revaluation of investments

Mutual funds	7.2	**-**	(853,445)

26. COMMITMENTS

Commitments for finance leases	**323,324,712**	188,535,700

27. INCOME FROM LEASE

Finance income	**141,428,375**	132,709,036
Documentation fee	**980,980**	272,500
Penal charges	**9,872,990**	14,283,414
Termination charges	**1,162,924**	2,979,169
Miscellaneous income	**11,976,501**	470,405
	165,421,770	150,714,524

28. INTEREST / MARK-UP / RETURN EARNED

On investments		
- Government securities	**11,413,502**	12,152,781
- Term Finance Certificates	**65,764**	1,618,857
- Dividend income	**506,150**	1,100,750
	11,985,416	14,872,388
On loans		
- Long term loans	**410,857**	454,956
- Short term loans and fund placements	**393,609**	7,760,643
	804,466	8,215,599
	12,789,882	23,087,987

29. OTHER INCOME

Profit on deposits	29.1	**245,782**	123,623
Miscellaneous		**814,296**	85,608
		1,060,078	209,231

29.1 This represents profit on dividend account maintained with Standard Chartered Bank (Pakistan) Limited.

30. FINANCE COST

Related parties		
Mark-up on long term finances	**21,246,889**	24,076,127
Mark-up on short term finances	**25,082,654**	187,122
Bank charges	**412,148**	433,254
	46,741,691	24,696,503
Other than related parties		
Mark-up on long term finances		
	-	37,967,378
Return on:		
- Long term certificates of investment	**26,792,025**	65,146,227
- Short term certificates of investment	**16,422,500**	9,701,750
	43,214,525	74,847,977
Others	**1,208,256**	78,142
	91,164,472	137,590,000

31. ADMINISTRATIVE AND OPERATING EXPENSES

	Note	2009	2008
		(Rupees)	
Staff salaries and benefits	31.1	**35,749,700**	28,254,186
Printing and stationery		**1,273,673**	2,268,725
Communication		**872,925**	1,024,499
Rent, rates and taxes		**1,921,208**	2,325,859
Utilities charges		**1,363,224**	1,363,224
Travelling and conveyance		**497,961**	800,193
Vehicles' running and maintenance		**1,545,068**	1,116,014
Insurance		**603,499**	554,283
Auditors' remuneration	31.3	**1,185,145**	651,724
Repairs and maintenance		**225,901**	756,435
Fees and subscription		**1,448,654**	473,652
Advertisement		**308,717**	199,180
Entertainment		**316,468**	293,972
Newspapers and periodicals		**30,251**	39,847
Amortisation of deferred cost		**260,617**	369,942
Depreciation	14	**2,879,805**	2,377,433
Amortisation of loan processing charges		**-**	74,531
Legal and professional charges		**2,513,164**	3,023,823
Penalty		**-**	46,000
General expenses		**837,268**	2,278,757
		53,833,248	48,292,279

31.1 Salaries and benefits include Rs. 1,233,520 (2008: Rs.724,018) and Rs. 2,000,000 (2008: 1,960,170) in respect of Company's contribution to provident fund and gratuity expense respectively.

31.2 The total number of employees at 30 June 2009 is 32 (2008: 25).

31.3 Auditors' remuneration

	2009	2008
	(Rupees)	
Annual audit fee	**795,832**	300,000
Half yearly review	**125,000**	125,000
Other certifications	**50,000**	50,000
Out of pocket expenses	**214,313**	176,724
	1,185,145	651,724

32. TAXATION

	2009	2008
Current	**-**	6,278,612
Prior	**3,420,774**	245,354
	3,420,774	6,523,966

32.1 Effective tax rate reconciliation

Numerical reconciliation between the average tax rate and the applicable tax rate has not been presented as in view of current losses no tax is payable. The Company's tax computation gives rise to a tax loss due to unabsorbed tax depreciation and as explained in Note 13, furrther deferred tax asset has not been recorded on such losses.

32.2 Current status of tax assessments

The Company's assessments raised for the assessment years 1998-99 to 2002-03 whereby lease key money amounting to Rs. 227 million have been added to Company's income. In the Company's appeals with the Income Tax Apellate Tribunal, the addition was held. The company filed rectification application before ITAT that certain arguments advanced at the time of hearing of appeals were not considered while framing the order. The ITAT vide appellate order dated 27 February 2008 has recalled its original appellate order for all years to the extent through which the said addition of lease key money was confirmed and referred to the Chairman ITAT to constitute larger bench for rehearing / decision of the case. No provision has been made in this respect as the management is of the view that the same will be allowed.

	2009	2008
	(Rupees)	

33. LOSS PER SHARE - BASIC AND DILUTED

	2009	2008
Loss after taxation	**(59,972,937)**	(63,261,755)
	(Number of shares)	
Weighted average number of outstanding ordinary shares	**71,070,890**	25,471,959
	(Rupees)	
Loss per share (Basic and diluted)	**(0.84)**	(2.48)

34. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise of the following balance sheet amounts:

		2009	2008
		(Rupees)	
Cash and bank balances	4	**5,293,906**	5,121,909
Short term borrowings		**(101,043,259)**	(99,626,475)
		(95,749,353)	(94,504,566)

35. REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

	2009		2008	
	Chief Executive	Executives	Chief Executive	Executives
	(Rupees)		(Rupees)	
Managerial remuneration including bonus	**5,203,355**	**6,821,659**	1,305,810	2,285,651
Housing, utilities and others	**3,268,953**	**3,663,908**	718,190	1493,373
Retirement benefits	**350,138**	**520,227**	108,779	118,796
	8,822,446	**11,005,794**	2,132,779	3,897,820
Number of persons	**1**	**8**	1	4

35.1 The Company provides free use of Company maintained cars to chief executive and executives in accordance with the terms of their employment.

36. DEFINED BENEFIT GRATUITY PLAN

36.1 General description

The gratuity plan is a defined benefit final salary plan and the latest actuarial valuation, at 30 June 2009, uses the projected unit credit method. The valuation discount rate is 12.5% (2008: 13.2%). The discount rate represents yield on long term Government bonds. Salary increases are assumed to average 10.4% (2008: 11.1%) in long term.

36.2 Obligation

	2009	2008
	(Rupees)	
Obligation at beginning of the year	**619,652**	2,454,314
Current service costs	**541,838**	826,494
Interest cost	**77,217**	115,496
Benefits paid	**(76,129)**	(2,883,926)
Actuarial loss	**-**	107,274
Obligation at end of the year	**1,162,578**	619,652

36.3 Reconciliation

Obligation	**1,162,578**	619,652
Unrecognised net loss	**(313,268)**	(331,587)
Recognised liability	**849,310**	288,065

36.4 Expense

Current service costs	**8,541,838**	826,495
Interest cost	**77,217**	115,496
Recognition of loss	**18,320**	1,018,179
Total expense	**637,375**	1,960,170

36.5 Recognised liability

Liability at beginning of the year	**288,065**	1,211,821
Expense	**637,375**	1,960,170
Payments made	**(76,129)**	(2,883,926)
Liability at end of the year	**849,311**	288,065

The Company amortises gains and losses over the expected remaining services of current plan members. The following table shows obligation at the end of each year and the proportion thereof resulting from experience loss during the year.

Year	Obligation	Loss
FY09	1,162,578	0%
FY08	619,652	17%
FY07	2,454,314	8%
FY06	4,320,322	9%
FY05	3,520,231	14%
FY04	2,506,425	12%

37. RELATED PARTY TRANSACTIONS

The Company has a related party relationship with its Parent Company, fellow subsidiary, staff retirement funds and key management personnel.

The details of significant related party transactions and balances as at 30 June 2009 are as follows:

	2009				2008			
	Parent Company	Other related party	Key management personnel	Total	Parent Company	Other related party	Key management personnel	Total
	(Rupees)				(Rupees)			
TRANSACTIONS DURING THE YEAR								
Lease rentals received	-	-	-	-	3,128,444	-	-	3,128,444
Mark-up on long term finances	23,731,531	-	-	23,731,531	24,076,127	-	-	24,076,127
Profit on long term loans	-	-	224,656	224,656	-	-	291,150	291,150
Profit on bank deposits	245,782	-	-	245,782	123,623	-	-	123,623
Profit on short term placements	393,610	-	-	393,610	1,713,235	6,047,408	-	7,760,643
Certificates of investment redeemed	-	-	-	-	-	-	5,300,000	5,300,000
Managerial remuneration	-	619,355	12,025,014	12,644,369	-	-	3,591,461	3,591,461
House rent	-	247,742	4,306,304	4,554,046	-	-	1,354,977	1,354,977
Utilities	-	61,935	1,572,672	1,634,607	-	-	359,150	359,150
Retirement benefits	-	116,624	870,365	986,989	-	-	227,575	227,575
Other allowances	-	258,065	1,053,885	1,311,950	-	-	497,436	497,436
Apportionment of expenses under Service Level Agreement								
Salaries and wages	1,266,912	-	-	1,266,912	1,266,912	-	-	1,266,912
Rent	1,527,708	-	-	1,572,708	1,547,520	-	-	1,547,520
Utilities	1,363,224	-	-	1,363,224	1,363,224	-	-	1,363,224
Information technology	984,880	-	-	984,880	536,712	-	-	536,712
Telecommunication	17,556	-	-	17,556	17,556	-	-	17,556
Repair and maintenance	119,808	-	-	119,808	119,808	-	-	119,808
Entertainment	97,968	-	-	97,968	97,968	-	-	97,968
Stationery	64,104	-	-	64,104	64,104	-	-	64,104
Travelling and conveyance	88,764	-	-	88,764	88,764	-	-	88,764
Miscellaneous	1,945,764	-	-	1,945,764	1,970,952	-	-	1,970,952
BALANCES								
Long term finances	66,666,668	-	-	66,666,668	153,333,335	-	-	153,333,335
Accrued Mark-up on short term finances	3,255,004	-	-	3,255,004	187,122	-	-	187,122
Accrued Mark-up on long term finances	1,655,333	-	-	1,653,333	10,260,141	-	-	10,260,141
Savings deposits	5,267,413	-	-	5,267,413	4,979,630	-	-	4,979,630
Short term borrowings	101,043,259	-	-	101,043,259	99,626,475	-	-	99,626,475
Long term loans advanced to key employees	-	-	13,965,637	13,965,637	-	-	-	-

The Company has entered into a Service Level Agreement dated 01 July 2004 with Standard Chartered Bank (Pakistan) Limited. The agreement provides for the basis of charge and rates on account of services provided by the bank. These include services on account of space and administration, networking, consumer operational support, consumer collection support and operating from bank's branches.

"Accruals in respect of staff retirement plans are made in accordance with the actuarial valuation / terms of contribution plan (refer notes 36 & 3.7.1 of these financial statements for details of the plans)."

38. FINANCIAL INSTRUMENTS

The Company has exposures to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

38.1 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation. The risk is generally limited to principal amounts and accrued interest thereon, if any. The company's policy is to enter into financial contracts in accordance with the internal risk management policies and the requirements of the NBFC rules and regulations. Out of the total financial assets of Rs. 1,478 million (2008: Rs. 1,117 million), the financial assets which are subject to credit risk amounted to Rs. 1,472 million (2008: Rs. 1,103 million). The carrying amount of these financial assets represents the maximum credit exposure at the reporting date. This is as follows:

	2009	2008
	(Rupees)	
Bank balances	**5,279,874**	5,047,209
Accrued mark-up / return	**3,038,081**	3,333,165
Other receivables	**22,190,059**	10,192,405
Long term investment	**157,828,286**	165,437,314
Net investment in finance leases (net of security deposits held)	**1,264,306,974**	913,751,310
Long term loans	**19,641,324**	5,016,148
	1,472,284,598	1,102,777,551

38.1.1 Description of Collateral held

The Company's leases are secured against assets leased out. In a few leases additional collateral is also obtained in the form of mortgaged property.

38.1.2 Lease contracts restructured

The carrying value of lease contracts re-structured during the year, which would other wise be past due or impaired as at year end is Rs. 26.3 million (2008: Rs. 45.1 million).

38.1.3 Aging Analysis of Net Investment in Finance Lease (net of security deposits held)

	2009			
Past due	**Carrying Amount**	**Amount on which no impairment recognised**	**Amount on which impairment recognised**	**Impairment recognised**
	(Rupees)			
0 days	**999,329,890**	**999,142,862**	**187,028**	**187,028**
1-89 days	**187,417,251**	**180,017,334**	**7,399,917**	**5,224,174**
90 days-1 year	**80,415,672**	**44,113,553**	**36,302,119**	**26,588,447**
1 year-2 years	**90,252,720**	**-**	**90,252,720**	**77,673,175**
2 years-3 years	**111,410,134**	**-**	**111,410,134**	**103,614,271**
More than 3 years	**170,601,509**	**-**	**170,601,509**	**161,833,107**
Total	**1,639,427,176**	**1,223,273,749**	**416,153,427**	**375,120,202**

	2008			
Past due	Carrying Amount	Amount on which no impairment recognised	Amount on which impairment recognised	Impairment recognised
	(Rupees)			
0 days	442,865,308	442,865,308	-	-
1-89 days	248,823,558	247,841,545	982,013	920,262
90 days-1 year	210,730,561	153,438,177	57,292,384	33,951,148
1 year-2 years	128,014,418	-	128,014,418	97,027,302
2 years-3 years	120,141,275	-	120,141,275	118,537,347
More than 3 years	57,805,636	-	57,805,636	44,193,387
Total	1,208,380,756	844,145,030	364,235,726	294,629,446

Impairment is recognised by the Company in accordance with Schedule X of NBFC Regulations, 2008 and subjective evaluation of investment portfolio carried out on an ongoing basis.

38.1.4 Assets repossessed against lease contracts

In order to recover the amount outstanding from non-performing customers in certain cases the assets are repossessed and subsequently sold.

The value of assets repossessed during the year (mainly vehicles) amounted to Rs. 4.5 million (2008: Rs. 25.2 million).

38.1.5 Concentration of credit risk

The Company manages credit risk and its concentration exposure through diversification of activities to avoid undue concentration of risks with individuals, groups or specific industry segments. For this purpose, the Company has established exposure limits for individuals and industrial sectors.

Details of the industrial sector analysis of lease portfolio (net of security deposits held) are as follows:

	2009		2008	
Sectors	**(Rupees)**	**%**	(Rupees)	%
Chemicals and allied	**53,281,383**	**3.25**	15,588,112	1.29
Construction and building products	**67,052,571**	**4.09**	22,596,720	1.87
Dairy and beverages	**70,659,311**	**4.31**	483,352	0.04
Electric and electric goods	**71,315,082**	**4.35**	36,130,585	2.99
Engineering and metals	**6,229,823**	**0.38**	14,621,407	1.21
Fibres	**2,950,969**	**0.18**	4,350,171	0.36
Financial institutions	**-**	**-**	1,933,409	0.16
Food and confectionery	**57,379,951**	**3.50**	4,833,523	0.40
Glass and ceramics	**6,065,881**	**0.37**	6,525,256	0.54
Health care	**23,771,694**	**1.45**	21,509,177	1.78
Hotels	**4,918,282**	**0.30**	4,712,685	0.39
Individuals	**139,843,138**	**8.53**	217,750,212	18.02
Information technology	**5,737,995**	**0.35**	17,038,169	1.41
Leather and tannery	**1,803,370**	**0.11**	3,141,790	0.26
Media and advertising	**819,714**	**0.05**	3,504,304	0.29
Miscellaneous manufacturing	**110,497,392**	**6.74**	42,293,326	3.50
Miscellaneous services	**126,399,835**	**7.71**	133,284,397	11.03
Natural or industrial gas and LPG	**2,459,141**	**0.15**	10,150,398	0.84
Paper and board	**4,262,511**	**0.26**	4,350,171	0.36
Petroleum and oilfield	**1,360,725**	**0.08**	7,854,475	0.65
Pharmaceuticals	**55,576,581**	**3.39**	24,046,777	1.99
Sugar and allied	**78,364,619**	**4.78**	120,838	0.01
Telecommunication	**16,230,329**	**0.99**	23,200,911	1.92
Textile	**206,403,881**	**12.59**	212,675,013	17.60
Transport	**239,848,196**	**14.63**	319,012,520	26.40
Others	**286,194,804**	**17.46**	56,673,057	4.69
	1,639,427,178	**100.00**	1,208,380,755	100.00

	2009	2008
	(Rupees)	
Net Investment in Finance Lease	**2,059,803,529**	1,735,039,140
Less: Security deposits held	**(420,376,353)**	(526,658,384)
	1,639,427,176	1,208,380,756

38.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The following are the contractual maturities of financial liabilities, including interest payments:

	2009						
	Carrying Amount	Contractual cash flows	Up to 1 month	Over 1 month to 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years
Financial liabilities	(Rupees)						
Long term finances and mark up payable	**68,320,001**	**(73,606,303)**	**-**	**-**	**(73,606,303)**	**-**	**-**
Accrued and other liabilities	**24,128,519**	**(24,128,519)**	**(24,128,519)**	**-**	**-**	**-**	**-**
Long term deposits	**420,376,353**	**(420,376,353)**	**(90,266,705)**	**(26,885,795)**	**(97,722,558)**	**(204,671,295)**	**(830,000)**
Certificates of investment and mark-up payable thereon	**646,120,842**	**(697,216,067)**	**(121,636,109)**	**(242,221,721)**	**(207,906,090)**	**(125,452,147)**	**-**
Short-term borrowings and mark up payable	**104,298,263**	**(104,298,263)**	**(104,298,263)**	**-**	**-**	**-**	**-**
	1,263,243,978	**(1,319,625,505)**	**(340,329,596)**	**(269,107,516)**	**(379,234,951)**	**(330,123,442)**	**(830,000)**

	2008						
	Carrying Amount	Contractual cash flows	Up to 1 month	Over 1 month to 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years
Financial liabilities	(Rupees)						
Long term finances and mark up payable	300,565,113	(323,059,241)	(3,228,195)	(94,089,079)	(153,530,367)	(72,211,600)	-
Accrued and other liabilities	34,316,719	(34,316,719)	(34,316,719)	-	-	-	-
Long term deposits	526,658,384	(526,658,384)	(72,101,085)	(38,644,982)	(117,815,409)	(297,736,908)	(360,000)
Certificates of investment and mark-up payable thereon	582,074,500	(619,695,340)	(209,587,165)	(118,747,201)	(169,625,034)	(121,735,940)	-
Short-term borrowings and mark up payable	99,813,597	(99,813,597)	(99,813,597)	-	-	-	-
	1,543,428,313	(1,603,543,281)	(419,046,761)	(251,481,262)	(440,970,810)	(491,684,448)	(360,000)

38.2.1. The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rates effective as at year end (and includes both principal and interest payable thereon). The rates of mark-up have been disclosed in notes 17, 18, 20.1 and 22 to these financial statements.

38.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments.

38.3.1 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market yield. The Company has adopted appropriate policies to minimise its exposure to this risk. At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments and the periods in which the mature is a follows:

	2009						
			Exposed to interest rate risk				
	Effective yield	Carrying Account	Upto 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Not exposed to interest rate risk
		(Rupees)					
Financial assets							
Bank balances	**5.00%**	**5,279,874**	**5,267,413**	**-**	**-**	**-**	**12,461**
Accrued mark-up / return	**-**	**3,038,081**	**-**	**-**	**-**	**-**	**3,038,081**
Advances and other receivables	**16.27%**	**22,190,059**	**19,896,800**	**-**	**-**	**-**	**2,293,259**
Short term investments	**-**	**5,740,890**	**-**	**-**	**-**	**-**	**5,740,890**
Long term investments	**9%-14%**	**157,828,286**	**124,692**	**4,859,563**	**152,844,031**	**-**	**-**
Net investment in finance leases	**9%-25%**	**1,684,683,327**	**988,453,892**	**593,676,998**	**102,552,437**	**-**	**-**
Long term loans	**3%-5%**	**19,641,324**	**4,392,156**	**978,891**	**4,059,972**	**6,123,105**	**4,087,200**
		1,898,401,841	**1,018,134,953**	**599,515,452**	**259,456,440**	**6,123,105**	**15,171,891**
Financial liabilities							
Accrued mark-up / return	**-**	**15,673,157**	**-**	**-**	**-**	**-**	**15,673,157**
Accrued and other liabilities	**-**	**24,128,519**	**-**	**-**	**-**	**-**	**24,128,519**
Short term borrowings	**14.3%-16.83%**	**101,043,259**	**101,043,259**	**-**	**-**	**-**	**-**
Long term finances	**11.1%-16.43%**	**66,666,668**	**66,666,668**	**-**	**-**	**-**	**-**
Long term deposits	**-**	**420,376,353**	**-**	**-**	**-**	**-**	**420,376,353**
Certificate of investments	**5.5%-16.75%**	**635,356,022**	**341,900,995**	**192,202,834**	**101,252,193**	**-**	**-**
		1,263,243,978	**509,610,922**	**192,202,834**	**101,252,193**	**-**	**460,178,029**
On balance sheet gap - 2009		**635,157,863**	**508,524,031**	**407,312,618**	**158,204,247**	**6,123,105**	**(445,006,138)**

	2008						
			Exposed to interest rate risk				
	Effective yield	Carrying Account	Upto 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Not exposed to interest rate risk
		(Rupees)					
Financial assets							
Bank balances	0.05%-5.79%	5,047,209	4,979,630	-	-	-	67,579
Accrued mark-up / return	-	3,333,165	-	-	-	-	3,333,165
Advances and other receivables	13.40%	10,192,405	2,425,500	-	-	-	7,766,905
Short term investments	-	14,698,035	-	-	-	-	14,698,035
Short term loans	-	42,105	-	-	-	-	42,105
Long term investments	8%-14%	165,437,314	108,604	6,286,818	159,041,892	-	
Net investment in finance leases	8.75%-28.33%	1,440,409,694	672,024,613	521,777,478	246,232,315	375,288	-
Long term loans	3%-4%	5,016,148	198,251	442,661	1,904,494	2,470,742	-
		1,644,176,075	679,736,598	528,506,957	407,178,701	2,846,030	25,907,789
Financial liabilities							
Accrued mark-up / return	-	22,507,322	-	-	-	-	22,507,322
Accrued and other liabilities	-	34,316,719	-	-	-	-	34,316,719
Short term borrowings	11.12%-14.82%	99,626,475	99,626,475	-	-	-	-
Long term finances	10.74%-12.41%	286,666,671	253,333,336	33,333,335	-	-	-
Long term deposits	-	526,658,384	-	-	-	-	526,658,384
Certificate of investments	5%-13%	573,652,742	312,661,379	152,204,200	108,787,163	-	(0)
		1,543,428,313	665,621,190	185,537,535	108,787,163	-	583,482,425
On balance sheet gap - 2008		100,747,762	14,115,408	342,969,422	298,391,538	2,846,030	(557,574,636)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have decreased / (increased) loss for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2008.

	Profit and loss 100 bp increase	Profit and loss 100 bp decrease
	(Rupees)	
As at 30 June 2009		
Cash flow sensitivity-Variable rate financial liabilities	**(3,010,772)**	3,010,772
Cash flow sensitivity-Variable rate financial assets	**5,849,290**	(5,849,290)
Net effect	**2,838,518**	(2,838,518)
As at 30 June 2008		
Cash flow sensitivity-Variable rate financial liabilities	**(5,297,946)**	5,297,946
Cash flow sensitivity-Variable rate financial assets	**2,711,183**	(2,711,183)
Net effect	**(2,586,763)**	2,586,763

The sensitivity analysis prepared is not necessarily indicative of the effects on loss for the year and assets / liabilities of the Company.

38.3.2 Equity price risk

Equity price risk is the risk of unfavourable changes in the fair value of equity securities as a result of changes in the levels of KSE-Index and the value of individual shares. The equity price risk exposure arises from the company's investments in equity securities for which prices in the future are uncertain. The company does not plan to make any father investment in equity securities.

As the entire investment portfolio has been classified in the AFS category, a 10% increase / decrease in redemption value and share prices at year end would have increased / decreased surplus on revaluation of investments and impairment loss of investment recognised in profit and loss account as follows:

	2009	2008
	(Rupees)	
Effect of increase in share price		
Effect on profit or loss (impairment loss)	**574,089**	1,055,148
Effect on equity	**-**	414,656
Effect on investments	**574,089**	1,469,804
Effect of decrease in share price		
Effect on profit or loss (impairment loss)	**(574,089)**	(2,323,249)
Effect on equity	**-**	853,445
Effect on investments	**(574,089)**	(1,469,804)

The sensitivity analysis prepared is not necessarily indicative of the effects on loss / equity and assets of the Company.

38.4 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction. The carrying values of the financial assets and financial liabilities approximate their fair values except for long term loans to employees, investments held-to-maturity, leases at fixed rate of return and long term COIs. The fair values of long term loans to employees, leases at fixed rate of return and long term COIs cannot be reasonably estimated due to absence of market for such loans. The fair value of held-to-maturity investments is disclosed in the Note 9.

39. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors on September 24, 2009.

Chairman

Chief Executive

AS ON 30-06-2009

Number of Shareholders	Shareholding		Total Shares Held	Percentage
	From	To		
543	1	100	28,213	0.03
1310	101	500	349,614	0.36
637	501	1000	489,746	0.50
738	1001	5000	1,496,349	1.53
90	5001	10000	655,252	0.67
35	10001	15000	426,298	0.44
24	15001	20000	444,028	0.45
13	20001	25000	305,102	0.31
8	25001	30000	227,198	0.23
5	30001	35000	157,622	0.16
4	35001	40000	148,258	0.15
3	40001	45000	129,982	0.13
3	45001	50000	142,029	0.15
4	50001	55000	208,196	0.21
2	60001	65000	122,820	0.13
4	65001	70000	277,000	0.28
2	75001	80000	158,764	0.16
2	80001	85000	161,925	0.17
1	85001	90000	89,000	0.09
3	95001	100000	295,150	0.30
1	105001	110000	108,500	0.11
1	115001	120000	120,000	0.12
1	120001	125000	125,000	0.13
1	135001	140000	138,869	0.14
1	200001	205000	200,500	0.20
1	205001	210000	209,500	0.21
1	215001	220000	217,077	0.22
1	240001	245000	240,500	0.25
1	260001	265000	264,582	0.27
1	325001	330000	330,000	0.34
1	330001	335000	333,500	0.34
1	335001	340000	340,000	0.35
1	370001	375000	374,000	0.38
1	445001	450000	447,500	0.46
1	460001	465000	463,000	0.47
1	770001	775000	773,924	0.79
1	795001	800000	797,206	0.81
1	1455001	1460000	1,460,000	1.49
1	84575001	84580000	84,579,276	86.45
3,450			**97,835,480**	**100.00**

Categories of Shareholding

Shareholder s Category	Number	Share Held	Percentage
Directors/Chief Executive Officer and their Spouse and minor children.	7	16,590	0.02
Executives	-	-	-
Associated Companies, Undertakings and related parties			
Standard Chartered Bank Pakistan Ltd.	1	84,579,276	86.45
NIT and ICP			
- NIT	2	1,571,130	
- IDBP (ICP UNIT)	2	3,582	1.61
Banks, Development Financial Institutions, Non-Banking Financial Institutions	9	511,722	0.52
Insurance Companies	1	217,077	0.22
Modarabas and Mutual Funds	2	6,719	0.01
Shareholding 10% or More (including in above category)	1*	*84,579,276	*86.45
Others	52	1,245,227	1.27
General Public (Pakistani & Foreign)	3,374	9,684,157	9.90
	3,450	97,835,480	100.00

A Directors/Chief Executive Officer and their spouse and minor Children	Share Held	Percentage
1 Mr. Badar Kazmi	2370	0.00
2 Mr. Ahsan Aziz	2370	0.00
3 Mr. Arjumand Ahmad Minai	2370	0.00
4 Mr. Cyrus J. Masani	2370	0.00
5 Mr. Imran Ahad	2370	0.00
6 Mr. Monis Mirza	2370	0.00
7 Mr. Tufail Jawed Ahmed	2370	0.00
	16,590	0.02

B Associated Companies, Undertakings and related parties	Share Held	Percentage
1. Standard Chartered Bank (Pakistan) Ltd. (Holding)	84,579,276	86.45

C SHAREHOLDING 10% OR MORE	Share Held	Percentage
1. Standard Chartered Bank (Pakistan) Ltd. (Holding)	84,579,276	86.45
	84,579,276	86.45

D NIT and IDBP (ICP UNIT)	Share Held	Percentage
1 NATIONAL BANK OF PAKISTAN,TRUSTEE DEPTT.	773,924	0.79
2 NATIONAL BANK OF PAKISTAN,TRUSTEE DEPTT.	797,206	0.81
3 IDBP (ICP UNIT)	1,082	0.00
4 IDBP (ICP UNIT)	2,500	0.00
	1,574,712	1.61

Form of Proxy

Standard Chartered
Leasing Limited

I/We ____

of ____

being member(s) of Standard Chartered Leasing Limited holding ____

ordinary shares hereby appoint ____

of ________________________________ or failing him/her ________________________________

of ________________________________ who is/are also member(s) of Standard Chartered Leasing

Limited as my/our Proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 16th Annual General Meeting of the

company to be held on October 23, 2009, at the Institute of Banker Pakistan.

As witness my/our hand(S) this ______________________________ day of ______________________________2009

Signed by ____

In the presence of ____

Folio No.

Signature
on
Revenue Stamp

Note:

1. The Proxy Form should be deposited in the Shares Office of the Company, as soon as possible but not later than 48 hours before the time of holding the meeting, failing which, Proxy Form will not be treated as valid.
2. No Person shall act as proxy unless he/she is a member of the Company.

Standard Chartered
Leasing Limited

Standard Chartered Leasing Limited
6th Floor, New Jubilee Insurance House,
I.I. Chundrigar Road, Karachi-74000 Pakistan.
(Formerly Union Leasing Limited)
Member Standard Chartered Group

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