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COMPANY INFORMATION

BOARD OF DIRECTORS

M R Khan	Chairman
S M Nadim Shafiqullah	Vice Chairman
Mohammed Khalid Ali	Chief Executive
S S Hamid	
Shafiq-ur-Rehman	
Rais Ahmad Dar	
Syed Naved Husain	
Masud Zain	

AUDIT COMMITTEE

M R Khan	Chairman
S.M. Nadim Shafiqullah	
Rais Ahmad Dar	
M Khalid Ali	Secretary to the Committee

INVESTMENT COMMITTEE

M R Khan	Chairman
S M Nadim Shafiqullah	
M Khalid Ali	

EXECUTIVE COMMITTEE

M R Khan	Chairman
S M Nadim Shafiqullah	
M Khalid Ali	
Shafiq-ur-Rehman	
Masud Zain	

HUMAN RESOURCE COMMITTEE

M R Khan	Chairman
S M Nadim Shafiqullah	
M Khalid Ali	
Masud Zain	
S S Hamid	

COMPANY SECRETARY

Salman Hameed

EXTERNAL AUDITORS

Anjum Asim Shahid Rahman, Chartered Accountants

INTERNAL AUDITORSFord, Rhodes, Sidat, Hyder & Company,
Chartered Accountants**LEGAL ADVISORS**

A K Brohi & Co., Advocates

TAX CONSULTANTSFord, Rhodes, Sidat, Hyder & Company,
Chartered Accountants**CREDIT RATING AGENCY**

JCR-VIS Credit Rating Company (Private) Limited

ENTITY RATING

A2 for short-term; A- for long term; Outlook - Stable

BANKERS & LENDING INSTITUTIONS

Allied Bank of Pakistan	Bank Al-Habib Limited
Bank Alfalah Limited	Faysal Bank Limited
First Women Bank Limited	Meezan Bank Limited
Habib Metropolitan Bank Limited	MCB Bank Limited
My Bank Limited	National Bank of Pakistan
Pak Kuwait Investment Company (Private) Limited	Pak Libya Holding Company (Private) Limited
Pak Oman Investment Company Limited	Soneri Bank Limited
The Bank of Khyber	The Bank of Punjab
Standard Chartered Bank (Pakistan) Limited	United Bank Limited

REGISTERED & HEAD OFFICE

Block-B, 5th Floor, Lakson Square No. 3, Sarwar Shaheed Road, Karachi-74200
 Tel: 111-111-902 Fax: 568 9854
 Web: www.seclearse.com e-mail: seclearse@seclearse.com

BRANCHES

Lahore - North Region
 8th Floor, City Towers,
 Main Gulberg Road, Lahore
 Phone: 042-5788660-61 Fax: 042-5788659

Hyderabad
 7th Floor, State Life Building,
 Thandi Sarak, Hyderabad.

SHARE REGISTRAR

Nobel Computer Services (Private) Limited
 2nd Floor, Sohni Centre BS 5 & 6
 Main Karimabad, Block 4, F.B. Area. Karachi
 Phone: 021-6801880-82 Fax: 021-6801129

DIRECTORS' REVIEW

The directors are pleased to present their report of the financial statements of your Company for the quarter and six months ended December 31, 2007.

As you will notice, your Company continued to consolidate its growth during the period under review. Compared to 30th June 2007 its total assets increased to Rs. 5,951.6 million from Rs. 5,400 million while the net investment in leases increased to Rupees 4,167.2 million from Rupees 4,020.1 million. The revenue amounted to Rupees 294.5 million including income from non-leasing operations, which amounted to Rupees 50.3 million. The profit after tax was Rupees 5.43 million compared to Rs. 3.85 million in the previous corresponding period. The earning per share has been Rs. 0.15.

The low profitability of the Company during the quarter has resulted due to the consolidation of its equity portfolio by selling out portion of portfolio which was not performing well. However, the company remained focused on the core business of leasing and other financial activities which has resulted in increased revenue from leasing operations and other profit based income compared to the previous period.

As informed earlier through our announcement on the stock exchange on January 22, 2008, the foreign shareholders of the company, Merrill Lynch Pierce Fenner who holds 28.3% of the company shares has applied to the Securities & Exchange Commission of Pakistan for permission to sell off its shareholding. The approval has not been granted as yet but we hope that the new shareholders would contribute towards the growth and progress of the company.

Your company is, however, adopting measures which will minimize as in the past any adverse effects and improve its profitability during the current year as also in the coming years. The company has been successful in arranging financing facilities on short and long-term basis with accent on quality leases, timely recovery of lease rentals, cost control measures and measured expansion of its other business activities.

The lease portfolio of the company has remained well diversified with investment in different sectors of the economy, with exposure not exceeding 20% in any one sector. As a result, the lease rental recovery has remained high during the period even though some borrowers experienced cash-flow problems.

Your directors recognize and appreciate the support of the lending institutions and the dedicated service rendered by the management and other members of the staff of the Company to promote its steady growth on sound lines.

For and on behalf of the Board of Directors



M. R. Khan
Chairman

Karachi: February 29, 2008

Anjum Asim Shahid Rahman
Chartered Accountants

Grant Thornton 

Auditors' report to the members of
Security Leasing Corporation Limited
on review of interim financial information

Introduction

We have reviewed the accompanying condensed interim balance sheet of Security Leasing Corporation Limited as at December 31, 2007 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity together with selected explanatory notes forming part thereof for the half year then ended (herein after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of the interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended December 31, 2007 and 2006 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2007.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the half year ended December 31, 2007 is not prepared in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Sd/-

Anjum Asim Shahid Rahman
Chartered accountants
Karachi
Date: February 29, 2008

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BALANCE SHEET

AS AT DECEMBER 31, 2007

	Note	December 31, 2007 Rupees Unaudited	June 30, 2007 Rupees Audited
ASSETS			
Current assets			
Balances with banks	4	11,030,003	39,109,860
Investments - available for sale	5	492,061,446	536,808,259
Short - term finances		404,260,100	94,048,622
Advances, deposits, prepayments and other receivables		114,732,953	117,191,396
Current portion of non-current assets	6	1,877,299,738	1,611,947,765
Total current assets		2,899,384,239	2,399,105,902
Non - current assets			
Net investment in leases	7	2,533,840,425	2,467,054,182
Deferred costs		829,878	1,573,878
Long - term deposits		539,400	539,400
Long - term finances		24,145,231	39,895,858
Long - term investments	8	280,352,368	282,469,712
Property and equipments	9	212,475,399	209,844,080
Total non - current assets		3,052,182,701	3,001,377,110
Total Assets		5,951,566,941	5,400,483,012
LIABILITIES			
Current liabilities			
Accrued and other liabilities		203,774,935	123,278,854
Short - term finances		780,832,987	1,052,450,000
Current maturity of long - term finances	10	338,750,000	568,750,000
Certificates of investment	10.3	739,132,138	440,861,287
Current maturity of long - term deposits		244,881,823	183,823,902
Total current liabilities		2,307,371,883	2,369,164,043
Non - current liabilities			
Long - term finances		1,918,750,000	1,518,750,000
Certificates of investment		153,134,398	2,586,467
Long - term deposits		1,064,397,932	939,829,297
Total non - current liabilities		3,136,282,330	2,461,165,764
Total Liabilities		5,443,654,213	4,830,329,807
NET ASSETS		507,912,727	570,153,205
REPRESENTED BY			
Share capital	11	475,500,000	513,000,000
Reserves	12	96,126,890	90,559,898
		571,626,890	603,559,898
Unrealised loss on remeasurement of available for sale investments to fair value		(68,438,561)	(38,266,073)
		503,188,329	565,293,825
Surplus on revaluation of fixed assets		4,724,398	4,859,380
		507,912,727	570,153,205

CONTINGENCIES AND COMMITMENTS

The annexed selected notes from 1 to 18 form an integral part of these condensed interim financial statements.


CHAIRMAN


CHIEF EXECUTIVE

PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2007

	Note	Half Year ended		Quarter ended	
		31-Dec-07 Rupees	31-Dec-06 Rupees	31-Dec-07 Rupees	31-Dec-06 Rupees
REVENUE					
Income from finance leases		215,732,106	180,613,179	112,637,932	94,475,768
Income from operating leases		28,405,173	32,179,398	13,759,189	16,236,172
Other income		50,338,700	57,049,779	17,510,834	22,142,691
		294,475,979	269,842,356	143,907,955	132,854,631
EXPENSES					
Administrative and operating expenses		45,322,262	37,898,520	24,040,672	20,822,111
Finance cost		208,119,477	202,014,714	105,608,599	111,101,523
Direct cost of operating leases		21,131,490	21,830,844	10,767,047	12,051,168
Provision for potential lease and other losses		7,500,000	-	6,000,000	-
Amortization of deferred costs		744,000	312,000	372,000	156,000
		282,817,229	262,056,078	146,788,318	144,130,802
PROFIT FOR THE PERIOD BEFORE TAXATION					
		11,658,750	7,786,278	(2,880,363)	(11,276,171)
Income tax expense		6,226,740	3,853,280	2,935,375	2,106,234
Profit for the period		5,432,010	3,932,998	(5,815,738)	(13,382,405)
Earnings per share - basic and diluted	13	0.15	0.16	(0.16)	(0.55)

The annexed selected notes from 1 to 18 form an integral part of these condensed interim financial statements.


CHAIRMAN


CHIEF EXECUTIVE

STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2007

	Share capital	Statutory reserve	Unrealised loss on investment available for sale	Unappropriated profit	Total
Balance as at June 30, 2006 brought forward	392,000,000	68,605,000	(88,900,954)	18,835,111	390,539,157
Transferred from surplus on revaluation of fixed assets - incremental depreciation	-	-	-	400,140	400,140
Unrealized loss on investments classified as available for sale	-	-	(37,447,888)	-	(37,447,888)
Income/(expense) recognised directly in equity	-	-	(37,447,888)	400,140	(37,047,748)
Profit for the half year ended December 31, 2006	-	-	-	3,932,998	3,932,998
Total recognised income and (expense) for the half year	-	-	(37,447,888)	4,333,138	(33,114,750)
Final dividend for the year ended June 30, 2006 declared and paid subsequent to year end	-	-	-	(24,200,000)	(24,200,000)
Balance as at December 31, 2006 carried forward	392,000,000	68,605,000	(126,348,842)	(1,031,751)	333,224,407
Balance as at July 1, 2007 brought forward	513,000,000	76,505,000	(38,266,073)	14,054,898	565,293,825
Transferred from surplus on revaluation of fixed assets - incremental depreciation	-	-	-	134,982	134,982
Unrealized loss on investments classified as available for sale	-	-	(30,172,488)	-	(30,172,488)
Income/(expense) recognised directly in equity	-	-	(30,172,488)	134,982	(30,037,506)
Profit for the half year ended December 31, 2007	-	-	-	5,432,010	5,432,010
Total recognised income and (expense) for the half year	-	-	(30,172,488)	5,566,992	(24,605,496)
Redemption - Preference shares-Class A @ 25%	(37,500,000)	-	-	-	(37,500,000)
Balance as at December 31, 2007 carried forward	475,500,000	76,505,000	(68,438,561)	19,621,890	503,188,329

The annexed selected notes from 1 to 18 form an integral part of these condensed interim financial statements.


CHAIRMAN


CHIEF EXECUTIVE

CASH FLOW STATEMENT (UNAUDITED)

FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2007

	Note	Half year ended December, 31 2007	Half year ended December, 31 2006
CASH FLOWS FROM OEPRATING ACTIVITIES			
Profit before taxation		11,658,750	7,786,278
Adjustments for:			
Depreciation		22,145,842	22,391,792
Gain on disposal of listed securities		(3,642,129)	(5,919,270)
Gain on disposal of fixed assets		(470,042)	(404,994)
Amortization of deferred costs		744,000	312,000
Finance cost		208,119,477	202,014,714
Provision for gratuity		834,000	834,000
Provision for potential lease and other losses		7,500,000	-
Operating profit before working capital changes		246,889,898	227,014,520
Changes in operating assets/liabilities:			
Net investment in leases		(154,535,083)	(395,369,043)
Advances, prepayments and other receivables		2,906,465	(18,508,888)
Deposits from lessees		185,626,556	118,935,387
Short - term finances		9,818,782	85,000,000
Accrued and other current liabilities		80,881,944	6,414,312
Financial charges paid		(194,974,365)	(183,571,088)
Gratuity paid		(695,000)	(1,236,200)
Taxes paid		(6,674,762)	(3,923,253)
Dividend Paid		(13,650,000)	(37,497,402)
		(91,295,462)	(429,756,175)
Net cash from/(used-in) operating activities		155,594,436	(202,741,655)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(30,118,624)	(21,979,518)
Net (increase)/decrease in available for sale investments		20,333,798	(25,501,339)
Long - term finance		(169,352,506)	14,258,706
Proceeds from disposal of fixed asset		5,791,531	2,730,799
Short - term finances		(310,211,478)	(5,775,282)
Long - term deposits		-	(1,000)
Net cash (used-in) investing activities		(483,557,279)	(36,267,634)
CASH FLOWS FROM FINANCING ACTIVITIES			
Borrowings from financial institutions		950,000,000	420,000,000
Redemption of preference shares		(37,500,000)	-
Repayment to financial institutions		(780,000,000)	(319,984,000)
Net cash from financing activities		132,500,000	100,016,000
Net (decrease) in cash and cash equivalents		(195,462,843)	(138,993,289)
Cash and cash equivalents at beginning of the period		39,109,859	103,459,982
Cash and cash equivalents at end of the period	15	(156,352,984)	(35,533,307)

The annexed selected notes from 1 to 18 form an integral part of these condensed interim financial statements.


CHAIRMAN


CHIEF EXECUTIVE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2007

1 LEGAL STATUS AND NATURE OF BUSINESS

The company was incorporated on December 6, 1993 and commenced its operations on May 21, 1995. The company is a Non Banking Finance Company (NBFC) under Non-Banking Finance Companies Rules 2003 having leasing and housing finance licenses, however, leasing is the core business of the company. The registered office of the company is situated at 501, 5th Floor, Lakson Square Building No. 3, Sarwar Shaheed Road, Karachi, Pakistan. The company is listed on Karachi and Lahore Stock Exchanges.

2 STATEMENT OF COMPLIANCE

These condensed interim financial statements i.e. 'interim financial information' have been prepared in accordance with approved accounting standards as applicable in Pakistan, and requirements of the Companies Ordinance, 1984 (the Ordinance), the Non-Banking Finance Companies (Establishment and Regulation) Rules, (the Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2007 (the Regulations) and the Prudential Regulations for NBFCs (the Prudential Regulations). Approved accounting standards comprise such International Financial Reporting Standards (IFRS) as are notified under the Ordinance, provisions of and directives issued under the Ordinance. In case requirements differ, the provisions or directives of the Ordinance, the Rules, the Regulations and the Prudential Regulations shall prevail.

These condensed interim financial statements are un-audited but subject to limited scope review by the auditors as required by the Code of Corporate Governance and are circulated in accordance with section 245 of the Companies Ordinance, 1984.

3 ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the preceding annual published financial statements of the company for the year ended June 30, 2007.

		Dec-07 Rupees	Jun-07 Rupees
4	BALANCES WITH BANKS		
	Balance with State Bank of Pakistan in current account	30,649	86,339
	Balances with other banks in current accounts	10,999,354	39,023,521
		11,030,003	39,109,860
5	INVESTMENTS - Available for sale		
5.1	Listed securities		
	Term finance certificates	13,864,875	20,742,742
	Closed end mutual funds	77,892,392	77,892,393
	Equity investments	372,473,418	396,669,582
		464,230,685	495,304,717
5.2	Open end mutual funds	44,999,997	25,400,000
5.3	Unlisted securities		
	Term finance certificates	22,669,325	25,769,615
	Ordinary shares	20,000,000	20,000,000
		42,669,325	45,769,615
5.4	Membership cards	8,600,000	8,600,000
10	Carrying value	560,500,007	575,074,332
	Unrealised loss on remeasurement to fair value	23 (68,438,561)	(38,266,073)
	Fair market value	492,061,446	536,808,259

NOTES TO THE FINANCIAL STATEMENTS

FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2007

		Dec-07 Rupees	Jun-07 Rupees
6	CURRENT PORTION OF NON - CURRENT ASSETS		
	Current portion of:		
	Net investments in leases 7.1	1,633,319,508	1,553,070,668
	House loan	677,085	967,358
	Long term finance	1,666,665	4,999,999
	Musharika arrangements-secured	241,636,480	52,909,740
		1,877,299,738	1,611,947,765
7	NET INVESTMENT IN LEASES		
	Minimum lease rentals receivable	3,363,679,085	3,453,003,300
	Add: Residual value of leased assets	1,310,688,374	1,125,141,365
	Gross investments in leases	4,674,367,459	4,578,144,665
	Less: Unearned income	450,437,368	508,749,657
	Less: Provision for potential lease losses	56,770,158	49,270,158
		507,207,526	558,019,815
	Net investment in leases	4,167,159,933	4,020,124,850
	Less: current portion of net investment in leases	1,633,319,508	1,553,070,668
		2,533,840,425	2,467,054,182
7.1	Net investment in leases		
	Less than one year	1,633,319,508	1,553,070,668
	More than one year and less than five years	2,533,840,425	2,467,054,182
		4,167,159,933	4,020,124,850
8	LONG TERM INVESTMENTS-held to maturity		
	Pakistan Investment Bonds (PIB's)	280,352,368	282,469,712
9	PROPERTY AND EQUIPMENTS		
	Operating fixed assets 9.1	212,475,399	208,905,373
	Capital work in progress	-	938,707
		212,475,399	209,844,080

NOTES TO THE FINANCIAL STATEMENTS

FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2007

9.1 Following is the detail of additions and disposals in operating fixed assets during the period.

	December 31, 2007		December 31, 2006		
	Additions	Deletions	Additions	Deletions	
Owned					
Office premises	1,510,400	-	-	-	
Leasehold improvements	900,883	-	-	-	
Furnitures and fixtures	1,246,957	299,850	283,485	204,537	
Office equipments	213,437	14,000	60,750	12,500	
Computer equipments	83,191	-	738,728	-	
Generators and air conditioners	-	-	-	-	
Vehicles	4,280,775	5,145,500	10,576,000	5,463,825	
	8,235,643	5,459,350	11,658,963	5,680,862	
Leased					
Vehicles	-	-	-	604,000	
Operating Leased Assets					
Commercial vehicle	-	3,675,000	-	-	
Furnitures and fixtures	2,500,000	-	2,500,000	-	
Generators	12,000,000	-	2,750,000	-	
Equipments	8,321,688	-	645,680	-	
Motor vehicles	-	2,240,000	4,992,475	567,600	
	22,821,688	5,915,000	10,888,155	567,600	
	31,057,331	11,374,350	22,547,118	6,852,462	
	Commercial Banks	Financial Institutions	Others	Total	June 2007
	December 31, 2007				
	----- Rupees -----				

10 BORROWINGS

10.1 Short term finance

Payable within one year	517,382,987	263,000,000	450,000	780,832,987	1,052,450,000
Payable within one to five years	-	-	-	-	-
	517,382,987	263,000,000	450,000	780,832,987	1,052,450,000

10.2 Long term loans

Payable within one year	120,000,000	-	-	120,000,000	293,750,000
Payable within one to five years	-	200,000,000	-	200,000,000	393,750,000
	120,000,000	200,000,000	-	320,000,000	687,500,000

10.3 Certificate of investments

Payable within one year	625,000,000	100,000,000	14,132,138	739,132,138	440,861,287
Payable within one to five years	-	150,000,000	3,134,398	153,134,398	2,586,467
	625,000,000	250,000,000	17,266,536	892,266,536	443,447,754

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10.4 Term Finance Certificate

Payable within one year	119,375,000	99,375,000	-	218,750,000	275,000,000
Payable within one to five years	866,250,000	852,500,000	-	1,718,750,000	1,125,000,000
	985,625,000	951,875,000	-	1,937,500,000	1,400,000,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2007

		Dec-07 Rupees	Jun-07 Rupees
11 SHARE CAPITAL			
Authorised capital			
75,000,000 (June 2007: 50,000,000) ordinary shares of Rs. 10 each		750,000,000	500,000,000
50,000,000 (June 2007: 50,000,000) preference shares of Rs. 10 each		500,000,000	500,000,000
		1,250,000,000	1,000,000,000
During the period the company has increased its authorised capital of ordinary shares from 50 million to 75 million shares.			
11.1 Issued, subscribed and paid-up share capital			
22,100,000 (June 2007: 22,100,000) ordinary shares of Rs. 10 each fully paid in cash		221,000,000	221,000,000
14,200,000 (June 2007: 14,200,000) ordinary shares of Rs. 10 each issued as fully paid bonus shares		142,000,000	142,000,000
11,250,000 (June 2007: 15,000,000) preference shares-Class A of Rs. 10 each fully paid in cash		112,500,000	150,000,000
		475,500,000	513,000,000
11.2 Reconciliation of issued, subscribed and paid-up shares			
Number of the shares at beginning of the period		51,300,000	51,300,000
(Redeemed) during the period		(3,750,000)	-
Number of the shares at end of the period		47,550,000	51,300,000
12 RESERVES			
Capital Reserve			
Statutory reserve		76,505,000	76,505,000
Revenue Reserve			
Unappropriated profit		19,621,890	14,054,898
		96,126,890	90,559,898
	Half Year ended December 31, 2007	Half Year ended December 31, 2006	Quarter ended December 31, 2007
	Quarter ended December 31, 2006		
13 EARNINGS PER SHARE - basic and diluted			
Profit/(Loss) for the period (Rupees)	5,432,010	3,932,998	(5,815,737)
Number of ordinary shares issued	36,300,000	24,200,000	36,300,000
Earnings per share (Rupees)	0.15	0.16	(0.16)
			(0.55)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2007

Basic earnings per share has been calculated by dividing the profit/(loss) for the period attributable to the ordinary shareholders outstanding at the period end by the weighted average number of shares outstanding during the period. There is no dilutive effect on the basic earnings.

14 TAXATION

Current

Provision for current taxation is based on taxable income at current rates of taxation after taking into account tax credits, rebates and exemptions available, if any, or one-half of one percent of turnover, whichever is higher and in accordance with the presumptive tax regime, where applicable, of the Income Tax Ordinance 2001.

Deferred

A deferred tax asset has not been recognised in these condensed interim financial statements as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

	Half year ended December 31, 2007	Half year ended December 31, 2006
	----- Rupees -----	
15 CASH AND CASH EQUIVALENTS		
Balances with banks	11,030,003	8,759,179
Running Finance	(167,382,987)	(44,292,486)
	(156,352,984)	(35,533,307)

16 TRANSACTIONS WITH RELATED PARTIES AND ASSOCIATED UNDERTAKINGS

The related parties comprise Baluchistan Wheels Limited, Security Capital Services Limited, key management personnel and companies in which directors are common or a director hold office and staff retirement funds.

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

	Half year ended December 31, 2007	Half year ended December 31, 2006
	----- Rupees -----	
Transactions		
Lease rentals	-	447,725
Statutory expenses of Security Capital Services Limited	15,000	15,000
Contributions to the defined contribution plan	1,882,841	1,604,556
Directors fees	157,000	74,000
Remuneration to chief executive and executives	14,039,464	9,655,884
	December 31, 2007	June 30 2007
	----- Rupees -----	
Balances		
Loans to Directors.	6,946,970	15,234,044

All transactions with related parties are recorded as an arm's length price

NOTES TO THE FINANCIAL STATEMENTS

FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2007

17 DATE OF AUTHORIZATION

These financial statements were authorized for issue on February 29, 2008 by the Board of Directors of the company.

18 GENERAL

The figures have been rounded off to the nearest rupee.

The figures of the profit and loss account for the quarter ended December 31, 2007 and 2006 have not been reviewed by the auditors.



CHAIRMAN



CHIEF EXECUTIVE