

CONTENTS

Company Information	2
Directors' Review	4
Condensed Interim Balance Sheet	5
Condensed Interim Profit and Loss Account	6
Condensed Interim Statement of Comprehensive Income	7
Condensed Interim Statement of Changes in Equity	8
Condensed Interim Cash Flow Statement	9
Condensed Interim Notes to the Financial Statements	10



Security Leasing
Corporation Limited

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. M R Khan	Chairman
Mr. S M Nadim Shafiqullah	Vice Chairman
Mr. Mohammed Khalid Ali	Chief Executive
Mr. S S Hamid	
Mr. S. Naved Husain	
Mr. Shafiq-ur-Rehman	
Mr. Ahmad Ali Khan	

AUDIT COMMITTEE

Mr. M R Khan	Chairman
Mr. S M Nadim Shafiqullah	
Mr. S.S. Hamid	

INVESTMENT COMMITTEE

Mr. M R Khan	Chairman
Mr. S M Nadim Shafiqullah	
Mr. M Khalid Ali	

EXECUTIVE COMMITTEE

Mr. M R Khan	Chairman
Mr. S M Nadim Shafiqullah	
Mr. M Khalid Ali	
Mr. S. Naved Husain	

HUMAN RESOURCE COMMITTEE

Mr. M R Khan	Chairman
Mr. S M Nadim Shafiqullah	
Mr. M Khalid Ali	

COMPANY SECRETARY

Salman Hameed

EXTERNAL AUDITORS

MZJ Muniff Ziauddin Junaidy & Co.
Chartered Accountants

INTERNAL AUDITORS

Anjum Asim Shahid Rahman & Company,
Chartered Accountants

**LEGAL ADVISORS**

A K Brohi & Co., Advocates

TAX CONSULTANTS

Ford, Rhodes, Sidat, Hyder & Company,
Chartered Accountants

CREDIT RATING AGENCY

JCR-VIS Credit Rating Company (Private) Limited

ENTITY RATING

A3 for short term; BBB+ for long term;
Outlook - Negative

BANKERS & LENDING INSTITUTIONS

Allied Bank of Pakistan

Pak Kuwait Investment Company (Private) Limited

Bank Alfalah Limited

Pak Libya Holding Company (Private) Limited

Bank Al-Habib Limited

Pak Oman Investment Company Limited

Faysal Bank Limited

Soneri Bank Limited

First Women Bank Limited

Standard Chartered Bank (Pakistan) Limited

MCB Bank Limited

The Bank of Punjab

Meezan Bank Limited

United Bank Limited

National Bank of Pakistan

REGISTERED & HEAD OFFICE

Block 'B', 5th Floor, Lakson Square No. 3, Sarwar Shaheed Road, Karachi 74200

Tel: UAN 021 - 111-111-902 PRI 021-35205379 Fax: 021 - 3568 9854

Web: www.seclearse.com e-mail: slcl@seclearse.com

BRANCHES

Lahore - North Region

8th Floor, City Towers,

Main Gulberg Road, Lahore

Phone: 042 - 35788660-62 Fax: 042 - 35788659

Hyderabad

7th Floor, State Life Building,

Thandi Sarak, Hyderabad.

Phone: 022-32780524 Fax: 022-32728123

SHARE REGISTRAR

Noble Computer Services (Private) Limited

Mezzanine Floor, House of Habib Building,

(Siddiqsons Tower), 3-Jinnah Cooperative,

Housing Society, Main Shahrah-e-Faisal,

Karachi

Phone: 021-34325482-7 Fax:021-34325442

DIRECTORS' REVIEW

The directors are pleased to present their report on the financial statements of your Company for the quarter ended September 30, 2009.

Compared to 30th June 2009, the total assets of the Company were Rs. 3,673.7 million reduced from Rs. 3,966.2 million due to the payment of installments of Sukuk II and PPTFC III. The total revenue amounted to Rs. 82.7 million. The Company had a loss after tax of Rs. 77.04 million. The loss per share has been Rs. 2.12.

The impact of the October 2008 crisis are still felt in the business as the volumes are shrank significantly and banks are not providing any funding to the private sector which has made doing business difficult. The Company is doing maximum efforts to keep its portfolio recovery and payment to its lenders at due date without delay. The efforts are so far proved successful and the company has paid more than Rs. 2 billion to its lenders.

Due to shortage of liquidity, further business is very marginal but company is, however, adopting measures to minimize the adverse effects of deteriorating overall economic conditions of the country. Any update in this regard would be communicated to the members accordingly.

The lease portfolio of the company has remained well diversified with investment in different sectors of the economy. 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.

For and on behalf of the Board of Directors




M. Khalid Ali
Chief Executive Officer

Karachi: October 28, 2009

CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2009

ASSETS	Note	Sept. 30, 2009 Rupees (Un-audited)	June 30, 2009 Rupees (Audited)
ASSETS			
Current assets			
Balances with banks	5	2,284,273	3,750,104
Short term investments	6	113,814,016	118,848,013
Short-term finances		90,199,314	101,354,007
Advances, prepayments and other receivables		35,832,744	38,129,092
Accrued return on investments		15,825,093	12,409,233
Advance taxation-net		6,354,022	7,618,632
Current maturity of non-current assets	7	1,733,389,409	1,673,205,670
Total current assets		1,997,698,871	1,955,314,751
Non-current assets			
Net investment in leases	8	977,336,397	1,222,342,992
Deferred costs		-	-
Long-term deposits		4,189,400	4,189,400
Long-term finances	9	83,811,208	165,258,950
Long-term investments		89,283,288	88,539,189
Property and equipment		195,590,431	204,684,092
Deferred tax asset		325,838,686	325,838,685
Total non-current assets		1,676,049,411	2,010,853,308
Total assets		3,673,748,282	3,966,168,059
LIABILITIES			
Current liabilities			
Accrued and other liabilities		74,078,688	41,063,484
Accrued mark-up		58,464,951	71,367,894
Short-term finances		721,308,267	684,578,922
Current maturity of non-current liabilities	10	1,070,950,013	1,008,016,970
Certificates of investment		7,700,002	110,200,002
Total current liabilities		1,932,501,922	1,915,227,272
Non-current liabilities			
Long-term finances	11	1,000,964,353	1,157,747,497
Long-term deposits		527,621,188	654,859,827
Total non-current liabilities		1,528,585,541	1,812,607,324
Total liabilities		3,461,087,463	3,727,834,596
NET ASSETS		212,660,819	238,333,463
REPRESENTED BY SHAREHOLDERS' EQUITY			
Share capital and reserve			
Issued, subscribed and paid-up share capital	12	438,027,750	438,027,750
Reserves	13	(188,297,468)	(111,728,298)
		249,730,282	326,299,452
Unrealised loss on remeasurement of available for sale investments		(59,144,399)	(110,513,331)
		190,585,883	215,786,121
Surplus on revaluation of property		22,074,936	22,547,342
Shareholders' equity		212,660,819	238,333,463
CONTINGENCIES AND COMMITMENTS			

The annexed selected notes from 1 to 18 form an integral part of these condensed interim financial statements. The details of valuation of investments, impairment and impact on profit and loss accounts are given in note 6.4.



M. R. Khan
Chairman




Mohammed Khalid Ali
Chief Executive

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE QUARTER ENDED SEPTEMBER 30, 2009 (Un-audited)

	Note	September 2009 Rupees	September 2008 Rupees
REVENUE			
Income from:			
Finance leases		55,218,372	96,630,570
Operating leases		9,186,329	14,538,770
Other operating income		18,312,255	28,212,136
		82,716,956	139,381,476
Impairment on investments		(28,810,651)	-
EXPENSES			
Administrative, selling and other operating costs		26,231,075	26,163,520
Finance costs		88,536,132	120,843,487
Direct cost of operating leases		8,164,879	11,097,825
Provision for potential lease and other losses		6,724,798	2,018,779
Amortization of deferred costs		-	132,778
		129,656,884	160,256,389
Profit /(Loss) for the period before income tax		(75,750,579)	(20,874,913)
Income tax expense - Current		(1,291,000)	(215,142)
		(77,041,579)	(21,090,055)
Earnings per share - basic and diluted	14	(2.12)	(0.58)

The annexed selected notes from 1 to 18 form an integral part of these condensed interim financial statements. The details of valuation of investments, impairment and impact on profit and loss accounts are given in note 6.4.



M. R. Khan
Chairman



Mohammed Khalid Ali
Chief Executive

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2009 (UN-AUDITED)**

	Note	September 2009 Rupees	September 2008 Rupees
Profit/(Loss) for the period		(77,041,579)	(21,090,055)
Other comprehensive income			
Surplus/(Deficit) on remeasurement of available for sale investments		51,368,932	(93,474,965)
Surplus on revaluation of property		472,410	472,410
Other comprehensive income for the period		51,841,342	(93,002,555)
Total Comprehensive Income/(Loss) for the period		<u>(25,200,237)</u>	<u>(114,092,610)</u>

The annexed selected notes from 1 to 18 form an integral part of these condensed interim financial statements. The details of valuation of investments, impairment and impact on profit and loss accounts are given in note 6.4.



M. R. Khan
Chairman

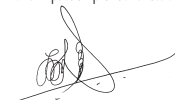


Mohammed Khalid Ali
Chief Executive

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED SEPTEMBER 30, 2009 (Un-audited)

	Share Capital Rupees	-----Reserves-----			Total Rupees
		Capital statutory reserve	Revenue Unappropriated profit Rupees	Unrealised (loss) /gain on remeasu rement of available for sale investments	
Balance as at June 30, 2008 as previously reported	475,500,000	118,867,005	125,972,937	(127,970,512)	592,369,430
Other comprehensive income					
Transferred from surplus on revaluation of property - incremental depreciation (net of tax)	-	-	472,410	-	472,410
Unrealized loss on change in market value of investments classified as available for sale	-	-	-	(93,474,965)	(93,474,965)
Other comprehensive income	-	-	472,410	(93,474,965)	(93,002,555)
Profit/(Loss) for the period	-	-	(21,090,055)	-	(21,090,055)
Total Comprehensive Income/(Loss) for the period	-	-	(20,617,645)	(93,474,965)	(114,092,610)
Balance as at September 30, 2008	<u>475,500,000</u>	<u>118,867,005</u>	<u>105,355,292</u>	<u>(221,445,477)</u>	<u>478,276,820</u>
Other comprehensive income					
Transferred from surplus on revaluation of property - incremental depreciation (net of tax)	-	-	755,856	-	755,856
Unrealized loss on change in market value of investments classified as available for sale	-	-	-	110,932,146	110,932,146
Other comprehensive income	-	-	755,856	110,932,146	111,688,002
Profit/(Loss) for the period	-	-	(336,706,452)	-	(336,706,452)
Total Comprehensive Income/(Loss) for the period	-	-	(335,950,596)	110,932,146	(225,018,450)
Redemption-Preference Shares-Class A @ 25%	(37,472,250)	-	-	-	(37,472,250)
Balance as at June 30, 2009	<u>438,027,750</u>	<u>118,867,005</u>	<u>(230,595,304)</u>	<u>(110,513,331)</u>	<u>215,786,120</u>
Other comprehensive income					
Transferred from surplus on revaluation of property - incremental depreciation (net of tax)	-	-	472,410	-	472,410
Unrealized loss on change in market value of investments classified as available for sale	-	-	-	51,368,932	51,368,932
Other comprehensive income	-	-	472,410	51,368,932	51,841,342
Profit/(Loss) for the period	-	-	(77,041,579)	-	(77,041,579)
Total Comprehensive Income/(Loss) for the period	-	-	(76,569,169)	51,368,932	(25,200,237)
Balance as at September 30, 2009	<u>438,027,750</u>	<u>118,867,005</u>	<u>(307,164,473)</u>	<u>(59,144,399)</u>	<u>190,585,883</u>

The annexed selected notes from 1 to 18 form an integral part of these condensed interim financial statements. The details of valuation of investments, impairment and impact on profit and loss accounts are given in note 6.4.



M. R. Khan
Chairman




Mohammed Khalid Ali
Chief Executive

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2009 (Un-audited)

	Note	September 2009 Rupees	September 2008 Rupees
Cash flows from operating activities			
(Loss) / Profit before taxation		(75,750,579)	(20,874,913)
Adjustments for non cash and other items:			
Depreciation		9,333,083	12,190,407
Gain on disposal of listed securities		(2,920,119)	(252,084)
(Gain) on disposal of property and equipment		77,096	-
Amortization of deferred costs		-	132,778
Finance costs		88,536,132	120,843,487
Provision for gratuity		453,000	864,000
Impairment on investment		28,810,651	-
Provision for potential lease and other losses		6,724,798	2,018,779
Operating profit before working capital changes		131,014,641	135,797,367
Working capital changes			
Decrease/(Increase) in net investment in leases		238,311,695	105,121,118
(Increase)/Decrease in advances, prepayments and other receivables		1,509,204	(8,295,359)
(Increase)/Decrease in accrued return on investments		(3,415,860)	(5,039,214)
(Decrease)/Increase in deposits from lessees		(50,555,596)	10,027,978
(Decrease) in short term finances		(62,250,000)	(168,117,700)
(Decrease)/Increase in accrued and other liabilities		33,051,211	2,628,400
Cash from operations after working capital changes		156,650,654	(63,674,777)
Financial charges paid		(101,439,075)	(127,191,514)
Gratuity paid		(235,000)	(346,000)
Taxes paid		(26,390)	(214,315)
Net cash from / (used in) operating activities		110,214,251	(76,504,152)
Cash flows from investing activities			
Purchase of property and equipment		(2,330,350)	(11,418,300)
Investments		29,768,299	(30,710,083)
Long term finance		21,234,105	(86,067,411)
Proceeds from disposal of property and equipment		2,013,825	1,905,185
Short term finances		11,154,693	25,202,240
Long term deposits		-	(1,050,000)
Net cash (used in)/from investing activities		61,840,572	(102,138,369)
Cash flows from financing activities			
Dividend paid		-	(786)
Repayment of long term finances		(170,000,000)	(62,500,000)
Net cash (used in)/from financing activities		(170,000,000)	(62,500,786)
Net Increase/(decrease) in cash and cash equivalents		2,054,823	(241,143,307)
Cash and cash equivalents at beginning of the period		(220,578,817)	38,694,002
Cash and cash equivalents at end of the period	16	(218,523,994)	(202,449,305)

The annexed selected notes from 1 to 18 form an integral part of these condensed interim financial statements. The details of valuation of investments, impairment and impact on profit and loss accounts are given in note 6.4.



M. R. Khan
Chairman



Mohammed Khalid Ali
Chief Executive

CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2009

1 LEGAL STATUS AND NATURE OF BUSINESS

Security Leasing Corporation Limited (the company) was incorporated in Pakistan 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 (Establishment and Regulation) Rules, 2003 and engaged in the business of leasing.

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.

The company obtained license to provide housing finance services from Securities and Exchange Commission of Pakistan (SECP) in the year 2006. However, based on a decision of the board of directors, the company has surrendered its housing finance license to SECP.

2 BASIS OF MEASUREMENT

These financial statements have been prepared under historical cost convention except for certain property and equipment which have been stated at revalued amounts and financial assets and financial liabilities which have been stated at their fair values, cost or amortised cost.

The financial statements have been prepared following the accrual basis of accounting except for the cash flow information.

3 STATEMENT OF COMPLIANCE

3.1 These financial statements have been prepared in accordance with the approved accounting standards, as applicable in Pakistan and the requirements of the Companies Ordinance, 1984 (the Ordinance), the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, (the Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2007 (The Regulations). Approved accounting standards comprise such International Financial Reporting Standard (IFRS) issued by International Accounting Standard Board (IASB) as are notified under the provisions of the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. Wherever, the requirements of the Ordinance, NBFC Rules and Regulations differ with the requirements of IFRS, the requirements of the Ordinance, the Rules or the Regulations shall prevail.

3.2 IAS 1 (Revised), "Presentation of Financial Statements"(effective from 01 January 2009), was issued in September 2007. According to the revised standard, those items of income and expenses that are not recognized in the profit or loss, and non-owner changes in equity should be recognized through statement of comprehensive income. The revised standard requires an entity to opt for presenting such items of income and expense in (a) single statement (a 'statement of comprehensive income') or (b) two statements (a separate 'income statement' and a 'statement of comprehensive income').

The Company has adopted IAS1 (Revised), with effect from 01 July 2009 and accordingly, items of income and expense that are not recognized in the profit or loss, and non-owner changes in equity have been presented in a separate 'statement of comprehensive income' in these financial statements.

4 ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these quarterly accounts are the same as those applied in the preparation of the preceding annual published accounts of the company for the year ended June 30, 2009.

	September 30, 2009 Rupees	June 30, 2009 Rupees
5 BALANCES WITH BANKS		
Balance with State Bank of Pakistan in current account	40,086	86
Balances with other banks in current accounts	2,244,187	3,750,018
	<u>2,284,273</u>	<u>3,750,104</u>
6 INVESTMENTS - Available for sale Other than related party		
6.1 Listed securities		
Term finance certificates	680,000	680,000
Closed end mutual funds	37,078,157	30,023,863
Equity investments	46,205,859	58,294,150
	<u>83,964,016</u>	<u>88,998,013</u>
6.2 Unlisted securities		
Term finance certificates	1,250,000	1,250,000
Ordinary shares	20,000,000	20,000,000
	<u>21,250,000</u>	<u>21,250,000</u>
6.3 Membership cards	<u>8,600,000</u>	<u>8,600,000</u>
	<u>113,814,016</u>	<u>118,848,013</u>
6.4 Unrealised loss on remeasurement of available for sale investments		
<p>The investment in listed securities classified as available for sale has been valued at the prices quoted on the Karachi Stock Exchange as of September 30, 2009 and the resulting deficit arising therefrom has been disclosed under the head "Unrealised loss on remeasurement of available for sale investments" in equity. As per the SECP Circular # SRO/50(I)/2009, the Company has taken a portion of the deficit through the Profit & loss account. Had the company followed the requirements of IAS 39, an amount of Rs. 38.14 million would have been recognized as impairment loss in the profit and loss account. This would have resulted in a decrease in the deficit by Rs. 38.14 million with a corresponding increase in the loss for the period and the loss per share would have been higher by Rs. 1.05.</p>		
7 CURRENT MATURITY OF NON - CURRENT ASSETS		
Current portion of:		
Net investments in leases	1,537,313,480	1,537,343,378
House loan to staff	108,865	85,928
Musharika finance	189,195,021	128,992,089
Morabaha finance	6,772,043	6,784,275
	<u>1,733,389,409</u>	<u>1,673,205,670</u>

	September 30, 2009 Rupees	June 30, 2009 Rupees
8 NET INVESTMENT IN LEASES		
Lease rentals receivable	1,832,681,892	2,090,822,437
Add: Residual value of leased assets	1,078,291,739	1,128,847,335
Gross investment in finance leases	2,910,973,631	3,219,669,772
Less: Unearned lease income	209,027,217	281,135,870
Income suspended	74,854,773	73,130,566
Provision for potential lease losses	112,441,764	105,716,966
	<u>396,323,754</u>	<u>459,983,402</u>
Net investment in leases	2,514,649,877	2,759,686,370
Less: current portion of net investment in leases	1,537,313,480	1,537,343,378
	<u>977,336,397</u>	<u>1,222,342,992</u>
8.1 Gross investment in finance leases		
Less than one year	1,761,462,094	1,792,265,051
More than one year and less than five years	1,149,511,537	1,427,404,721
	<u>2,910,973,631</u>	<u>3,219,669,772</u>
8.2 Present value of investment in finance leases		
Less than one year	1,537,313,480	1,537,343,378
More than one year and less than five years	977,336,397	1,222,342,992
	<u>2,514,649,877</u>	<u>2,759,686,370</u>
9 LONG TERM FINANCE - secured, considered good		
House loan to staff - related party		
- Executives	1,522,883	1,822,237
- Employees	2,707,747	2,743,084
Less: current portion	108,865	85,928
	<u>4,121,765</u>	<u>4,479,393</u>
Musharika finances - other than related party	267,210,659	287,750,879
Less: current portion	189,195,021	128,992,089
	<u>78,015,638</u>	<u>158,758,790</u>
Morabaha finance - other than related party	8,445,848	8,805,042
Less: current portion	6,772,043	6,784,275
	<u>1,673,805</u>	<u>2,020,767</u>
	<u>83,811,208</u>	<u>165,258,950</u>
10 CURRENT MATURITY OF NON- CURRENT LIABILITIES		
Current maturity of:		
Long term finances	521,250,000	535,000,000
Long term deposits	549,700,013	473,016,970
	<u>1,070,950,013</u>	<u>1,008,016,970</u>

	September 30, 2009 Rupees	June 30, 2009 Rupees
11. LONG-TERM FINANCES - secured		
Term finance certificates	187,500,000	250,000,000
SUKUKs	1,113,464,353	1,207,747,497
Long term loans	221,250,000	235,000,000
	<u>1,522,214,353</u>	<u>1,692,747,497</u>
Less: Current maturity shown under current liabilities		
Term finance certificates	125,000,000	125,000,000
SUKUKs	375,000,000	375,000,000
Long term loans	21,250,000	35,000,000
	<u>521,250,000</u>	<u>535,000,000</u>
	<u>1,000,964,353</u>	<u>1,157,747,497</u>
12 SHARE CAPITAL		
Authorised capital		
75,000,000 (2009: 75,000,000) ordinary shares of Rs. 10 each	750,000,000	750,000,000
50,000,000 (2009: 50,000,000) preference shares of Rs. 10 each	<u>500,000,000</u>	<u>500,000,000</u>
	<u>1,250,000,000</u>	<u>1,250,000,000</u>
Issued, subscribed and paid-up share capital		
22,100,000 (2009: 22,100,000) ordinary shares of Rs. 10 each fully paid in cash	221,000,000	221,000,000
14,200,000 (2009: 14,200,000) ordinary shares of Rs. 10 each issued as fully paid bonus shares	<u>142,000,000</u>	<u>142,000,000</u>
	<u>363,000,000</u>	<u>363,000,000</u>
Preference shares		
7,502,775 (2009: 7,502,775) preference shares-Class A of Rs. 10 each fully paid in cash	<u>75,027,750</u>	<u>75,027,750</u>
	<u>438,027,750</u>	<u>438,027,750</u>
13 RESERVES		
Capital reserve		
Statutory reserves	118,867,005	118,867,005
Revenue reserve		
Unappropriated profit	<u>(307,164,473)</u>	<u>(230,595,303)</u>
	<u>(188,297,468)</u>	<u>(111,728,298)</u>



	September 30, 2009 Rupees	September 30, 2008 Rupees
14 EARNINGS PER SHARE - basic and diluted		
Profit/(Loss) after taxation-Rupees	(77,041,579)	(21,090,055)
Minimum dividend attributable to preference shareholders	-	-
Profit/(loss) attributable to ordinary shareholders-Rupees	<u>(77,041,579)</u>	<u>(21,090,055)</u>
Number of ordinary shares issued and subscribed	<u>36,300,000</u>	<u>36,300,000</u>
Earnings per share-Rupees	<u>(2.12)</u>	<u>(0.58)</u>

Earnings per share has been calculated by dividing the net profit for the period attributable to the ordinary shareholders outstanding at the period end by the weighted average number of shares outstanding during the period.

15 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 and in accordance with the presumptive tax regime, where applicable, of the Income Tax Ordinance 2001.

Deferred

Deferred taxation is accounted for using the balance sheet liability method providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization on settlement of the carrying amount of assets and liabilities using the tax rates enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

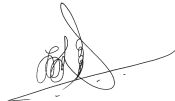
	September 30, 2009 Rupees	September 30, 2008 Rupees
16 CASH AND CASH EQUIVALENTS		
Balances with banks	2,284,273	2,234,952
Running Finance	<u>(220,808,267)</u>	<u>(204,684,257)</u>
	<u>(218,523,994)</u>	<u>(202,449,305)</u>

17 DATE OF AUTHORIZATION

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

18 GENERAL

- Certain prior period's figure have been reclassified, wherever necessary. However, there were no material re-classifications.
- The figures have been rounded off to the nearest rupee.



M. R. Khan
Chairman



Mohammed Khalid Ali
Chief Executive