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## 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. Shafiq-ur-Rehman	
Mr. Ahmad Ali Khan	
Mr. Abdul Ghafoor	
Mr. Naeem Shafi	

### AUDIT COMMITTEE

Mr. Naeem Shafi	Chairman
Mr. Ahmed Ali Khan	
Mr. Abdul Ghafoor	

### EXECUTIVE 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

C for short term; CCC for long term;



Security Leasing  
Corporation Limited

#### **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
MCB Bank Limited	The Bank of Punjab
Meezan Bank Limited	United Bank Limited

#### **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](http://www.seclearse.com) e-mail: [slcl@seclearse.com](mailto: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 unaudited financial statements of your Company for the quarter and Nine Months ended March 31, 2010.

Compared to 30th June 2009, the total assets of the Company were Rs. 2,881.4 million reduced from Rs. 3,966.2 million due to the payment of installments of Sukuk I & II, PPTFC III and other short term loans. The total revenue amounted to Rs. 135.93 million. The Company had a loss after tax of Rs. 278.74 million. The loss per share has been Rs. 7.68.

The impact of the October 2008 crisis, borrowing by the government, absence of fresh direct investment, law & order situation has greatly affected the business & economy. The overall business & economic situation has not been improved in the last 18 months and taking the view that the status quo remains, your Company decided to request the lenders for reprofiling and restructuring the repayment terms of all the long and short term loans of the Company with effect from April 2010.

You would be pleased to know that the lenders have agreed to restructure the terms of the long term Sukuk issues and privately placed Term finance certificates for further period of 48 months with monthly principal payment at reduced markup rates. As you know that your Company continued to make payments against its obligations to both long term as well as short term lenders and since the beginning of liquidity and financial crisis, it had paid off loans of more than Rs. 2.60 billion from its own resources of lease and other assets portfolio.

The formal approval of the restructuring is under process with investors and hopefully, in the next few weeks all the legal formalities would be completed. We are hopeful that the new restructuring would positively impact the business situation of the Company. The Company would utilize the available cash funds to write fresh business at competitive rates to the best performing customers and substantially reduced financial cost would help in making the Company profitable.

In view of the business situation of the Company, the senior management of the Company decided to forego the future accrual of its benefits under the provident & gratuity funds and the Company has also further streamlined some other expenses which would save the Company around Rs. 7 million per annum. Measures for further reduction in cost are being taken.

Due to shortage of liquidity, no further business was done by the company since October 2008 and focus has remained on adopting measures to minimize the adverse effects of deteriorating overall economic conditions of the country. Your directors are contemplating various other measures to strengthen the equity of the Company after the restructuring of the loan portfolio, which would be communicated 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 hugely recognize and appreciate the support of the lending institutions and the dedicated service rendered by the management and the staff of the Company.

For and on behalf of the Board of Directors




**M. Khalid Ali**  
Chief Executive Officer  
Karachi: April 28, 2010

## CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2010

ASSETS	Note	March 31,2010 Rupees Un-audited	June 30,2009 Rupees Audited
<b>Current assets</b>			
Balances with banks	5	10,443,950	3,750,104
Short term investments	6	14,693,192	118,848,013
Short-term finances		131,700,000	101,354,007
Advances, prepayments and other receivables		32,735,531	38,129,092
Accrued return on investments		6,810,929	12,409,233
Advance taxation-net		6,690,648	7,618,632
Current maturity of non-current assets	7	1,512,687,676	1,673,205,670
<b>Total current assets</b>		<b>1,715,761,926</b>	<b>1,955,314,751</b>
<b>Non-current assets</b>			
Net investment in leases	8	483,661,359	1,222,342,992
Long-term deposits		4,204,400	4,189,400
Long-term finances	9	78,416,110	165,258,950
Long-term investments		90,352,799	88,539,189
Property and equipment		183,208,169	204,684,092
Deferred tax asset		325,838,686	325,838,685
<b>Total non-current assets</b>		<b>1,165,681,524</b>	<b>2,010,853,308</b>
<b>Total assets</b>		<b>2,881,443,449</b>	<b>3,966,168,059</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accrued and other liabilities		37,657,505	41,063,484
Accrued mark-up		35,326,270	71,367,894
Short-term finances	10	295,273,982	684,578,922
Current maturity of non-current liabilities	11	957,239,360	1,008,016,970
Certificates of investment		-	110,200,002
<b>Total current liabilities</b>		<b>1,325,497,118</b>	<b>1,915,227,272</b>
<b>Non-current liabilities</b>			
Long-term finances	12	1,190,928,833	1,157,747,497
Long-term deposits		314,564,538	654,859,827
<b>Total non-current liabilities</b>		<b>1,505,493,371</b>	<b>1,812,607,324</b>
<b>Total liabilities</b>		<b>2,830,990,489</b>	<b>3,727,834,596</b>
<b>NET ASSETS</b>		<b>50,452,960</b>	<b>238,333,463</b>
<b>REPRESENTED BY SHAREHOLDERS' EQUITY</b>			
<b>Share capital and reserve</b>			
Issued, subscribed and paid-up share capital	13	438,027,750	438,027,750
Reserves	14	(389,049,147)	(111,728,298)
		48,978,603	326,299,452
Unrealised loss on remeasurement of available for sale investments		(19,655,761)	(110,513,331)
		29,322,842	215,786,121
Surplus on revaluation of property		21,130,118	22,547,342
<b>Shareholders' equity</b>		<b>50,452,960</b>	<b>238,333,463</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			

The annexed selected notes from 1 to 19 form an integral part of these condensed interim financial statements.



**M. R. Khan**  
Chairman



**Mohammed Khalid Ali**  
Chief Executive

**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)**

	Nine Months ended		Quarter ended	
	March 2010	March 2009	March 2010	March 2009
Note	Rupees	Rupees	Rupees	Rupees
<b>REVENUE</b>				
<b>Income from:</b>				
Finance leases	118,191,568	261,161,533	25,411,322	79,878,810
Operating leases	22,711,344	42,393,754	6,233,766	13,579,927
Other operating income	(4,970,337)	(17,857,709)	7,822,286	23,244,529
	<u>135,932,575</u>	<u>285,697,578</u>	<u>39,467,374</u>	<u>116,703,266</u>
Impairment on investments	(49,673,715)	(64,293,365)	-	(64,293,365)
<b>EXPENSES</b>				
Administrative, selling and other operating costs	59,247,917	59,193,921	17,754,694	18,374,051
Depreciation expense	13,132,970	13,919,326	4,567,416	4,684,906
Finance costs	230,823,984	374,635,524	63,380,827	119,820,659
Direct cost of operating leases	22,850,855	31,665,135	6,997,691	10,088,864
Provision for potential lease and other losses	35,159,429	20,867,424	1,734,571	7,988,722
Amortization of deferred costs	-	182,778	-	-
	<u>361,215,155</u>	<u>500,464,108</u>	<u>94,435,199</u>	<u>160,957,202</u>
<b>Profit/(Loss) for the period before income tax</b>	<b>(274,956,295)</b>	<b>(279,059,895)</b>	<b>(54,967,825)</b>	<b>(108,547,301)</b>
Income tax expense - Current	(3,781,780)	(669,668)	(1,092,843)	(21,500)
Income tax expense - Deferred	-	35,000,000	-	35,000,000
	<u>(3,781,780)</u>	<u>34,330,332</u>	<u>(1,092,843)</u>	<u>34,978,500</u>
<b>Profit/(Loss) for the period</b>	<b><u>(278,738,075)</u></b>	<b><u>(244,729,563)</u></b>	<b><u>(56,060,668)</u></b>	<b><u>(73,568,801)</u></b>
<b>Earnings per share</b>				
- basic and diluted	15 <u>(7.68)</u>	<u>(6.74)</u>	<u>(1.54)</u>	<u>(2.03)</u>

The annexed selected notes from 1 to 19 form an integral part of these condensed interim financial statements.



M. R. Khan  
Chairman




Mohammed Khalid Ali  
Chief Executive

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

	Nine Months ended		Quarter ended	
	March 2010 Rupees	March 2009 Rupees	March 2010 Rupees	March 2009 Rupees
Profit/(Loss) for the period	(278,738,075)	(244,729,563)	(56,060,668)	(73,568,801)
Other comprehensive income				
Surplus/(Deficit) on remeasurement of available for sale investments	90,857,570	(88,512,737)	365,586	78,732,869
Surplus on revaluation of property	1,417,227	742,346	472,407	472,508
Other comprehensive income for the period	92,274,797	(87,770,391)	837,993	79,205,377.00
Total Comprehensive Income/ (Loss) for the period	<u>(186,463,278)</u>	<u>(332,499,954)</u>	<u>(55,222,675)</u>	<u>5,636,576</u>

The annexed selected notes from 1 to 19 form an integral part of these condensed interim financial statements.



**M. R. Khan**  
Chairman



**Mohammed Khalid Ali**  
Chief Executive

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

	Share Capital	-----Reserves-----			Total
		Capital statutory reserve	Revenue Unappropriated profit	Unrealised (loss) /gain on remeasu- rement of available for sale investments	
-----Rupees-----					
Balance as at June 30, 2008 as previously reported	475,500,000	118,867,005	125,972,937	(127,970,512)	592,369,430
<b>Other comprehensive income</b>					
Transferred from surplus on revaluation of property - incremental depreciation (net of tax)	-	-	742,346	-	742,346
Unrealized loss on change in market value of investments classified as available for sale	-	-	-	(88,512,737)	(88,512,737)
<b>Other comprehensive income</b>	-	-	742,346	(88,512,737)	(87,770,391)
Profit/(Loss) for the period	-	-	(244,729,563)	-	(244,729,563)
<b>Total Comprehensive Income/(Loss) for the period</b>	-	-	(243,987,217)	(88,512,737)	(332,499,954)
Redemption-Preference Shares-Class A @ 25%	(24,726,250)	-	-	-	(24,726,250)
<b>Balance as at March 31, 2009</b>	<u>450,773,750</u>	<u>118,867,005</u>	<u>(118,014,280)</u>	<u>(216,483,249)</u>	<u>235,143,226</u>
<b>Other comprehensive income</b>					
Transferred from surplus on revaluation of property - incremental depreciation (net of tax)	-	-	485,920	-	485,920
Unrealized loss on change in market value of investments classified as available for sale	-	-	-	105,969,918	105,969,918
<b>Other comprehensive income</b>	-	-	485,920	105,969,918	106,455,838
Profit/(Loss) for the period	-	-	(113,066,944)	-	(113,066,944)
<b>Total Comprehensive Income/(Loss) for the period</b>	-	-	(112,581,024)	105,969,918	(6,611,106)
Redemption-Preference Shares-Class A @ 25%	(12,746,000)	-	-	-	(12,746,000)
Dividend - Preference shares-Class A @ 9.1%	-	-	-	-	-
Transferred to statutory reserve	-	-	-	-	-
<b>Balance as at June 30, 2009</b>	<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>
<b>Other comprehensive income</b>					
Transferred from surplus on revaluation of property - incremental depreciation (net of tax)	-	-	1,417,227	-	1,417,227
Unrealized loss on change in market value of investments classified as available for sale	-	-	-	90,857,570	90,857,570
<b>Other comprehensive income</b>	-	-	1,417,227	90,857,570	92,274,797
Profit/(Loss) for the period	-	-	(278,738,075)	-	(278,738,075)
<b>Total Comprehensive Income/(Loss) for the period</b>	-	-	(277,320,848)	90,857,570	(186,463,278)
<b>Balance as at March 31, 2010</b>	<u>438,027,750</u>	<u>118,867,005</u>	<u>(507,916,152)</u>	<u>(19,655,761)</u>	<u>29,322,842</u>

The annexed selected notes from 1 to 19 form an integral part of these condensed interim financial statements.


  
**M. R. Khan**  
Chairman

  
**Mohammed Khalid Ali**  
Chief Executive

## CONDENSED INTERIM CASH FLOW STATEMENT FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

	Note	March 31,2010 Rupees	March 31,2009 Rupees
<b>Cash flows from operating activities</b>			
(Loss) / Profit before taxation		(274,956,295)	(279,059,895)
Adjustments for non cash and other items:			
Depreciation		27,931,963	35,450,238
(Gain)/Loss on disposal of listed securities		43,070,811	98,021,914
(Gain) on disposal of property and equipment		(490,364)	(891,665)
Amortization of deferred costs		-	182,778
Finance costs		230,823,984	374,635,524
Provision for gratuity		1,163,000	1,557,000
Impairment on investment		49,673,715	64,293,365
Provision for potential lease and other losses		35,159,429	20,867,424
<b>Operating profit before working capital changes</b>		<b>387,332,538</b>	<b>594,116,578</b>
<b>Working capital changes</b>			
Decrease/(Increase) in net investment in leases		838,521,389	878,059,572
(Increase)/Decrease in advances, prepayments and other receivables		6,626,792	2,207,308
(Increase)/Decrease in accrued return on investments		5,598,304	(12,312,409)
(Decrease)/Increase in deposits from lessees		(248,560,399)	(121,276,086)
(Decrease) in short term finances		(250,450,000)	(720,528,967)
(Decrease)/Increase in accrued and other liabilities		(3,147,980)	(9,038,579)
<b>Cash from operations after working capital changes</b>		<b>348,588,106</b>	<b>17,110,839</b>
Financial charges paid		(266,865,608)	(385,092,375)
Gratuity paid		(1,167,000)	(1,380,250)
Dividend Paid		-	(10,238,286)
Taxes paid		(2,853,796)	(1,548,956)
<b>Net cash from / (used in) operating activities</b>		<b>190,077,945</b>	<b>(66,092,345)</b>
<b>Cash flows from investing activities</b>			
Purchase of property and equipment		(10,678,355)	(12,371,650)
Investments		100,454,262	124,296,543
Long term finance		123,161,649	(66,191,066)
Proceeds from disposal of property and equipment		4,712,672	8,151,836
Short term finances		(41,145,993)	67,927,412
Long term deposits		(15,000)	(1,050,000)
<b>Net cash (used in)/from investing activities</b>		<b>176,489,235</b>	<b>120,763,075</b>
<b>Cash flows from financing activities</b>			
Redemption of preference shares		-	(24,726,250)
Repayment of long term finances		(309,818,395)	(322,500,000)
<b>Net cash (used in)/from financing activities</b>		<b>(309,818,395)</b>	<b>(347,226,250)</b>
Net Increase/(decrease) in cash and cash equivalents		56,748,785	(292,555,520)
Cash and cash equivalents at beginning of the period		(220,578,817)	38,694,002
Cash and cash equivalents at end of the period	17	<b>(163,830,032)</b>	<b>(253,861,518)</b>

The annexed selected notes from 1 to 19 form an integral part of these condensed interim financial statements.



**M. R. Khan**  
Chairman



**Mohammed Khalid Ali**  
Chief Executive

## CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

### 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.

	March 31,2010 Rupees	June 30, 2009 Rupees
<b>5 BALANCES WITH BANKS</b>		
Balance with State Bank of Pakistan in current account	40,086	86
Balances with other banks in current accounts	10,403,864	3,750,018
	<u>10,443,950</u>	<u>3,750,104</u>
<b>6 INVESTMENTS - Available for sale</b>		
Other than related party		
<b>6.1 Listed securities</b>		
Term finance certificates	680,000	680,000
Closed end mutual funds	4,788,192	30,023,863
Equity investments	-	58,294,150
	<u>5,468,192</u>	<u>88,998,013</u>
<b>6.2 Unlisted securities</b>		
Term finance certificates	625,000	1,250,000
Ordinary shares	-	20,000,000
	<u>625,000</u>	<u>21,250,000</u>
<b>6.3 Membership cards</b>	<u>8,600,000</u>	<u>8,600,000</u>
	<u>14,693,192</u>	<u>118,848,013</u>
<b>7 CURRENT MATURITY OF NON - CURRENT ASSETS</b>		
Current portion of:		
Net investments in leases	1,413,144,193	1,537,343,378
House loan to staff	106,334	85,928
Musharika finance	95,306,600	128,992,089
Morabaha finance	4,130,549	6,784,275
	<u>1,512,687,676</u>	<u>1,673,205,670</u>
<b>8 NET INVESTMENT IN LEASES</b>		
Lease rentals receivable	1,348,261,297	2,090,822,437
Add: Residual value of leased assets	880,117,136	1,128,847,335
Gross investment in finance leases	<u>2,228,378,433</u>	<u>3,219,669,772</u>
Less: Unearned lease income	120,896,172	281,135,870
Income suspended	80,600,314	73,130,566
Provision for potential lease losses	130,076,395	105,716,966
	<u>331,572,881</u>	<u>459,983,402</u>
Net investment in leases	1,896,805,552	2,759,686,370
Less: current portion of net investment in leases	1,413,144,193	1,537,343,378
	<u>483,661,359</u>	<u>1,222,342,992</u>
<b>8.1 Gross investment in finance leases</b>		
Less than one year	1,592,627,378	1,792,265,051
More than one year and less than five years	635,751,055	1,427,404,721
	<u>2,228,378,433</u>	<u>3,219,669,772</u>

	Note	March 31,2010 Rupees	June 30, 2009 Rupees
<b>8.2 Present value of investment in finance leases</b>			
Less than one year		1,413,144,193	1,537,343,378
More than one year and less than five years		483,661,359	1,222,342,992
		<u>1,896,805,552</u>	<u>2,759,686,370</u>
<b>9 LONG TERM FINANCE - secured, considered good</b>			
House loan to staff - related party			
- Executives		-	1,822,237
- Employees		1,850,652	2,743,084
Less: current portion		106,334	85,928
		<u>1,744,318</u>	<u>4,479,393</u>
Musharika finances - other than related party		169,791,371	287,750,879
Less: current portion		95,306,600	128,992,089
		<u>74,484,771</u>	<u>158,758,790</u>
Morabaha finance - other than related party		6,317,570	8,805,042
Less: current portion		4,130,549	6,784,275
		<u>2,187,021</u>	<u>2,020,767</u>
		<u>78,416,110</u>	<u>165,258,950</u>
<b>10 Short-term finances</b>			
Under letter of Placement		35,000,000	284,250,000
Under Repurchase Agreement		86,000,000	100,000,000
Running Finance		174,273,982	224,328,922
Under Murabaha arrangement		-	76,000,000
		<u>295,273,982</u>	<u>684,578,922</u>
<b>11 CURRENT MATURITY OF NON- CURRENT LIABILITIES</b>			
<b>Current maturity of:</b>			
Long term finances		392,487,500	535,000,000
Long term deposits		564,751,860	473,016,970
		<u>957,239,360</u>	<u>1,008,016,970</u>
<b>12. LONG-TERM FINANCES - secured</b>			
Term finance certificates	12.1	187,500,000	250,000,000
SUKUKs	12.1	1,004,916,333	1,207,747,497
Long term loans	12.2	391,000,000	235,000,000
		<u>1,583,416,333</u>	<u>1,692,747,497</u>
Less: Current maturity shown under current liabilities			
Term finance certificates		46,875,000	125,000,000
SUKUKs		257,812,500	375,000,000
Long term loans		87,800,000	35,000,000
		<u>392,487,500</u>	<u>535,000,000</u>
		<u>1,190,928,833</u>	<u>1,157,747,497</u>

12.1 The company has negotiated the re-profiling of its long term Sukuk and TFC instruments. Under the new terms, the repayment would be made over the period of 48 months, with effect from April 2010. The markup rate is reduced to 6% (2009: 15.06%) for first 18 months. One month Kibor would be charged for remaining 30 months.

12.2 The company is in negotiation with lenders to re-profile the long term loans in line with the terms agreed with long term Sukuk and TFC instruments.

13 SHARE CAPITAL	March 31, 2010 Rupees	June 30, 2009 Rupees
<b>Authorised capital</b>		
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	500,000,000	500,000,000
	<u>1,250,000,000</u>	<u>1,250,000,000</u>

<b>Issued, subscribed and paid-up share capital</b>		
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	142,000,000	142,000,000
	<u>363,000,000</u>	<u>363,000,000</u>

<b>Preference shares</b>		
7,502,775 (2009: 7,502,775) preference shares-Class A of Rs. 10 each fully paid in cash	75,027,750	75,027,750
	<u>438,027,750</u>	<u>438,027,750</u>

14 RESERVES		
<b>Capital reserve</b>		
Statutory reserves	118,867,005	118,867,005
<b>Revenue reserve</b>		
Unappropriated profit	(507,916,152)	(230,595,303)
	<u>(389,049,147)</u>	<u>(111,728,298)</u>

	Nine Months ended		Quarter ended	
	March 2010	March 2009	March 2010	March 2009
15 EARNINGS PER SHARE - basic and diluted				
Profit/(Loss) after taxation-Rupees	(278,738,075)	(244,729,563)	(56,060,668)	(73,568,801)
Minimum dividend attributable to preference shareholders	-	-	-	-
Profit/(loss) attributable to ordinary shareholders-Rupees	(278,738,075)	(244,729,563)	(56,060,668)	(73,568,801)
Number of ordinary shares issued and subscribed	36,300,000	36,300,000	36,300,000	36,300,000
Earnings per share-Rupees	<u>(7.68)</u>	<u>(6.74)</u>	<u>(1.54)</u>	<u>(2.03)</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.

## 16 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.

	March 31,2010 Rupees	March 31,2009 Rupees
<b>17 CASH AND CASH EQUIVALENTS</b>		
Balances with banks	10,443,950	1,718,454
Running Finance	(174,273,982)	(255,579,974)
	<u>(163,830,032)</u>	<u>(253,861,520)</u>

## 18 DATE OF AUTHORIZATION

These financial statements were authorized for issue on April 28,2010 by the Board of Directors of the company.

## 19 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