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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

Pak Kuwait Investment Company (Private) Limited

MCB Bank Limited

Pak Oman Investment Company Limited

National Bank of Pakistan

The Bank of Khyber

Pak Libya Holding Company (Private) Limited

Standard Chartered Bank (Pakistan) Limited

Soneri Bank Limited

The Bank of Punjab

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.seclease.com e-mail: seclease@seclease.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 on the financial statements of your Company for the quarter and the nine months ended March 31, 2008.

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. 5,670.2 million from Rs. 5,400 million while the net investment in leases increased to Rs. 4,150.2 million from Rs. 4,020.1 million. The revenue amounted to Rs. 436.5 million including income from non-leasing operations, which amounted to Rs. 77.5 million. The profit after tax was Rs. 5.83 million compared to Rs. 3.50 million in the previous corresponding period. The earning per share has been Rs. 0.16.

The low profitability of the Company during the period has been due to the consolidation of its equity portfolio involving sale of a portion of the 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 corresponding period last year.

As indicated in report of the previous quarter, the foreign shareholders of the company, viz Merrill Lynch Pierce Fenner who holds 28.3% of the company shares wanted to sell off its shareholding, but the transaction has not materialized yet.

Your company is, however, adopting measures which will minimize as in the past any possible 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: April 30, 2008

BALANCE SHEET

AS AT MARCH 31, 2008

	Note	March 31, 2008 Rupees Unaudited	June 30, 2007 Rupees Audited
ASSETS			
Current assets			
Balances with banks	4	2,058,533	39,109,860
Investments - available for sale	5	420,223,861	536,808,259
Short - term finances		54,000,000	94,048,622
Advances, deposits, prepayments and other receivables		125,986,862	117,191,396
Current portion of non-current assets	6	1,914,357,322	1,611,947,765
Total current assets		2,516,626,578	2,399,105,902
Non - current assets			
Net investment in leases	6	2,497,118,363	2,467,054,182
Deferred costs		457,878	1,573,878
Long - term deposits		3,139,400	539,400
Long - term finances		108,732,061	39,895,858
Long - term investments	7	284,654,171	282,469,712
Property and equipments		259,446,869	209,844,080
Total non - current assets		3,153,548,742	3,001,377,110
Total Assets		5,670,175,320	5,400,483,012
LIABILITIES			
Current liabilities			
Accrued and other liabilities		127,959,625	123,278,854
Short - term finances		890,196,014	1,052,450,000
Current maturity of long - term finances		482,500,000	568,750,000
Certificates of investment		343,330,499	440,861,287
Current maturity of long - term deposits		233,808,657	183,823,902
Total current liabilities		2,077,794,795	2,369,164,043
Non - current liabilities			
Long - term finances		1,762,500,000	1,518,750,000
Certificates of investment		153,134,398	2,586,467
Long - term deposits		1,121,944,257	939,829,297
Total non - current liabilities		3,037,578,655	2,461,165,764
Total Liabilities		5,115,373,451	4,830,329,807
NET ASSETS		554,801,869	570,153,205
REPRESENTED BY			
Share capital	8	475,500,000	513,000,000
Reserves	9	96,592,516	90,559,898
		572,092,516	603,559,898
Unrealised loss on remeasurement of available for sale investments to fair value		(54,340,913)	(38,266,073)
		517,751,603	565,293,825
Surplus on revaluation of fixed assets	10	37,050,267	4,859,380
		554,801,869	570,153,205

CONTINGENCIES AND COMMITMENTS

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


CHAIRMAN


CHIEF EXECUTIVE

PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE QUARTER ENDED MARCH 31, 2008

	Note	Nine Months ended		Quarter ended	
		31-Mar-08 Rupees	31-Mar-07 Rupees	31-Mar-08 Rupees	31-Mar-07 Rupees
REVENUE					
Income from finance leases		315,998,019	278,230,329	100,265,913	97,617,150
Income from operating leases		42,988,400	46,513,079	14,583,227	14,333,681
Other income		77,545,937	87,312,434	27,207,237	30,262,655
		436,532,356	412,055,842	142,056,377	142,213,486
EXPENSES					
Administrative and operating expenses		65,972,720	56,994,536	20,650,458	19,096,016
Finance cost		314,200,195	311,292,685	106,080,718	109,277,971
Direct cost of operating leases		31,955,621	33,406,600	10,824,131	11,575,756
Provision for potential lease and other losses		9,000,000	-	1,500,000	-
Amortization of deferred costs		1,116,000	414,000	372,000	102,000
		422,244,536	402,107,821	139,427,307	140,051,743
Profit before taxation		14,287,820	9,948,021	2,629,070	2,161,743
Taxation		8,457,675	6,443,775	2,230,935	2,590,495
Profit for the Period		5,830,145	3,504,246	398,135	(428,752)
Earnings per share - basic and diluted	11	0.16	0.14	0.01	(0.02)

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


CHAIRMAN


CHIEF EXECUTIVE

STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE QUARTER ENDED MARCH 31, 2008

	Share capital	Statutory reserve	Unrealised gain / (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	-	-	-	600,210	600,210
Gain / (loss) on investments	-	-	(25,318,908)	-	(25,318,908)
Income/(expense) recognised directly in equity	-	-	(25,318,908)	600,210	(24,718,698)
Profit for the period	-	-	-	3,504,246	3,504,246
Total recognised income and (expense) for the period	-	-	(25,318,908)	4,104,456	(21,214,452)
Issuance of right shares	121,000,000	-	-	-	121,000,000
Final dividend for the year ended June 30, 2006 declared subsequent to year end	-	-	-	(24,200,000)	(24,200,000)
Balance as at March 31, 2007 carried forward	513,000,000	68,605,000	(114,219,862)	(1,260,433)	466,124,705
Balance as at June 30, 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	-	-	-	202,473	202,473
Gain / (loss) on investments	-	-	(16,074,840)	-	(16,074,840)
Income/(expense) recognised directly in equity	-	-	(16,074,840)	202,473	(15,872,367)
Profit for the Period	-	-	-	5,830,145	5,830,145
Total recognised income and (expense) for the Period	-	-	(16,074,840)	6,032,618	(10,042,222)
Redemption - Preference shares-Class A @ 25%	(37,500,000)	-	-	-	(37,500,000)
Balance as at March 31, 2008 carried forward	475,500,000	76,505,000	(54,340,913)	20,087,516	517,751,603

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


CHAIRMAN


CHIEF EXECUTIVE

CASH FLOW STATEMENT (UNAUDITED)

FOR THE QUARTER ENDED MARCH 31, 2008

	Note	Mar-08 Rupees	Mar-07 Rupees
Cash flows from operating activities			
Profit before taxation		14,287,820	9,948,021
Adjustments for:			
Depreciation		33,934,628	34,029,242
Gain on disposal of listed securities		(4,502,364)	(18,045,109)
Gain on disposal of fixed assets		(470,042)	(404,994)
Amortization of deferred costs		1,116,000	414,000
Finance cost		314,200,195	311,292,685
Provision for gratuity		1,251,000	1,251,000
Provision for potential lease and other losses		9,000,000	-
Operating profit before working capital changes		354,529,417	328,536,824
Changes in operating assets/liabilities:			
Net investment in leases		(139,034,041)	(498,296,420)
Advances, prepayments and other receivables		(8,624,954)	(22,310,920)
Deposits from lessees		232,099,715	201,551,196
Short term finances		(123,982,857)	150,000,000
Accrued and other current liabilities		20,426,181	(6,966,591)
Financial charges paid		(316,434,598)	(307,906,343)
Gratuity paid		(1,112,000)	(1,653,200)
Dividend Paid		(13,650,000)	(37,643,668)
Taxes paid		(8,628,187)	(6,891,325)
		(358,940,741)	(530,117,271)
Net cash flows from operating activities		9,876,496	(191,632,426)
Cash flows from investing activities			
Capital expenditure		(56,801,920)	(24,385,797)
Net (increase)/decrease in available for sale investments		102,827,459	49,739,326
Long term finance		(271,275,900)	33,427,067
Proceeds from disposal of fixed asset		6,127,903	2,730,799
Short term finances		40,048,622	(123,306,975)
Long term deposits		(2,600,000)	(117,900)
Net cash flow from investing activities		(181,673,836)	(61,913,480)
Cash flows from financing activities			
Borrowings from financial institutions		1,000,000,000	505,000,000
Issuance of right shares		-	121,000,000
Redemption of Preference Shares		(37,500,000)	-
Repayment to financial institutions		(842,500,000)	(368,726,000)
Net cash flow from financing activities		120,000,000	257,274,000
Net (decrease)/ increase in cash and cash equivalents		(51,797,340)	3,728,094
Cash and cash equivalents at beginning of the Period		39,109,859	103,459,982
Cash and cash equivalents at end of the Period	13	(12,687,481)	107,188,076

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


 CHAIRMAN


 CHIEF EXECUTIVE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE QUARTER ENDED MARCH 31, 2008

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 NBFC 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 financial statements have been prepared in accordance with the International Accounting Standards (IAS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the Standards Interpretations Committee of the IASB, as applicable in Pakistan and the requirements of the Companies Ordinance, 1984 (the Ordinance), the Non-Banking Finance Companies (NBFCs) Rules, (the Rules) and the Prudential Regulations for NBFCs (the Regulations), along with the directives of the Securities and Exchange Commission of Pakistan (SECP). Wherever, the requirements of the Ordinance, the Rules, the Regulations or the directive issued by the SECP differ with the requirements of these IASs, the requirements of the Ordinance, the Rules, the Regulations or the requirements of the said directives take precedence.

3 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, 2007.

	Mar-08 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	2,027,884	39,023,521
	2,058,533	39,109,860
5 INVESTMENTS - Available for sale		
5.1 Listed securities		
Term finance certificates	12,281,155	20,742,742
Closed end mutual funds	77,892,392	77,892,393
Equity investments	318,291,230	396,669,582
	408,464,777	495,304,717
5.2 Open end mutual funds	34,999,997	25,400,000
5.3 Unlisted securities		
Term finance certificates	2,500,000	25,769,615
Ordinary shares	20,000,000	20,000,000
	22,500,000	45,769,615
5.4 Membership cards	8,600,000	8,600,000
Carrying value	474,564,774	575,074,332
Unrealised loss on remeasurement to fair value	(54,340,913)	(38,266,073)
Fair market value	420,223,861	536,808,259

NOTES TO THE FINANCIAL STATEMENTS

FOR THE QUARTER ENDED MARCH 31, 2008

	Mar-08 Rupees	Jun-07 Rupees
6 CURRENT PORTION OF NON - CURRENT ASSETS		
Current portion of:		
Net investments in leases	1,653,040,528	1,553,070,668
House loan	674,068	967,358
Long term finance	-	4,999,999
Musharika arrangements-secured	260,642,726	52,909,740
	1,914,357,322	1,611,947,765
6.1 NET INVESTMENT IN LEASES		
Minimum lease rentals receivable	3,274,069,318	3,453,003,300
Add: Residual value of leased assets	1,356,755,033	1,125,141,365
Gross investments in leases	4,630,824,351	4,578,144,665
Less: Unearned income	422,395,302	508,749,657
Less: Provision for potential lease losses	58,270,158	49,270,158
	480,665,460	558,019,815
Net investment in leases	4,150,158,891	4,020,124,850
Less: current portion of net investment in leases	1,653,040,528	1,553,070,668
	2,497,118,363	2,467,054,182
6.2 Net investment in leases		
Less than one year	1,653,040,528	1,553,070,668
More than one year and less than five years	2,497,118,363	2,467,054,182
	4,150,158,891	4,020,124,850
7 LONG TERM INVESTMENTS-held to maturity		
Pakistan Investment Bonds (PIB's)	284,654,171	282,469,712
8 SHARE CAPITAL & RESERVES		
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
8.1 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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE QUARTER ENDED MARCH 31, 2008

	Mar-08 Numbers	Jun-07 Numbers
8.2 Reconciliation of issued, subscribed and paid-up shares		
Number of the shares at beginning of the period	51,300,000	51,300,000
Issued/(Redeemed) during the period	(3,750,000)	-
Number of the shares at end of the period	47,550,000	51,300,000

	Mar-08 Rupees	Jun-07 Rupees
9 RESERVES		
Capital Reserve		
Statutory reserves	76,505,000	76,505,000
Revenue Reserve		
Unappropriated profit	20,087,516	14,054,898
	96,592,516	90,559,898

10 SURPLUS ON REVALUATION OF FIXED ASSETS

Office Premises have been revalued as at March 31, 2008 by independent valuer, Messers Joseph Lobo (Pvt) Ltd.

	Nine Months ended		Quarter ended	
	31-Mar-08 Rupees	31-Mar-07 Rupees	31-Mar-08 Rupees	31-Mar-07 Rupees
11 EARNINGS PER SHARE - basic and diluted				
Profit after tax	5,830,145	3,504,246	398,135	(428,752)
Number of ordinary shares issued	36,300,000	24,872,222	36,300,000	26,216,667
Earnings per share	0.16	0.14	0.01	(0.02)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE QUARTER ENDED MARCH 31, 2008

12 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 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.

	Mar-08 Rupees	Mar-07 Rupees
13 CASH AND CASH EQUIVALENTS		
Balances with banks	2,058,533	-
Running Finance	(14,746,014)	107,188,076
	(12,687,481)	107,188,076

14 DATE OF AUTHORIZATION

These financial statements were authorized for issue on April 30, 2008 by the Board of Directors of the company.

15 GENERAL

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


CHAIRMAN


CHIEF EXECUTIVE