



ESCORTS INVESTMENT BANK LIMITED Half Yearly Report - December 2006





ESCORTS INVESTMENT BANK LIMITED

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Corporate Information

Board of Directors

Chairman
Bashir Ahmed

President & Chief Executive Officer
Rashid Mansur

Directors
Rais Ahmed (nominee Investment Corporation of Pakistan)
Bairam Qureshy
Mutahir Ahmed
Shazia Bashir
Qaim Mehdi
Tajamul Hussain Bokhari (nominee National Bank of Pakistan)

Company Secretary
Ahmed Hasan Khan

Executive Management

President & Chief Executive Officer
Rashid Mansur

Chief Operating Officer
Muhammad Naeem Khan

Executive Director / Head of HR & Administration
Shazia Bashir

Chief Financial Officer
Farooq Hameed Khawaja

Company Secretary / Head of Legal & Corporate Affairs
Ahmed Hasan Khan


Head of Treasury Division
Arshad I. Khan

Head of Capital Markets Division
Muhammad Jawad Akhtar

Head of Corporate Finance & Advisory
Muhammad Kamran Nasir

Head of MIS & Settlements
Azmat Baig

Head of Proprietary Investments (Equity & Equity related Products)
Hasan Abid Zaidi





ESCORTS INVESTMENT BANK LIMITED



Audit Committee

Chairman
Bashir Ahmed

Members
Rais Ahmed
Bairam Qureshy

Secretary
Ahmed Hasan Khan

Internal Auditors

A. F. Fergusons & Co.
Chartered Accountants

External Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Legal Auditors

Zafar, Iqbal & Raja
Advocates and Legal Consultants

International Legal Services
Advocates and Legal Consultants

Tax Consultants

KPMG Taseer Hadi & Co.
Chartered Accountants

Share Registrars

Hameed Majeed Associates (Pvt.) Ltd.

Bankers

Bank Alfalah Limited
Bank Al-Habib Limited
Habib Bank Limited
Muslim Commercial Bank Limited
PICIC Commercial Bank Limited
The Bank of Khyber Limited



Chief Executive's Review

Our Strategy Moves On...

I am once again very pleased to present to you my Review of the Performance of Escorts Investment Bank for the Half-Year July ~ December 2006.

Benchmarking Success

You may recall the caption of my Opening Statement in our Annual Report 2006 that said: Nothing succeeds like success! It prompted my niece, an MBA student, to put me the question: How do you measure success?

It took me some time to form my response and I would like to share my views with you: Corporate Success to me is a function of two sets of distinctive, yet often mutually-dependent measures. Quantitative Measures like; Net Profitability, Earnings Per Share, Return on Equity, Dividends to Share Holders, and the Growth achieved in Equity and Total Assets. Among the pure quantitative measures, the percentage Return on Equity is to me the most precise measure of success of the Executive Management.

Qualitative Measures include: Asset Quality, Diversity of Assets and Revenue Streams, Level of Hedging against Volatility of Revenues, Systems and Automation, Human Resource, Quality of Governance, Brand Visibility and Market's Perception about the Institution, Efficiency of Work Processes including the application of Technology and degree of Automation, Effective Internal Controls and, of course, the degree of Resilience in the wake of adverse market conditions.

Different institutions may attach different weights to the above two sets and also to the components therein, over different time horizons.

Stress Testing Resilience

In the context of Escorts Investment Bank, each time, when I address you, I try to identify the one single most significant factor, or the set of determining factors that shaped the results of the period under review. At times it has been rapid growth, at others; diversification, consolidation and so on.

This Half-Year has been marked by a test of our resilience and the viability of our Business Strategy in the wake of persistently unsympathetic and rather adverse market conditions. The State Bank of Pakistan continued to pursue a tight monetary policy resulting in rising cost of funds for the Financial Institutions in general and the NBFs in particular. Our spreads took a cut on both, the cost and revenue sides. Enhanced Tax Rates (Transaction – Based) and frequently changing Exposure Regimes of the Stock Exchanges, dried up the volumes at the Country's Stock Exchanges affecting our Stock Exchange related businesses. As a result of all these negative factors most Investment Banks have declared sharply reduced Operating Profit figures.

Escorts Investment Bank has been a pleasant exception. Despite the adverse market conditions and on the back of enhanced and smart turnover, we have been able to report a thirty one (31) percent increase in our Gross Revenues and four (4) percent improvement in our Net After-Tax Profit. Our Total Assets have also seen a six (6) percent rise, while our Return on Equity is as high as twenty two (22) percent.



Let me share with you the following Highlights of the Period under review:

Financial Highlights (As at December 31, 2006)

UNAUDITED FIGURES		Rupees in Million		
Sr. #	Description	Dec 2006	Dec 2006	Variance %
1	Gross Revenues	414	317	31
2	Profit Before Tax	96	93	3
3	Profit After Tax	84	81	4
4	Earnings Per Share Rs.	1.90	2.04	(7)

Sr. #	Description	Dec 2006	June 2006*	Variance %
5	Shareholder's Equity	756	760	(1)
6	Deposits & Borrowings	4,180	3,687	13
7	Financing (including Leasing)	448	374	20
8	Investments & Placements	3,972	3,710	7
9	Total Assets	5,147	4,876	6

* Audited figures

What I have said above about Benchmarking Success may not be something new to most of you whom I consider distinguished personalities and practitioners of the Financial Sector. I stated the obvious to make the point that sophisticated Financial Analysis, as opposed to Number-crunching, is a fine blend of Art and Science. Numbers do speak louder than words but often convey less. I would therefore as always, advise all present and prospective stake holders of Escorts Investment Bank not to just run through the figures but take some time out to leisurely walk through our entire Annual Report 2006 and subsequent Reports. That would enable them to really appreciate the degree and quality of our success, and more importantly, the Spirit behind it.

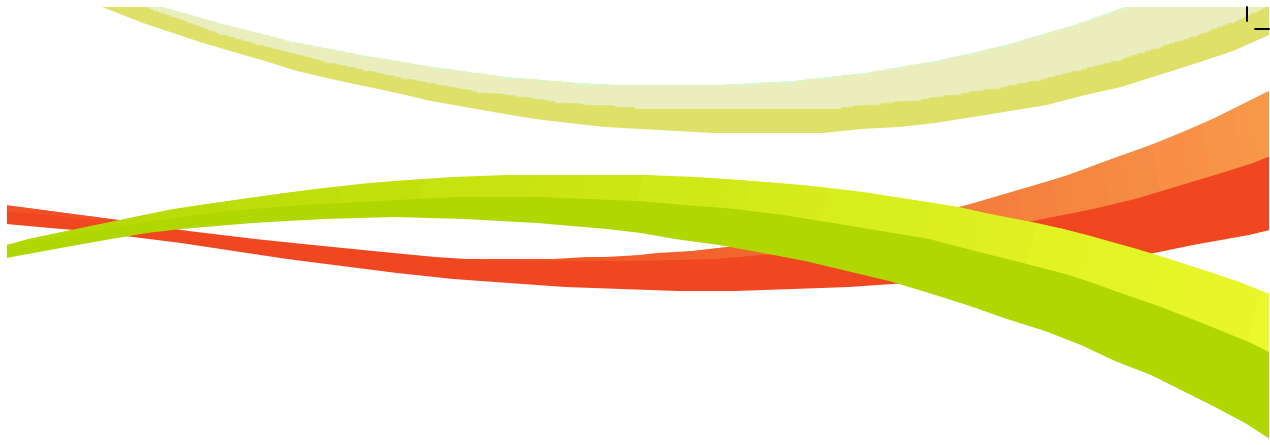
I take this opportunity to thank our Chairman and Board of Directors for their most valuable guidance and the Securities and Exchange Commission of Pakistan for providing the enabling environment with a gentler regulatory touch. I would also like to place on record my sincere appreciation and admiration for each and every member of the Escorts Team. When the going got tough they got tougher. I thank them for their unrelenting efforts and total commitment to professional excellence.

With warm regards,

Sincerely,

Rashid Mansur
President & CEO

February 26, 2007



Review Report to the Members

We have reviewed the annexed balance sheet of Escorts Investment Bank Limited ("The Company") as at 31 December 2006, and the related profit and loss account, cash flow statement and statement of changes in equity together with notes forming part thereof, (here-in-after referred to as the "financial statements") for the half-year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the International Standard on Review Engagements 2400. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of the company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the annexed financial statements are not presented fairly, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

The figures of condensed interim profit and loss account for the quarters ended 31 December 2005 and 2006 were not subject to review, as we are required to review only the cumulative figures for the half year ended 31 December 2006.

KPMG Taseer Hadi & Co.
Chartered Accountants

Lahore: February 26, 2007



Balance Sheet

As at 31 December 2006


ASSETS

	Note	31 Dec 06 Rupees (Un-Audited)	30 Jun 06 Rupees (Audited)
Non-current Assets			
Fixed capital expenditure	3	135,583,148	136,310,773
Cards and rooms		78,105,000	45,405,000
Long term investments	4	570,887,828	581,131,615
Long term finances		15,919,072	35,294,935
Net investment in lease finance		46,343,584	26,561,233
Long term loans, deposits and prepayments		8,793,548	9,194,808
Deferred tax asset		11,712,461	15,715,126
Current Assets			
Current maturities of non-current assets		108,804,850	104,516,841
Short term investments	5	561,847,172	848,362,705
Short term finances		294,146,598	223,895,088
Short term placements	6	2,826,190,100	2,270,121,900
Advances, deposits, prepayments and other receivables		339,531,447	409,526,938
Cash and bank balances		148,730,683	169,720,022
		4,279,250,850	4,026,143,494
		5,146,595,491	4,875,756,984

EQUITY AND LIABILITIES

Share Capital and Reserves			
Share capital		441,000,000	441,000,000
Reserves		314,699,293	319,269,018
Deficit on Revaluation of Investments			
	7	755,699,293 (18,861,617)	760,269,018 (15,402,330)
Non-Current Liabilities			
Term finance certificates	8	558,186,684	228,983,342
Obligation under finance lease		7,175,925	7,529,374
Long term certificates of deposit		310,611,938	397,315,618
Long term security deposit		16,660,780	9,138,300
Current Liabilities			
Current maturities of non-current liabilities		150,841,182	86,202,070
Short term borrowings		1,167,000,000	1,145,000,000
Running finance under mark up arrangements		305,355,217	778,338,739
Short term certificates of deposit		1,680,722,160	1,043,141,883
Trade and other payables		184,488,398	406,525,439
Provision for taxation		28,715,531	28,715,531
		3,517,122,488	3,487,923,662
Contingencies and Commitments			
	9	5,146,595,491	4,875,756,984

The annexed notes 1 to 14 form an integral part of these financial statements.


DIRECTOR


CHIEF EXECUTIVE OFFICER

Profit and Loss Account (Un-Audited)

For the half year ended 31 December 2006

INCOME		Quarter Ended		Half Year Ended	
		31-Dec-06 Rupees	31-Dec-05 Rupees	31-Dec-06 Rupees	31-Dec-05 Rupees
	Note				
Profit on financing		15,605,929	16,748,301	28,923,846	38,214,028
Mark-up on lease finance		1,439,772	-	2,105,538	-
Return on placements with financial institutions		2,825,207	12,209,155	3,920,941	26,376,216
Return on investments	10	170,775,921	119,493,456	353,262,582	213,297,166
Fees and commission		14,080,452	19,070,298	25,037,224	34,361,565
Other income		852,081	2,963,342	1,118,996	4,470,750
		205,579,362	170,484,552	414,369,127	316,719,725
EXPENSES					
Return on certificates of deposit		49,640,877	30,046,207	94,507,109	56,180,310
Return on term finance certificates		10,406,215	7,024,963	17,115,368	13,336,060
Mark-up on short term running finance		11,866,599	10,235,923	33,719,011	12,959,907
Mark-up on borrowings from financial institutions		38,978,576	29,945,279	75,571,781	60,483,317
Amortization of premium on held to maturity investments		2,446,815	1,753,796	4,893,630	4,540,694
Administrative and other operating expenses		47,459,032	42,863,421	91,587,022	75,193,055
Other financial charges		819,506	633,691	1,012,008	698,101
		161,617,620	122,503,280	318,405,929	223,391,444
Operating profit before taxation		43,961,742	47,981,272	95,963,198	93,328,281
Taxation		6,332,923	6,500,000	12,332,923	12,000,000
Profit after taxation		37,628,819	41,481,272	83,630,275	81,328,281
Earnings per share-basic and diluted	11	0.85	1.04	1.90	2.04

The annexed notes 1 to 14 form an integral part of these financial statements.


DIRECTOR


CHIEF EXECUTIVE OFFICER



Cash flow statement (Un-Audited)

For the half year ended 31 December 2006

	31-Dec-06 Rupees	31-Dec-05 Rupees
Cash flow from operating activities		
Profit before taxation	95,963,198	93,328,281
Adjustment for non cash expenses and other items:		
Depreciation on tangible assets	9,084,451	7,299,257
Amortization on intangible assets	499,950	-
Amortization of premium on held to maturity investments	4,893,630	4,540,694
Loss on sale of fixed assets	-	28,000
Mark-up/return income	(68,920,821)	(100,587,524)
Dividend income	(65,240,297)	(32,183,228)
Return on deposits and borrowings	220,913,269	142,959,594
	101,230,182	22,056,793
	197,193,380	115,385,074
(Increase)/decrease in operating assets		
Repayment / (Disbursements) of finances - net	(49,489,897)	167,429,959
Net investment in lease finance	(17,383,886)	-
Divestment from placements - net	(556,068,200)	(818,750,368)
Investments - net	286,389,546	271,863,338
Loans, advances, deposits and prepayments	110,021,285	(66,105,808)
	(226,531,152)	(445,562,879)
Increase/ (decrease) in operating liabilities		
Borrowings from financial institutions	22,000,000	(740,000,000)
Receipts from certificates of deposit	569,736,277	570,991,036
Running finance facilities	(472,983,522)	163,411,039
Trade and other payables	(230,888,588)	(78,579,264)
	(112,135,833)	(84,177,189)
Net changes in operating assets and liabilities	(338,666,985)	(529,740,068)
Mark-up/return received	64,849,256	102,786,608
Return on deposits and borrowings paid	(213,925,131)	(128,944,426)
Dividend received	69,790,697	29,383,965
Net cash used in operating activities before taxes	(220,758,783)	(411,128,847)
Taxes paid	(46,966,514)	(24,322,341)
Net cash used in operating activities	(267,725,297)	(435,451,188)
Cash flow from investing activities		
Fixed capital expenditure incurred	(9,828,670)	(22,189,561)
Proceeds from sale of fixed assets	971,894	753,091
Investment in cards and rooms	(32,700,000)	-
Net cash used in investing activities	(41,556,776)	(21,436,470)
Cash flow from financing activities		
Proceeds against Right issue	-	34,205,010
Dividend paid	(86,336,591)	(310,469)
Assets acquired under finance lease	-	8,619,300
Proceeds against Pre-IPO of Term Finance Certificate	375,000,000	-
Repayment of Term Finance Certificates - unlisted	(55,000)	(55,000)
Repayment of lease obligation	(315,675)	(137,716)
Net cash generated in financing activities	288,292,734	42,321,125
Net decrease in cash and cash equivalents	(20,989,339)	(414,566,533)
Cash and cash equivalents at the beginning of the period	169,720,022	671,204,063
Cash and cash equivalents at the end of the period	148,730,683	256,637,530

The annexed notes 1 to 14 form an integral part of these financial statements.

DIRECTOR

CHIEF EXECUTIVE OFFICER

Statement of Changes in Equity(Un-Audited)

For the half year ended 31 December 2006

	Share Capital Rupees	Share deposit money Rupees	Statutory reserve Rupees	Un-appropriated profit Rupees	Total Rupees
Balance as at 01 July 2005	300,000,000	85,794,990	63,243,628	90,974,515	540,013,133
Received against 40% right issue	-	34,205,010	-	-	34,205,010
Right share issued (40%)	120,000,000	(120,000,000)	-	-	-
Bonus shares @ 5% issued	21,000,000	-	-	(21,000,000)	-
Net profit upto 31 December 2005	-	-	-	81,328,281	81,328,281
Transfer to statutory reserve	-	-	16,265,656	(16,265,656)	-
Balance as at 31 December 2005	441,000,000	-	79,509,284	135,037,140	655,546,424
Net profit upto 30 June 2006	-	-	-	104,722,594	104,722,594
Transfer to statutory reserve	-	-	20,944,519	(20,944,519)	-
Balance as at 30 June 2006	441,000,000	-	100,453,803	218,815,215	760,269,018
Net profit upto 31 December 2006	-	-	-	83,630,275	83,630,275
Transfer to statutory reserve	-	-	16,726,055	(16,726,055)	-
Final dividend for 2006 paid @20% (Rs. 2 per share)	-	-	-	(88,200,000)	(88,200,000)
Balance as at 31 December 2006	441,000,000	-	117,179,858	197,519,435	755,699,293

The annexed notes 1 to 14 form an integral part of these financial statements.


DIRECTOR


CHIEF EXECUTIVE OFFICER



Notes to the Financial Statements

For the half year ended 31 December 2006

1. LEGAL STATUS AND NATURE OF BUSINESS

Escorts Investment Bank Limited ("the Company") is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984. The Company was incorporated in Pakistan on 15 May 1995 and started its commercial operation on 16 October 1996. The Company is listed on the Karachi and Lahore stock exchanges. Escorts Investment Bank Limited is licensed to carry out investment finance services, leasing business and housing finance services as a Non-Banking Finance Company under Section 282C of the Companies Ordinance, 1984 and Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003. The registered office of the Company is situated at Escorts House, 26 Davis Road, Lahore.

JCR VIS Credit Rating Company Limited has assigned medium to Long Term Credit Rating of "A" (Single A) and Short Term Credit Rating of "A-1" (Single A one) with stable outlook.

The Company is a member of Karachi Stock Exchange (Guarantee) Limited and Lahore Stock Exchange (Guarantee) Limited. The Company has undertaken to contribute to the assets of the Karachi and Lahore Stock Exchanges, an amount not exceeding one thousand rupees each, in the event of their winding up, in accordance with their Memorandums of Association.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Accounting convention

These financial statements have been prepared under the historical cost convention, except for held for trading investments and available for sale investments, which have been recognized at fair value.

2.2 Basis of Presentation

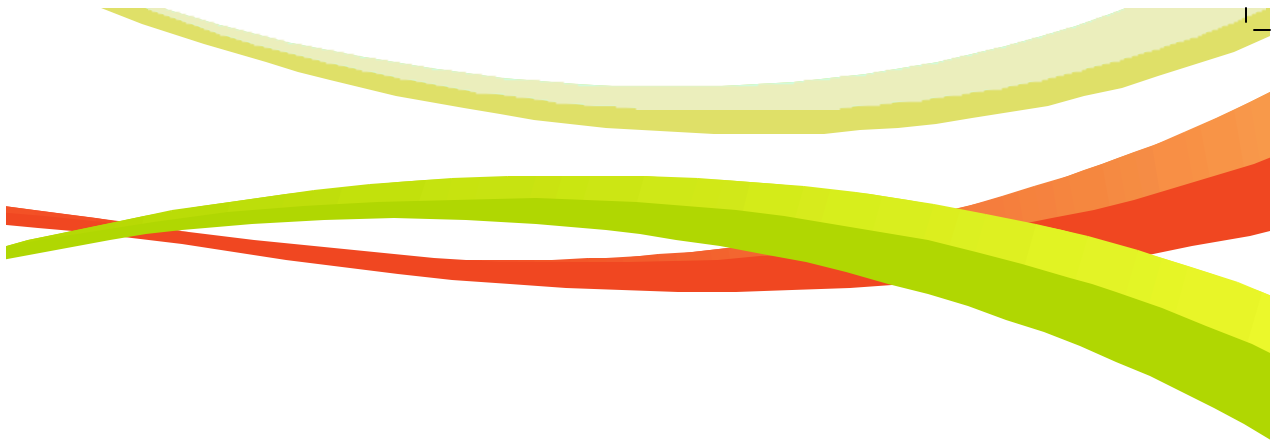
These condensed interim financial statements have been presented in accordance with the requirements of the "International Accounting Standard 34 - Interim Financial Reporting" as applicable in Pakistan and are unaudited but subject to limited scope review performed by the external auditors of the company in accordance with the requirements of the clause (xxi) of the Code of Corporate Governance. These condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2006. Further, these accounts are being circulated to the shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984.

2.3 Accounting Policies

The accounting policies and methods of computation followed for the preparation of these financial statements are the same as those applied in preparing the financial statements for the year ended 30 June 2006.

2.4 Estimates

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 30 June 2006.



3. FIXED CAPITAL EXPENDITURE

	31 December 2006	
	Additions Cost Rupees (Un-Audited)	Disposals Book Value Rupees (Un-Audited)
The following additions and disposals were made during the half year:		
Improvement on leasehold premises	29,500	-
Office furniture & fixture	72,110	-
Computer equipments	1,623,809	-
Office equipments	703,310	-
Vehicles - Owned	2,370,895	971,894
	4,799,624	971,894
Capital work in progress	5,029,046	-
	9,828,670	971,894

4. LONG TERM INVESTMENTS

	31-Dec-2006 Rupees (Un-Audited)	30-Jun-06 Rupees (Audited)
Held to maturity		
Pakistan Investment Bonds	563,887,835	568,781,465
Term Finance Certificates - Unlisted	19,683,450	23,016,750
	583,571,285	591,798,215
Less: Current maturity of Term Finance Certificates	12,683,457	10,666,600
	570,887,828	581,131,615

5 SHORT TERM INVESTMENTS

	Note	31 December 2015 (in Audited)			30 June 2016 (Audited)		
		Hold by Bank Rupees	Reversal to Rupees	Total Rupees	Hold by Bank Rupees	Reversal to Rupees	Total Rupees
Available for sale							
Pakistan Investment Bonds		-	200,000,000	-	-	-	-
Listed Term Finance Certificates		50,100,202	-	56,160,203	70,041,072	-	70,041,072
Listed Shares/units		35,367,946	-	35,367,946	34,014,030	-	34,014,030
		110,557,238	200,000,000	211,557,239	133,956,110	-	133,956,110
Hold for trading	5.1	450,209,933	-	450,209,933	714,403,695	-	714,403,695
Listed shares		50,094,172	200,000,000	50,094,172	449,362,715	-	449,362,715

5.1 These include Rs. 361,120,070 (30 June 2016 Rs. 569,677,661) investment in shares purchased and simultaneously sold in future market with settlement dates subsequent to the period under review.

6 SHORT TERM PLACEMENTS

	Note	31-Dec-05 Rupees (Un-Audited)	30-Jun-06 Rupees (Audited)
Considered good			
Unsecured	6.1	20,000,000	36,250,000
Secured under resale agreements	6.2	2,806,190,100	2,233,871,900
		<u>2,826,190,100</u>	<u>2,270,121,900</u>

6.1 These represent clean placements with financial institutions and carry mark-up @ 11% per annum (2006: 11% per annum).

	Note	31-Dec-06 Rupees (Un-Audited)	30-Jun-06 Rupees (Audited)
6.2 Securities held as collateral-market value			
Pakistan Investment Bonds		211,549,000	-
Quoted shares		2,534,871,908	2,285,086,376
		<u>2,746,420,908</u>	<u>2,285,086,376</u>

7 DEFICIT ON REVALUATION OF INVESTMENTS

	Note	31-Dec-06 Rupees (Un-Audited)	30-Jun-06 Rupees (Audited)
Available for sale			
Listed term finance certificates		(887,905)	(1,074,710)
Listed shares / Units		(17,973,712)	(14,327,620)
		<u>(18,861,617)</u>	<u>(15,402,330)</u>

8 TERM FINANCE CERTIFICATES

These include Rs. 375,000,000 (30 June 2006 Rs. Nil) received from different investors as Pre-IPO and carry a return of 6 months KIBOR plus 2.5 bps per annum with a floor of 8% per annum and ceiling of 17% per annum. Application for listing of these TFCs at Lahore Stock Exchange (LSE) is in the process of approval by the Securities and Exchange Commission of Pakistan (SECP).

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

a) Taxation

There is no material changes in the status of outstanding litigations since the last audited published financial statements.



b) Guarantees

Outstanding guarantees as at balance sheet date were Rs. 151.940 million (2006: Rs. 198.422 million).

9.2 Commitments

	31-Dec-06 Rupees (Un-Audited)	30-Jun-06 Rupees (Audited)
Future sale contract - Shares	483,202,200	825,636,590
Future purchase contract - Shares	121,061,550	84,651,900
Capital expenditure	8,612,500	-

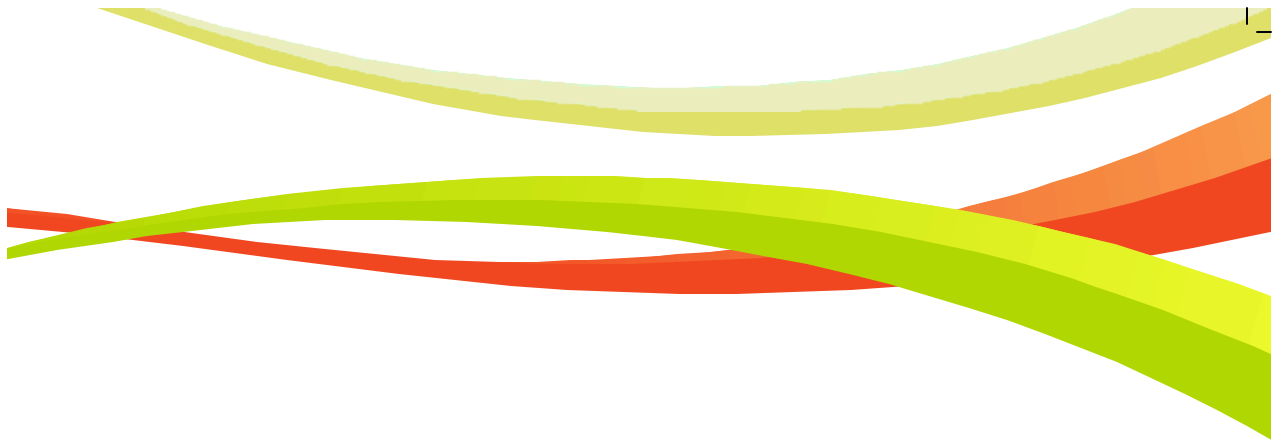
10 RETURN ON INVESTMENTS

	Quarter Ended		Half Year Ended	
	31-Dec-06 Rupees (Un-Audited)	31-Dec-05 Rupees (Un-Audited)	31-Dec-06 Rupees (Un-Audited)	31-Dec-05 Rupees (Un-Audited)
Mark-up/return on investments	16,920,738	18,223,402	33,970,496	35,997,280
Dividend income	44,642,922	12,864,948	65,240,297	32,183,228
Capital gain(loss) on investments/ reverse repurchase transactions	109,212,261	88,405,106	254,051,789	145,116,658
	170,775,921	119,493,456	353,262,582	213,297,166

11 EARNINGS PER SHARE BASIS AND DILUTED

	Quarter Ended		Half Year Ended	
	31-Dec-06 (Un-Audited)	31-Dec-05 (Un-Audited)	31-Dec-06 (Un-Audited)	31-Dec-05 (Un-Audited)
Profit for the period after taxation (Rupees)	37,628,819	41,481,272	83,630,275	81,328,281
Weighted average number of ordinary shares	44,100,000	39,853,593	44,100,000	39,853,593
Earnings per share (Rupees)	0.85	1.04	1.90	2.04

11.1 No figure for diluted earnings per share has been computed as the Company has not issued any instrument which would have an impact on its earnings per share.

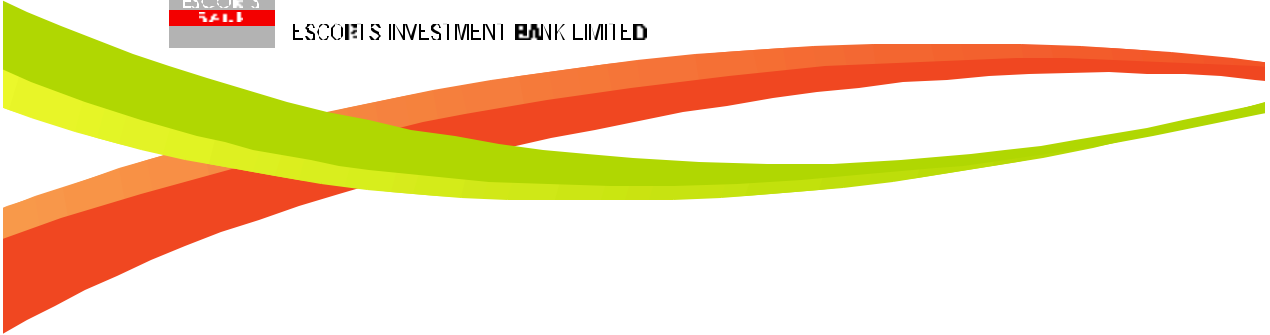


12 TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings comprise, local associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties and associated undertakings other than remuneration and benefits to key management personnel under the term of employment are as follows:

	31-Dec-06 Rupees (Un-Audited)	31-Dec-05 Rupees (Un-Audited)
Transactions during the half year ended		
Associated companies:		
Return on finances received	955,104	1,230,429
Guarantee commission earned	394,700	394,700
Profit paid on certificates of deposit	2,389,146	2,497,638
Chairman's secretariat expenses	1,800,000	1,800,000
Directors:		
Return on finances received	141,917	-
Profit paid on certificates of deposit	7,913,749	6,639,405
Executives:		
Return on finances received	524,040	435,005
Profit paid on certificates of deposit	795,506	550,700
Fixed assets sold	513,618	-
Others:		
Contribution to staff retirement benefits plan	1,319,090	1,187,616

	31-Dec-06 Rupees (Un-Audited)	30-Jun-06 Rupees (Audited)
Balance at the end of the period		
Associated companies:		
Advances outstanding	4,686,420	13,162,451
Letters of guarantee outstanding	78,940,000	78,940,000
Certificates of deposit outstanding	9,071,237	49,036,189
Directors:		
Advances outstanding	2,000,000	2,000,000
Certificates of deposit outstanding	202,000,000	122,000,000
Rent & other receivable	2,366,568	2,366,568
Executives:		
Advances outstanding	17,399,610	17,549,592
Certificates of deposit outstanding	7,946,821	16,985,504




13 DATE OF AUTHORIZATION FOR ISSUE


These financial statements were authorized for issue on 26 February 2007 by the Board of Directors of the Company.

14 GENERAL

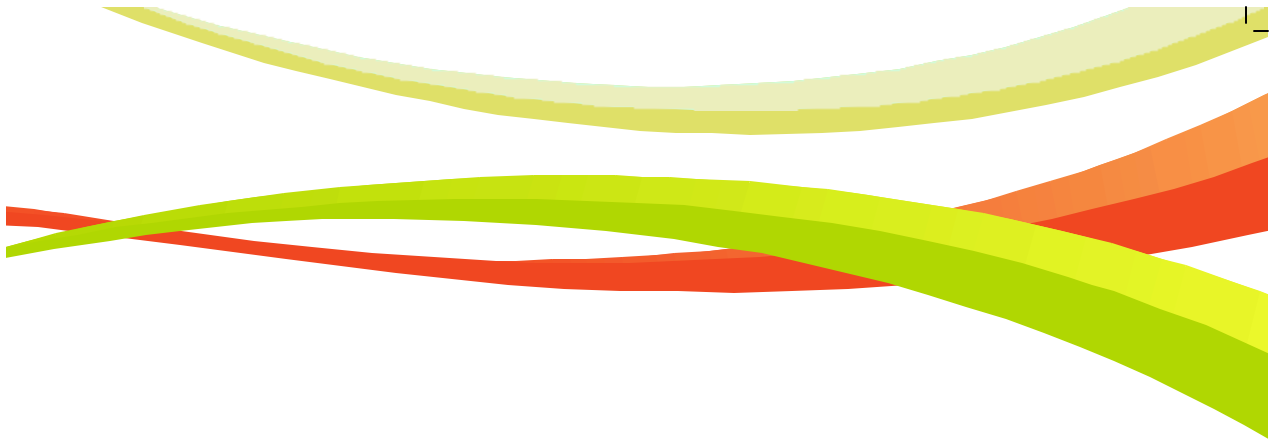
i) Figures have been rounded off to the nearest rupee.



DIRECTOR



CHIEF EXECUTIVE OFFICER



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