

**INTERIM CONDENSED  
FINANCIAL INFORMATION  
FOR THE PERIOD ENDED**

---

**31 MARCH 2012  
(UN-AUDITED)**



**GRAYS LEASING LIMITED**

## COMPANY INFORMATION

<b>BOARD OF DIRECTORS</b>	Mr. Khawar Anwar Khawaja Mr. Muhammad Tahir Butt Mr. Neil Douglas James Gray Mr. Khurram Anwar Khawaja Khawaja Zaka-ud-Din Mr. Abdul Rashid Mir Mr. Omer Khawar Khawaja	Chairman Chief Executive
<b>AUDIT COMMITTEE</b>	Mr. Khawar Anwar Khawaja Mr. Khurram Anwar Khawaja Mr. Omer Khawar Khawaja	
<b>AUDITORS</b>	Riaz Ahmad and Company Chartered Accountants 10-B Saint Mary Park Main Boulevard, Gulberg III Lahore.	
<b>COMPANY SECRETARY</b>	Muhammad Adil Munir	
<b>CHIEF FINANCIAL OFFICER</b>	M. Avais Ibrahim	
<b>HEAD OF INTERNAL AUDIT</b>	Mr. Bilal Arslan Mir	
<b>LEGAL ADVISOR</b>	Lexicon Law Firm	
<b>REGISTERED AND HEAD OFFICE</b>	701-A, 7th Floor, City Towers 6-K, Main Boulevard, Gulberg - II, Lahore Tel: (042) 35770381 - 2 Fax: (042) 35770389 E-mail: <a href="mailto:info@graysleasing.com">info@graysleasing.com</a> Website: <a href="http://www.graysleasing.com">www.graysleasing.com</a>	
<b>BANKERS</b>	Standard Chartered Bank (Pakistan) Limited The Bank of Punjab Askari Bank Limited National Bank of Pakistan Barclays Bank PLC, Pakistan Allied Bank of Pakistan MCB Bank Limited First Women Bank Limited Bank Al-Habib Limited	
<b>SHARE REGISTRAR</b>	Hassan Farooq Associates (Pvt) Ltd. HF House 7-G, Mushtaq Ahmed Gurmani Road Gulberg II Lahore.	

**DIRECTORS' REPORT**

We are pleased to present the condensed interim financial information for the period ended 31 March 2012, together with report of the Board of Directors of the company and review report by the statutory auditors of the Company.

During the period ended 31 March 2012, the company's gross revenue from operations is Rupees 15.630 million as against Rupees 26.240 million in the corresponding period of 2011 and net loss before and after tax is Rupees 5.169 million and Rupees 6.243 million as compared to Rupees 38.034 million and Rupees 39.107 million respectively during the corresponding period of 2011. Net investment stands at Rupees 450.179 million as on 31 March 2012 as compared to Rupees 547.058 million as on June 30, 2011. During the period ended 31 March 2012 the equity of the company comes to Rs. 69.190 million, which is less than the mandatory requirement of Rs. 350.00 million. However the shareholders' equity on the basis of estimated realizable (settlement) values of assets and liabilities comes to Rupees 144.960 million.

The company is not in compliance with the minimum equity requirement of Rupees 350 million to carry on leasing business. The license of the company to carry out leasing business was expired on 14 May 2010 and the company applied for renewal of leasing license to Securities and Exchange Commission of Pakistan (SECP) in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008. SECP accorded special forbearance to the company for a period of one year ( from 9 July 2010 to 8 July 2011) to meet the minimum equity requirement subject to the conditions that the company will not raise further deposits and rollover existing deposits without prior approval of SECP. During this period of one year, the company could not meet the minimum equity requirement and applied to SECP for further extension of forbearance period up to 30 June 2012. In response of this request SECP has demanded comprehensive equity injection plan and financial projections of the company for next three years. Correspondence with SECP in this regard is in process. These factors raised uncertainties that the company may not be able to continue as a going concern. Therefore, these financial statements have been prepared on the basis of estimated realisable / settlement values of assets and liabilities respectively in addition to historical cost convention. All assets and liabilities in these financial information have been presented in the order of liquidity.

The JCR-VIS Credit Rating Company has assigned the company medium to long term credit rating of BB- (Double B minus) and short term credit rating of B. The outlook of the entity was considered "negative".

At the end, we would like to thank our clients who provided us the opportunity to serve them. We also extend lot of appreciation to the company employees at all levels for their efforts.

For and on behalf of the board




Muhammad Tahir Butt  
Chief Executive

Lahore: 27 April 2012

## CONDENSED INTERIM BALANCE SHEET AS AT 31 MARCH 2012

	UN-AUDITED		AUDITED	
	31 MARCH 2012	31 MARCH 2012	30 JUNE 2011	30 JUNE 2011
	Book Value	Estimated realizable (settlement) value	Book Value	Estimated realizable (settlement) value
NOTE	Rupees	Rupees	Rupees	Rupees
<b>ASSETS</b>				
Cash and bank balances	8,018,226	8,018,226	11,190,481	11,190,481
Advances and prepayments	863,161	863,161	796,902	796,902
Other receivables	12,176,494	12,176,494	2,104,607	2,104,607
Net investment in lease finance	3	262,786,137	337,300,282	358,172,407
Security deposits	235,000	235,000	347,000	347,000
Property, plant and equipment	4	1,098,503	1,398,503	15,475,219
<b>TOTAL ASSETS</b>	<u>285,177,521</u>	<u>359,991,666</u>	<u>388,086,616</u>	<u>462,483,948</u>
<b>LIABILITIES</b>				
Accrued and other liabilities	2,422,335	2,422,335	2,819,632	2,819,632
Accrued mark up	2,659,883	2,659,883	3,420,391	3,420,391
Borrowing	33,363,060	33,363,060	62,377,860	62,377,860
Loan from associated undertaking	5	3,087,423	3,087,423	6,087,423
Financing	6	-	11,907,379	11,907,379
Liabilities against assets subject to finance lease	-	-	172,518	172,518
Deposits on lease contracts	170,369,690	170,369,690	219,469,257	219,469,257
Employee benefit	1,583,067	626,856	2,570,925	860,025
Provision for taxation	2,502,286	2,502,286	3,828,263	3,828,263
<b>TOTAL LIABILITIES</b>	<u>215,987,744</u>	<u>215,031,533</u>	<u>312,653,648</u>	<u>310,942,748</u>
<b>NET ASSETS</b>	<u>69,189,777</u>	<u>144,960,133</u>	<u>75,432,968</u>	<u>151,541,200</u>
<b>REPRESENTED BY:</b>				
<b>Authorized share capital</b>				
35,000,000 (30 June 2011: 35,000,000) ordinary shares of Rupees 10 each	<u>350,000,000</u>	<u>350,000,000</u>	<u>350,000,000</u>	<u>350,000,000</u>
<b>Issued, subscribed and paid up share capital</b>				
21,500,000 (30 June 2011: 21,500,000) ordinary shares of Rupees 10 each	215,000,000	215,000,000	215,000,000	215,000,000
Statutory reserve	58,625,295	58,625,295	58,625,295	58,625,295
Accumulated loss	(204,435,518)	(204,435,518)	(198,192,327)	(198,192,327)
Shareholders' equity	<u>69,189,777</u>	<u>69,189,777</u>	<u>75,432,968</u>	<u>75,432,968</u>
Net surplus on estimated realizable / (settlement) values	-	75,770,356	-	76,108,232
Contingencies and commitments	7	<u>69,189,777</u>	<u>144,960,133</u>	<u>75,432,968</u>
		<u>144,960,133</u>	<u>75,432,968</u>	<u>151,541,200</u>

The annexed notes form an integral part of this condensed interim financial information.

  
**MUHAMMAD TAHIR BUTT**  
CHIEF EXECUTIVE

  
**KHAWAR ANWAR KHAWAJA**  
DIRECTOR

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE PERIOD ENDED 31 MARCH 2012**

	PERIOD ENDED		QUARTER ENDED	
	31 MARCH	31 MARCH	31 MARCH	31 MARCH
	2012	2011	2012	2011
NOTE	Rupees	Rupees	Rupees	Rupees
<b>REVENUE</b>				
Income from lease operations	10,749,233	22,380,930	1,203,443	8,686,982
Other income	4,880,351	3,859,403	2,263,490	706,045
	<u>15,629,584</u>	<u>26,240,333</u>	<u>3,466,933</u>	<u>9,393,027</u>
<b>EXPENDITURE</b>				
Administrative and other operating expenses	(12,217,888)	(17,722,678)	(3,914,858)	(4,191,392)
Financial and other charges	(7,014,769)	(20,987,206)	(1,512,195)	(5,591,989)
Allowance for potential lease losses 3.1	(26,190)	(17,612,602)	8,590,836	(3,769,890)
Lease contract receivables written off	(1,539,549)	(7,951,992)	(1,539,549)	-
	<u>(20,798,396)</u>	<u>(64,274,478)</u>	<u>1,624,234</u>	<u>(13,553,271)</u>
(LOSS) / PROFIT BEFORE TAXATION	(5,168,812)	(38,034,145)	5,091,167	(4,160,244)
Taxation	(1,074,379)	(1,072,516)	(263,613)	(290,030)
(LOSS) / PROFIT AFTER TAXATION	<u>(6,243,191)</u>	<u>(39,106,661)</u>	<u>4,827,554</u>	<u>(4,450,274)</u>
(Loss) / profit per share - basic and diluted	<u>(0.29)</u>	<u>(1.82)</u>	<u>0.22</u>	<u>(0.21)</u>

The annexed notes form an integral part of this condensed interim financial information.



**MUHAMMAD TAHIR BUTT**  
CHIEF EXECUTIVE



**KHAWAR ANWAR KHAWAJA**  
DIRECTOR

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE PERIOD ENDED 31 MARCH 2012**

	PERIOD ENDED		QUARTER ENDED	
	31 MARCH 2012	31 MARCH 2011	31 MARCH 2012	31 MARCH 2011
	Rupees	Rupees	Rupees	Rupees
LOSS AFTER TAXATION	(6,243,191)	(39,106,661)	4,827,554	(4,450,274)
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u>(6,243,191)</u>	<u>(39,106,661)</u>	<u>4,827,554</u>	<u>(4,450,274)</u>

The annexed notes form an integral part of this condensed interim financial information.



**MUHAMMAD TAHIR BUTT**  
CHIEF EXECUTIVE



**KHAWAR ANWAR KHAWAJA**  
DIRECTOR

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE PERIOD ENDED 31 MARCH 2012**

	PERIOD ENDED	
	31 MARCH 2012	31 MARCH 2011
	Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(5,168,812)	(38,034,145)
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	258,671	2,346,200
Impairment on property, plant and equipment	-	708,740
Loss on disposal of investments	-	1,668,970
Provision for gratuity	160,118	312,150
Financial charges	7,014,769	20,987,206
Allowance for potential lease losses	26,190	17,612,602
Gain on sale of property, plant and equipment	(1,251,348)	(1,445,129)
Lease contract receivable written off	1,539,549	7,951,992
Credit balances written back	(1,147,356)	(530,532)
Debit balances written off	229,587	30,370
Profit on bank deposits and investment	(74,113)	(339,147)
	6,756,067	49,303,422
<b>Operating profit before working capital changes</b>	1,587,255	11,269,277
Decrease in advances and prepayments	(66,259)	928,281
(Increase) / decrease in other receivables	(11,702,670)	-
Increase / (decrease) in accrued and other liabilities	533,592	(2,119,726)
	(9,648,082)	10,077,832
<b>Cash used in operations</b>	(9,648,082)	10,077,832
Financial charges paid	(7,775,277)	(22,976,311)
Income tax paid	(769,573)	(4,407,180)
Gratuity paid	(1,147,976)	(759,710)
	(9,692,826)	(28,143,211)
<b>Net cash used in operating activities</b>	(9,692,826)	(28,143,211)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net Investment in lease finance	93,820,531	152,238,846
Property, plant and equipment acquired	(27,850)	-
Proceeds from sale of property, plant and equipment	15,397,243	13,246,426
Proceeds from sale of Pakistan Investment Bond	-	8,331,030
Security deposits	112,000	148,732
Profit on bank deposits and investment	74,113	516,133
	109,376,037	174,481,167
<b>Net cash from investing activities</b>	109,376,037	174,481,167
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loan from associated undertaking	(3,000,000)	40,000,000
Financing repaid	(11,907,379)	(76,828,828)
Certificates of investment repaid	-	(40,000,000)
Deposits on lease contracts	(49,099,567)	(62,470,520)
Lease rentals paid	(185,638)	(564,086)
	(64,192,584)	(139,863,434)
<b>Net cash used in financing activities</b>	(64,192,584)	(139,863,434)
<b>Net increase in cash and cash equivalents</b>	25,842,545	16,552,364
<b>Cash and cash equivalents at the beginning of the period (Note 8)</b>	(51,187,379)	(68,900,216)
<b>Cash and cash equivalents at the end of the period (Note 8)</b>	(25,344,834)	(52,347,852)

The annexed notes form an integral part of this condensed interim financial information.



**MUHAMMAD TAHIR BUTT**  
CHIEF EXECUTIVE



**KHAWAR ANWAR KHAWAJA**  
DIRECTOR

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE PERIOD ENDED 31 MARCH 2012**

	SHARE CAPITAL		RESERVES			TOTAL	TOTAL EQUITY	
	Rupees		Rupees					Rupees
	CAPITAL RESERVE	STATUTORY RESERVE	REVENUE RESERVE	ACCUMULATED LOSS	TOTAL			
<b>Balance as at 30 June 2010 (Audited)</b>	215,000,000	58,625,295	(172,043,814)		(113,418,519)	101,581,481		
Transfer from surplus on revaluation of buildings on account of incremental depreciation - net of deferred taxation	-	-	6,007,562		6,007,562	6,007,562		
Total comprehensive loss for the period ended 31 March 2011	-	-	(39,106,661)		(39,106,661)	(39,106,661)		
<b>Balance as at 31 March 2011 (Un-Audited)</b>	215,000,000	58,625,295	(205,142,913)		(146,517,618)	68,482,382		
Transfer from surplus on revaluation of building	-	-	(5,326,518)		(5,326,518)	(5,326,518)		
- Incremental depreciation - net of deferred taxation	-	-	17,340,615		17,340,615	17,340,615		
- disposal of building - net of deferred taxation	-	-	(5,063,511)		(5,063,511)	(5,063,511)		
Total comprehensive loss for the year ended 30 June 2011	-	-	(9,049,414)		(9,049,414)	(9,049,414)		
<b>Balance as at 30 June 2011 (Audited)</b>	215,000,000	58,625,295	(198,192,327)		(139,567,032)	75,432,968		
Total comprehensive loss for the period ended 31 March 2012	-	-	(6,243,191)		(6,243,191)	(6,243,191)		
<b>Balance as at 31 March 2012 (Un-Audited)</b>	215,000,000	58,625,295	(204,435,518)		(145,810,223)	69,189,777		

The annexed notes form an integral part of this condensed interim financial information.



**MUHAMMAD TAHIR BUTT**  
CHIEF EXECUTIVE



**KHAWAR ANWAR KHAWAJA**  
DIRECTOR



**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE PERIOD ENDED 31 MARCH 2012**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

1.1 Grays Leasing Limited ("the company") is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984 on 31 August 1995. The company's shares are listed on Karachi and Lahore Stock Exchanges. The company is engaged in leasing business. It has been classified as a Non-Banking Finance Company (NBFC). Its registered office is situated at 701-A, 7th floor, City Towers, 6-K, Main Boulevard, Gulberg-II, Lahore.

**Going concern assumption**

1.2 During the period ended 31 March 2012, the company has incurred a net loss of Rupees 6.243 million. The company has accumulated losses and shareholders' equity of Rupees 204.435 million and Rupees 69.189 million respectively as on 31 March 2012. Currently, the company is not in compliance with the minimum equity requirement of Rupees 350 million to carry on leasing business. The license of the company to carry out leasing business has been expired since 14 May 2010. The company applied for renewal of leasing license to Securities and Exchange Commission of Pakistan ("SECP") in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008. SECP accorded special forbearance to the company for a period of one year (from 9 July 2010 to 8 July 2011) to meet the minimum equity requirement subject to the conditions that the company will not raise further deposits and rollover existing deposits without prior approval of SECP. During this period of one year, the company could not meet the minimum equity and applied to SECP for further extension of forbearance period upto 30 June 2012. In response of this request SECP demanded comprehensive equity injection plan and financial projections of the company for next three years. However, further extension of this period has not yet been granted by SECP. These factors raised uncertainties that the company may not be able to continue as a going concern. Therefore, these financial statements have been prepared on the basis of estimated realisable / (settlement) values of assets and liabilities respectively in addition to historical cost convention. All assets and liabilities in these financial statements have been presented in the order of liquidity.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and methods of computations adopted for the preparation of this condensed interim financial information are the same as applied in the preparation of the preceding audited annual published financial statements of the company for the year ended 30 June 2011.

**2.1 Basis of preparation**

**2.1.1 Statement of compliance**

This condensed interim financial information of the company for the period ended 31 March 2012 has been prepared in accordance with the requirements of International Accounting Standard - 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information should be read in conjunction with audited annual published financial statements of the company for the year ended 30 June 2011.

**2.1.2 Accounting convention**

Keeping in view the fact that the company may not be able to continue as going concern, this condensed interim financial information is prepared on the basis of realisable / (settlement) values of assets and liabilities respectively in addition to the historical cost convention. In realisable / (settlement) value basis, assets are carried at amount of cash and cash equivalents that could currently be obtained by selling the assets in an orderly disposal. Liabilities are carried at their settlement values, that is the undiscounted amounts of cash or cash equivalents expected to be paid to satisfy the liabilities in the normal course of business. Realisable / (settlement) values of assets and liabilities respectively as disclosed in the balance sheet are based on the management's best estimate.

**2.1.3 Critical accounting estimates and judgements**

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. During preparation of this condensed interim financial information, the significant judgements made by the management in applying the company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the company for the year ended 30 June 2011.

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE PERIOD ENDED 31MARCH 2012**

	Un-Audited 31 March 2012 Rupees	Audited 30 June 2011 Rupees
<b>3. NET INVESTMENT IN LEASE FINANCE</b>		
Lease rentals receivable	354,323,559	410,958,643
Add: Guaranteed residual value of leased assets	<u>170,369,690</u>	<u>219,469,257</u>
Gross investment in lease finance	524,693,249	630,427,900
Less: Unearned finance income	<u>(74,514,145)</u>	<u>(83,369,677)</u>
Net investment in lease finance	450,179,104	547,058,223
Less: Allowance for potential lease losses (Note 3.1)	<u>(187,392,967)</u>	<u>(188,885,816)</u>
	<u>262,786,137</u>	<u>358,172,407</u>
<b>3.1 Allowance for potential lease losses</b>		
Opening balance	188,885,816	191,456,889
Add: Provision charged during the period / year - net of reversal	26,190	15,493,283
Less: Net investment in lease finance written off against provision	<u>1,519,039</u>	<u>18,064,356</u>
Closing balance	<u>187,392,967</u>	<u>188,885,816</u>
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>		
Owned assets (Note 4.1)	1,098,503	14,911,555
Leased assets (Note 4.2)	-	563,664
	<u>1,098,503</u>	<u>15,475,219</u>
<b>4.1 Owned assets</b>		
Opening book value	14,911,555	63,847,633
Add: Cost of additions during the period / year (Note 4.1.1)	27,850	24,000
Add: Book value of vehicle transferred from leased assets during the period / year (Note 4.2)	<u>549,803</u>	<u>1,105,337</u>
	15,489,208	64,976,970
Less: Book value of fixed assets disposed of during the period / year (Note 4.1.2)	<u>14,145,895</u>	<u>47,172,516</u>
	1,343,313	17,804,454
Less: Depreciation charged during the period / year	244,810	2,774,041
Less: Impairment loss (Note 4.1.3)	-	118,858
Closing book value (Note 4.1.4)	<u>1,098,503</u>	<u>14,911,555</u>
<b>4.1.1 Cost of additions</b>		
Office equipment	8,250	-
Computer equipment	<u>19,600</u>	<u>24,000</u>
	<u>27,850</u>	<u>24,000</u>
<b>4.1.2 Book value of deletions</b>		
Office equipment	89,009	772,700
Furniture and fixtures	204,114	109,272
Buildings	-	44,457,974
Vehicles	2,112,038	1,818,282
Land	11,706,695	-
Computer equipment	<u>34,039</u>	<u>14,288</u>
	<u>14,145,895</u>	<u>47,172,516</u>
<b>4.1.3 Impairment loss</b>		
Office equipment	-	39,203
Furniture and fixtures	-	45,701
Computer equipment	<u>-</u>	<u>33,954</u>
	<u>-</u>	<u>118,858</u>
<b>4.1.4</b>	This includes book value of vehicle given on operating lease amounting to Rupees Nil (30 June 2011: Rupees 706,522).	
<b>4.2 Leased assets</b>		
Opening book value	563,664	1,828,531
Less: Book value of vehicle transferred to owned assets during the period / year (Note 4.1)	<u>549,803</u>	<u>1,105,337</u>
	13,861	723,194
Less: Depreciation charged during the period / year	<u>13,861</u>	<u>159,530</u>
Closing book value	<u>-</u>	<u>563,664</u>
<b>5. LOAN FROM ASSOCIATED UNDERTAKING</b>		
This represents unsecured loan obtained from Anwar Khawja Industries (Private) Limited - associated company. This facility carries mark up at the rate of 3 months KIBOR + 1.50% per annum. This loan will be repaid upto 02 October 2012.		

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE PERIOD ENDED 31 MARCH 2012**

	Un-Audited 31 March 2012 Rupees	Audited 30 June 2011 Rupees
<b>6. FINANCING</b>		
<b>Term finance certificates issued to financial institutions - secured</b>		
Opening balance	12,000,000	106,408,346
Less: Repaid during the period / year	12,000,000	94,408,346
Closing balance	-	12,000,000
Less: Unamortized transaction costs	-	92,621
	<u>-</u>	<u>11,907,379</u>
<b>7. CONTINGENCIES AND COMMITMENTS</b>		
There are no reportable contingencies and commitments as at 31 March 2012 (30 June 2011: NIL).		
<b>8. CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	8,018,226	11,190,481
Less: Borrowing	33,363,060	62,377,860
	<u>(25,344,834)</u>	<u>(51,187,379)</u>

**9. TRANSACTIONS WITH RELATED PARTIES**

The related parties comprise associated undertakings, other related group companies, directors of the company and key management personnel. The company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties is as follows:

	Un-Audited	
	QUARTER ENDED	
	31 March 2012	31 March 2011
	Rupees	Rupees
<b>Associated undertakings</b>		
Mark up on certificates of investment	-	2,940,681
Loan obtained	-	40,000,000
Mark up on loan	1,318,376	777,978
Sale of fixed assets	11,848,695	-
Rent of office building	1,300,000	-
Lease rentals received	1,000	389,650
Sale of vehicle to ex-chief executive	562,548	-

**10. FINANCIAL RISK MANAGEMENT**

The company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the company for the year ended 30 June 2011.

**11. DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information was approved by the Board of Directors and authorized for issue on 27 April 2012.

**12. CORRESPONDING FIGURES**

Corresponding figures have been rearranged or reclassified wherever necessary for the purpose of comparison. However, no significant rearrangements or reclassifications have been made.



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CHIEF EXECUTIVE



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