



INTERIM CONDENSED
FINANCIAL INFORMATION
FOR THE QUARTER ENDED
30 SEPTEMBER 2009
(UN-AUDITED)

GRAYS LEASING LIMITED



COMPANY INFORMATION

BOARD OF DIRECTORS	Mr. Paul Douglas Gray Mr. Khawar Anwar Khawaja Mr. Naveed Amin Mr. Muhammad Tahir Butt Mr. Neil Douglas James Gray Mr. Khurram Anwar Khawaja Khawaja Zaka-ud-Din	Chairman Vice Chairman Chief Executive
AUDIT COMMITTEE	Mr. Khawar Anwar Khawaja Mr. Muhammad Tahir Butt Mr. Khurram Anwar Khawaja	
AUDITORS	Riaz Ahmad and Company Chartered Accountants 10-B Saint Mary Park Main Boulevard, Gulberg III Lahore.	
COMPANY SECRETARY	Muhammad Adil Munir	
CHIEF FINANCIAL OFFICER	Mr. Mohsin Bilal Aamir	
HEAD OF INTERNAL AUDIT	Muhammad Faisal Azam	
LEGAL ADVISOR	Saeed Akhtar Advocate & Corporate Counsel	
REGISTERED AND HEAD OFFICE	701-A, 7th Floor, City Towers 6-K, Main Boulevard, Gulberg - II, Lahore Tel: (042) 35770382 - 7 Fax: (042) 35770389 E-mail: info@graysleasing.com Website: www.graysleasing.com	
BANKERS	Standard Chartered Bank (Pakistan) Limited Bank Alfalah Limited The Bank of Punjab The Bank of Khyber Askari Bank Limited MCB Bank Limited First Women Bank Limited National Bank of Pakistan Allied Bank Limited Barclays Bank PLC, Pakistan	
SHARE REGISTRAR	Hassan Farooq Associates (Pvt) Ltd. HF House 7-G, Mushtaq Ahmed Gurmani Road Gulberg II Lahore.	

DIRECTORS' REVIEW

We are pleased to present the un-audited accounts for the quarter ended September 30, 2009.

During the quarter ended September 30, 2009, the lease disbursement is of Rs.4.078 million as compared to the corresponding quarter of 2008 in which the disbursement was of Rupees 3 million. Net investment in leases is Rs. 996.804 million as on September 30, 2009 as compared to Rupees 1,048.163 million as on June 30, 2009.

The gross revenue from operations is Rupees 28.214 million as against Rupees 43.491 million in the corresponding quarter of 2008 and net profit before and after tax is Rupees 0.548 million and Rupees 0.197 million respectively as compared to loss of Rupees 2.267 million and Rupees 1.445 million respectively during the corresponding quarter of 2008.

Higher interest rate, power crises, liquidity crunch and law and order situation are the major factors affecting the industrial growth, as a result of which Grays Leasing also faced sever pressures. By keeping in view the prudent policy an amount of Rs 7.931 million is transferred to suspense account and Rs.1.431 million has been provided for potential lease losses. By the Grace of GOD your company's recoveries are up to the mark and we expect that recovery situation will further improve and we will also succeed to get back on to the track.

The JCR-VIS Credit Rating Company has assigned the company medium to long term entity rating of BBB+ and short term entity rating at A3. The outlook on the entity was considered "negative".

At the end, we would like to than banks and financial institutions for their support and the clients who provided us the opportunity to serve them. We also extend lot of appreciation to company employees at all levels for their efforts.

For and on behalf of the board



Naveed Amin

Chief Executive

Lahore: October 30, 2009

GRAYS LEASING LIMITED

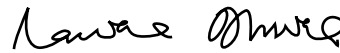
INTERIM CONDENSED BALANCE SHEET
AS AT 30 SEPTEMBER 2009

	NOTES	Un-audited 30 September 2009 Rupees	Audited 30 June 2009 Rupees
ASSETS			
Current Assets			
Cash and bank balances		9,048,622	16,235,207
Advances, deposits, prepayments, accrued interest and other receivables		3,129,385	3,636,064
Current maturity of non current assets		<u>733,836,675</u>	<u>763,478,523</u>
		746,014,682	783,349,794
Non Current Assets			
Net investment in finance leases	5	<u>166,164,732</u>	<u>189,313,058</u>
Long term investment	6	<u>10,315,068</u>	<u>10,176,986</u>
Property, plant and equipment	7	<u>88,158,723</u>	<u>89,373,230</u>
Long term security deposits		<u>983,482</u>	<u>983,482</u>
		<u>265,622,005</u>	<u>289,846,756</u>
Total Assets		<u>1,011,636,687</u>	<u>1,073,196,550</u>
LIABILITIES			
Current Liabilities			
Short term borrowings		<u>97,287,019</u>	<u>73,649,195</u>
Accrued and other liabilities		<u>5,312,809</u>	<u>6,647,334</u>
Accrued mark up		<u>9,106,712</u>	<u>15,695,397</u>
Current maturity of non current liabilities		<u>456,549,509</u>	<u>479,089,915</u>
Provision for taxation		<u>13,151,549</u>	<u>14,300,609</u>
		581,407,598	589,382,450
Non Current Liabilities			
Deferred taxation		<u>18,182,845</u>	<u>18,182,844</u>
Deposits on lease contracts		<u>116,448,154</u>	<u>141,555,117</u>
Certificates of investment		<u>1,500,000</u>	<u>1,500,000</u>
Long term financing		<u>68,282,656</u>	<u>96,967,816</u>
Liabilities against assets subject to finance lease		<u>458,214</u>	<u>681,019</u>
Deferred liability		<u>4,078,493</u>	<u>3,845,828</u>
		<u>208,950,362</u>	<u>262,732,624</u>
Total Liabilities		<u>790,357,960</u>	<u>852,115,074</u>
NET ASSETS		<u>221,278,727</u>	<u>221,081,476</u>
REPRESENTED BY:			
Authorized share capital			
35,000,000 (30 June 2008: 35,000,000) ordinary shares of Rupees 10 each		<u>350,000,000</u>	<u>350,000,000</u>
Issued, subscribed and paid up share capital			
Statutory reserves		215,000,000	215,000,000
Unappropriated profit / (Accumulated loss)		58,625,295	58,625,295
Shareholders' equity		<u>(71,077,668)</u>	<u>(71,513,998)</u>
		202,547,627	202,111,297
Surplus on revaluation of buildings		18,731,100	18,970,179
Contingencies and commitments	8	<u>221,278,727</u>	<u>221,081,476</u>

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



NAVEED AMIN
Chief Executive



KHAWAR ANWAR KHAWAJA
Director

GRAYS LEASING LIMITED

INTERIM CONDENSED PROFIT & LOSS ACCOUNT
FOR THE QUARTER ENDED 30 SEPTEMBER 2009

	Quarter ended (Un-Audited)	
	30 September 2009 Rupees	30 September 2008 Rupees
REVENUE		
Income from lease financing	28,504,950	42,992,851
Other income	257,599	499,058
	<u>28,762,549</u>	<u>43,491,909</u>
EXPENDITURE		
Administrative and other operating expenses	6,846,259	9,118,963
Financial and other charges	19,936,816	28,928,303
Provision for doubtful receivables	1,431,283	7,711,767
	<u>28,214,358</u>	<u>45,759,033</u>
PROFIT / (LOSS) BEFORE TAXATION	548,191	(2,267,124)
Provision for taxation	11 <u>(350,940)</u>	<u>822,270</u>
PROFIT / (LOSS) AFTER TAXATION	<u>197,251</u>	<u>(1,444,854)</u>
Earnings per share - basic and diluted	<u>0.01</u>	<u>(0.07)</u>

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


NAVEED AMIN
Chief Executive


KHAWAR ANWAR KHAWAJA
Director

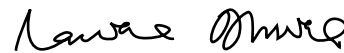
INTERIM CONDENSED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2009

	Quarter ended (Un-Audited)	
	30 September 2009 Rupees	30 September 2008 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	548,191	(2,267,124)
Adjustments for non-cash charges and other items:		
Depreciation	1,802,506	2,040,141
Provision for gratuity	232,665	301,120
Finance charges	19,936,816	28,928,303
Provision for doubtful receivables	1,431,283	7,711,767
Markup on loan to employee	(5,061)	-
Profit on bank deposits and investments	(516,409)	(201,644)
	<u>22,881,800</u>	<u>38,779,687</u>
Operating profit before working capital changes	23,429,991	36,512,563
Decrease/(increase) in advances, prepayments, accrued interest and other receivables	644,761	(5,017)
Increase/(decrease) in accrued and other liabilities	(7,923,210)	(3,465,627)
Cash generated from operations	<u>16,151,542</u>	<u>33,041,919</u>
Financial charges paid	(26,327,934)	(23,248,806)
Income tax paid	(1,500,000)	-
Gratuity paid	-	(31,000)
Net cash from / (used in) operating activities	(11,676,392)	9,762,113
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Investment in finance leases	51,358,891	89,647,741
Property, plant and equipment acquired	(587,999)	(1,123,200)
Long term security deposits	-	(106,000)
Long term loans and advances	-	50,000
Profit on bank deposits and investments	516,409	-
Net cash from / (used in) investing activities	51,287,301	88,468,541
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing	(61,582,335)	(67,400,000)
Short term borrowings - net	23,637,824	(29,167,128)
Share deposit money	-	1,194,620
Certificates of investment repaid	(18,500,000)	-
Deposits on lease contracts	(13,853,336)	(21,569,133)
Lease rentals paid	(137,471)	(286,949)
Net cash used in financing activities	<u>(70,435,318)</u>	<u>(117,228,590)</u>
Net decrease in cash and cash equivalents	(30,824,409)	(18,997,936)
Cash and cash equivalents at the beginning of the period (Note 9)	(57,413,988)	28,814,468
Cash and cash equivalents at the end of the period (Note 9)	<u>(88,238,397)</u>	<u>9,816,532</u>

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



NAVEED AMIN
Chief Executive



KHAWAR ANWAR KHAWAJA
Director

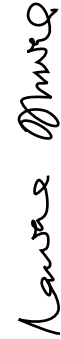
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 2009

	Share Capital	RESERVES			Total	Total Equity
		Statutory Reserve	Unappropriated Profit / (Accumulated Loss)			
Balance as at 30 June 2008- Restated	200,000,000	58,625,295	(14,797,210)		43,828,085	243,828,085
Share deposit money	-	-	-	-	-	-
Net loss for the period	-	-	(1,444,854)		(1,444,854)	(1,444,854)
Transfer from surplus on revaluation of buildings -Incremental depreciation-net of deferred taxation	-	-	249,697		249,697	249,697
Balance as at 30 September 2008	200,000,000	58,625,295	(15,992,367)		42,632,928	242,632,928
Net loss for the period	-	-	(56,520,062)		(56,520,062)	(56,520,062)
Issue of share capital	15,000,000	-	-		-	15,000,000
Transfer from surplus on revaluation of buildings -Incremental depreciation-net of deferred taxation	-	-	998,431		998,431	998,431
Balance as at 30 June 2009	215,000,000	58,625,295	(71,513,998)		(12,888,703)	202,111,297
Net profit for the period	-	-	197,251		197,251	197,251
Transfer from surplus on revaluation of buildings -Incremental depreciation-net of deferred taxation	-	-	239,079		239,079	239,079
Balance as at 30 September 2009	215,000,000	58,625,295	(71,077,668)		(12,452,373)	202,547,627

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



NAVEED AMIN
Chief Executive



KHAWAR ANWAR KHAWAJA
Director

GRAYS LEASING LIMITED

**SELECTED NOTES TO THE INTERIM
CONDENSED FINANCIAL INFORMATION
FOR THE QUARTER ENDED 30 SEPTEMBER 2009**

1. The company was incorporated in Pakistan as a public limited company 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 and 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.
2. The financial statements have been prepared and are being submitted to the shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984 and the International Accounting Standard (IAS) 34- 'Interim Financial Reporting'.
3. The accounting policies and methods of computations adopted for the preparation of this interim financial information are the same as applied in the preparation of the preceding annual published financial statements of the company for the year ended 30 June 2009.
4. Judgments and estimates made by the management in the preparation of this interim financial information are the same as those applied to the preceding annual published financial statements of the company for the year ended 30 June 2009.

	Un-audited 30 September 2009 Rupees	Audited 30 June 2009 Rupees
5. Net investment in finance leases		
Lease rentals receivable	762,349,646	826,510,715
Add: Guaranteed residual value of leased assets	365,658,436	382,511,772
Gross investment in finance leases	<u>1,128,008,082</u>	<u>1,209,022,487</u>
Less: Unearned finance income	131,203,772	160,859,286
Net investment in finance leases	<u>996,804,310</u>	<u>1,048,163,201</u>
Less: Allowance for potential lease losses	96,802,903	95,371,620
	<u>900,001,407</u>	<u>952,791,581</u>
Less: Current portion shown under current liabilities	<u>733,836,675</u>	<u>763,478,523</u>
	<u><u>166,164,732</u></u>	<u><u>189,313,058</u></u>

6. **LONG TERM INVESTMENT**
Investment in Pakistan Investment Bonds has been made in accordance with Rule 14(4)(i) of Non-Banking Finance Companies and Notified Entities Regulations, 2008 in order to maintain liquidity against certificates of investment issued by the company. These bonds have a maturity period of 10 years and carry profit at the rate of 8% per annum receivable semi annually.

7. PROPERTY, PLANT AND EQUIPMENT		
Owned assets (Note 7.1)	83,948,721	84,939,731
Leased assets (Note 7.2)	<u>4,210,001</u>	<u>4,433,498</u>
	<u><u>88,158,723</u></u>	<u><u>89,373,229</u></u>

7.1 Owned assets		
Opening book value	84,939,731	92,123,146
Add: Cost of additions during the period / year (Note 7.1.1)	<u>588,000</u>	<u>893,790</u>
	<u>85,527,731</u>	<u>93,016,936</u>
Less: Book value of assets disposed of during the period / year	-	956,544
	<u>85,527,731</u>	<u>92,060,392</u>
Less: Depreciation charged for the period / year	1,579,009	7,120,661
Closing book value (Note 7.1.2)	<u><u>83,948,721</u></u>	<u><u>84,939,731</u></u>

7.1.1 Cost of additions during the year		
Furniture and fixtures	-	48,000
Software	588,000	-
Office equipment	-	17,740
Computer equipment	-	144,500
Vehicles	-	683,550
	<u>588,000</u>	<u>893,790</u>

- 7.1.2 It includes book value of property, plant and equipment on operating lease and intangible asset amounting to Rupees 19,992,631 and Rupees 580,590 respectively (30 June 2009: Rupees 20,799,001 and Rupees Nil respectively).

7.2 Leased assets		
Opening book value	4,433,498	5,273,937
Add: Cost of vehicles acquired during the period / year	-	1,068,701
	<u>4,433,498</u>	<u>6,342,638</u>
Less: Book value of vehicles disposed of during the period / year	-	725,337
	<u>4,433,498</u>	<u>5,617,300</u>
Less: Depreciation charged for the period / year	223,497	1,183,801
Closing book value	<u><u>4,210,001</u></u>	<u><u>4,433,499</u></u>

GRAYS LEASING LIMITED

**SELECTED NOTES TO THE INTERIM
CONDENSED FINANCIAL INFORMATION
FOR THE QUARTER ENDED 30 SEPTEMBER 2009**

8. CONTINGENCIES AND COMMITMENTS

Contingencies

Nil (30 June 2009 : Nil)

Commitments

Nil (30 June 2009 : Nil)

9. CASH AND CASH EQUIVALENTS

	Un-audited 30 September 2009	Audited 30 June 2009
	Rupees	Rupees

Cash and bank balances	9,048,622	16,235,207
Less: Short term running finance	97,287,019	73,649,195
	<u>(88,238,397)</u>	<u>(57,413,988)</u>

10. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, other related companies 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 30 September 2009	Un-audited 30 September 2008
	Rupees	Rupees

Mark up on certificates of investment	4,153,388	2,263,203
Short term borrowings acquired	-	6,000,000
Lease rentals received	-	668,485

11. Taxation

The provision for taxation is on an estimated basis

12. DATE OF AUTHORIZATION FOR ISSUE

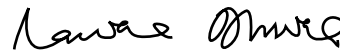
This interim financial information was approved by the Board of Directors and authorized for issue on 30-10-2009.

13. CORRESPONDING FIGURES

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



NAVEED AMIN
Chief Executive



KHAWAR ANWAR KHAWAJA
Director

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6-K, Main Boulevard, Gulberg-II, Lahore
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