

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

**30 SEPTEMBER 2018
(UN-AUDITED)**



GRAYS LEASING LIMITED

COMPANY INFORMATION**BOARD OF DIRECTORS**

Mr. Khawar Anwar Khawaja
 Mr. Muhammad Tahir Butt
 Mr. Khurram Anwar Khawaja
 Mr. Iftikhar Ahmad Butt
 Mr. Omer Khawar Khawaja
 Mr. Abdul Qayum Malik
 Mr. Muhammad Khalid Butt

Chairman
 Chief Executive

AUDIT COMMITTEE

Mr. Iftikhar Ahmad Butt
 Mr. Khurram Anwar Khawaja
 Mr. Omer Khawar Khawaja

AUDITORS

Riaz Ahmad & Company
 Chartered Accountants
 10-B Saint Mary Park
 Main Boulevard, Gulberg III
 Lahore.

COMPANY SECRETARY

Muhammad Adil Munir

CHIEF FINANCIAL OFFICER

M. Avais Ibrahim

HEAD OF INTERNAL AUDIT

Mr. Bilal Arsalan Mir

**HUMAN RESOURCE AND
REMUNERATION COMMITTEE**

Mr. Omer Khawar Khawaja
 Mr. Muhammad Tahir Butt
 Mr. Khurram Anwar Khawaja

Chairman

LEGAL ADVISOR

Lexicon Law Firm

REGISTERED AND HEAD OFFICE

701-A, 7th Floor, City Towers
 6-K, Main Boulevard, Gulberg - II, Lahore
 Tel: (042) 35770381 - 2
 Fax: (042) 35770389
 E-mail: info@graysleasing.com
 Website: www.graysleasing.com

BANKERS

Meezan Bank Limited
 The Bank of Punjab
 Askari Bank Limited
 National Bank of Pakistan
 Habib Bank Limited
 State Bank of Pakistan
 First Women Bank Limited
 Bank Al-Habib Limited

SHARE REGISTRAR

CorpTec Associates (Pvt) Ltd.
 503-E, Johar Town, Lahore.

DIRECTORS' REPORT

We are pleased to present the condensed interim financial information for the period ended 30 September 2018, together with report of the Board of Directors of the company.

During the period ended 30 September 2018, the company transacted business worth Rupees 7.583 million as compared to Rupees 9.851 million on 30 September 2017. During the period ended 30 September 2018, the company earned a profit before tax of Rupees 0.029 million and lose after tax Rupees 0.128 million respectively as compared to net profit before and after tax of Rupees 0.417 million and Rupees 0.296 million during the corresponding period of 2017. Net investment stands at Rupees 409.764 million as on 30 September 2018 as compared to Rupees 421.020 million as on June 30, 2018. During the period ended 30 September 2018, there is net reversal of Rupees 0.186 million against potential lease losses, resultantly the equity of the company comes to Rupees 69.235 million.

JCR-VIS Credit Rating Company Limited (JCR-VIS) has reaffirmed the entity ratings of Grays Leasing Limited (GLL) at 'BB-/B' (Double B Minus/Single B). Outlook on the assigned rating is 'Stable'.

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: 25 October 2018

ڈائریکٹرز رپورٹ

ہم کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے 30 ستمبر 2018 کو اختتام پذیر ہونے والی عبوری مالی اسٹیٹمنٹ بمعہ ڈائریکٹرز رپورٹ مسرت سے پیش کر رہے ہیں۔

مرکزی کام اور مالی اعداد و شمار

زیر جائزہ 30 ستمبر 2018 کے دورانیے کے اختتام پر کمپنی نے 7.583 ملین روپے کا کاروبار کیا 30 ستمبر 2017 کے 9.851 ملین روپے کے مقابل۔ 30 ستمبر 2018 کے دورانیے کے اختتام پر کمپنی نے ٹیکس سے قبل منافع 0.029 ملین اور بعد میں نقصان 0.128 ملین کمایا جبکہ 2017 کے دورانیے میں ٹیکس سے قبل اور بعد میں منافع 0.417 ملین اور 0.296 ملین رہا۔ حتمی سرمایہ کاری 30 ستمبر 2018 کو 409.764 ملین روپے کی 30 جون 2018 کے 421.020 ملین کے مقابل۔ 30 ستمبر 2018 کے دوران مکملہ لیزز کے الٹ 0.186 ملین ہے، جس کے نتیجے میں کمپنی کی اکوئیٹی 69.235 ملین پر ہے۔

کریڈٹ کی درجہ بندی

JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹیڈ (JCR-VIS) نے گریز لیزنگ لمیٹیڈ (جی ایل ایل) کی کریڈٹ کی درجہ بندی کی BB-/B (ڈبل بی مائنس / سنگل B) پر دوبارہ توثیق کی ہے۔ مقرر کردہ درجہ بندی کا جائزہ ہے "مستحکم"۔

اختتام میں ہم ان کلائنٹس کے نہایت مشکور ہیں جنہوں نے ہمیں خدمت کا موقع دیا۔ اور ہم کمپنی کے ایمپلائز کے بھی بہت قدردان ہیں جنہوں نے کمپنی کیلئے اس حد تک محنت کی۔

بجانب بورڈ



محمد طاہر


چیف ایگزیکٹو

لاہور، 25 اکتوبر 2018

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2018

		UN-AUDITED 30 SEPTEMBER 2018	AUDITED 30 JUNE 2018
	NOTE	Rupees	Rupees
ASSETS			
Current assets			
Cash and bank balances		8,828,517	4,294,769
Advances and prepayments		2,165,093	860,242
Sales tax recoverable		483,289	438,185
Other receivables		589,663	502,142
Current maturity of non-current assets	3	178,226,543	180,862,650
		190,293,105	186,957,988
Non-current assets			
Net investment in lease finance	3	75,200,559	83,634,630
Long term security deposits, advance and prepayments		62,500	62,500
Property, plant and equipment	4	1,365,711	1,431,221
		76,628,770	85,128,351
TOTAL ASSETS		266,921,875	272,086,339
LIABILITIES			
Current liabilities			
Loan from related parties	5	42,500,000	42,500,000
Accrued and other liabilities		3,492,289	3,202,567
Accrued mark-up		1,409,136	627,494
Current maturity of non-current liabilities		106,536,007	113,850,578
Unclaimed dividend		777,785	777,785
Provision for taxation		946,050	789,334
		155,661,267	161,747,758
Non-current liabilities			
Deposits on lease contracts		40,224,235	39,224,364
Employees' retirement benefit		1,801,300	1,751,300
		42,025,535	40,975,664
TOTAL LIABILITIES		197,686,802	202,723,422
NET ASSETS		69,235,073	69,362,917
REPRESENTED BY:			
Authorized share capital			
35,000,000 (30 June 2018: 35,000,000) ordinary shares of Rupees 10 each		350,000,000	350,000,000
Issued, subscribed and paid-up share capital			
21,500,000 (30 June 2018: 21,500,000) ordinary shares of Rupees 10 each		215,000,000	215,000,000
Statutory reserve		59,256,615	59,256,615
Accumulated loss		(205,021,542)	(204,893,698)
Shareholders' equity		69,235,073	69,362,917
CONTINGENCIES AND COMMITMENTS	6	69,235,073	69,362,917

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


MUHAMMAD TAHIR BUTT
CHIEF EXECUTIVE


IFTIKHAR AHMAD BUTT
DIRECTOR


MUHAMMAD AVAIS IBRAHIM
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM PROFIT OR LOSS (UN-AUDITED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2018**

		QUARTER ENDED	
		30 SEPTEMBER	30 SEPTEMBER
		2018	2017
	NOTE	Rupees	Rupees
REVENUE			
Income from lease operations		2,511,924	2,633,317
Other income		370,697	111,567
		<u>2,882,621</u>	<u>2,744,884</u>
EXPENDITURE			
Administrative and other operating expenses		(2,254,846)	(2,458,732)
Financial and other charges		(784,513)	(624,923)
Reversal / (allowance) for potential lease losses	3.1	185,610	756,040
		<u>(2,853,749)</u>	<u>(2,327,615)</u>
PROFIT / (LOSS) BEFORE TAXATION		28,872	417,269
Taxation		(156,716)	(121,202)
PROFIT / (LOSS) AFTER TAXATION		(127,844)	296,067
Earning / (loss) per share - basic and diluted		<u>(0.006)</u>	<u>0.014</u>

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MUHAMMAD TAHIR BUTT
 CHIEF EXECUTIVE



IFTIKHAR AHMAD BUTT
 DIRECTOR


MUHAMMAD AVAIS IBRAHIM
 CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2018**

	QUARTER ENDED	
	30 SEPTEMBER 2018	30 SEPTEMBER 2017
	Rupees	Rupees
PROFIT AFTER TAXATION	(127,844)	296,067
OTHER COMPREHENSIVE INCOME :		
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss	-	-
TOTAL COMPREHENSIVE PTOFIT FOR THE PERIOD	<u>(127,844)</u>	<u>296,067</u>

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


MUHAMMAD TAHIR BUTT
 CHIEF EXECUTIVE


IFTIKHAR AHMAD BUTT
 DIRECTOR


MUHAMMAD AVAIS IBRAHIM
 CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2018**

	PERIOD ENDED	
	30 SEPTEMBER 2018	30 SEPTEMBER 2017
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	28,872	417,269
Adjustments for non-cash charges and other items:		
Depreciation	65,510	98,412
Provision for gratuity	50,000	70,588
Financial charges	784,513	624,923
Reversal for potential lease losses - net	(185,610)	(756,040)
Profit on bank deposits	(27,034)	(8,737)
	687,379	29,146
Operating loss before working capital changes	716,251	446,415
Increase in advances and prepayments	(1,304,851)	(1,196,402)
Increase in sales tax recoverable	(45,104)	(60,772)
Decrease in accrued and other liabilities	289,722	66,117
Cash generated from / (used in) operations	(343,982)	(744,642)
Financial charges paid	(2,871)	(577,886)
Income tax paid	(87,521)	(631,640)
Net cash used in operating activities	(434,374)	(1,954,168)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Investment in lease finance	11,255,788	3,509,389
Security deposits, advance and prepayments	-	217,809
Profit on bank deposits	27,034	8,737
Net cash used in investing activities	11,282,822	3,735,935
CASH FLOWS FROM FINANCING ACTIVITIES		
Deposits on lease contracts - net	(6,314,700)	7,745
Net cash from financing activities	(6,314,700)	7,745
Net increase / (decrease) in cash and cash equivalents	4,533,748	1,789,512
Cash and cash equivalents at the beginning of the period	4,294,769	3,028,927
Cash and cash equivalents at the end of the period	8,828,517	4,818,439

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


MUHAMMAD TAHIR BUTT
 CHIEF EXECUTIVE


IFTIKHAR AHMAD BUTT
 DIRECTOR


MUHAMMAD AVAIS IBRAHIM
 CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE PERIOD ENDED 30 SEPTEMBER 2018

	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	CAPITAL RESERVE		ACCUMULATED LOSS		SHAREHOLDERS' EQUITY
	Rupees	Rupees		Rupees		Rupees
Balance as at 30 June 2017 (Audited)	215,000,000	59,256,615		(200,488,608)		73,768,007
Profit for the period ended 30 September 2017	-	-		296,067		296,067
Other comprehensive income for the period ended 30 September 2017	-	-		-		-
Total comprehensive loss for the period ended 30 September 2017	-	-		296,067		296,067
Transfer to statutory reserve		59,213		(59,213)		-
Balance as at 30 September 2017 (Un-Audited)	215,000,000	59,315,828		(200,251,754)		74,064,074
Loss for the year ended 30 June 2018	-	(59,213)		(4,615,102)		(4,674,315)
Other comprehensive income for the year ended 30 June 2018	-			(26,842)		(26,842)
Total comprehensive loss for the year ended 30 June 2018	-	(59,213)		(4,641,944)		(4,701,157)
Balance as at 30 June 2018 (Audited)	215,000,000	59,256,615		(204,893,898)		69,362,917
Loss for the period ended 30 September 2018	-	-		(127,844)		(127,844)
Other comprehensive income for the period ended 30 September 2018	-	-		-		-
Total comprehensive loss for the period ended 30 September 2018	-	-		(127,844)		(127,844)
Transfer to statutory reserve	-	-		-		-
Balance as at 30 September 2018 (Un-Audited)	215,000,000	59,256,615		(205,021,542)		69,235,073

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


MUHAMMAD TAHIR BUTT
 CHIEF EXECUTIVE


MUHAMMAD AVAIS IBRAHIM
 CHIEF FINANCIAL OFFICER

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED 30 SEPTEMBER 2018

GRAYS LEASING LIMITED SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE PERIOD ENDED 30 SEPTEMBER 2018

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 Pakistan Stock Exchange Limited. 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.

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 2018.

2.1 Basis of preparation

2.1.1 Statement of compliance

This condensed interim financial information is un-audited but subject to limited scope review by the statutory auditors and is being submitted to shareholders as required by section 245 of the Companies Act, 2017. This condensed interim financial information of the Company for the period ended 30 September 2018 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 Act, 2017. In case where requirements differ, the provisions or directives issued under the Companies Act, 2017 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 2018.

2.1.2 Accounting convention

These financial statements have been prepared under historical cost convention except for employee benefit liability at present value and certain financial instruments carried at fair value.

2.1.3 Critical accounting estimates and judgments

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 judgment in the process of applying the Company's accounting policies. Estimates and judgments 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 judgments 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 2018.

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2018**

	Un-Audited 30 September 2018 Rupees	Audited 30 June 2018 Rupees
3. NET INVESTMENT IN LEASE FINANCE		
Lease rentals receivable	325,213,419	331,321,445
Add: Guaranteed residual value of leased assets	146,760,242	153,074,942
Gross investment in lease finance	471,973,661	484,396,387
Less: Unearned finance income	(62,209,205)	(63,376,143)
	409,764,456	421,020,244
Less: Allowance for potential lease losses (Note 3.1)	(156,337,354)	(156,522,964)
Net investment in lease finance - net off provision	253,427,102	264,497,280
Less: Current maturity shown under current assets	(178,226,543)	(180,862,650)
	75,200,559	83,634,630

3.1 Allowance for potential lease losses

Balance as at 01 July	156,522,964	158,742,756
provision for potential lease losses made during the period / year	-	-
Reversal of potential lease losses during the period / year	(185,610)	(2,219,792)
Balance as at 30 September	156,337,354	156,522,964

	Un-Audited 30 September 2018 Rupees	Audited 30 June 2018 Rupees
4. PROPERTY, PLANT AND EQUIPMENT		
Owned Assets	1,365,711	1,431,221
4.1 Owned Assets		
Opening book value	1,431,221	1,731,915
Add: Cost of additions during the period / year (Note 4.1.1)	-	18,500
Less: Depreciation charged during the period / year	65,510	319,194
Closing book value	1,365,711	1,431,221
4.1.1 Cost of additions		
Computer equipment	-	18,500
	-	18,500

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2018**

	Un-Audited 30 September 2018 Rupees	Audited 30 June 2018 Rupees
5. LOAN FROM RELATED PARTIES		
Loan from director (Note 5.1)	5,000,000	5,000,000
Loan from Anwar Khawaja Industries (Private) Limited-associated company (Note 5.2)	37,500,000	37,500,000
	<u>42,500,000</u>	<u>42,500,000</u>

5.1 This unsecured loan carries mark-up at the rate of 3 months KIBOR per annum. This loan is repayable on demand.

5.2 This unsecured loan carries mark-up at the rate of 3 months KIBOR (30 June 2018: 3 months KIBOR) per annum. This loan is repayable till 04 November 2018.

6. CONTINGENCIES AND COMMITMENTS

There are no reportable contingencies and commitments as at 30 September 2018 (30 June 2018: NIL).

7. 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	
30 September 2018 Rupees	30 September 2017 Rupees

i) Transactions

Holding company

Mark up paid	-	1,879,258
Mark up charged to statement of profit or loss	694,305	1,939,642
Rent of office building	75,000	75,000
Loan obtained	-	16,975,730
Loan repaid	-	9,475,730

Related party

Mark up paid	-	508,423
Mark up charged to statement of profit or loss	87,337	472,626
Loan repaid	-	5,000,000

ii) Period end balances

Holding company

Loan	30,000,000	37,500,000
Accrued mark-up	1,243,263	548,958

Related party

Loan	5,000,000	5,000,000
Accrued mark-up	165,873	78,536

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2018****8. 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 2018.

9. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was approved by the Board of Directors and authorized for issue on 25 October 2018.

10. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim profit and loss account, condensed interim statement of comprehensive income and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

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

11. GENERAL

Figures have been rounded off to nearest of Rupee.


MUHAMMAD TAHIR BUTT
CHIEF EXECUTIVE


IFTIKHAR AHMAD BUTT
DIRECTOR


MUHAMMAD AWAIS IBRAHIM
CHIEF FINANCIAL OFFICER

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REGISTERED AND HEAD OFFICE

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