

**CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED**

**31 DECEMBER 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 31 December 2018, 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 December 2018, the company transacted business worth Rupees 49.695 million as compared to Rupees 19.267 million on 31 December 2017. During the period ended 31 December 2018, the company earned a profit before and after tax of Rupees 1.437 million and Rupees 1.215 million respectively as compared to loss before and loss after tax of Rupees 0.444 million and Rupees 0.754 million during the corresponding period of 2017. Net investment stands at Rupees 436.617 million as on 31 December 2018 as compared to Rupees 421.020 million as on June 30, 2018. During the period ended 31 December 2018, there is net reversal of Rupees 2.585 million against potential lease losses, resultantly the equity of the company comes to Rupees 70.578 million.

In our country there is a huge demand of financing in SME sector which are still undiscovered, but the leasing sector is unable to cater the needs of the potential customers due to non availability of the funds from commercial banks. However, the company has emphasized on the recoveries from the stuck up clients and the proceeds from stuck ups are directed to new leases.

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: 22 February 2019

ڈائریکٹرز رپورٹ

ہم کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے 31 دسمبر 2018 کو اختتام پذیر ہونے والی عبوری مالی اسٹیٹمنٹ بمعہ ڈائریکٹرز اینڈ کمپنی کے قانونی آڈیٹرز کی جائزے کی رپورٹ مسرت سے پیش کرتے ہیں۔

مرکزی کام اور مالی اعداد و شمار

زیر جائزہ 31 دسمبر 2018 کے دورانیے کے اختتام پر کمپنی نے 49,695 ملین روپے کا کاروبار کیا 31 دسمبر 2017 کے 19,267 ملین روپے کے مقابلے میں۔ 31 دسمبر 2018 کے دورانیے کے اختتام پر کمپنی نے ٹیکس سے قبل اور بعد میں منافع 1,437 ملین اور 1,215 ملین کمایا جبکہ 2017 کے دورانیے میں ٹیکس سے قبل اور بعد میں نقصان 0,444 ملین اور 0,754 ملین رہا۔ حتمی سرمایہ کاری 31 دسمبر 2018 کو 436,617 ملین روپے کی 30 جون 2018 کے 421,020 ملین کے مقابل۔ 31 دسمبر 2018 کے دوران ممکنہ لیزز کے الٹ 2,585 ملین ہے، جس کے نتیجے میں کمپنی کی اکوٹی 70,578 ملین پر ہے۔

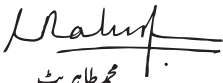
عزیز شیئر ہولڈرز ہمارے ملک میں ایس ایم ای شعبہ میں سرمایہ کاری کی بڑی مانگ ہے جو ابھی بھی ناقابل دریافت ہے۔ لیکن لیزنگ شعبہ کمرشل بینکوں سے فنڈز کی عدم دستیابی کی وجہ سے ممکنہ گاہکوں کی ضروریات کو پورا کرنے کے قابل نہیں ہے۔ تاہم کمپنی نے پھنسے ہوئے گاہکوں سے وصولی پر زور دیا ہے، اور اس سلسلے میں قابل ذکر کامیابی حاصل کی ہے اور اس آمدنی سے نئی لیزز کی ہیں۔

کریڈٹ کی درجہ بندی

JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (JCR-VIS) نے گریز لیزنگ لمیٹڈ (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 اُن کلائنٹس کے نہایت مشکور ہیں جنہوں نے ہمیں خدمت کا موقعہ دیا۔ اور ہم کمپنی کے ایسپلائرز کے بھی بہت قدردان ہیں جنہوں نے کمپنی کیلئے اس حد تک محنت کی۔

بجانب بورڈ



محمد طاہر بٹ

چیف ایگزیکٹو

لاہور، 22 فروری 2019

Riaz Ahmad & Company

Chartered Accountants

10-B, Saint Mary Park
Main Boulevard, Gulberg-III
Lahore 54660, Pakistan

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INDEPENDENT AUDITOR'S REVIEW REPORT To the members of Grays Leasing Limited

Report on review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of GRAYS LEASING LIMITED as at 31 December 2018 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended 31 December 2018 and 31 December 2017 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2018.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Mubashar Mehmood.



RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore

Date: 22 February 2019

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

		UN-AUDITED 31 DECEMBER 2018	AUDITED 30 JUNE 2018
	NOTE	Rupees	Rupees
ASSETS			
Current assets			
Cash and bank balances		7,939,770	4,294,769
Advances and prepayments		1,423,303	860,242
Sales tax recoverable		521,353	438,185
Other receivables		350,199	502,142
Current maturity of non-current assets		184,485,425	180,862,650
		194,720,050	186,957,988
Non-current assets			
Net investment in lease finance	4	98,193,094	83,634,630
Long term security deposits		62,500	62,500
Deferred income tax	5		
Property, plant and equipment	6	1,301,271	1,431,221
		99,556,865	85,128,351
TOTAL ASSETS		294,276,915	272,086,339
LIABILITIES			
Current liabilities			
Loans from related parties	7	57,500,000	42,500,000
Accrued and other liabilities		4,859,382	3,202,567
Accrued mark-up		2,005,666	627,494
Current maturity of non-current liabilities		110,111,367	113,850,578
Unclaimed dividend		777,785	777,785
Provision for taxation		514,035	789,334
		175,768,235	161,147,758
Non-current liabilities			
Deposits on lease contracts		46,003,015	39,224,364
Employees' retirement benefit		1,927,300	1,751,300
		47,930,315	40,975,664
TOTAL LIABILITIES		223,698,550	202,723,422
NET ASSETS		70,578,365	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		(203,678,250)	(204,893,698)
Shareholders' equity		70,578,365	69,362,917
CONTINGENCIES AND COMMITMENTS			
	8	70,578,365	69,362,917

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


MUHAMMAD TAHIR BUTT
 CHIEF EXECUTIVE



Khurram Anwar Khawaja
 DIRECTOR


MUHAMMAD AVAIS IBRAHIM
 CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

	NOTE	HALF YEAR ENDED		QUARTER ENDED	
		31 DECEMBER	31 DECEMBER	31 DECEMBER	31 DECEMBER
		2018	2017	2018	2017
		Rupees	Rupees	Rupees	Rupees
REVENUE					
Income from lease operations		6,492,326	4,874,427	3,980,402	2,241,110
Other income		444,136	196,276	73,439	84,709
		<u>6,936,462</u>	<u>5,070,703</u>	<u>4,053,841</u>	<u>2,325,819</u>
EXPENDITURE					
Administrative and other operating expenses		(5,880,528)	(5,486,124)	(3,625,682)	(3,027,392)
Financial and other charges		(2,203,762)	(1,415,385)	(1,419,249)	(790,462)
Reversal of potential lease losses	4.1	2,584,721	1,387,237	2,399,111	631,197
		<u>(5,499,569)</u>	<u>(5,514,272)</u>	<u>(2,645,820)</u>	<u>(3,186,657)</u>
PROFIT / (LOSS) BEFORE TAXATION		1,436,893	(443,569)	1,408,021	(860,838)
Taxation		(221,445)	(310,864)	(64,729)	(189,662)
PROFIT / (LOSS) AFTER TAXATION		<u>1,215,448</u>	<u>(754,433)</u>	<u>1,343,292</u>	<u>(1,050,500)</u>
Profit / (loss) per share - basic and diluted		<u>0.057</u>	<u>(0.035)</u>	<u>0.062</u>	<u>(0.049)</u>

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


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 HALF YEAR ENDED 31 DECEMBER 2018**

	HALF YEAR ENDED		QUARTER ENDED	
	31 DECEMBER 2018	31 DECEMBER 2017	31 DECEMBER 2018	31 DECEMBER 2017
	Rupees	Rupees	Rupees	Rupees
PROFIT /(LOSS) AFTER TAXATION	1,215,448	(754,433)	1,343,292	(1,050,500)
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 INCOME / (LOSS) FOR THE PERIOD	1,215,448	(754,433)	1,343,292	(1,050,500)

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


MUHAMMAD TAHIR BUTT
 CHIEF EXECUTIVE


Khurram Anwar Khawaja
 DIRECTOR


MUHAMMAD AVAIS IBRAHIM
 CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	HALF YEAR ENDED	
	31 DECEMBER 2018	31 DECEMBER 2017
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	1,436,893	(443,569)
Adjustments for non-cash charges and other items:		
Depreciation	129,950	159,069
Provision for gratuity	176,000	142,000
Financial charges	2,203,762	1,415,385
Reversal for potential lease losses	(2,584,721)	(1,387,237)
Profit on bank deposits	(68,042)	(24,093)
	(143,051)	305,124
Operating profit / (loss) before working capital changes	1,293,842	(138,445)
Increase in advances and prepayments	(563,061)	(324,142)
Increase in sales tax recoverable	(83,168)	(125,007)
(Increase) / decrease in accrued and other liabilities	1,656,815	(737,727)
Increase in other receivables	(69,500)	-
Cash generated from / (used in) operations	2,234,928	(1,325,321)
Financial charges paid	(825,590)	(1,383,668)
Income tax paid	(275,301)	(867,458)
Net cash generated from / (used in) operating activities	1,134,037	(3,576,447)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Investment in lease finance	(15,596,518)	10,148,851
Property, plant and equipment - acquired	-	(18,500)
Security deposits and prepayment	-	(177,650)
Profit on bank deposits	68,042	24,093
Net cash from / (used in) investing activities	(15,528,476)	9,976,794
CASH FLOWS FROM FINANCING ACTIVITIES		
Deposits on lease contracts - net	3,039,440	(1,014,880)
Loans obtained from related party	15,000,000	3,442,730
Loan repaid to related party	-	(9,475,730)
Net cash from / (used in) financing activities	18,039,440	(7,047,880)
Net increase / (decrease) in cash and cash equivalents	3,645,001	(647,533)
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	7,939,770	2,381,394

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


MUHAMMAD TAHIR BUTT
 CHIEF EXECUTIVE


Khurram Anwar Khawaja
 DIRECTOR


MUHAMMAD AWAZ IBRAHIM
 CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	CAPITAL RESERVE	ACCUMULATED LOSS	SHAREHOLDERS' EQUITY
	Rupees	STATUTORY RESERVE	Rupees	Rupees
Balance as at 30 June 2017 (Audited)	215,000,000	59,256,615	(200,488,608)	73,768,007
Loss for the half year ended 31 December 2017	-	-	(754,433)	(754,433)
Other comprehensive income for the half year ended 31 December 2017	-	-	-	-
Total comprehensive loss for the half year ended 31 December 2017	-	-	(754,433)	(754,433)
Balance as at 31 December 2017 (Un-Audited)	215,000,000	59,256,615	(201,243,041)	73,013,574
Loss for the half year ended 30 June 2018	-	-	(3,623,815)	(3,623,815)
Other comprehensive loss for the half year ended 30 June 2018	-	-	(26,842)	(26,842)
Total comprehensive loss for the half year ended 30 June 2018	-	-	(3,650,657)	(3,650,657)
Balance as at 30 June 2018 (Audited)	215,000,000	59,256,615	(204,893,698)	69,362,917
Profit for the half year ended 31 December 2018	-	-	1,215,448	1,215,448
Other comprehensive income for the half year ended 31 December 2018	-	-	-	-
Total comprehensive income for the half year ended 31 December 2018	-	-	1,215,448	1,215,448
Balance as at 31 December 2018 (Un-Audited)	215,000,000	59,256,615	(203,678,250)	70,578,365

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


MUHAMMAD TAHIR BUTT
CHIEF EXECUTIVE


MUHAMMAD AVAIS IBRAHIM
CHIEF FINANCIAL OFFICER

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2018

1 LEGAL STATUS AND NATURE OF BUSINESS

Grays Leasing Limited ("the Company") is a public limited Company incorporated in Pakistan under the Companies Ordinance, 1984 (Now Companies, 2017). 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 BASIS OF PREPARATION

2.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, and the NBFC Regulations differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, and the NBFC Regulations have been followed.

2.2 These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2018. These condensed interim financial statements are un-audited, however, have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2017 and Section 237 of the Companies Act, 2017.

3 ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of these condensed interim financial statements 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, except for the change as explained in note 3.3 to these condensed interim financial statements which has no financial impact.

3.1 ACCOUNTING CONVENTION

These condensed interim 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.

3.2 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim financial statements 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 these condensed interim financial statements, 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.

3.3 ADOPTION OF IFRS 15 "REVENUE FROM CONTRACTS WITH CUSTOMERS" AND ITS IMPACT THERE OFF

The Company has adopted IFRS 15 by applying the modified retrospective approach according to which the Company is not required to restate comparative prior years periods. The application of IFRS 15 does not have any impact on the revenue recognition policy of the Company and therefore, the cumulative effect of initially applying this standard as an adjustment to the opening equity of the Company in the period of initial application is nil.

3.4 DEFERMENT OF IFRS 9 "FINANCIAL INSTRUMENTS"

The Securities and Exchange Commission of Pakistan ('SECP') through SRO 1007 (I) / 2017 dated 04 October 2017 had notified that IFRS 9, 'Financial Instruments' would be applicable for annual periods beginning on or after 01 July 2018, however, subsequent to the reporting date, SECP through SRO 229 (I) / 2019 dated 14 February 2019 has notified the deferment of this standard to reporting period / year ending on or after 30 June 2019 (earlier application is permitted). Consequently, the Company has not adopted this standard in the preparation of these condensed interim financial statements for the half year ended 31 December 2018.

This standard replaces the guidance in IAS 39, 'Financial Instruments: Recognition and measurement'. It includes requirements on the classification and measurement of financial assets and liabilities. As allowed above, the Company will apply this standard in the preparation of its financial statements for the year ending on 30 June 2019 and it is yet to assess the full impact of this standard.

	Un-Audited 31 December 2018 Rupees	Audited 30 June 2018 Rupees
4 NET INVESTMENT IN LEASE FINANCE		
Lease rentals receivable	349,293,814	331,321,445
Add: Guaranteed residual value of leased assets	156,114,382	153,074,942
Gross investment in lease finance	505,408,196	484,396,387
Less: Unearned finance income	(68,791,434)	(63,376,143)
	436,616,762	421,020,244
Less: Allowance for potential lease losses (Note 4.1)	(153,938,243)	(156,522,964)
Net investment in lease finance - net off provision	282,678,519	264,497,280
Less: Current maturity shown under current assets	(184,485,425)	(180,862,650)
	98,193,094	83,634,630
4.1 Allowance for potential lease losses		
Balance as at 01 July 2018	156,522,964	158,742,756
Reversal of provision for potential lease losses during the period / year	(2,584,721)	(2,219,792)
Balance as at 31 December 2018	153,938,243	156,522,964
5 DEFERRED INCOME TAX		
Deferred income tax assets / (liability) arising due to:		
Accelerated tax depreciation	(76,994,921)	(75,118,498)
Tax losses	85,164,878	88,601,878
Provision for gratuity	510,735	472,851
	8,680,692	13,956,231
Less: Deferred income tax asset not recognized	(8,680,692)	(13,956,231)
	-	-
5.1 The net deferred income tax asset of Rupees 8.681 million (30 June 2018: Rupees 13.956 million) has not been recognized in these condensed interim financial statements as the temporary differences are not expected to reverse in foreseeable future because taxable profits may not be available against which the temporary differences can be utilized.		
6 PROPERTY, PLANT AND EQUIPMENT		
Owned Assets (Note 6.1)	1,301,271	1,431,221
6.1 Owned Assets		
Opening book value	1,431,221	1,731,915
Add: Cost of additions during the period / year (Note 6.1.1)	-	18,500
	1,431,221	1,750,415
Less: Depreciation charged during the period / year	(129,950)	(319,194)
Closing book value	1,301,271	1,431,221
6.1.1 Cost of additions		
Computer equipment	-	18,500

GRAYS LEASING LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2018

		Un-Audited 31 December 2018 Rupees	Audited 30 June 2018 Rupees
7	LOANS FROM RELATED PARTIES		
	Chief Executive Officer (Note 7.1)	5,000,000	5,000,000
	Anwar Khawaja Industries (Private) Limited - holding company (Note 7.2)	52,500,000	37,500,000
		<u>57,500,000</u>	<u>42,500,000</u>
7.1	This unsecured loan is obtained from Chief Executive Officer of the Company under mark-up arrangements for working capital requirements. This form part of total credit facility of Rupees 10 million (30 June 2018 : Rupees 10 million). This loan carries mark-up at the rate of 6 months KIBOR (30 June 2018: 3 months KIBOR) and is repayable on demand.		
7.2	This unsecured loan is obtained from Anwar Khawaja Industries (Private) Limited - holding company under mark up arrangements for working capital requirements. This form part of total credit facilities of Rupees 65 million (30 June 2018 : Rupees 65 million). This loan carries mark-up at the rate of 3 months KIBOR (30 June 2018: 3 months KIBOR) and is repayable till 04 November 2019.		
7.3	Effective rate of mark-up charged on these loans during the period / year ranged from 6.41% to 9.06% (30 June 2018: 6.14% to 6.43%) per annum.		
7.4	As on the reporting date, un-utilized credit facilities from related parties comprise of Rupees 17.500 million (30 June 2018: Rupees 32.50 million).		

8 CONTINGENCIES AND COMMITMENTS

There are no reportable contingencies and commitments as at 31 December 2018 (30 June 2018: NIL).

9 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of holding company, associated undertakings, other related group companies, directors of the Company, Chief Executive Officer 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			
	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2018 Rupees	31 December 2017 Rupees	31 December 2018 Rupees	31 December 2017 Rupees
i) Transactions				
Holding company				
Mark-up paid	548,958	922,126	548,958	464,285
Mark-up charged	1,828,219	913,161	1,133,914	603,803
Loan obtained	15,000,000	3,442,730	15,000,000	-
Loan repaid	-	9,475,730	-	6,033,000
Rent of office building	150,000	150,000	75,000	75,000
Other Related Parties				
Chief Executive Officer				
Mark-up charged	177,447	309,941	90,110	155,014
Mark-up paid	78,536	269,259	78,536	154,926
Chief Financial Officer				
Advance against salary given	-	200,000	-	200,000
Deductions of advance against salary	30,000	-	15,000	-
Lease rentals received	376,535	330,195	200,000	330,195
Deposit against lease contract received	-	3,168,000	-	3,168,000
Lease disbursed	-	6,600,000	-	6,600,000
Remuneration of chief financial officer	433,100	399,300	225,000	199,650
Head of Internal Audit				
Deductions of advance against salary	25,000	-	-	-
Remuneration of head of internal audit	170,512	151,536	90,000	75,768

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	Un-Audited 31 December 2018 Rupees	Audited 30 June 2018 Rupees
ii) Period end balances		
Holding company		
Loan	52,500,000	37,500,000
Accrued mark-up	1,828,219	548,958
Chief Executive Officer		
Loan	5,000,000	50,000,000
Accrued mark-up	177,447	78,536
Chief Financial Officer		
Advance against salary receivable	125,000	155,000
Net investment in lease finance	5,245,820	5,484,204
Deposit against lease contract	3,168,000	3,168,000
Head of Internal Audit		
Advance against salary receivable	-	25,000

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 2018.

11 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

Fair value hierarchy

Certain financial assets and financial liabilities are not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts. Judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in these condensed interim financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company classify its financial instruments into the following three levels. However, as at the reporting date, the Company has no such type of financial instruments which are required to be grouped into these levels. These levels are explained as under:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

12 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on 22 February 2019.

13 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the condensed interim statement of financial position 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 statement of profit or loss, condensed interim statement of comprehensive income and condensed interim statement of cash flows 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.

14 GENERAL

Figures have been rounded off to nearest of Rupee.


MUHAMMAD TAHIR BUTT
 CHIEF EXECUTIVE


Khurram Anwar Khawaja
 DIRECTOR


MUHAMMAD AVASI IBRAHIM
 CHIEF FINANCIAL OFFICER

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