

**CONDENSED INTERIM
FINANCIAL STATEMENTS
31 March 2020**

(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	HLB Ijaz Tabussum & Company Chartered Accountants Office # 1, 3rd Floor, Madina Heights 87-E, Maulana Shaukat Ali Road, Johar Town, Lahore-Pakistan.	
COMPANY SECRETARY	Muhammad Adil Munir	
CHIEF FINANCIAL OFFICER	M. Avais Ibrahim	
HEAD OF INTERNAL AUDIT	Saeed Ahmad Shaheen	
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 March 2020, together with report of the Board of Directors of the company.

During the period ended 31 March 2020, the company transacted business worth Rupees 14.279 million as compared to Rupees 10.536 million on 31 March 2019. During the period ended 31 March 2020, the company earned a profit before and after tax of Rupees 1.306 million and Rupees 0.553 million respectively as compared to profit before and after tax of Rupees 0.917 million and Rupees 0.506 million during the corresponding period of 2019. Net investment stands at Rupees 439.985 million as on 31 March 2020 as compared to Rupees 435.838 million as on June 30, 2019. During the period ended 31 March 2020, there is net reversal of Rupees 1.286 million against potential lease losses, resultantly the equity of the company comes to Rupees 68.020 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

Sialkot: 22 April 2020

ڈائریکٹرز رپورٹ

ہم کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے 31 مارچ 2020 کو اختتام پذیر ہونے والی عبوری مالی اسٹیٹمنٹ بمعہ ڈائریکٹرز رپورٹ مسرت سے پیش کرتے ہیں۔

مرکزی کام اور مالی اعداد و شمار

زیر جائزہ 31 مارچ 2020 کے دورانیے کے اختتام پر کمپنی نے 14.279 ملین روپے کا کاروبار کیا 31 مارچ 2019 کے 10.536 ملین روپے کے مقابل۔ 31 مارچ 2020 کے دورانیے کے اختتام پر کمپنی نے ٹیکس سے قبل اور بعد میں منافع 1.306 ملین اور 0.553 ملین کمایا جبکہ 2019 کے دورانیے میں ٹیکس سے قبل اور بعد میں منافع 0.917 ملین اور 0.506 ملین رہا۔ حتمی سرمایہ کاری 31 مارچ 2020 کو 439.985 ملین روپے کی 30 جون 2019 کے 435.838 ملین کے مقابل۔ 31 مارچ 2020 کے دوران مملکت لیزز کے الٹ 1.286 ملین ہے، جس کے نتیجے میں کمپنی کی اکوٹی 68.020 ملین ہو گئی 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 لیز بیگ شعبہ کمرشل بنکوں سے فنڈز کی عدم دستیابی کی وجہ سے مملکت گاہکوں کی ضروریات کو پورا کرنے کے قابل نہیں ہے۔ تاہم کمپنی نے چھٹے 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 لمیٹیڈ (JCR-VIS) نے گریز لیزنگ لمیٹیڈ (جی ایل ایل) کی کریڈٹ کی درجہ بندی کی BB-/B (ڈبل بی مائنس / سنگل بی) 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 موقع دیا۔ اور ہم کمپنی کے ایپلائیڈ کے بھی بہت قدردان ہیں جنہوں نے کمپنی کیلئے اس حد تک محنت کی۔

بجانب بورڈ



محمد طاہر ہٹ

چیف ایگزیکٹو

سیالکوٹ، 22 اپریل 2020

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	NOTE	UN-AUDITED	AUDITED
		31 MARCH 2020	30 JUNE 2019
		Rupees	Rupees
ASSETS			
Current assets			
Cash and bank balances		14,460,847	10,470,979
Advances and prepayments		1,345,139	844,281
Sales tax recoverable		770,859	557,611
Other receivables		1,334,725	724,046
Current maturity of non-current assets		179,840,779	185,797,815
		197,752,349	198,394,732
Non-current assets			
Net investment in lease finance	4	103,875,488	92,486,297
Long term security deposits		373,500	470,816
Deferred income tax	5		
Property, plant and equipment	5	2,665,877	1,141,865
		106,914,865	94,098,978
TOTAL ASSETS		304,667,214	292,493,710
LIABILITIES			
Current liabilities			
Loans from related parties	6	57,500,000	57,500,000
Accrued and other liabilities		4,229,510	3,707,539
Accrued mark-up		3,740,268	134,630
Current maturity of non-current liabilities		124,302,016	120,436,323
Unclaimed dividend		777,785	777,785
Provision for taxation		1,644,408	941,872
		192,193,987	183,498,149
Non-current liabilities			
Deposits on lease contracts		40,627,466	39,364,239
Liability against asset subject to finance lease		1,661,580	-
Employees' retirement benefit		2,164,498	2,164,498
		44,453,544	41,528,737
TOTAL LIABILITIES		236,647,531	225,026,886
NET ASSETS		68,019,683	67,466,824
REPRESENTED BY:			
Authorized share capital			
35,000,000 (30 June 2019: 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 2019: 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		(206,236,932)	(206,789,791)
Shareholders' equity		68,019,683	67,466,824
CONTINGENCIES AND COMMITMENTS			
	7	68,019,683	67,466,824

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


MUHAMMAD TAHIR BUTT
CHIEF EXECUTIVE



IFKHAR AHMAD BUTT
DIRECTOR


MUHAMMAD AVAIS IBRAHIM
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM PROFIT OR LOSS (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2020**

	PERIOD ENDED		QUARTER ENDED	
	31 MARCH	31 MARCH	31 MARCH	31 MARCH
	2020	2019	2020	2019
NOTE	Rupees	Rupees	Rupees	Rupees
REVENUE				
Income from lease operations	13,107,350	9,807,350	4,659,881	3,315,024
Other income	1,171,864	728,658	378,762	284,522
	<u>14,279,214</u>	<u>10,536,008</u>	<u>5,038,643</u>	<u>3,599,546</u>
EXPENDITURE				
Administrative and other operating expenses	(8,738,718)	(8,540,102)	(2,780,214)	(2,659,574)
Financial and other charges	(5,520,346)	(3,663,376)	(1,954,274)	(1,459,614)
Reversal of potential lease losses	1,285,807	2,584,721	-	-
	<u>(12,973,257)</u>	<u>(9,618,757)</u>	<u>(4,734,488)</u>	<u>(4,119,188)</u>
PROFIT / (LOSS) BEFORE TAXATION	1,305,957	917,251	304,155	(519,642)
Taxation	(753,098)	(411,355)	(289,347)	(189,910)
PROFIT / (LOSS) AFTER TAXATION	<u>552,859</u>	<u>505,896</u>	<u>14,808</u>	<u>(709,552)</u>
Profit / (loss) per share - basic and diluted	<u>0.026</u>	<u>0.024</u>	<u>0.001</u>	<u>(0.033)</u>

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


MUHAMMAD TAHIR BUTT
CHIEF EXECUTIVE



IFKHAR AHMAD BUTT
DIRECTOR


MUHAMMAD AVAIS IBRAHIM
CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2020

	PERIOD ENDED		QUARTER ENDED	
	31 MARCH 2020	31 MARCH 2019	31 MARCH 2020	31 MARCH 2019
	Rupees	Rupees	Rupees	Rupees
PROFIT /(LOSS) AFTER TAXATION	552,859	505,896	14,808	(709,552)
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	<u>552,859</u>	<u>505,896</u>	<u>14,808</u>	<u>(709,552)</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 CASH FLOWS (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2020**

	HALF YEAR ENDED	
	31 MARCH 2020	31 MARCH 2019
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	1,305,957	917,251
Adjustments for non-cash charges and other items:		
Depreciation	342,802	196,681
Provision for gratuity	-	176,000
Financial charges	5,520,346	3,663,376
Reversal for potential lease losses	(1,285,807)	(2,584,721)
Profit on bank deposits	(329,107)	(124,520)
	<u>4,248,234</u>	<u>1,326,816</u>
Operating profit / (loss) before working capital changes	5,554,191	2,244,067
Increase in advances and prepayments	(500,858)	(282,069)
Increase in sales tax recoverable	(213,248)	(118,292)
(Increase) / decrease in accrued and other liabilities	521,971	395,327
Increase in other receivables	(610,679)	(24,113)
Cash generated from / (used in) operations	4,751,377	2,214,920
Financial charges paid	(1,914,708)	(829,098)
Income tax paid	(661,241)	(496,744)
Net cash generated from / (used in) operating activities	<u>2,175,428</u>	<u>889,078</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Investment in lease finance	(3,740,903)	(26,623,147)
Property, plant and equipment - acquired	-	(22,827)
Security deposits and prepayment	97,316	50,000
Profit on bank deposits	329,107	124,520
Net cash from / (used in) investing activities	<u>(3,314,480)</u>	<u>(26,471,454)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Deposits on lease contracts - net	5,128,920	8,250,920
Loans obtained from related party	-	15,000,000
Net cash from / (used in) financing activities	<u>5,128,920</u>	<u>23,250,920</u>
Net increase / (decrease) in cash and cash equivalents	3,989,868	(2,331,456)
Cash and cash equivalents at the beginning of the period	10,470,979	4,294,769
Cash and cash equivalents at the end of the period	<u><u>14,460,847</u></u>	<u><u>1,963,313</u></u>

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


MUHAMMAD TAHIR BUTT
CHIEF EXECUTIVE


IFKHAR AHMAD BUTT
DIRECTOR


MUHAMMAD AVAIS IBRAHIM
CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2020

	Rupees	Rupees	Rupees	Rupees
	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	CAPITAL RESERVE STATUTORY RESERVE	ACCUMULATED LOSS	SHAREHOLDERS' EQUITY
Balance as at 30 June 2018 (Audited)	215,000,000	59,256,615	(204,893,698)	69,362,917
Profit for the period ended 31 March 2018	-	-	505,896	505,896
Other comprehensive income for the period ended 31 March 2018	-	-	-	-
Total comprehensive loss for the half year ended 31 March 2018	-	-	505,896	505,896
Balance as at 31 March 2018 (Un-Audited)	215,000,000	59,256,615	(204,387,802)	69,868,813
Loss for the year ended 30 June 2019	-	-	(2,364,375)	(2,364,375)
Other comprehensive loss for the half year ended 30 June 2019	-	-	(37,614)	(37,614)
Total comprehensive loss for the half year ended 30 June 2019	-	-	(2,401,989)	(2,401,989)
Balance as at 30 June 2019 (Audited)	215,000,000	59,256,615	(206,789,791)	67,466,824
Profit for the period ended 31 March 2020	-	-	552,859	552,859
Other comprehensive income for the period ended 31 March 2020	-	-	-	-
Total comprehensive income for the period ended 31 March 2020	-	-	552,859	552,859
Balance as at 31 March 2020 (Un-Audited)	215,000,000	59,256,615	(206,236,932)	68,019,683

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 PERIOD ENDED 31 MARCH 2020

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 2019. These condensed interim financial statements are un-audited.

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 2019.

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 2019.

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2020**

	Un-Audited 31 March 2020 Rupees	Audited 30 June 2019 Rupees
4 NET INVESTMENT IN LEASE FINANCE		
Lease rentals receivable	347,236,000	345,295,003
Add: Guaranteed residual value of leased assets	164,929,482	159,800,562
Gross investment in lease finance	512,165,482	505,095,565
Less: Unearned finance income	<u>(72,180,756)</u>	<u>(69,257,187)</u>
	439,984,726	435,838,378
Less: Allowance for potential lease losses (Note 4.1)	<u>(156,268,459)</u>	<u>(157,554,266)</u>
Net investment in lease finance - net off provision	283,716,267	278,284,112
Less: Current maturity shown under current assets	<u>(179,840,779)</u>	<u>(185,797,815)</u>
	<u><u>103,875,488</u></u>	<u><u>92,486,297</u></u>
4.1 Allowance for potential lease losses		
Balance as at 01 July 2019	157,554,266	156,522,964
Add: Allowance for potential lease losses made during the period	-	4,651,272
Less: Reversal of Allowance for potential lease losses during the period	<u>(1,285,807)</u>	<u>(3,619,970)</u>
Net reversal of potential lease losses during the period / year	<u>(1,285,807)</u>	<u>1,031,302</u>
Balance as at 31 March 2020	<u><u>156,268,459</u></u>	<u><u>157,554,266</u></u>
5 PROPERTY, PLANT AND EQUIPMENT		
Owned Assets (Note 5.1)	962,756	1,141,865
Leased Asset (5.2)	<u>1,703,121</u>	<u>-</u>
	<u><u>2,665,877</u></u>	<u><u>1,141,865</u></u>
5.1 Owned Assets		
Opening book value	1,141,865	1,431,221
Add: Cost of additions during the period / year (Note 5.1.1)	-	22,827
	1,141,865	1,454,048
Less: Book value of deletions during the period / year (Note 5.1.2)	<u>23,816</u>	<u>51,226</u>
	1,118,049	1,402,822
Less: Depreciation charged during the period / year	<u>155,293</u>	<u>260,957</u>
Closing book value	<u><u>962,756</u></u>	<u><u>1,141,865</u></u>
5.1.1 Cost of additions		
Computer equipment	-	22,827
	-	22,827
5.1.1 Book value of deletion		
Furniture and fixtures	-	8,564
Office Equipment	-	42,246
Vehicle	23,816	-
Computer equipment	<u>-</u>	<u>416</u>
	23,816	51,226
5.2 Leased Asset		
Opening book value	-	-
Add: cost of addition during the period / year (Note 5.2.1)	1,890,630	-
	1,890,630	-
Less: Depreciation charged during the period / year	<u>187,509</u>	<u>-</u>
Closing book value	<u><u>1,703,121</u></u>	<u><u>-</u></u>
5.2.1 Cost of additions		
Vehicle	1,890,630	-
	1,890,630	-

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2020

	Un-Audited 31 March 2020 Rupees	Audited 30 June 2019 Rupees
6 LOANS FROM RELATED PARTIES		
Chief Executive Officer (Note 6.1)	5,000,000	5,000,000
Anwar Khawaja Industries (Private) Limited - holding company (Note 6.2)	52,500,000	52,500,000
	<u>57,500,000</u>	<u>57,500,000</u>

6.1 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 2019 : Rupees 10 million). This loan carries mark-up at the rate of 6 months KIBOR (30 June 2019: 6 months KIBOR) and is repayable on demand.

6.2 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 2019 : Rupees 65 million). This loan carries mark-up at the rate of 3 months KIBOR (30 June 2019: 6 months KIBOR) and is repayable till 04 November 2020.

6.3 Effective rate of mark-up charged on these loans during the period / year ranged from 9.60% to 13.45% (30 June 2019: 6.14% to 9.06%) per annum.

6.4 As on the reporting date, un-utilized credit facilities from related parties comprise of Rupees 17.500 million (30 June 2019: Rupees 17.50 million).

7 CONTINGENCIES AND COMMITMENTS

There are no reportable contingencies and commitments as at 31 March 2020 (30 June 2019: NIL).

8 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			
	PERIOD ENDED		QUARTER ENDED	
	31 March 2020 Rupees	31 March 2019 Rupees	31 March 2020 Rupees	31 March 2019 Rupees
i) Transactions				
Holding company				
Mark-up paid	1,490,022	627,494	1,490,022	78,536
Mark-up charged	4,896,653	3,151,175	1,746,078	1,322,956
Loan obtained	-	15,000,000	-	15,000,000
Rent of office building	150,000	225,000	75,000	75,000
Other Related Parties				
Chief Executive Officer				
Mark-up charged	499,111	332,399	168,163	154,952
Mark-up paid	300,104	78,536	-	-
Chief Financial Officer				
Advance against salary given	300,000	-	300,000	-
Deductions of advance against salary	45,000	45,000	15,000	15,000
Lease rentals received	376,535	526,535	-	150,000
Remuneration of chief financial officer	724,500	658,100	241,500	225,000
Head of Internal Audit				
Deductions of advance against salary	-	25,000	-	-
Remuneration of head of internal audit	-	260,512	-	260,512

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2020

	Un-Audited 31 March 2020 Rupees	Audited 30 June 2019 Rupees
ii) Period end balances		
Holding company		
Loan	52,500,000	52,500,000
Accrued mark-up	3,406,631	-
Chief Executive Officer		
Loan	5,000,000	5,000,000
Accrued mark-up	333,637	134,630
Chief Financial Officer		
Advance against salary receivable	350,000	195,000
Net investment in lease finance	5,245,820	4,857,137
Deposit against lease contract	3,168,000	3,168,000

9 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 2019.

10 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.

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2020

11 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on 22 April 2020.

12 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.

13 GENERAL

Figures have been rounded off to nearest of Rupee.



MUHAMMAD TAHIR BUTT
CHIEF EXECUTIVE



IFKHAR AHMAD BUTT
DIRECTOR



MUHAMMAD AVAIS IBRAHIM
CHIEF FINANCIAL OFFICER

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