

**CONDENSED INTERIM  
FINANCIAL STATEMENTS  
31 DECEMBER 2021**

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**(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 Arshad  
Mrs. Nuzhat Khawar Khawaja

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 54660, Pakistan  
Phone: 92 (042) 35718137-9  
E-mail: [racolhr@racopk.com](mailto:racolhr@racopk.com)

**COMPANY SECRETARY**

Muhammad Adil Munir

**CHIEF FINANCIAL OFFICER**

Muhammad Faisal Azam

**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](mailto:info@graysleasing.com)  
Website: [www.graysleasing.com](http://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 2021, 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 2021, the company transacted business worth Rupees 27.915 million as compared to Rupees 58.559 million on 31 December 2020. During the period ended 31 December 2021, the company earned profit before and after tax of Rupees 1.776 million and Rupees 0.212 million respectively as compared to loss before and after tax of Rupees 0.009 million and Rupees 0.515 million during the corresponding period of 2020. Net investment stands at Rupees 458.347 million as on 31 December 2021 as compared to Rupees 464.488 million as on June 30, 2021. During the period ended 31 December 2021, there is reversal in provision of Rupees 0.286 million against potential lease losses, resultantly the equity of the company comes to Rupees 62.310 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: 23 February 2022

## ڈائریکٹرز رپورٹ

ہم کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے 31 دسمبر 2021 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 2021 کے دورانیے کے اختتام پر کمپنی نے 27.915 ملین روپے کا کاروبار کیا 31 دسمبر 2020 کے 58.559 ملین روپے کے مقابلے میں۔ 31 دسمبر 2021 کے دورانیے کے اختتام پر کمپنی نے ٹیکس سے قبل اور بعد میں منافع 1.776 ملین اور 0.212 ملین کمایا جبکہ 2020 کے دورانیے میں ٹیکس سے قبل اور بعد میں نقصان 0.009 ملین اور 0.515 ملین رہا۔ حتیٰ سرمایہ کاری 31 دسمبر 2021 کو 458.347 ملین روپے کی 30 جون 2021 کے 464.488 ملین کے مقابلے میں۔ 31 دسمبر 2021 کے دوران ممکنہ لیزز کے الٹ 0.286 ملین ہے، جس کے نتیجے میں کمپنی کی اکوٹی 62.310 ملین پر ہے۔

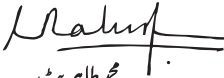
عزیز شیئرز ہولڈرز ہمارے ملک میں ایس ایم ای شعبہ میں سرمایہ کاری کی بڑی مانگ ہے جو ابھی بھی ناقابل دریافت ہے۔ لیکن لیزنگ شعبہ کمرشل بنکوں سے فنڈز کی عدم دستیابی کی وجہ سے ممکنہ گاہکوں کی ضروریات کو پورا کرنے کے قابل نہیں ہے۔ تاہم کمپنی نے چھٹے ہوئے گاہکوں سے وصولی پر زور دیا ہے، اور اس سلسلے میں قابل 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 B منس / 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 موقع دیا۔ اور ہم کمپنی کے ایمپلائیز کے بھی بہت قدردان ہیں جنہوں نے کمپنی کیلئے اس حد تک محنت کی۔

بجانب بورڈ



محمد طاہر ہٹ

چیف ایگزیکٹو

سیالکوٹ، 23 فروری 2022

**INDEPENDENT AUDITOR'S REVIEW REPORT****To the members of Grays Leasing Limited****Report on review of Condensed Interim Financial Statements****Introduction**

We have reviewed the accompanying condensed interim statement of financial position of GRAYS LEASING LIMITED as at 31 December 2021 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 2021 and 31 December 2020 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 2021.

**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.

**Basis for Qualified Conclusion**

Allowance for potential lease losses is made in these condensed interim financial statements in accordance with the criteria for classification and provisioning provided in Regulation No. 25 of Non-Banking Finance Companies and Notified Entities Regulations, 2008. The Company has adopted International Financial Reporting Standard (IFRS) 9 "Financial Instruments", therefore, provisioning against lease receivables should be made at higher of the amount determined in accordance with Expected Credit Loss model of IFRS 9 and Regulation No. 25 of Non-Banking Finance Companies and Notified Entities Regulations, 2008. The Company has not determined the allowance for potential lease losses under Expected Credit Loss model of IFRS 9, hence, we were unable to determine the financial impact of this matter on these condensed interim financial statements.

**Qualified Conclusion**

Based on our review, with the exception of the matter described in the preceding paragraph, 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 Syed Mustafa Ali.



**RIAZ AHMAD & COMPANY**  
Chartered Accountants

Lahore


Date: 23 February 2021

UDIN:-

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

		UN-AUDITED 31 DECEMBER 2021	AUDITED 30 JUNE 2021
	NOTE	Rupees	Rupees
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances		4,571,023	12,910,945
Advances and prepayments		1,138,428	1,119,777
Sales tax recoverable		1,055,846	934,792
Current maturity of net investment in lease finance	4	180,017,875	179,778,116
		186,783,172	194,743,630
<b>Non-current assets</b>			
Net investment in lease finance	4	120,427,504	126,522,006
Long term security deposits and prepayments		2,500	373,500
Fixed assets	5	1,721,981	615,137
Right-of-use asset		-	1,236,996
		122,151,985	128,747,639
<b>TOTAL ASSETS</b>		308,935,157	323,491,269
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Loans from related parties	6	50,000,000	60,000,000
Accrued and other liabilities		3,663,034	4,276,185
Current maturity of non-current liabilities		115,386,367	119,560,973
Unclaimed dividend		777,785	777,785
Provision for taxation - net		1,460,704	4,472,328
		171,287,890	189,087,271
<b>Non-current liabilities</b>			
Deposits on lease contracts		70,057,125	69,021,115
Lease liabilities		-	519,907
Deferred income tax liability	7	3,174,590	841,685
Employees' retirement benefit		2,104,945	1,922,719
		75,336,660	72,305,426
<b>TOTAL LIABILITIES</b>		246,624,550	261,392,697
<b>NET ASSETS</b>		62,310,607	62,098,572
<b>REPRESENTED BY:</b>			
<b>Authorized share capital</b>			
35,000,000 (30 June 2021: 35,000,000) ordinary shares of Rupees 10 each		350,000,000	350,000,000
<b>Issued, subscribed and paid-up share capital</b>			
21,500,000 (30 June 2021: 21,500,000) ordinary shares of Rupees 10 each		215,000,000	215,000,000
<b>Statutory reserve</b>		59,256,615	59,256,615
<b>Accumulated loss</b>		(211,946,008)	(212,158,043)
<b>Shareholders' equity</b>		62,310,607	62,098,572
<b>CONTINGENCIES AND COMMITMENTS</b>			
	8	62,310,607	62,098,572

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

  
**MUHAMMAD TAHIR BUTT**  
 CHIEF EXECUTIVE OFFICER


  
**IFTUKHAR AHMAD BUTT**  
 DIRECTOR

  
**MUHAMMAD FAISAL AZAM**  
 CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)  
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

	NOTE	HALF YEAR ENDED		QUARTER ENDED	
		31 DECEMBER	31 DECEMBER	31 DECEMBER	31 DECEMBER
		2021	2020	2021	2020
		Rupees	Rupees	Rupees	Rupees
<b>REVENUE</b>					
Income from lease operations	9	7,934,155	8,524,730	4,465,473	4,061,402
Other income		738,344	857,552	(156,422)	429,429
		<u>8,672,499</u>	<u>9,382,282</u>	<u>4,309,051</u>	<u>4,490,831</u>
<b>EXPENDITURE</b>					
Administrative and other operating expenses		(6,657,404)	(6,908,223)	(3,826,130)	(4,253,020)
Financial and other charges		(524,590)	(627,092)	(305,779)	606,626
Allowance for potential lease losses - net	4.1	285,904	(1,856,481)	243,341	(1,856,481)
		<u>(6,896,090)</u>	<u>(9,391,796)</u>	<u>(3,888,568)</u>	<u>(5,502,875)</u>
<b>PROFIT / (LOSS) BEFORE TAXATION</b>		<u>1,776,409</u>	<u>(9,514)</u>	<u>420,483</u>	<u>(1,012,044)</u>
Taxation		<u>(1,564,374)</u>	<u>(505,378)</u>	<u>(1,245,360)</u>	<u>(215,686)</u>
<b>PROFIT / (LOSS) AFTER TAXATION</b>		<u>212,035</u>	<u>(514,892)</u>	<u>(824,877)</u>	<u>(1,227,730)</u>
Earnings / (loss) per share - basic and diluted		<u>0.010</u>	<u>(0.024)</u>	<u>(0.038)</u>	<u>(0.057)</u>

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

  
**MUHAMMAD TAHIR BUTT**  
 CHIEF EXECUTIVE OFFICER

  
**IFTUKHAR AHMAD BUTT**  
 DIRECTOR

  
**MUHAMMAD FAISAL AZAM**  
 CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

	HALF YEAR ENDED		QUARTER ENDED	
	31 DECEMBER 2021	31 DECEMBER 2020	31 DECEMBER 2021	31 DECEMBER 2020
	Rupees	Rupees	Rupees	Rupees
PROFIT / (LOSS) AFTER TAXATION	212,035	(514,892)	(824,877)	(1,227,730)
OTHER COMPREHENSIVE INCOME :				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD</b>	<b>212,035</b>	<b>(514,892)</b>	<b>(824,877)</b>	<b>(1,227,730)</b>

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



**MUHAMMAD TAHIR BUTT**  
CHIEF EXECUTIVE OFFICER



**IFUKHAR AHMAD BUTT**  
DIRECTOR



**MUHAMMAD FAISAL AZAM**  
CHIEF FINANCIAL OFFICER

# CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2021

		HALF YEAR ENDED	
		31 DECEMBER 2021	31 DECEMBER 2020
	Note	Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	10	1,374,870	1,571,003
Finance cost paid		(524,590)	(2,457,178)
Income tax paid		(2,243,093)	(489,840)
Gratuity paid		-	(990,123)
Long term security deposits and prepayments - net		371,000	158,085
<b>NET CASH USED IN OPERATING ACTIVITIES</b>		<b>(1,021,813)</b>	<b>(2,208,053)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net investment in lease finance		6,140,647	(23,151,441)
Fixed assets - acquired		(87,500)	(13,660)
Proceeds from sale of fixed assets		80,000	133,000
Profit on bank deposits received		163,988	136,028
<b>NET CASH FROM / (USED IN) INVESTING ACTIVITIES</b>		<b>6,297,135</b>	<b>(22,896,073)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Deposits on lease contracts - net		(2,587,435)	16,965,245
Loan obtained from chief executive officer		-	5,000,000
Loan repaid to chief executive officer		(10,000,000)	-
Repayment of lease liability		(1,027,809)	(235,483)
<b>NET CASH (USED IN) / FROM FINANCING ACTIVITIES</b>		<b>(13,615,244)</b>	<b>21,729,762</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(8,339,922)</b>	<b>(3,374,364)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>12,910,945</b>	<b>17,096,476</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>4,571,023</b>	<b>13,722,112</b>

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



MUHAMMAD TAHIR BUTT  
CHIEF EXECUTIVE OFFICER



IFTIKHAR AHMAD BUTT  
DIRECTOR



MUHAMMAD FAISAL AZAM  
CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	CAPITAL RESERVE		ACCUMULATED LOSS	SHAREHOLDERS' EQUITY
		RUPEES	RUPEES		
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 30 June 2020 (Audited)	215,000,000	59,256,615	(210,513,675)	63,742,940	
Loss for the half year ended 31 December 2020	-	-	(514,892)	(514,892)	
Other comprehensive income for the half year ended 31 December 2020	-	-	-	-	
Total comprehensive loss for the half year ended 31 December 2020	-	-	(514,892)	(514,892)	
Balance as at 31 December 2020 (Un-Audited)	215,000,000	59,256,615	(211,028,567)	63,228,048	
Loss for the half year ended 30 June 2021	-	-	(1,131,384)	(1,131,384)	
Other comprehensive income for the half year ended 30 June 2021	-	-	1,908	1,908	
Total comprehensive loss for the half year ended 30 June 2021	-	-	(1,129,476)	(1,129,476)	
Balance as at 30 June 2021 (Audited)	215,000,000	59,256,615	(212,158,043)	62,098,572	
Profit for the half year ended 31 December 2021	-	-	212,035	212,035	
Other comprehensive income for the half year ended 31 December 2021	-	-	-	-	
Total comprehensive income for the half year ended 31 December 2021	-	-	212,035	212,035	
Balance as at 31 December 2021 (Un-Audited)	215,000,000	59,256,615	(211,946,008)	62,310,607	

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

  
MUHAMMAD TAHIR BUTT  
CHIEF EXECUTIVE OFFICER

  
IFKHAR AHMAD BUTT  
DIRECTOR

  
MUHAMMAD FAISAL AZAM  
CHIEF FINANCIAL OFFICER

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

Grays Leasing Limited (the Company) is a public limited Company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (Now Companies Act, 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.

- 1.1** As on the reporting date, equity of the Company is Rupees 62,310,607. The Company as a non-deposit taking NBFI meets the minimum equity requirement of Rupees 50,000 million. During the period, the Company has sanctioned new leases of Rupees 48,370,835 and recovered Rupees 40,111,394 against gross investment in lease finance. Further, during the period, the Company earned income from lease operations and profit before taxation of Rupees 7,934,155 and Rupees 1,776,409 respectively. Sponsors of the Company have sanctioned credit facilities of Rupees 75,000,000, out of which loans of Rupees 50,000,000 have been utilized by the Company for working capital requirements. The sponsors of the Company have explicitly provided a commitment to provide the necessary support to the Company, if the need arises, to address any liquidity and minimum equity requirement to enable the Company to continue its business.

**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 Regulation) 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 2021. 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, 2019 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 2021.

**3.1 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 2021.

	Un-Audited 31 December 2021 Rupees	Audited 30 June 2021 Rupees
<b>4 NET INVESTMENT IN LEASE FINANCE</b>		
Lease rentals receivable	340,285,589	343,423,479
Add: Guaranteed residual value of leased assets	185,443,492	188,030,927
Gross investment in lease finance	525,729,081	531,454,406
Less: Unearned finance income	(67,382,047)	(66,966,725)
	458,347,034	464,487,681
Less: Allowance for potential lease losses (Note 4.1)	(157,901,655)	(158,187,559)
Net investment in lease finance - net off provision	300,445,379	306,300,122
Less: Current maturity shown under current assets	(180,017,875)	(179,778,116)
	120,427,504	126,522,006
<b>4.1 Allowance for potential lease losses</b>		
Balance as at 01 July 2021	158,187,559	159,073,749
Add: Allowance for potential lease losses made during the period / year	-	317,359
Less: Reversal of allowance for potential lease losses during the period / year	(285,904)	(1,203,549)
	(285,904)	(886,190)
Balance as at 31 December 2021	157,901,655	158,187,559
	Un-Audited 31 December 2021 Rupees	Audited 30 June 2021 Rupees
<b>5 FIXED ASSETS</b>		
Owned Assets (Note 5.1)	1,721,981	615,137
<b>5.1 Owned Assets</b>		
Opening book value	615,137	695,700
Add: Cost of additions during the period / year (Note 5.1.1)	87,500	161,305
Add: Transferred from right-of-use asset during the period (Note 5.1.2)	1,154,981	-
	1,857,618	857,005
Less: Book value for deletion during the period / year (Note 5.1.3)	(33,628)	(126,285)
Less: Depreciation charged during the period / year	(102,009)	(115,583)
Closing book value	1,721,981	615,137
	Un-Audited 31 December 2021 Rupees	Audited 30 June 2021 Rupees
<b>5.1.1 Cost of additions during the period / year</b>		
Computer equipment	87,500	161,305
<b>5.1.2 Transferred from right-of-use asset during the period</b>		
Vehicles	1,154,981	-

## GRAYS LEASING LIMITED

	Un-Audited 31 December 2021 Rupees	Audited 30 June 2021 Rupees
<b>5.1.3 Deletion during the period / year</b>		
Owned vehicles:		
Cost	(420,000)	(773,325)
Accumulated depreciation	386,372	649,241
	(33,628)	(124,084)
Computer equipment:		
Cost	-	(6,500)
Accumulated depreciation	-	4,299
	-	(2,201)
	(33,628)	(126,285)
<b>6 LOANS FROM RELATED PARTIES</b>		
Chief Executive Officer (Note 6.1)	-	10,000,000
Anwar Khawaja Industries (Private) Limited - holding company (Note 6.2)	50,000,000	50,000,000
	50,000,000	60,000,000
<b>6.1</b>	This unsecured loan was obtained from Chief Executive Officer of the Company. This form part of total credit facility of Rupees 10 million (30 June 2021: Rupees 10 million). This loan carried mark-up at the rate 6 months KIBOR (30 June 2021: 6 months KIBOR). The loan has been fully repaid during the period.	
<b>6.2</b>	This unsecured loan is obtained from Anwar Khawaja Industries (Private) Limited - holding company for working capital requirements. This form part of total credit facilities of Rupees 65 million (30 June 2021: Rupees 65 million). This loan is interest free and is repayable till 30 June 2022.	
<b>6.3</b>	Effective rate of mark-up charged on these loans during the period / year is 7.67% (30 June 2021: 6.95% to 10.80%) per annum.	
<b>6.4</b>	As on the reporting date, un-utilized credit facilities from related parties comprise of Rupees 25 million (30 June 2021: Rupees 15 million).	
	Un-Audited 31 December 2021 Rupees	Audited 30 June 2021 Rupees
<b>7 DEFERRED INCOME TAX LIABILITY</b>		
Deferred income tax assets / (liabilities)		
<b>Taxable temporary differences on:</b>		
Accelerated tax depreciation	(87,532,276)	(84,282,320)
Right-of-use asset	-	(358,729)
<b>Deductible temporary differences on:</b>		
Tax losses	83,747,252	82,931,165
Provision for gratuity	610,434	557,589
Lease liability	-	310,610
	(3,174,590)	(841,685)

**8 CONTINGENCIES AND COMMITMENTS**

There are no reportable contingencies and commitments as at 31 December 2021 (30 June 2021: NIL).

HALF YEAR ENDED		QUARTER ENDED	
31 DECEMBER 2021	31 DECEMBER 2020	31 DECEMBER 2021	31 DECEMBER 2020
Rupees	Rupees	Rupees	Rupees

**9 INCOME FROM LEASE OPERATIONS**

Finance lease income	7,034,800	8,120,437	4,183,428	3,976,841
Documentation charges	112,250	106,000	30,000	40,000
Additional lease rentals	787,105	298,293	252,045	44,561
	<u>7,934,155</u>	<u>8,524,730</u>	<u>4,465,473</u>	<u>4,061,402</u>

HALF YEAR ENDED	
31 DECEMBER 2021	31 DECEMBER 2020
Rupees	Rupees

**10. CASH GENERATED FROM OPERATIONS**

Profit / (loss) before taxation	1,776,409	(9,514)
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation on fixed assets	102,009	57,960
Depreciation on right-of-use asset	82,015	190,547
Provision for gratuity	182,226	221,576
Finance cost	524,590	627,092
Allowance for / (reversal of) potential lease losses - net	(285,904)	1,856,481
Gain on sale of fixed assets	(46,372)	(6,715)
Profit on bank deposits	(163,988)	(136,028)
Gain on termination of lease liability	(43,259)	-
Working capital changes (Note 10.1)	(752,856)	(1,230,396)
	<u>1,374,870</u>	<u>1,571,003</u>

**10.1 Working capital changes**

**(Increase) / decrease in current assets:**

Advances and prepayments	(18,651)	(325,915)
Sales tax recoverable	(121,054)	(163,470)
Other receivables	-	51,567
	<u>(139,705)</u>	<u>(437,818)</u>

**Decrease in current liabilities:**

Accrued and other liabilities	(613,151)	(792,578)
	<u>(752,856)</u>	<u>(1,230,396)</u>

## 11 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 2021	31 December 2020	31 December 2021	31 December 2020
	Rupees	Rupees	Rupees	Rupees
<b>11.1 Transactions</b>				
<b>Holding company</b>				
Mark-up paid	-	1,660,553	-	-
Rent expense of office building	150,000	150,000	75,000	75,000
<b>Other Related Parties</b>				
<b>Chief Executive Officer</b>				
Mark-up charged	259,309	332,267	65,983	175,178
Loan obtained	-	5,000,000	-	-
Mark-up paid	259,309	501,800	259,309	-
<b>Ex-Chief Financial Officer (Note 11.3)</b>				
Deduction of advance against salary	155,000	15,000	-	-
Lease rentals received	-	635,000	-	-
Remuneration of chief financial officer	272,250	495,000	90,750	247,500
			<b>Un-Audited 31 December 2021 Rupees</b>	<b>Audited 30 June 2021 Rupees</b>
<b>11.2 Period end balances</b>				
<b>Holding company</b>				
Loan payable			50,000,000	50,000,000
<b>Chief Executive Officer</b>				
Loan payable			-	10,000,000
<b>Ex-Chief Financial Officer (Note 11.3)</b>				
Advance against salary receivable			140,000	295,000
Net investment in lease finance			3,910,149	3,910,149
Deposit against lease contract			3,168,000	3,168,000

**11.3** During the period, Chief Financial Officer who obtained lease facility and advance against salary has resigned from the Company.

## 12 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 2021.



**13 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 recognized 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 classifies 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.

**14 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on February 24, 2022.

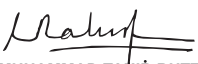
**15 CORRESPONDING FIGURES**

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.

**16 GENERAL**

Figures have been rounded off to nearest of Rupee.

  
**MUHAMMAD TAHIR BUTT**  
 CHIEF EXECUTIVE OFFICER

  
**IFTIKHAR AHMAD BUTT**  
 DIRECTOR

  
**MUHAMMAD FAISAL AZAM**  
 CHIEF FINANCIAL OFFICER

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