

**CONDENSED INTERIM
FINANCIAL STATEMENTS
31 MARCH 2022**

(UN-AUDITED)



GRAYS LEASING LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Khawar Anwar Khawaja	Chairman
Mr. Muhammad Tahir Butt	Chief Executive
Mr. Khurram Anwar Khawaja	
Mr. Iftikhar Ahmad Butt	
Mr. Omer Khawar Khawaja	
Mr. Abdul Qayum Malik	
Mr. Muhammad Arshad	
Mrs. Nuzhat Khawar Khawaja	

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

COMPANY SECRETARY

Muhammad Adil Munir

CHIEF FINANCIAL OFFICER

Waqas Ali

HEAD OF INTERNAL AUDIT

Saeed Ahmad Shaheen

HUMAN RESOURCE AND REMUNERATION COMMITTEE

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

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 2022, together with report of the Board of Directors of the company.

During the period ended 31 March 2022, the company transacted business worth Rupees 40.215 million as compared to Rupees 14.996 million on 31 March 2021. During the period ended 31 March 2022, the company earned a profit before and after tax of Rupees 3.111 million and Rupees 0.591 million respectively as compared to profit before and after tax of Rupees 2.921 million and Rupees 2.015 million during the corresponding period of 2021. Net investment stands at Rupees 460.122 million as on 31 March 2022 as compared to Rupees 464.488 million as on June 30, 2021. During the period ended 31 March 2022, there is reversal in provision of Rupees 0.297 million against potential lease losses, resultantly the equity of the company comes to Rupees 62.690 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: 26 April 2022

ڈائریکٹرز رپورٹ

ہم کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے 31 مارچ 2022 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 31 مارچ 2022 کے دورانیے کے اختتام پر کمپنی نے 40.215 ملین روپے کا کاروبار کیا 31 مارچ 2021 کے 14.996 ملین روپے کے مقابل۔ 31 مارچ 2022 کے دورانیے کے اختتام پر کمپنی نے ٹیکس سے قبل اور بعد میں منافع 3.111 ملین اور 0.591 ملین کمایا جبکہ 2021 کے دورانیے میں ٹیکس سے قبل اور بعد میں منافع 2.921 ملین اور 2.015 ملین رہا۔ حتیٰ سرمایہ کاری 31 مارچ 2022 کو 460.122 ملین روپے کی 30 جون 2021 کے 464.488 ملین کے مقابل۔ 31 مارچ 2022 کے دوران ممکنہ لیزز کے الٹ 0.297 ملین ہے، جس کے نتیجے میں کمپنی کی آؤٹ 62.690 ملین ہو گئی ہے۔

عزیز شئیر ہولڈرز ہمارے ملک میں ایس ایم ای شعبہ میں سرمایہ کاری کی بڑی مانگ ہے جو ابھی بھی ناقابل دریافت ہے۔ لیکن لیزینگ 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 چھننے 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- (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 ایسپلائرز کے بھی بہت قدردان ہیں جنہوں نے کمپنی کیلئے اس حد تک محنت کی۔

بجانب بورڈ



محمد طہاربت

چیف ایگزیکٹو

سیالکوٹ، 26 اپریل 2022

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022**

		UN-AUDITED 31 MARCH 2022	AUDITED 30 JUNE 2021
	NOTE	Rupees	Rupees
ASSETS			
Current assets			
Cash and bank balances		7,499,824	12,910,945
Advances and prepayments		1,522,708	1,119,777
Sales tax recoverable		1,054,161	934,792
Current maturity of non-current assets	4	148,321,294	179,778,116
		158,397,986	194,743,630
Non-current assets			
Net investment in lease finance	4	153,909,381	126,522,006
Long term security deposits and prepayments		2,500	373,500
Fixed assets	5	567,353	615,137
Right-of-use asset		-	1,236,996
		154,479,234	128,747,639
TOTAL ASSETS		312,877,220	323,491,269
LIABILITIES			
Current liabilities			
Loans from related parties	6	50,000,000	60,000,000
Accrued and other liabilities		4,360,420	4,276,185
Current maturity of non-current liabilities		121,113,907	119,560,973
Unclaimed dividend		777,785	777,785
Provision for taxation		2,686,239	4,472,328
		178,938,351	189,087,271
Non-current liabilities			
Deposits on lease contracts		66,344,354	69,021,115
Lease liabilities		-	519,907
Deferred income tax liability		2,697,391	841,685
Employees' retirement benefit		2,207,500	1,922,719
		71,249,245	72,305,426
TOTAL LIABILITIES		250,187,596	261,392,697
NET ASSETS		62,689,624	62,098,572
REPRESENTED BY:			
Authorized share capital			
35,000,000 (30 June 2021: 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 2021: 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		(211,566,991)	(212,158,043)
Shareholders' equity		62,689,624	62,098,572
CONTINGENCIES AND COMMITMENTS	7	62,689,624	62,098,572

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


MUHAMMAD TAHIR BUTT
CHIEF EXECUTIVE OFFICER



(KHAWAR ANWAR KHUWAJA)
DIRECTOR


WAQAS ALI
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM PROFIT OR LOSS (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2022**

	PERIOD ENDED		QUARTER ENDED	
	31 MARCH 2022	31 MARCH 2021	31 MARCH 2022	31 MARCH 2021
NOTE	Rupees	Rupees	Rupees	Rupees
REVENUE				
Income from lease operations	10,902,034	13,120,275	2,967,879	4,595,545
Other income	1,988,646	1,875,274	1,250,302	1,017,722
	<u>12,890,680</u>	<u>14,995,549</u>	<u>4,218,181</u>	<u>5,613,267</u>
EXPENDITURE				
Administrative and other operating expenses	(9,543,079)	(9,370,029)	(2,885,675)	(2,461,806)
Financial and other charges	(533,343)	(848,343)	(8,753)	(221,251)
Allowance for potential lease losses - net	296,556	(1,856,481)	10,652	-
4.1	<u>(9,779,866)</u>	<u>(12,074,853)</u>	<u>(2,883,776)</u>	<u>(2,683,057)</u>
PROFIT / (LOSS) BEFORE TAXATION	<u>3,110,814</u>	<u>2,920,696</u>	<u>1,334,405</u>	<u>2,930,210</u>
Taxation	(2,519,762)	(905,383)	(955,388)	(400,005)
PROFIT / (LOSS) AFTER TAXATION	<u>591,052</u>	<u>2,015,313</u>	<u>379,017</u>	<u>2,530,205</u>
Earnings / (loss) per share - basic and diluted	<u>0.027</u>	<u>0.094</u>	<u>0.018</u>	<u>0.118</u>

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


MUHAMMAD TAHIR BUTT
 CHIEF EXECUTIVE OFFICER


(KHAWAR ANWAR KHUWAJA)
 DIRECTOR


WAQAS ALI
 CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE PERIOD ENDED 31 MARCH 2022

	PERIOD ENDED		QUARTER ENDED	
	31 MARCH 2022	31 MARCH 2021	31 MARCH 2022	31 MARCH 2021
	Rupees	Rupees	Rupees	Rupees
PROFIT / (LOSS) AFTER TAXATION	591,052	2,015,313	379,017	2,530,205
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>591,052</u>	<u>2,015,313</u>	<u>379,017</u>	<u>2,530,205</u>

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


MUHAMMAD TAHIR BUTT
 CHIEF EXECUTIVE OFFICER



(KHAWAR ANWAR KHUWAJA)
 DIRECTOR


WAQAS ALI
 CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2022**

		PERIOD ENDED	
		31 MARCH 2022	31 MARCH 2021
	Note	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	8	3,039,488	4,394,538
Finance cost paid		(533,343)	(5,839,690)
Income tax paid		(2,450,145)	(835,622)
Gratuity paid		-	(990,123)
Long term security deposits and prepayments - net		371,000	250,000
NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES		427,000	(3,020,897)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net Investment in lease finance		4,366,004	(26,653,569)
Fixed assets - acquired		(87,500)	(13,660)
Proceeds from sale of fixed assets		1,205,000	133,000
Profit on bank deposits received		278,850	251,822
NET CASH USED IN INVESTING ACTIVITIES		5,762,354	(26,282,407)
CASH FLOWS FROM FINANCING ACTIVITIES			
Deposits on lease contracts - net		(572,666)	19,217,074
Loan obtained from chief executive officer		(10,000,000)	5,000,000
Repayment of lease liabilities		(1,027,809)	92,907
NET CASH FROM FINANCING ACTIVITIES		(11,600,475)	24,309,981
NET DECREASE IN CASH AND CASH EQUIVALENTS		(5,411,121)	(4,993,323)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		12,910,945	17,096,476
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		7,499,824	12,103,153

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


MUHAMMAD TAHIR BUTT
 CHIEF EXECUTIVE OFFICER


(KHAWAR ANWAR KHUWAJA)
 DIRECTOR


WAQAS ALI
 CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2022

	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	CAPITAL RESERVE		ACCUMULATED LOSS	SHAREHOLDERS' EQUITY
		STATUTORY RESERVE			
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 30 June 2020 (Audited)	215,000,000	59,256,615	(210,513,675)	63,742,940	
Profit for the period ended 31 March 2021	-	-	2,015,313	2,015,313	
Other comprehensive income for the period ended 31 March 2021	-	-	-	-	
Total comprehensive income for the half year ended 31 March 2021	-	-	2,015,313	2,015,313	
Balance as at 31 March 2021 (Un-Audited)	215,000,000	59,256,615	(208,498,362)	65,758,253	
Loss for the half year ended 30 June 2021	-	-	(3,661,589)	(3,661,589)	
Other comprehensive loss for the half year ended 30 June 2021	-	-	1,908	1,908	
Total comprehensive loss for the half year ended 30 June 2021	-	-	(3,659,681)	(3,659,681)	
Balance as at 30 June 2021 (Audited)	215,000,000	59,256,615	(212,158,043)	62,098,572	
Profit for the period ended 31 March 2022	-	-	591,052	591,052	
Other comprehensive income for the period ended 31 March 2022	-	-	-	-	
Total comprehensive loss for the period ended 31 March 2022	-	-	591,052	591,052	
Balance as at 31 March 2022 (Un-Audited)	215,000,000	59,256,615	(211,566,991)	62,689,624	

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


MUHAMMAD TAHIR BUTT
 CHIEF EXECUTIVE OFFICER


(KHAWAR ANWAR KHUWAJA)
 DIRECTOR


WAQAS ALI
 CHIEF FINANCIAL OFFICER

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED 31 MARCH 2022

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, 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 62,689,624. The Company as a non-deposit taking NBFIL meets the minimum equity requirement of Rupees 50,000 million. During the period, the Company has sanctioned new leases of Rupees 40,215,425 and recovered Rupees 54,723,508 against lease finance receivable. Further, during the period, the Company earned income of Rupees 10,902,034 from lease operations and has incurred profit before taxation of Rupees 3,110,814. 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 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 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.

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2022**

	Un-Audited 31 March 2022 Rupees	Audited 30 June 2021 Rupees
4 NET INVESTMENT IN LEASE FINANCE		
Lease rentals receivable	338,517,963	343,423,479
Add: Guaranteed residual value of leased assets	187,458,261	188,030,927
Gross investment in lease finance	525,976,224	531,454,406
Less: Unearned finance income	(65,854,547)	(66,966,725)
	460,121,677	464,487,681
Less: Allowance for potential lease losses (Note 4.1)	(157,891,003)	(158,187,559)
Net investment in lease finance - net off provision	302,230,674	306,300,122
Less: Current maturity shown under current assets	(148,321,294)	(179,778,116)
	153,909,381	126,522,006
4.1 Allowance for potential lease losses		
Balance as at 01 July 2021	158,187,559	159,073,749
Add: Allowance for potential lease losses made during the period	-	317,359
Less: Reversal of allowance for potential lease losses during the period	(296,556)	(1,203,549)
	(296,556)	(886,190)
Balance as at 31 March 2022	157,891,003	158,187,559
	Un-Audited 31 March 2022 Rupees	Audited 30 June 2021 Rupees
5 FIXED ASSETS		
Owned Assets (Note 5.1)	567,353	615,137
5.1 Owned Assets		
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 5.1.2)	(1,149,766)	(126,285)
Less: Depreciation charged during the period / year	(140,499)	(115,583)
Closing book value	567,353	615,137
5.1.1 Cost of additions		
Computer equipment	87,500	161,305
5.1.2 Transferred from right-of-use asset during the period		
Vehicles	1,154,981	-

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2022**

	Un-Audited 31 March 2022 Rupees	Audited 30 June 2021 Rupees
5.1.2 Deletion during the period / year		
Owened vehicles		
Cost	(1,545,000)	(773,325)
Accumulated depreciation	395,234	649,241
	(1,149,766)	(124,084)
Computer equipment		
Cost	-	(6,500)
Accumulated depreciation	-	4,299
	-	(2,201)
	(1,149,766)	(126,285)
6 LOANS FROM RELATED PARTIES		
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
6.1 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 carries mark-up at the rate 6 months KIBOR (30 June 2021: 6 months KIBOR). The loan has been fully repaid during the period.		
6.2 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.		
6.3 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.		
6.4 As on the reporting date, un-utilized credit facilities from related parties comprise of Rupees 25 million (30 June 2021: Rupees 15 million).		
7 CONTINGENCIES AND COMMITMENTS		
There are no reportable contingencies and commitments as at 31 March 2022 (30 June 2021: NIL).		
	PERIOD ENDED	
	31 MARCH 2022	31 MARCH 2021
	Rupees	Rupees
8 CASH GENERATED FROM OPERATIONS		
Profit / (loss) before taxation	3,110,814	2,920,696
Adjustments for non-cash charges and other items:		
Depreciation on fixed assets	140,499	82,303
Depreciation on right-of-use asset	82,015	242,779
Provision for gratuity	284,781	332,364
Finance cost	533,343	848,343
Allowance for potential lease losses - net	(296,556)	1,856,481
Gain on sale of fixed assets	(55,234)	(6,715)
Gain on termination of lease liability	(43,259)	-
Profit on bank deposits	(278,850)	(251,822)
Working capital changes (Note 8.1)	(438,065)	(1,629,891)
	3,039,488	4,394,538
8.1 Working capital changes		
(Increase) / decrease in current assets:		
Advances and prepayments	(402,931)	(796,100)
Sales tax recoverable	(119,369)	(155,015)
Other receivables	-	51,567
	(522,300)	(899,548)
Decrease in current liabilities:		
Accrued and other liabilities	84,235	(730,343)
	(438,065)	(1,629,891)

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2022**

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			
		PERIOD ENDED		QUARTER ENDED	
		31 March 2022	31 March 2021	31 March 2022	31 March 2021
		Rupees	Rupees	Rupees	Rupees
i)	Transactions				
	Holding company				
4	Mark-up paid	-	4,672,603	-	3,012,050
	Mark-up charged	-	-	-	-
	Rent expense of office building	225,000	225,000	75,000	75,000
	Other Related Parties				
	Chief Executive Officer				
	Mark-up charged	259,309	513,500	-	181,233
	Loan obtained	-	5,000,000	-	-
	Mark-up paid	259,309	832,244	-	330,444
	Ex-Chief Financial Officer				
	Deduction of advance against salary	155,000	25,000	-	10,000
	Lease rentals received	-	845,000	-	210,000
	Remuneration of chief financial officer	272,250	767,250	-	272,250
				Un-Audited 31 March 2022 Rupees	Audited 30 June 2021 Rupees
ii)	Period end balances				
	Holding company				
	Loan payable			50,000,000	50,000,000
	Chief Executive Officer				
	Loan payable			-	10,000,000
	Accrued mark-up			181,233	-
	Ex-Chief Financial Officer				
	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
iii)	During the period, Chief Financial Officer who obtained lease facility and advance against salary has resigned from the Company.				

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 2021.

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED 31 MARCH 2022

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 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 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 26 April 2022.


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 OFFICER


(KHAWAR ANWAR KHUWAJA)
DIRECTOR


WAQAS ALI
CHIEF FINANCIAL OFFICER

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