



GRAYS LEASING LIMITED
Condensed Interim Financial
Statements for the half year ended
31 December 2023 (Un-Audited)



COMPANY INFORMATION

BOARD OF DIRECTORS	Mr. Khawar Anwar Khawaja Mr. Muhammad Tahir Butt Mr. Khurram Anwar Khawaja Mr. Muhammad Ashraf Butt Mr. Omer Khawar Khawaja Mr. Muhammad Arshad Mrs. Nuzhat Khawar Khawaja	Chairman Chief Executive
AUDIT COMMITTEE	Mr. Muhammad Arshad 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 Phones: 92 (042) 35718137-9 E-mail: 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 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 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 2023, 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 2023, the company transacted business worth Rupees 97.681 million as compared to Rupees 18.674 million on 31 December 2022. During the period ended 31 December 2023, the company earned profit before and loss after tax of Rupees 5.035 million and Rupees 6.134 million respectively as compared to profit before and after tax of Rupees 5.795 million and Rupees 4.912 million during the corresponding period of 2022. Loss after tax is due to deferred tax liability, however its impact shall be diluted in the current financial year. Net investment stands at Rupees 458.152 million as on 31 December 2023 as compared to Rupees 424.510 million as on June 30, 2023. During the period ended 31 December 2023, there is net reversal in provision of Rupees 0.051 million against potential lease losses, resultantly the equity of the company comes to Rupees 56.968 million.

In our country despite of high KIBOR rate and increase in value of vehicles still 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.

Grays Leasing Limited (GLL) is a non-deposit taking organization, therefore credit rating of Company is not mandatory.

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 February 2024

ڈائریکٹرز رپورٹ

ہم کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے 31 دسمبر 2023 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 اور مالی اعداد و شمار

زیر جائزہ 31 دسمبر 2023 کے دورانیے کے اختتام پر کمپنی نے 97.681 ملین روپے کا کاروبار کیا 31 دسمبر 2022 کے 18.674 ملین روپے کے مقابلے میں۔ 31 دسمبر 2023 کے دورانیے کے اختتام پر کمپنی نے ٹیکس سے قبل منافع 5.035 ملین اور ٹیکس کے بعد نقصان 6.134 ملین کمایا جبکہ 2022 کے دورانیے میں ٹیکس سے قبل اور بعد میں منافع 5.795 ملین اور 4.912 ملین رہا۔ ٹیکس کے بعد نقصان کی وجہ واجب الادا ٹیکس ادائیگی ہے، تاہم اس کا اثر موجودہ مالی سال میں کم ہو جائے گا۔ حتمی سرمایہ کاری 31 دسمبر 2023 کو 458.152 ملین روپے کی 30 جون 2023 کے 424.510 ملین کے مقابلے میں۔ 31 دسمبر 2023 کے دوران تملک ییز نقصانات کے برعکس وصولی 0.051 ملین ہے، جس کے نتیجے میں کمپنی کی اکوٹی 56.968 ملین پر ہے۔

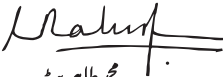
عزیز شیئرز ہولڈرز ہمارے ملک میں KIBOR کی بلند شرح اور گاڑیوں کی قیمتوں میں اضافے کے باوجود ایس ایم ای شعبہ میں سرمایہ کاری کی بڑی مانگ ہے جو ابھی بھی ناقابل دریافت ہے۔ لیکن لیز بیک شعبہ کمرشل بینکوں سے فنڈز کی عدم دستیابی کی وجہ سے تملک گاڑیوں کی ضروریات کو پورا کرنے کے قابل نہیں ہے۔ تاہم کمپنی نے چھتے ہوئے گاڑیوں 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

چونکہ گریز لیزنگ لمیٹڈ ایک نان ڈپازٹ والی نان بینکنگ فنانسھیل کمپنی (NBFC) ہے اس لیے کمپنی کی کریڈیٹ ریٹنگ نہیں کی گئی۔

اختتام میں ہم ان کلائنٹس کے نہایت مشکور ہیں جنہوں نے ہمیں خدمت کا موقعہ دیا۔ اور ہم کمپنی کے ایپلایڈ کے بھی بہت قدر داران ہیں جنہوں نے کمپنی کیلئے اس حد تک محنت کی۔

بجانب بورڈ



محمد طاہر بہت

چیف ایگزیکٹو

سیالکوٹ، 26 فروری 2024

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 2023 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 2023 and 31 December 2022 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 2023.

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 Scheduled X to the 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 Scheduled X to the

Riaz Ahmad & Company
Chartered Accountants

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: 26 February 2024

UDIN: RR202310168YjerQcWqk

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	NOTE	UN-AUDITED	AUDITED
		31 DECEMBER 2023	30 JUNE 2023
		Rupees	Rupees
ASSETS			
Current assets			
Cash and bank balances		3,987,645	13,916,514
Advances and prepayments		1,236,632	1,042,154
Sales tax recoverable		496,221	422,310
Current maturity of net investment in lease finance	4	180,236,994	172,539,576
		185,957,492	187,920,554
Non-current assets			
Net investment in lease finance	4	123,547,375	97,522,349
Long term security deposits		2,500	2,500
Fixed assets	5	613,261	655,512
		124,163,136	98,180,361
TOTAL ASSETS		310,120,628	286,100,915
LIABILITIES			
Current liabilities			
Loan from related party	6	27,000,000	25,000,000
Accrued and other liabilities		4,728,595	5,265,649
Current maturity of non-current liabilities		127,118,121	126,482,186
Unclaimed dividend		777,785	777,785
Provision for taxation - net		1,996,056	2,508,742
		161,620,557	160,034,362
Non-current liabilities			
Deposits on lease contracts		79,154,832	59,395,220
Deferred income tax	7	10,444,341	1,854,916
Employees' retirement benefit		1,932,681	1,714,429
		91,531,854	62,964,565
TOTAL LIABILITIES		253,152,411	222,998,927
NET ASSETS		56,968,217	63,101,988
REPRESENTED BY:			
Authorized share capital			
35,000,000 (30 June 2023: 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 2023: 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		(217,288,398)	(211,154,627)
Shareholders' equity		56,968,217	63,101,988
CONTINGENCIES AND COMMITMENTS			
	8	56,968,217	63,101,988

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


MUHAMMAD TAHIR BUTT
 CHIEF EXECUTIVE OFFICER



KHAWAR ANWAR KHAWAJA
 DIRECTOR


MUHAMMAD FAISAL AZAM
 CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

	NOTE	HALF YEAR ENDED		QUARTER ENDED	
		31 DECEMBER	31 DECEMBER	31 DECEMBER	31 DECEMBER
		2023	2022	2023	2022
		Rupees	Rupees	Rupees	Rupees
REVENUE					
Income from lease operations	9	12,812,220	11,088,680	7,168,092	6,337,949
Other income		1,549,203	1,369,512	1,104,746	596,411
		<u>14,361,423</u>	<u>12,458,192</u>	<u>8,272,838</u>	<u>6,934,360</u>
EXPENDITURES					
Administrative and other operating expenses		(9,209,656)	(8,702,123)	(5,275,952)	(4,802,106)
Financial and other charges		(167,469)	(176,734)	(163,136)	(173,561)
Allowance for potential lease losses - net	4.1	51,122	2,215,615	8,283	-
		<u>(9,326,003)</u>	<u>(6,663,242)</u>	<u>(5,430,805)</u>	<u>(4,975,667)</u>
PROFIT BEFORE TAXATION		5,035,420	5,794,950	2,842,033	1,958,693
Taxation		(11,169,191)	(883,246)	(10,796,315)	(231,082)
(LOSS) / PROFIT AFTER TAXATION		<u>(6,133,771)</u>	<u>4,911,704</u>	<u>(7,954,282)</u>	<u>1,727,611</u>
(Loss) / earnings per share - basic and diluted		<u>(0.285)</u>	<u>0.228</u>	<u>(0.370)</u>	<u>0.080</u>

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**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

	Note	HALF YEAR ENDED	
		31 DECEMBER 2023	31 DECEMBER 2022
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	10	4,113,476	2,458,379
Finance cost paid		(17,102)	(27,903)
Income tax paid		(3,092,452)	(4,596,628)
Gratuity paid		-	(900,000)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES		1,003,922	(3,066,152)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investment in lease finance		(33,671,322)	24,873,651
Fixed assets - acquired		(12,500)	(13,500)
Profit on bank deposits received		355,484	779,305
NET CASH (USED IN) / FROM INVESTING ACTIVITIES		(33,328,338)	25,639,456
CASH FLOWS FROM FINANCING ACTIVITIES			
Deposits on lease contracts - net		20,395,547	(4,693,310)
Loan from Anwar Khawaja Industries (Private) Limited - Holding Company		15,000,000	-
Loan repaid to Anwar Khawaja Industries (Private) Limited - Holding Company		(13,000,000)	(25,000,000)
NET CASH FROM / (USED IN) FINANCING ACTIVITIES		22,395,547	(29,693,310)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(9,928,869)	(7,120,006)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		13,916,514	14,649,145
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		3,987,645	7,529,139

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


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KHAWAR ANWAR KHAWAJA
 DIRECTOR


MUHAMMAD FAISAL AZAM
 CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

	HALF YEAR ENDED		QUARTER ENDED	
	31 DECEMBER 2023	31 DECEMBER 2022	31 DECEMBER 2023	31 DECEMBER 2022
	Rupees	Rupees	Rupees	Rupees
(LOSS) / PROFIT AFTER TAXATION	(6,133,771)	4,911,704	(7,954,282)	1,727,611
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 (LOSS) / INCOME FOR THE PERIOD	(6,133,771)	4,911,704	(7,954,282)	1,727,611

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


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 CHIEF EXECUTIVE OFFICER


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 DIRECTOR


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 CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

	Rupees		Rupees		Rupees	
	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	CAPITAL RESERVE STATUTORY RESERVE	ACCUMULATED LOSS	SHAREHOLDERS' EQUITY		
Balance as at 30 June 2022 (Audited)	215,000,000	59,256,615	(216,321,625)	57,934,990		
Profit for the half year ended 31 December 2022	-	-	4,911,704	4,911,704		
Other comprehensive income for the half year ended 31 December 2022	-	-	-	-		
Total comprehensive income for the half year ended 31 December 2022	-	-	4,911,704	4,911,704		
Balance as at 31 December 2022 (Un-Audited)	215,000,000	59,256,615	(211,409,921)	62,846,694		
Profit for the half year ended 30 June 2023	-	-	1,009,465	1,009,465		
Other comprehensive loss for the half year ended 30 June 2023	-	-	(754,171)	(754,171)		
Total comprehensive income for the half year ended 30 June 2023	-	-	255,294	255,294		
Balance as at 30 June 2023 (Audited)	215,000,000	59,256,615	(211,154,627)	63,101,988		
Loss for the half year ended 31 December 2023	-	-	(6,133,771)	(6,133,771)		
Other comprehensive income for the half year ended 31 December 2023	-	-	-	-		
Total comprehensive loss for the half year ended 31 December 2023	-	-	(6,133,771)	(6,133,771)		
Balance as at 31 December 2023 (Un-Audited)	215,000,000	59,256,615	(217,288,398)	56,968,217		

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


MUHAMMAD TAHIR BUTT
 CHIEF EXECUTIVE OFFICER


KHAWAR ANWAR KHAWAJA
 DIRECTOR


MUHAMMAD FAISAL AZAM
 CHIEF FINANCIAL OFFICER

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

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 56,968,217. 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 97,681,017 and recovered Rupees 42,814,758 against gross investment in lease finance. Further, during the period, the Company earned income from lease operations of Rupees 12,812,220. Holding Company has sanctioned credit facility of Rupees 50,000,000 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
- Provisions of and directives issued under the 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 2023. 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 2023.

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 2023.

	Un-Audited 31 December 2023 Rupees	Audited 30 June 2023 Rupees
4 NET INVESTMENT IN LEASE FINANCE		
Lease rentals receivable	330,431,358	310,681,184
Add: Guaranteed residual value of leased assets	206,272,953	185,877,406
Gross investment in lease finance	<u>536,704,311</u>	<u>496,558,590</u>
Less: Unearned finance income	(78,522,779)	(72,048,380)
Net investment in lease finance	458,181,532	424,510,210
Less: Allowance for potential lease losses (Note 4.1)	(154,397,163)	(154,448,285)
Net investment in lease finance - net off provision	303,784,369	270,061,925
Less: Current maturity shown under current assets	<u>(180,236,994)</u>	<u>(172,539,576)</u>
	<u>123,547,375</u>	<u>97,522,349</u>
4.1 Allowance for potential lease losses		
Opening balance	154,448,285	157,432,438
Add: Allowance for potential lease losses made during the period / year	81,562	750
Less: Reversal of allowance for potential lease losses during the period / year	(132,684)	(2,984,903)
Allowance for potential lease losses - net	<u>(51,122)</u>	<u>(2,984,153)</u>
Closing balance	<u>154,397,163</u>	<u>154,448,285</u>
	Un-Audited 31 December 2023 Rupees	Audited 30 June 2023 Rupees
5 FIXED ASSETS		
Owned assets (Note 5.1)	<u>613,261</u>	<u>655,512</u>
5.1 Owned assets		
Opening book value	655,512	536,581
Add: Cost of additions during the period / year (Note 5.1.1)	12,500	237,380
	<u>668,012</u>	<u>773,961</u>
Less: Depreciation charged during the period / year	(54,751)	(118,449)
Closing book value	<u>613,261</u>	<u>655,512</u>
5.1.1 Cost of additions during the period / year		
Office equipment	-	237,380
Computer equipment	12,500	-
	<u>12,500</u>	<u>237,380</u>

	Un-Audited 31 December 2023 Rupees	Audited 30 June 2023 Rupees
6 LOANS FROM RELATED PARTY		
Anwar Khawaja Industries (Private) Limited - holding company (Note 6.1)	27,000,000	25,000,000

6.1 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 50 million (30 June 2023: Rupees 50 million). This loan is interest free and is repayable till 30 June 2024.

6.2 As on the reporting date, un-utilized credit facility from related party comprise of Rupees 23 million (30 June 2023: Rupees 25 million).

	Un-Audited 31 December 2023 Rupees	Audited 30 June 2023 Rupees
7 DEFERRED INCOME TAX		
The deferred income tax liability / (asset) originated due to timing differences relating to:		
Taxable temporary differences on:		
Accelerated tax depreciation	86,355,094	79,882,697
Deductible temporary differences on:		
Un-absorbed tax depreciation	(75,350,276)	(77,530,597)
Provision for gratuity	(560,477)	(497,184)
	<u>10,444,341</u>	<u>1,854,916</u>

8 CONTINGENCIES AND COMMITMENTS

There are no reportable contingencies and commitments as at 31 December 2023 (30 June 2023: NIL).

HALF YEAR ENDED	
31 DECEMBER 2023	31 DECEMBER 2022
Rupees	Rupees

10. CASH GENERATED FROM OPERATIONS

Profit before taxation 5,035,420 5,794,950

Adjustments for non-cash charges and other items:

Depreciation on fixed assets	54,751	55,752
Provision for gratuity	218,252	182,118
Finance cost	17,102	27,903
Workers welfare fund	150,367	138,331
Reversal of allowance for potential lease losses - net	(51,122)	(2,215,615)
Provision against doubtful sales tax recoverable	-	10,500
Profit on bank deposits	(355,484)	(779,305)
Working capital changes (Note 10.1)	(955,810)	(756,255)
	<u>4,113,476</u>	<u>2,458,379</u>

10.1 Working capital changes

(Increase) / decrease in current assets:

Advances and prepayments	(194,478)	(360,164)
Sales tax recoverable	(73,911)	(68,512)
	(268,389)	(428,676)

Decrease in current liabilities:

Accrued and other liabilities	(687,421)	(327,579)
	<u>(955,810)</u>	<u>(756,255)</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 2023	31 December 2022	31 December 2023	31 December 2022
Rupees	Rupees	Rupees	Rupees

11.1 Transactions

Holding Company

Repayment of loan	13,000,000	25,000,000	13,000,000	25,000,000
Loan received	15,000,000	-	-	-
Rent expense of office building	150,000	150,000	75,000	75,000

Other Related Parties

Chief Financial Officer / Executive

Remuneration	1,269,600	1,104,000	673,935	552,000
Deduction of advance against salary	45,000	50,000	45,000	20,000
Received against finance lease	174,010	184,370	103,740	92,600

Un-Audited	Audited
31 December	30 June
2023	2023
Rupees	Rupees

11.2 Period end balances

Holding Company

Loan payable	27,000,000	25,000,000
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Chief Financial Officer / Executive

Advance against salary receivable	535,000	580,000
Net investment in lease finance	791,705	891,551
Deposit against lease contract	360,000	360,000

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 2023.

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 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.

14 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on 26 February 2024.


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


KHAWAR ANWAR KHAWAJA
 DIRECTOR


MUHAMMAD FAISAL AZAM
 CHIEF FINANCIAL OFFICER

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