



Grays Leasing Limited

GLL/CS/PSX/2024/030
October 16, 2024

The General Manager
PSX Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

Subject: **CORPORATE BRIEFING SESSION**

Dear Sir,

This is to inform you that the Corporate Briefing Session, of Grays Leasing Limited for shareholders, investors, researchers and analysts, to brief them about the Company's financial position for the year ended June 30, 2024 and September 30, 2024 as per following details:

Date October 28, 2024

Time 3:00 pm

Zoom Link Register in advance for this meeting:

<https://zoom.us/j/3300750573?pwd=Wmc0Rkl0QmJ3Z050NTZNeFJBSUJFCdz09>

Meeting ID: 330 075 0573

Passcode: 930fpQ

Contact Person Mr. Muhammad Faisal Azam

All members and analysts are cordially invited to attend this session.

We would appreciate your assistance in communicating this information to the members of the exchange.

Best regard
For **Grays Leasing Limited**


Muhammad Adil Munir
Company Secretary





GRAYS LEASING LIMITED

CORPORATE BRIEFING SESSION

28TH OCTOBER 2024

Topics

Organization overview.

Vision and mission

Associated Companies

Brief operational results for current financial year 2024 and quarter ended 30-09-2024

Key operating and financial data.

Review of current year's operations.

Future outlook.

Organization overview

Grays Leasing Limited (the Company) is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017).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).

Grays Leasing Limited (GLL) was incorporated in Pakistan in August 1995 as a public limited company and commenced its commercial operations in February 1997. GLL is listed on Karachi and Lahore Stock Exchanges of Pakistan. The company has an authorized share capital of Rs. 350 million divided into 35.00 million ordinary shares of Rs. 10 each with a paid up capital of Rs. 215 million divided into 21.50 million ordinary shares of Rs. 10 each.

Grays Leasing Limited has played a major role in promoting the leasing industry in Pakistan. The main objective of the company is to undertake business of leasing and lease operations of all kinds and to provide advisory services. Its strength lies in a diversified portfolio of clients, wide range of financial products & personnel development in a diversified way.

Its Consumer Finance department caters to the needs of individuals on short to medium term basis. Lessees include public and private limited companies, partnerships, and sole proprietorships. The Company specializes in providing lease financing to small and medium size businesses. The company has its head office at Lahore and Branch offices at Karachi, Islamabad & Sialkot.

Vision and mission

VISION:

To be one of the most progressive institutions in the financial sector by providing quality service to our clientele in a superior manner, maintaining high ethical and professional standards, striving for continuous improvements and consistent growth to add value to our shareholders and our team of conscientious employees and a fair contribution to the national economy.

MISSION:

To develop a client base representing all segments of the economy; emphasis being placed on financial support to medium and small enterprises for their expansion, balancing and modernization requirements. To endeavor for a lasting relationship with clients and associates on the principles of Mutualism.

To transform the company into a dynamic, profitable and growth-oriented institution through an efficient resource mobilization and the optimum utilization thereof.

To provide healthy environment and corporate culture for good governance of the company which ensures exceptional value for clients, personnel and the investors above all.

To implement the best professional standards with due observance of moral and ethical values in all respects of corporate life which will IN-SHA-ALLAH ان شاء الله bring social and economic parity and prosperity among Nation and turn Pakistan into a Modern and Liberal Muslim Welfare state.

Associated Companies

GOC (Pak) Ltd.

GOC (PAK) Ltd. Was incorporated in Pakistan on June 2, 1964 as a private limited company in collaboration with Grays of Cambridge (International) Ltd., England. The company went in public in 1987. The public offer of shares was very well received in the market and the issue was oversubscribed by two hundred times. This was a record response by the public. The company is engaged in manufacturing and selling of sports goods including hockey sticks.

In 1994, the company also acquired another export oriented hockey manufacturing unit named "Dawn Sports (Private) Limited" as a wholly owned subsidiary which has been merged into its parent company very recently.

Grays has also established a pilot project for marking composite hockey stick for the global market. The sticks made in this setup are getting very encouraging response from customers all over the globe.

The company is principally engaged in the manufacture and export of quality sports goods, particularly, hockey sticks, bandy sticks, ice hockey and cricket balls.

The exemplary performance of the company and commendable distribution of profits to shareholders has earned for the company the Top 25 Companies Award from the Karachi Stock Exchange, eight times, out of the first ten years of operations after going public. The company has also won Corporate Excellence Awards from the Management Association of Pakistan.

Anwar Khawaja Industries (Pvt.) Ltd.

Anwar Khawaja Industries (Pvt.) Ltd. Was incorporated in Pakistan on March 21, 1964 under the Companies Act 1913 (now Companies Ordinance, 1984). The company is in the business of manufacture and export of sports goods especially, footballs. Handballs and volleyballs. The company also manufactures the world famous SELECT brand footballs.

Since inception, the company has undergone rapid and sustained business growth. Recently, the company's name was included in the Guinness Book of World Records for the manufacture of the world's largest football. This football was displayed at the opening ceremony of the Football World Cup 1994.

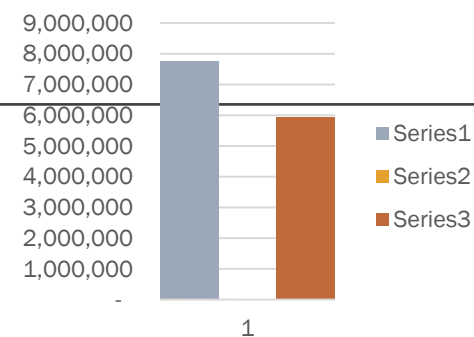
Anwar Khawaja Industries (Private) Limited has established a modern unit for sports wears and various textile garments, of which the entire production is exported.

The company has also entered into the field of computer software development and its related activities under the name and style of AK InfoTech (Private) Limited.

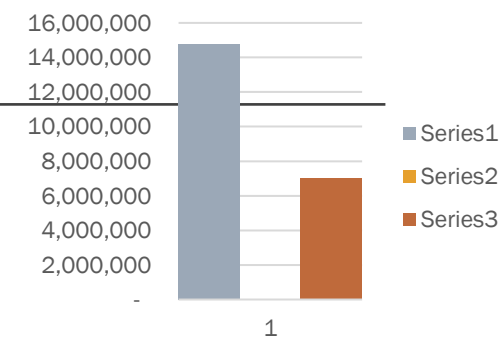
Brief operational results for the year ended 30-06-2024

	2024 Rupees	2023 Rupees
REVENUE		
Income from lease operations	27,176,485	21,117,084
Other income	3,338,282	2,783,454
	30,514,767	23,900,538
EXPENDITURES		
Administrative and other operating expenses	(17,657,010)	(19,587,940)
Financial and other charges	(478,395)	(255,449)
Reversal for allowance for potential lease losses - net	2,394,704	2,984,153
	(15,740,701)	(16,859,236)
PROFIT BEFORE TAXATION	14,774,066	7,041,302
Taxation	(7,011,982)	(1,120,133)
PROFIT AFTER TAXATION	7,762,084	5,921,169
Earnings per share - basic and diluted	0.361	0.275

Profit after tax



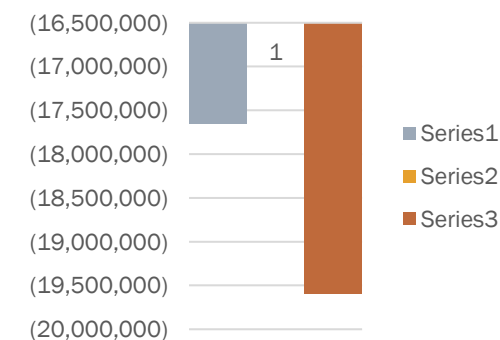
Profit before tax



Revenue

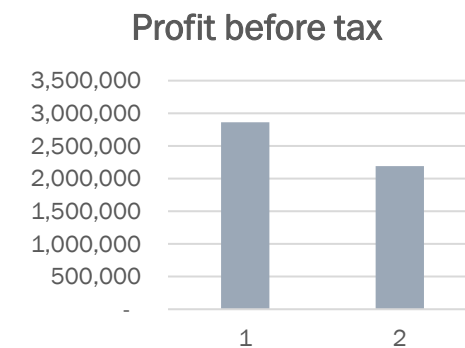
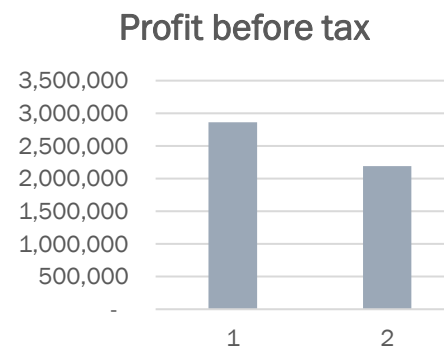
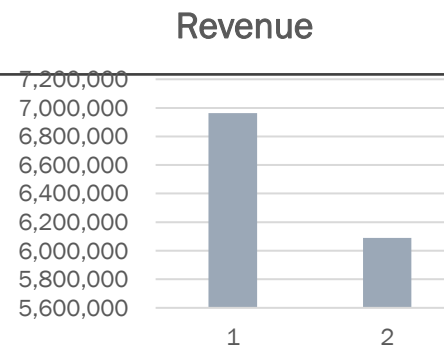


Admin Expenses



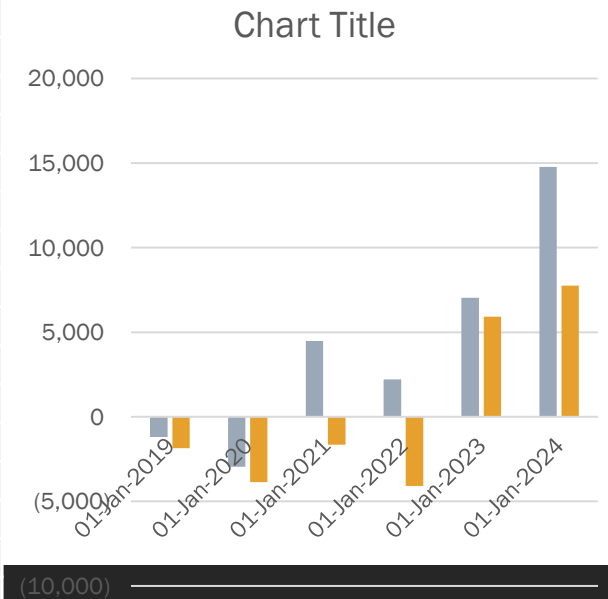
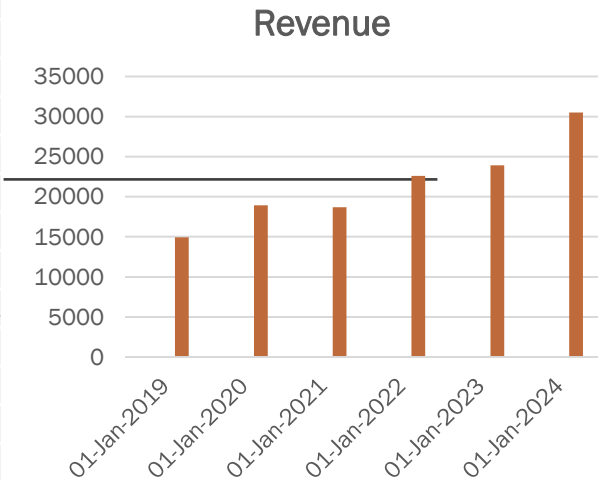
Brief operational results for the quarter ended 30-09-2024

	30 SEPTEMBER 2024 Rupees	30 SEPTEMBER 2023 Rupees
REVENUE		
Income from lease operations	6,283,024	5,644,128
Other income	680,006	444,457
	6,963,030	6,088,585
EXPENDITURE		
Administrative and other operating expenses	(4,096,959)	(3,933,704)
Financial and other charges	(1,113)	(4,333)
Reversal of potential lease losses	-	42,839
	(4,098,072)	(3,895,198)
PROFIT BEFORE TAXATION	2,864,958	2,193,387
Taxation	(487,043)	(372,876)
PROFIT AFTER TAXATION	2,377,915	1,820,511
Profit per share - basic and diluted	0.111	0.085



Key operating and financial data

	30-Jun-2019	30-Jun-2020	30-Jun-2021	30-Jun-2022	30-Jun-2023	30-Jun-2024
PROFIT AND LOSS						
Revenue	14,928	18,913	18,697	22,593	23,901	30,515
Financial charges	2,730	7,045	1,448	1,331	255	478
Provision / (Reversal)for doubtful receivables	1,031	1,520	-886	4,226	-2,984	-2,395
Profit / (Loss) before tax	-1,194	-2,947	4,477	2,207	7,041	14,774
Profit / (Loss) after tax	-1,858	-3,871	-1,646	-4,090	5,921	7,762
Dividend	-	-	-	-	-	-
Bonus shares	-	-	-	-	-	-
BALANCE SHEET						
Paid up share capital	215,000	215,000	215,000	215,000	215,000	215,000
Shareholders' equity	67,467	63,743	62,099	57,935	63,102	71,153
Borrowings	57,500	57,500	60,000	50,000	25,000	27,000
Net investment in finance lease	435,838	433,273	464,488	460,191	424,510	419,328
Total assets	292,494	297,544	323,491	318,848	286,101	298,116
PERFORMANCE INDICATORS						
Profit / (Loss) before tax/Gross revenue	-8%	-16%	24%	10%	29%	48%
Profit / (Loss) after tax/Gross revenue	-12%	-20%	-9%	-18%	25%	25%
Pre tax return on shareholders' equity	-1.8%	-4.6%	7.2%	3.8%	11.2%	20.8%
After tax return on shareholders' equity	(0.03)	(0.06)	(0.03)	(0.07)	0.09	0.11
Income / expense ratio	0.99	0.93	1.24	1.40	1.20	1.68
Interest coverage ratio	(1.44)	(1.42)	2.09	0.66	26.61	29.91
Earning / (Loss) per share	(0.086)	(0.180)	(0.077)	(0.190)	0.275	0.361
Break up value per share	3.14	2.96	2.89	2.69	2.93	3.31
Lease disbursements	80,224	52,794	132,916	94,005	48,506	162,773
Number of contracts	26	21	35	29	10	16



Review of current years operations and clarification on qualified report.

During the year, the Company has sanctioned and recovered amounting to Rupees 162.773 (2023: 48.506 million) and Rupees 85.994 respectively against gross investment in lease finance. Gross investment in finance leases as at 30 June 2024 stands at Rupees 496.854 million against Rupees 496.559 million on June 30, 2023, while the net investment stands at Rupees 419.328 million on 30 June 2024 against Rupees 424.510 million of the last year. The gross revenue from operations is Rupees 30.515 million against Rupees 23.901 million in 2023. The profit before and after tax for the current year is Rupees 14.774 million and Rupees 7.762 million as compared to profit before and after tax of preceding year which was Rupees 7.041 million and Rupees 5.921 million respectively. Increase in interest rate and reversal in provision (*due to recovery against non-performing loan*) during the current year contributed towards the profitability of the company. Resultantly Shareholders' equity of the company is at Rupees 71.153 million.

In their report to the Members, Auditors have stated that allowance for potential lease losses is made in these financial statements in accordance with the criteria for clarification and provisioning provided in Schedule X to the Non-Banking Finance Companies and Notified Entities Regulations, 2008. The provision against lease receivables should be made at higher of the amount determined in accordance with the Expected Credit Loss (ECL) Model of IRFS 9 and Schedule X to the Non-Banking Finance Companies and Notified Entities Regulations, 2008. Currently, the management is working on development of ECL model as per IFRS 9 so that allowance for potential lease losses could be calculated at higher of the amount determined in accordance with the Expected Credit Loss (ECL) Model of IRFS 9 and Schedule X to the Non-Banking Finance Companies and Notified Entities Regulations, 2008. It is pertinent to mention here that among the current running leases there is not even a single lease which is in overdue, while the bad portfolio (classified) has already been provided 100% therefore applicability of IRFS-9 will have no financial impact. However, we are still looking for a cheaper solution for development of ECL model, keeping in view the financial health of Company.

Future outlook.

In the absence of any funding from commercial banks, the company is utilizing funding available from the Anwar Khawaja Industries (Private) Limited, the holding company, and internal cash generation through recovery measures. The impact of these disbursements is not that significant on current year's financials, nevertheless, it is a step towards revival and the management is optimistic about bringing improvement in the next year's results. However significant increase in the value of vehicles and decrease in KIBOR rate will put the scope of leasing on fast track in coming days.

THANK YOU