

**CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE PERIOD ENDED**

**30 SEPTEMBER 2017
(UN-AUDITED)**



GRAYS LEASING LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS	Mr. Khawar Anwar Khawaja Mr. Muhammad Tahir Butt Mr. Khurram Anwar Khawaja Mr. Iftikhar Ahmad Butt Mr. Omer Khawar Khawaja Mr. Abdul Qayum Malik Mr. Muhammad Khalid Butt	Chairman Chief Executive
AUDIT COMMITTEE	Mr. Iftikhar Ahmad Butt Mr. Khurram Anwar Khawaja Mr. Omer Khawar Khawaja	
AUDITORS	Riaz Ahmad & Company Chartered Accountants 10-B Saint Mary Park Main Boulevard, Gulberg III Lahore.	
COMPANY SECRETARY	Muhammad Adil Munir	
CHIEF FINANCIAL OFFICER	M. Avais Ibrahim	
HEAD OF INTERNAL AUDIT	Mr. Bilal Arsalan Mir	
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	Standard Chartered Bank (Pakistan) 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 30 September 2017, together with report of the Board of Directors of the company.

During the period ended 30 September 2017, the company transacted business worth Rupees 9.851 million as compared to Rupees 17.604 million on 30 September 2016. During the period ended 30 September 2017, the company earned a profit before and after tax of Rupees 0.417 million and Rupees 0.296 million respectively as compared to net profit before and after tax of Rupees 0.138 million and Rupees 0.004 million during the corresponding period of 2016. Net investment stands at Rupees 42 million as on 30 September 2017 as compared to Rupees 420.667 million as on June 30, 2017. During the period ended 30 September 2017, there is net reversal of Rupees 0.756 million against potential lease losses, resultantly the equity of the company comes to Rupees 74.064 million.

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

Lahore: 26 October 2017

ڈائریکٹرز رپورٹ

ہم کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے 30 ستمبر 2017 کو اختتام پذیر ہونے والی عبوری مالی اسٹیٹمنٹ بمعہ ڈائریکٹرز اینڈ کمپنی آڈیٹرز رپورٹ مسرت سے پیش کر رہے ہیں۔
مرکزی کام اور مالی اعداد و شمار

زیر جائزہ 30 ستمبر 2017 کے دورانیے کے اختتام پر کمپنی نے 9.851 ملین روپے کا کاروبار کیا 30 ستمبر 2016 کے 17.604 ملین روپے کے مقابلے۔ 30 ستمبر 2017 کے دورانیے کے اختتام پر کمپنی نے ٹیکس سے قبل اور بعد میں منافع 0.417 ملین اور 0.296 ملین کمایا جبکہ 2016 کے دورانیے میں ٹیکس سے قبل اور بعد میں منافع 0.004 ملین اور 0.138 ملین رہا۔ حتمی سرمایہ کاری 30 ستمبر 2017 کو 42 ملین روپے کی 30 جون 2017 کے 420.667 ملین کے مقابلے۔ 30 ستمبر 2017 کے دورانیے کے اختتام پر ممکنہ لیز نقصان کے الٹ 0.756 ملین ہے، جس کے نتیجے میں کمپنی کی اکوٹی 74.064 ملین پر ہے۔

کریڈٹ کی درجہ بندی

JCR - VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (JCR - VIS) نے گریز لیزنگ لمیٹڈ (جی ایل ایل) کی کریڈٹ کی درجہ بندی BB-/B (ڈبل بی اےس / سنگل B) پر دوبارہ توثیق کی ہے۔ مقرر کردہ درجہ بندی کا جائزہ ہے "مستحکم"۔

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

بجانب بورڈ



محمد طاہر ہاشم


چیف ایگزیکٹو

لاہور، 26 اکتوبر 2017

**CONDENSED INTERIM BALANCE SHEET
AS AT 30 SEPTEMBER 2017**

ASSETS	NOTE	UN-AUDITED	AUDITED
		30 SEPTEMBER 2017	30 JUNE 2017
		Rupees	Rupees
ASSETS			
Current assets			
Cash and bank balances		4,818,439	3,028,927
Advances and prepayments		1,475,791	529,389
Sales tax recoverable		281,178	220,406
Other receivables		1,150,591	518,951
Current maturity of non-current assets	3	181,852,869	183,603,573
		189,578,868	187,901,246
Non-current assets			
Net investment in lease finance	3	77,818,682	78,571,327
Long term security deposits, advance and prepayments		62,500	280,309
Property, plant and equipment	4	1,633,503	1,731,915
		79,514,685	80,583,551
TOTAL ASSETS		269,093,553	268,484,797
LIABILITIES			
Current liabilities			
Loan from related parties	5	40,000,000	40,000,000
Accrued and other liabilities		3,707,200	3,641,083
Accrued mark-up		619,944	572,907
Current maturity of non-current liabilities		116,067,977	109,404,047
Provision for taxation		774,169	652,967
		161,169,290	154,271,004
Non-current liabilities			
Deposits on lease contracts		32,365,715	39,021,900
Employees' retirement benefit		1,494,474	1,423,886
		33,860,189	40,445,786
TOTAL LIABILITIES		195,029,479	194,716,790
NET ASSETS		74,064,074	73,768,007
REPRESENTED BY:			
Authorized share capital			
35,000,000 (30 June 2017: 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 2017: 21,500,000) ordinary shares of Rupees 10 each		215,000,000	215,000,000
Statutory reserve		59,315,828	59,256,615
Accumulated loss		(200,251,754)	(200,488,608)
Shareholders' equity		74,064,074	73,768,007
CONTINGENCIES AND COMMITMENTS	6	74,064,074	73,768,007

The annexed notes form an integral part of this condensed interim financial information.


MUHAMMAD TAHIR BUTT
 CHIEF EXECUTIVE



IFTIKHAR AHMAD BUTT
 DIRECTOR


MUHAMMAD AVAIS IBRAHIM
 CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2017**

	NOTE	QUARTER ENDED	
		30 SEPTEMBER 2017	30 SEPTEMBER 2016
		Rupees	Rupees
REVENUE			
Income from lease operations		2,633,317	2,364,321
Other income		111,567	145,200
		<u>2,744,884</u>	<u>2,509,521</u>
EXPENDITURE			
Administrative and other operating expenses		(2,458,732)	(2,333,170)
Financial and other charges		(624,923)	(431,449)
Reversal / (allowance) for potential lease losses	3.1	756,040	393,199
		<u>(2,327,615)</u>	<u>(2,371,420)</u>
PROFIT / (LOSS) BEFORE TAXATION		417,269	138,101
Taxation		(121,202)	(134,418)
PROFIT / (LOSS) AFTER TAXATION		<u>296,067</u>	<u>3,683</u>
Earning / (loss) per share - basic and diluted		<u>0.014</u>	<u>0.0002</u>

The annexed notes form an integral part of this condensed interim financial information.


MUHAMMAD TAHIR BUTT
 CHIEF EXECUTIVE



IFTIKHAR AHMAD BUTT
 DIRECTOR


MUHAMMAD AVAIS IBRAHIM
 CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2017**

	QUARTER ENDED	
	30 SEPTEMBER 2017	30 SEPTEMBER 2016
	Rupees	Rupees
PROFIT AFTER TAXATION	296,067	3,683
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 PTOFIT FOR THE PERIOD	<u>296,067</u>	<u>3,683</u>

The annexed notes form an integral part of this condensed interim financial information.


MUHAMMAD TAHIR BUTT
 CHIEF EXECUTIVE


IFTIKHAR AHMAD BUTT
 DIRECTOR


MUHAMMAD AVAIS IBRAHIM
 CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2017**

	PERIOD ENDED	
	30 SEPTEMBER 2017	30 SEPTEMBER 2016
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	417,269	138,101
Adjustments for non-cash charges and other items:		
Depreciation	98,412	99,352
Provision for gratuity	70,588	44,235
Financial charges	624,923	427,966
Reversal for potential lease losses - net	(756,040)	(393,199)
Profit on bank deposits	(8,737)	(13,996)
	29,146	164,358
Operating loss before working capital changes	446,415	302,459
Increase in advances and prepayments	(1,196,402)	(754,256)
Increase in other receivables	-	33,442
Increase in sales tax recoverable	(60,772)	(52,114)
Decrease in accrued and other liabilities	66,117	(4,292,853)
Cash generated from / (used in) operations	(744,642)	(4,763,322)
Financial charges paid	(577,886)	(427,966)
Gratuity paid	-	27,808
Income tax paid	(631,640)	(98,453)
Net cash used in operating activities	(1,954,168)	(5,261,933)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Investment in lease finance	3,509,389	(5,267,101)
Security deposits, advance and prepayments	217,809	-
Profit on bank deposits	8,737	13,996
Net cash used in investing activities	3,735,935	(5,253,105)
CASH FLOWS FROM FINANCING ACTIVITIES		
Deposits on lease contracts - net	7,745	4,426,925
Loan from related parties	-	5,500,000
Net cash from financing activities	7,745	9,926,925
Net increase / (decrease) in cash and cash equivalents	1,789,512	(588,113)
Cash and cash equivalents at the beginning of the period	3,028,927	4,244,979
Cash and cash equivalents at the end of the period	4,818,439	3,656,866

The annexed notes form an integral part of this condensed interim financial information.


MUHAMMAD TAHIR BUTT
CHIEF EXECUTIVE


IFTIKHAR AHMAD BUTT
DIRECTOR


MUHAMMAD AVAIS IBRAHIM
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2017**

	Rupees		Rupees		SHAREHOLDERS' EQUITY
	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	CAPITAL RESERVE	ACCUMULATED LOSS	SHAREHOLDERS' EQUITY	
Balance as at 30 June 2016 (Audited)	215,000,000	59,256,615	(199,630,443)	74,626,172	
Profit for the period ended 30 September 2016	-	-	3,683	3,683	
Other comprehensive income for the period ended 30 September 2016	-	-	-	-	
Total comprehensive loss for the period ended 30 September 2016	-	-	3,683	3,683	
Transfer to statutory reserve	-	737	(737)	-	
Balance as at 30 September 2016 (Un-Audited)	215,000,000	59,257,352	(199,627,497)	74,629,855	
Loss for the year ended 30 June 2017	-	(737)	(907,082)	(907,819)	
Other comprehensive income for the year ended 30 June 2017	-	-	45,971	45,971	
Total comprehensive loss for the year ended 30 June 2017	-	(737)	(861,111)	(861,848)	
Balance as at 30 June 2017 (Audited)	215,000,000	59,256,615	(200,488,608)	73,768,007	
Loss for the period ended 30 September 2017	-	-	296,067	296,067	
Other comprehensive income for the period ended 30 September 2017	-	-	-	-	
Total comprehensive loss for the period ended 30 September 2017	-	-	296,067	296,067	
Transfer to statutory reserve	-	59,213	(59,213)	-	
Balance as at 30 September 2017 (Un-Audited)	215,000,000	59,315,828	(200,251,754)	74,064,074	

The annexed notes form an integral part of this condensed interim financial information.


MUHAMMAD TAHIR BUTT
 CHIEF EXECUTIVE


MUHAMMAD AVAIS IBRAHIM
 CHIEF FINANCIAL OFFICER

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2017**

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Grays Leasing Limited ("the Company") is a public limited Company incorporated in Pakistan under the Companies Ordinance, 1984 on 31 August 1995. The Company's shares are listed on Pakistan Stock Exchange Limited. The Company is engaged in leasing business. It has been classified as a Non-Banking Finance Company (NBFC). Its registered office is situated at 701-A, 7th Floor, City Towers, 6-K, Main Boulevard, Gulberg-II, Lahore.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of this condensed interim financial information 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 2017.

2.1 Basis of preparation

2.1.1 Statement of compliance

This condensed interim financial information is un-audited but subject to limited scope review by the statutory auditors and is being submitted to shareholders as required by section 245 of the Companies Act, 2017. This condensed interim financial information of the Company for the period ended 30 September 2017 has been prepared in accordance with the requirements of International Accounting Standard 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. This condensed interim financial information should be read in conjunction with audited annual published financial statements of the Company for the year ended 30 June 2017.

2.1.2 Accounting convention

These financial statements have been prepared under historical cost convention except for employee benefit liability at present value and certain financial instruments carried at fair value.

2.1.3 Critical accounting estimates and judgments

The preparation of this condensed interim financial information 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 this condensed interim financial information, 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 2017.

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2017**

	Un-Audited 30 September 2017 Rupees	Audited 30 June 2017 Rupees
3. NET INVESTMENT IN LEASE FINANCE		
Lease rentals receivable	330,293,482	334,021,778
Add: Guaranteed residual value of leased assets	148,433,692	148,425,947
Gross investment in lease finance	<u>478,727,174</u>	<u>482,447,725</u>
Less: Unearned finance income	<u>(61,318,907)</u>	<u>(61,780,069)</u>
	417,408,267	420,667,656
Less: Allowance for potential lease losses (Note 3.1)	<u>(157,986,716)</u>	<u>(158,742,756)</u>
Net investment in lease finance - net off provision	259,421,551	261,924,900
Less: Current maturity shown under current assets	<u>(181,852,869)</u>	<u>(183,353,573)</u>
	<u><u>77,568,682</u></u>	<u><u>78,571,327</u></u>
3.1 Allowance for potential lease losses		
Balance as at 01 July	158,742,756	161,018,302
provision for potential lease losses made during the period / year	-	42,616
Reversal of potential lease losses during the period / year	<u>(756,040)</u>	<u>(2,318,162)</u>
Balance as at 30 September	<u><u>157,986,716</u></u>	<u><u>158,742,756</u></u>
	Un-Audited 30 September 2017 Rupees	Audited 30 June 2017 Rupees
4. PROPERTY, PLANT AND EQUIPMENT		
Owned Assets	<u>1,731,915</u>	<u>1,731,915</u>
	<u><u>1,731,915</u></u>	<u><u>1,731,915</u></u>
4.1 Owned Assets		
Opening book value	1,731,915	2,125,562
Less: Depreciation charged during the period / year	98,412	393,647
Closing book value	<u><u>1,633,503</u></u>	<u><u>1,731,915</u></u>

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2017**

	Un-Audited 30 September 2017 Rupees	Audited 30 June 2017 Rupees
5. LOAN FROM RELATED PARTIES		
Loan from director (Note 5.1)	10,000,000	10,000,000
Loan from Anwar Khawaja Industries (Private) Limited-associated company (Note 5.2)	30,000,000	30,000,000
	40,000,000	40,000,000

5.1 This unsecured loan carries mark-up at the rate of 3 months KIBOR per annum. This loan is repayable till 28 August 2018.

5.2 This unsecured loan carries mark-up at the rate of 3 months KIBOR (30 June 2017: 3 months KIBOR) per annum. This loan is repayable till 04 November 2017.

6. CONTINGENCIES AND COMMITMENTS

There are no reportable contingencies and commitments as at 30 September 2017 (30 June 2017: NIL).

7. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, other related group companies, directors 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 QUARTER ENDED	
	30 September 2017 Rupees	30 September 2016 Rupees
i) Transactions		
Associated company		
Mark up paid	457,841	-
Mark up charged to profit and loss account	464,285	431,449
Rent of office building	75,000	75,000
Loan obtained	-	5,500,000
Related party		
Mark up paid	114,333	-
Mark up charged to profit and loss account	154,926	-
	Un-Audited 30 September 2017 Rupees	Audited 30 June 2017 Rupees
ii) Period end balances		
Associated company		
Loan	30,000,000	30,000,000
Accrued mark-up	464,285	572,907
Related party		
Loan	10,000,000	-
Accrued mark-up	154,926	-

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2017**

8. 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 2017.

9. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was approved by the Board of Directors and authorized for issue on 26 October 2017.


10. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the condensed interim balance sheet 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 profit and loss account, condensed interim statement of comprehensive income and condensed interim cash flow statement 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.

11. GENERAL

Figures have been rounded off to nearest of Rupee.


MUHAMMAD TAHIR BUTT
CHIEF EXECUTIVE


IFTIKHAR AHMAD BUTT
DIRECTOR


MUHAMMAD AVAIS IBRAHIM
CHIEF FINANCIAL OFFICER

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