



GRAYS LEASING LIMITED

Annual
2019
Report



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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 Khalid Butt

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

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.

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 Insha Allah bring social and economic parity and prosperity among Nation and turn Pakistan into a Modern and Liberal Muslim Welfare State.

Grays Leasing Limited

NOTICE OF THE 24TH ANNUAL GENERAL MEETING

Notice is hereby given that the 24th Annual General Meeting of the Company will be held on October 28, 2019 at 10:00 am at registered office of the Company located at 701-A, 7th Floor, City Towers, Main Boulevard, Gulberg - II, Lahore to transact the following business:

Ordinary Business

- 1 To confirm the minutes of the 23th Annual General Meeting held on October 25, 2018.
- 2 To receive, consider and adopt the audited financial statements of the company for the year ended June 30, 2019 together with the Directors' and Auditors' reports thereon
- 3 To appoint auditors for the year 2019-2020 and to fix their remuneration. The present auditor Messrs Riaz Ahmed & Company Chartered Accountants has retired. The audit committee and Board of Directors have recommended Messrs HLB Ijaz & Tabassum Company, Chartered Accountants, for the year ending 30th June, 2020.
- 4 To transact any other business with the permission of the chair.

BY ORDER OF THE BOARD



Muhammad Adil Munir
(COMPANY SECRETARY)

Lahore: October 7, 2019

NOTES:

- a. The Share Transfer Books of the Company will remain closed from October 22, 2019 to October 28, 2019 (both days inclusive). Physical transfers / CDS Transaction Ids received in order at our Registrar M/s. Corptec Associates (pvt) Limited, 503 – E Johar Town Lahore, up to the close of business on October 21, 2019 will be considered in time for determination of entitlement of shareholders to attend and vote at the meeting.
- b. A member entitled to attend and vote at this meeting may appoint any other member as his / her proxy to attend and vote instead of him. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a naturally attested copy of the power of attorney must be deposited at registered office of the Company at least 48 hours before the time of the meeting.
- C. Any individual Beneficial Owner of CDC, entitled to attend and vote at this meeting , must bring his/her original CNIC or passport, Accounts and Participants', ID Numbers to prove his/her identity, and in case of proxy it must enclose an attested copy of his/her CNIC or passport. Representatives of corporate members should bring the usual documents required for such purpose.
- D. Shareholders are requested to immediately notify change in address, if any to the company Share Registrar M/s. Corptec Associates (pvt) Limited, 503 – E Johar Town Lahore. And also furnish attested photocopy of their CNIC as per listing Regulation, if not provided earlier.

Grays Leasing Limited

DIRECTORS' REPORT

The Directors of Grays Leasing Limited (GLL/Company) are pleased to present the 24th Annual Report together with the audited financial statements for the year ended June 30, 2019.

OPERATING RESULTS

The operating results of the company for the year are as under:

	Rupees
Total revenue	14,927,942
Total expenses	<u>(16,121,775)</u>
Loss before tax	(1,193,833)
Provision for taxation	
Current	
For the year	(832,311)
Prior year	183,029
Deferred	
For the year	<u>(15,364)</u>
	<u>(664,646)</u>
Loss after tax	<u>(1,858,479)</u>
Loss per share	(0.086)

KEY OPERATING AND FINANCIAL DATA

Key operating and other financial data for the last six years are being given hereinafter this report.

REVIEW OF OPERATIONS

During the year under review, the company transacted business worth Rupees 80.224 million (2018: 57.251 million). Gross investment in finance leases as at 30 June 2019 stands at Rupees 505.096 million against Rupees 484.396 million on June 30, 2018, while the net investment stands at Rupees 435.838 million on 30 June 2019 against Rupees 421.020 million of the last year. The gross revenue from operations was Rupees 14.928 million against Rupees 9.892 million in 2018. The loss before and loss after tax for the current year is Rupees 1.194 million and Rupees 1.858 million as compared to loss before and after tax of preceding year which was Rupees 2.689 million and Rupees 4.378 million respectively. Loss incurred during the year was mainly due to increase in allowance for potential lease losses. Shareholders' equity of the company is at Rupees 67.467 million.

CREDIT RATING

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'.

FUTURE OUTLOOK

In the absence of any funding from commercial banks, the company is utilizing funding available from the Anwar Khawaja Industries (Private) Limited-holding company, Chief Executive Officer of the 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.

RISK MANAGEMENT

Risk is inherent in all spheres of GLL's activities. Overall responsibility for establishing the risk management framework rests with the Board of Directors, which is actively involved in review, approval and monitoring the Company's risk management policies and ensuring that an appropriately sound internal control system in place to manage those risks. This oversight is implemented through independent internal audit and compliance functions reporting to the Audit Committee.

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DIVIDEND

Dear shareholders, the company could not generate profits. Due to this reason we could not declare dividend this year.

DIRECTORS DECLARATION

- The financial statements, prepared by the management of the Grays Leasing Limited, present its state of affairs fairly, the result of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no doubts upon the Company's ability to continue as going concern.
- Two Directors and Chief Executive are exempt from Directors' Training Programme due to 14 years of education and 15 years of experience on the board of listed companies. Two directors are already certified under the Directors Training Program. Remaining two directors will undergo Directors' Training Program within the time allowed by Listed Companies (Code of Corporate Governance) Regulations, 2017.

PATTERN OF SHAREHOLDING

A statement showing pattern of shareholding in the company as on 30 June 2019 is given herewith. The Director CEO, CFO, Company Secretary and their spouses or minor children did not carry out any trade in the shares of the company during the year.

AUDITORS

The present auditors Messers Riaz Ahmad & Company, Chartered Accountants, have retired. On the proposal of audit committee, the board recommends the appointment of Messers HLB Ijaz Tabassum & Company, Chartered Accountants as statutory auditor of the Company for the year ending June 30, 2020.

MATERIAL CHANGES

There have been no material changes and commitments affecting the financial position of the Company which have occurred between 30 June 2019 and 04 October 2019.

IMPACT OF COMPANY'S BUSSINES ON ENVIRONMENT

Your Company strives to follow best practices such as paper less environment and conservation energy.

CORPORATE SOCIAL RESPONSIBILITY

The Company has plans to undertake activities with regard to CSR in future with focus on education and social welfare.

BOARD OF DIRECTORS AND BOARD COMMITTEES

The composition of Board of Directors and its sub-committees are given in the statement of compliance is appended to this report.

BOARD'S REMUNERATION POLICY

The board of directors is in the process of developing a formal policy and transparent procedures for remuneration of directors.

BOARD OF DIRECTORS' MEETINGS

During the year, 4 meetings of the board were held. Attendance of each director is as under:

Name of director	Attended	Leave granted
Mr. Khawar Anwar Khawaja	4	-
Mr. Muhammad Tahir Butt	4	-
Mr. Khurram Anwar Khawaja	4	-
Mr. Omer Khawar Khawaja	4	-
Mr. Iftikhar Ahmad Butt	4	-
Mr. Abdul Qayum Malik	1	3
Mr. Muhammad Khalid Butt	4	-

AUDIT COMMITTEE MEETINGS

During the year, four meetings of the audit committee were held. Attendance of each director is as under:

	Attended	Leave granted
Mr. Khurram Anwar Khawaja	4	-
Mr. Omer khawar Khawaja	4	-
Mr. Iftikhar Ahmad Butt	4	-

HUMAN RESOURCE AND REMUNERATION COMMITTEE

During the year, two meetings of the human resource and remuneration committee were held. Attendance of each director is as under:

	Attended	Leave granted
Mr. Omer khawar Khawaja	2	-
Mr. Muhammad Tahir Butt	2	-
Mr. Khurram Anwar Khawaja	2	-

EVALUATION OF THE PERFORMANCE OF THE BOARD

GLL has a formal process of evaluation of the performance of the Board of Directors and its committee. This evaluation is carried out in-house on an annual basis.

ACKNOWLEDGMENT

I would like to thank the banks and financial institutions for their support, the clients who provided us opportunity to serve them and company employees at all levels for their dedicated efforts.

ON BEHALF OF THE BOARD



Muhammad Tahir Butt
Chief Executive
04th October 2019



Khawar Anwar Khawaja
Director

ڈائریکٹرز رپورٹ

گریز لیزنگ لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے 30 جون 2019 کو اختتام پذیر ہونے والے سال کے لیے چوبیسویں ڈائریکٹرز رپورٹ بمعہ آڈٹ شدہ مالی اسٹیٹمنٹس مسرت سے پیش کرتے ہیں۔

عمل کاری کے نتائج:

کمپنی کے عمل کاری کے نتائج درج ذیل ہیں:

14,927,942	کل آمدن
(16,121,775)	کل اخراجات
(1,193,833)	نقصان قبل از ٹیکس
	قواعد برائے ٹیکس:
(832,311)	موجودہ سال
183,029	گزشتہ سال
(15,364)	تاخیر برائے سال
(664,646)	
(1,858,479)	نقصان بعد از ٹیکس
(0-086)	نقصان فی شیئر

کلیدی آپریٹنگ اور دیگر مالیاتی اعداد و شمار

گزشتہ چھ سالوں کیلئے کلیدی آپریٹنگ اور دیگر مالیاتی اعداد و شمار اس رپورٹ کے بعد دیئے جائیں گے

مرکزی کام اور مالی اعداد و شمار

زیر جائزہ سال کے دوران، کمپنی نے 80.224 ملین روپے کا کاروبار کیا (ملین 57.251:2018)۔ 30 جون 2019 تک مالی لیز میں کل سرمایہ کاری 30 جون 2018 کے 484.396 ملین روپے کی جگہ 505.096 ملین تھی، جبکہ 30 جون 2019 تک کی حتمی سرمایہ کاری گزشتہ سال کے 421.020 ملین روپے کی جگہ 435.838 ملین تھی۔ عموماً سے کل آمدن 2018 کے 9.892 ملین کی جگہ 14.928 ملین ہوئی۔ ٹیکس سے قبل اور بعد میں نقصان 1.194 ملین اور 1.858 ملین روپے ہے جبکہ گزشتہ سال ٹیکس سے قبل اور بعد میں نقصان کے موازنہ میں بالترتیب 2.689 ملین روپے اور 4.378 ملین روپے تھا۔ کمپنی کی Shareholders Equity مبلغ 67.467 ملین روپے 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 کی BB-/B (ڈبل B مائنس / سنگل B) پر دوبارہ توثیق کی ہے۔ مقرر کردہ درجہ بندی کا جائزہ "مستحکم" ہے۔

مستقبل کا جائزہ

کمرشل بنکس کی جانب سے کسی بھی فنڈنگ کی غیر موجودگی کی صورت میں کمپنی ملحقہ ادارے انور خواجہ انڈسٹریز پرائیویٹ لمیٹڈ، چیف ایگزیکٹو اور اندرونی رقم بذریعہ ریکوری کی جانب سے دستیاب فنڈز اور وصولی تدابیر کے ذریعے اندرونی کیش استعمال کر رہی ہے۔ انتظامیہ اگلے سال کے نتائج میں بہتری لانے کے لیے پرامید ہے۔

انتظامی خطرات

کمپنی کی سرگرمیوں کے تمام شعبوں میں خطرات ہیں۔ ان خطرات کے فریم ورک کو چلانے کے لیے مجموعی ذمہ داری بورڈ آف ڈائریکٹرز کی ہے، جو کمپنی کے خطرات کے انتظام کی پالیسیوں کی نظر ثانی، منظوری اور نگرانی میں فعل طور پر شامل ہے اور مناسب خطرناک داخلی کنٹرول سسٹم کو یقینی بنانے کے لیے یہ نگرانی خود مختار اندرونی آڈٹ اور تعمیل کے افعال کے ذریعے آڈٹ کمپنی کے حوالے سے لاگو ہوتا ہے۔

ڈیویڈنڈ

عزیز شیئر ہولڈرز اس سال کمپنی کوئی منافع حاصل نہ کر سکی۔ اس وجہ سے ہم اس سال ڈیویڈنڈ کا اعلان نہیں کر سکے۔

Grays Leasing Limited

ڈائریکٹرز ڈیکلیریشن

☆ کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالی اسٹیٹمنٹس کمپنی کے معاملات، اس کے عوامل، کیش فلو اور ایکویٹی میں تبدیلی جاز طور پر پیش کرتی ہیں۔
☆ کمپنی کے باقاعدہ کھاتے برقرار رکھے گئے ہیں۔

☆ مالی اسٹیٹمنٹس کی تیاری میں مناسب اکاؤنٹنگ پالیسیاں مسلسل طور پر لاگو کی گئی ہیں اور اکاؤنٹنگ کے تخمینہ جات مناسب اور باشعور فیصلوں پر مبنی ہیں۔
☆ اندرونی کنٹرول کا نظام اپنے ڈھانچے میں درست ہے اور اس کا موثر طور پر اطلاق اور نگرانی کی گئی ہے۔

☆ کمپنی کے بطور جاری کاروبار رہنے کی قابلیت پر کوئی خاطر خواہ شبہات نہ ہیں۔

☆ دو ڈائریکٹرز صاحبان اور چیف ایگزیکٹو کو 14 سالہ تعلیم اور 15 سالہ تجربے کی بناء پر تربیتی پروگرام میں شرکت چھوٹ حاصل ہے۔ دو ڈائریکٹرز پہلے ہی ڈائریکٹرز ٹرینینگ پروگرام کے تحت سند یافتہ ہیں۔ باقی دو ڈائریکٹرز لسٹڈ کمپنیز کے (کوڈ آف کارپوریٹ گورننس) ریگولیشن 2017 میں تکررہ مقررہ وقت میں ڈائریکٹرز ٹرینینگ پروگرام مکمل کر لیں گے۔

شیر ہولڈنگ کی ترتیب:

30 جون 2019 کو کمپنی میں شیر ہولڈنگ کی ترتیب ظاہر کرتی ہوئی اسٹیٹمنٹ لف ہذا ہے۔

ڈائریکٹر، CEO، CFO، کمپنی سیکریٹری اور ان کی زوجین یا بچوں نے دوران سال کمپنی کے شیر کے کاروبار میں کوئی حصہ نہیں رکھا۔

آڈیٹرز

موجودہ آڈیٹرز میسرز ریاض اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے ہیں۔ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے میسرز ایچ ایل بی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی بطور کمپنی آڈیٹرز برائے سال تختہ 30 جون 2020 سفارش کی ہے۔

تبدیلیئے مواد

اس میں 30 جون 2019 اور 104 اکتوبر 2019 کے درمیان کوئی ایسے وعدے اور سامان نہیں ہے جو کمپنی کی مالی حیثیت کو متاثر کرے۔

کمپنی کے کاروبار کے ماحول پر اثرات

آپ کی کمپنی بہترین کمرشل طریقوں کی پیروی کرنے کی کوشش کرتی ہے جیسے کہ کاغذ کم ماحول اور توانائی کی حفاظت۔

کارپوریٹ سماجی ذمہ داری

کمپنی نے مستقبل میں کارپوریٹ سماجی ذمہ داری کے سلسلے میں تعلیم اور سماجی فلاح و بہبود میں سرگرمیاں انجام دینے کی منصوبہ بندی کی ہے۔

بورڈ آف ڈائریکٹرز اینڈ بورڈ کمیٹی

بورڈ آف ڈائریکٹرز اور زبیلی کمیٹیوں کی تعمیل اس رپورٹ میں شامل ہے جو تشکیل دی گئی ہے۔

بورڈ کی مشاہرہ پالیسی

بورڈ آف ڈائریکٹرز باقاعدگی سے ڈائریکٹرز کی بحالی کے لیے شفاف طریقہ کار اور پالیسیوں پر عمل پیرا ہیں۔

ڈائریکٹرز اینڈ مینٹننگز

دوران سال، بورڈ کی 4 مینٹننگز ہوئی۔ ہر ڈائریکٹر کی حاضری درج ذیل ہے:

نام ڈائریکٹر	حاضری	رخصت
جناب خاور انور خواجہ	4	-
جناب محمد طاہر بٹ	4	-
جناب خرم انور خواجہ	4	-
جناب عمر خاور خواجہ	4	-
جناب افتخار احمد بٹ	4	-
جناب عبدالقیوم ملک	1	3
جناب محمد خالد بٹ	3	1

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آڈٹ کمیٹی کی میٹنگز

دوران سال آڈٹ کمیٹی کی 4 میٹنگز ہوئیں۔ ہر ڈائریکٹر کی حاضری درج ذیل ہے۔

نام ڈائریکٹر	حاضری	رخصت
جناب خرم انور خواجہ	4	-
جناب عمر خاور خواجہ	4	-
جناب افتخار احمد بٹ	4	-

انسانی وسائل و معاوضہ کمیٹی

دوران سال انسانی وسائل و معاوضہ کمیٹی کی دو میٹنگز ہوئیں۔ ہر ڈائریکٹر کی حاضری درج ذیل ہے:

نام ڈائریکٹر	حاضری	رخصت
جناب عمر خاور خواجہ	2	-
جناب محمد طاہر بٹ	2	-
جناب خرم انور خواجہ	2	-

بورڈ کی کارکردگی کا جائزہ

گریز لیننگ لیمیٹڈ کے بورڈ آف ڈائریکٹرز اور اس کی کمیٹی کی کارکردگی کی تشخیص کا ایک رسمی عمل ہے۔ اس تشخیص کو سالانہ بنیاد پر کیا جاتا ہے۔

اعتراف

میں اُن بزنس اور فنانسینشیل انسٹیٹیوشنز کا ان کی حمایت کے لیے شکریہ ادا کرنا چاہتا ہوں، اور ان کلائنٹس کا جنہوں نے ہمیں اپنی خدمت کا موقع دیا اور تمام درجے کے کمپنی ملازمین کا، ان کی مخلص کوششوں کے لیے۔

بجانب بورڈ



خاور انور خواجہ

ڈائریکٹر



محمد طاہر بٹ

چیف ایگزیکٹو

سیالکوٹ، 04 اکتوبر 2019

Annual Report 2019

KEY OPERATING AND FINANCIAL DATA FOR SIX YEARS

6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
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PROFIT AND LOSS

(Rupees in Thousand)

Revenue	10,246	10,667	10,222	10,910	9,892	14,928
Financial charges	1,105	2,127	2,022	2,395	2,813	2,730
Provision / (Reversal)for doubtful receivables	(6,650)	(1,474)	(3,407)	(2,276)	(2,220)	1,031
Profit / (Loss) before tax	(677)	(1,705)	176	(425)	(2,689)	(1,194)
Profit / (Loss) after tax	(1,075)	102	(714)	(904)	(4,378)	(1,858)
Dividend	-	-	-	-	-	-
Bonus shares	-	-	-	-	-	-

BALANCE SHEET

Paid up share capital	215,000	215,000	215,000	215,000	215,000	215,000
Shareholders' equity	75,140	75,248	74,626	73,768	69,363	67,467
Borrowings	15,000	25,000	25,000	40,000	42,500	57,500
Net investment in finance lease	383,630	384,207	400,993	420,668	421,020	435,838
Total assets	223,832	234,461	248,032	268,485	272,086	292,494

PERFORMANCE INDICATORS

Profit / (Loss) before tax/Gross revenue	-7%	-16%	2%	-4%	-27%	-8%
Profit / (Loss) after tax/Gross revenue	-10%	1%	-7%	-8%	-44%	-12%
Pre tax return on shareholders' equity	-1%	-2%	0.2%	-0.6%	-3.9%	-1.8%
After tax return on shareholders' equity	-1%	0%	-1%	(0.01)	(0.06)	(0.03)
Income / expense ratio	0.83	0.75	0.76	0.80	0.67	0.99
Interest coverage ratio	(1.61)	(1.80)	(0.91)	(1.18)	(1.96)	(1.44)
Earning / (Loss) per share	(0.05)	0.005	(0.03)	(0.04)	(0.204)	(0.086)
Break up value per share	3.49	3.50	3.47	3.43	3.23	3.14
Lease disbursements	40,880	45,436	65,686	79,525	57,251	80,224
Number of contracts	31	19	29	33	28	26

Grays Leasing Limited

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017 NAME OF COMPANY: GRAYS LEASING LIMITED YEAR ENDED: JUNE 30, 2019

The company has complied with the requirements of the Regulations in the following manner:

- The total number of directors are 07 as per the following:
 - Male: 7
 - Female: None

- The composition of board is as follows:

	Category	Names
a)	Independent Directors	Mr. Iftikhar Ahmed Butt Mr. Abdul Qayyum Malik
b)	Other Non-executive Directors	Mr. Khawar Anwar Khawaja Mr. Khurram Anwar Khawaja Mr. Omer Khawar Khawaja Mr. Muhammad Khalid Butt
c)	Executive Director	Mr. Muhammad Tahir Butt (CEO)

- The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
- The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
- The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
- All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/shareholders as empowered by the relevant provisions of the Act and these Regulations.
- The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
- The board of directors is in the process of developing a formal policy and transparent procedures for remuneration of directors in accordance with the act and these regulations.
- Two Directors and Chief Executive are exempt from Directors' Training Programme due to 14 years of education and 15 years of experience on the board of listed companies. Two Directors are already certified under the Directors' Training Program as follows:
 - Mr. Omer Khawar Khawaja
 - Mr. Abdul Qayyum MalikRemaining two directors will undergo Directors' Training Program within the time allowed by Listed companies (code of Corporate Governance) Regulations, 2017.
- The board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
- Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the board.
- The board has formed committees comprising of members given below:
 - Audit Committee (Name of members and Chairman)
Mr. Iftikhar Ahmed Butt (Chairman)
Mr. Omer Khawar Khawaja (Member)
Mr. Khurram Anwar Khawaja (Member)
 - HR and Remuneration Committee (Name of members and Chairman)
Mr. Omer Khawar Khawaja (Chairman)
Mr. Khurram Anwar Khawaja (Member)
Mr. Muhammad Tahir Butt (Member)
- The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
- The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:
 - Audit Committee: Four meetings held during the year ended 30 June 2019.
 - HR and Remuneration Committee: Two meetings held during the year ended 30 June 2019.
- The board has setup of an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
- The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
- The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- We confirm that all other requirements of the Regulations have been complied with.



Signature
(KHAWAR ANWAR KHAWAJA)
Chairman

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Chairman's Report

Review Report by the Chairman on Board's overall Performance u/s 192 of the Companies Act 2017:

As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors of (the "Board") of Grays Leasing Limited (the "Company") is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company. Areas where improvements are required are duly considered and action plans are framed.

The Board has recently completed its annual self-evaluation for the year ended June 30,2019 and I report that:

The overall performance of the Board measured on the basis of approved criteria for the year was satisfactory.

The overall assessment as Satisfactory is based on an evaluation of the following integral components, which have a direct bearing on Board's role in achievement of Company's objectives:

1. Vision, mission and values: Board members are familiar with the current vision, mission and values and support them. The Board revisits the mission and vision statement from time to time.
2. Engagement in strategic planning: Board has a clear understanding of the stakeholders (shareholders, customers, employees, Society at large) whom the Company serves. The Board has a strategic vision of how the organization should be evolving over the next three to five years. Further Board sets annual goals and targets for the management in all major performance areas.
3. Diligence: The Board members diligently performed their duties and thoroughly reviewed, discussed and approved Business Strategies, Corporate Objectives, plans, budgets, financial statements and other reports. It received clear and succinct agendas and supporting written material in sufficient time prior to board and committee meetings. The board met frequently enough to adequately discharge its responsibilities.
4. Monitoring of organization's business activities: The Board remained updated with respect to achievement of Company's objectives, goals, strategies and financial performance through regular presentations by the management, internal and external auditors. The Board provided appropriate direction and oversight on a timely basis.
5. Diversity and Mix: The Board members effectively bring the diversity to the Board and constitute a mix of independent and non-executive directors. The non-executive and independent directors were equally involved in important board decisions.
6. Governance and Control Environment: The Board has effectively set the tone-at-the-top, by putting in place transparent and robust system of governance. This is reflected by setting up an effective control environment, compliance with best practices of corporate governance and by promoting ethical and fair behavior across the Company.



Khawar Anwar Khawaja
Director

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INDEPENDENT AUDITOR'S MODIFIED REVIEW REPORT

To the members of Grays Leasing Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Grays Leasing Limited (the Company) for the year ended 30 June 2019 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017 (the Act). We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Following instances of non-compliance with the requirements of the Regulations were observed which are not stated in the Statement of Compliance:

- i. Chief Financial Officer of the Company does not meet the qualification criteria given in the regulation 23 of the Regulations.
- ii. Head of Internal Audit of the Company who worked till 13 May 2019 did not meet the qualification criteria given in the regulation 24 of the Regulations. New Head of Internal Audit of the Company appointed on 14 May 2019 has the required relevant experience and qualification as stated in regulation 24(c) of the Regulations. However, the Company did not apply to the Securities and Exchange Commission of Pakistan (SECP) to determine his suitability to work as Head of Internal Audit of the Company.
- iii. Company Secretary of the Company does not meet the qualification criteria given in the regulation 25 of the Regulations.
- iv. As required by regulation 20(2) of the Regulations, exemption from directors' training certification has not been obtained from securities and Exchange Commission of Pakistan (SECP) in case of two directors and Chief Executive of the Company who have minimum 14 years of education and 15 years of experience on the board of listed companies.

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- v. Composition of the human resource and remuneration committee is not as per the requirements of the regulation 29(1) of the Regulations as human resource and remuneration committee does not include an independent director, hence chairman of the human resource and remuneration committee is not an independent director.

Based on our review, except for the above instances of non-compliance, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the Regulations as applicable to the Company for the year ended 30 June 2019.

Further, we highlight below instance of non-compliance with the requirement of the Regulations as reflected in the paragraph reference where it is stated in the Statement of Compliance:

Sr. No.	Paragraph reference	Description
(i)	8	The Board of Directors does not have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations.



RIAZ AHMAD & COMPANY
Chartered Accountants

LAHORE

Date: 04th October, 2019

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INDEPENDENT AUDITOR'S REPORT

To the members of Grays Leasing Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Grays Leasing Limited (the Company), which comprise the statement of financial position as at 30 June 2019, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2019 and of the loss, other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

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Following are the key audit matters:

Sr. No.	Key audit matters	How the matter was addressed in our audit
1.	<p>Classification and provisioning for non-performing lease receivables</p> <p>Allowance for potential lease losses is a key area of judgement for the management. The Company has net investment in lease finance of Rupees 278.284 million, which comprise 95.14% of the Company's total assets presented in its statement of financial position. As at 30 June 2019, total allowance for potential lease losses of Rupees 157.554 million has been recognized.</p> <p>There is a risk that allowance for potential lease losses provided in the books of account of the Company may not meet the requirements of the Regulation 25 of The Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). Failure in determining the lease receivables that are classified and not recording adequate provision against these classified lease receivables is a significant risk. Accordingly, classification and provisioning for non-performing lease receivables is considered as a key audit matter.</p> <p>For further information, refer to the following:</p> <ul style="list-style-type: none"> • Summary of significant accounting policies, Allowance for potential lease losses note 2.4 to the financial statements. • Net investment in lease finance note 7 to the financial statements. 	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • We assessed and tested the design, implementation and operating effectiveness of key controls applied by the Company with respect to classification of non-performing lease receivables and determination and calculation of potential lease losses. • We performed lease receivables review procedures on selected samples with the objective of identifying whether the conditions relating to classification of lease receivables had occurred and whether the suspension against unrealized finance lease income and provision against lease receivables have been recognized in a timely manner in accordance with the Regulation 25 of the NBFC Regulations. <p>We selected samples and tested whether the forced sale value of leased assets and assets held as collateral is considered for provisioning purpose. Further, we ensured that forced sale value is not more than three years old and where necessary, proper adjustment factor is applied to the forced sale value</p>

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Sr. No.	Key audit matters	How the matter was addressed in our audit
		<ul style="list-style-type: none"> • of assets held as collateral. • We have mathematically tested the appropriateness of provision calculations made for non-performing lease receivables in line with the NBFC Regulations. • We tested the accuracy of assumptions and estimates made by the management underlying the calculation of any specific / subjective provision made against lease receivables. <p>We examined a sample of lease receivables which have not been classified by the management as overdue.</p>
2.	<p>Lease management system</p> <p>The calculation, recording and financial reporting of transactions and balances of net investment in lease finance, deposits on lease contracts, income from lease finance and calculation of overdue period used in determination of allowance / (reversal) for potential lease losses against classified portfolio in accordance with the NBFC Regulations are significantly dependent on IT automated lease management system. We, therefore, identified the lease management system as an area of focus to support our ability to rely on controls for the purpose of this report, as the Company's financial accounting and reporting of net investment in lease finance and its related areas are heavily dependent on lease management system. There is a risk that automated accounting procedures and related IT dependent controls are not designed and operating</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • We tested general IT controls around system access and tested controls over computer operations within specific applications which are required to be operating correctly to mitigate the risk of misstatement in the financial statements. • We assessed whether appropriate restrictions were placed on access to lease management system through reviewing the permissions and responsibilities of those given that access. • Where we identify the need to

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Sr. No.	Key audit matters	How the matter was addressed in our audit
	effectively	perform additional procedures, we placed reliance on manual compensating controls, such as reconciliations between system and other information sources or performing additional testing, such as extending the size of our sample, to obtain sufficient appropriate audit evidence over the financial statement balances.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Mubashar Mehmood.



RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore

Date: 04th October 2019

Grays Leasing Limited

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

ASSETS	Note	2019 Rupees	2018 Rupees
Current assets			
Cash and bank balances	3	10,470,979	4,294,769
Advances and prepayments	4	844,281	860,242
Sales tax recoverable		557,611	438,185
Other receivables	5	724,046	502,142
Current maturity of non-current assets	6	185,797,815	180,862,650
		198,394,732	186,957,988
Non-current assets			
Net investment in lease finance	7	92,486,297	83,634,630
Long term security deposits and prepayment	8	470,816	62,500
Deferred income tax	9	-	-
Fixed assets	10	1,141,865	1,431,221
		94,098,978	85,128,351
TOTAL ASSETS		292,493,710	272,086,339
LIABILITIES			
Current liabilities			
Loans from related parties	11	57,500,000	42,500,000
Accrued and other liabilities	12	3,707,539	3,202,567
Accrued mark-up	13	134,630	627,494
Current maturity of non-current liabilities	14	120,436,323	113,850,578
Unclaimed dividend		777,785	777,785
Provision for taxation		941,872	789,334
		183,498,149	161,747,758
Non-current liabilities			
Deposits on lease contracts	15	39,364,239	39,224,364
Employees' retirement benefit	16	2,164,498	1,751,300
		41,528,737	40,975,664
TOTAL LIABILITIES		225,026,886	202,723,422
NET ASSETS		67,466,824	69,362,917
REPRESENTED BY:			
Authorized share capital			
35,000,000 (2018: 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 (2018: 21,500,000) ordinary shares of Rupees 10 each	17	215,000,000	215,000,000
Statutory reserve	18	59,256,615	59,256,615
Accumulated loss		(206,789,791)	(204,893,698)
Shareholders' equity		67,466,824	69,362,917
Contingencies and commitments	19		
		67,466,824	69,362,917

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


MUHAMMAD TAHIR BUTT
 CHIEF EXECUTIVE


(KHAWAR ANWAR KHUWAJA)
 DIRECTOR


MUHAMMAD AVAIS IBRAHIM
 CHIEF FINANCIAL OFFICER

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STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 Rupees	2018 Rupees
REVENUE			
Income from lease operations	20	14,044,807	9,402,658
Other income	21	883,135	489,810
		<u>14,927,942</u>	<u>9,892,468</u>
EXPENDITURE			
Administrative and other expenses	22	(12,360,148)	(11,988,404)
Financial and other charges	23	(2,730,325)	(2,812,811)
Allowance for potential lease losses - net	7.2	(1,031,302)	2,219,792
		<u>(16,121,775)</u>	<u>(12,581,423)</u>
LOSS BEFORE TAXATION		(1,193,833)	(2,688,955)
Taxation	24	(664,646)	(1,689,293)
LOSS AFTER TAXATION		<u>(1,858,479)</u>	<u>(4,378,248)</u>
Loss per share - basic and diluted	25	(0.086)	(0.204)

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


MUHAMMAD TAHIR BUTT
CHIEF EXECUTIVE


(KHAWAR ANWAR KHUWAJA)
DIRECTOR



MUHAMMAD AVAIS IBRAHIM
CHIEF FINANCIAL OFFICER

Grays Leasing Limited

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	2019 Rupees	2018 Rupees
LOSS AFTER TAXATION	(1,858,479)	(4,378,248)
OTHER COMPREHENSIVE LOSS :		
Item that will not be reclassified to profit or loss		
Loss on remeasurement of defined benefit obligation	(52,978)	(36,770)
Deferred tax on remeasurement of defined benefit obligation	15,364	9,928
	(37,614)	(26,842)
Items that may be reclassified subsequently to profit or loss	-	-
	(37,614)	(26,842)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>(1,896,093)</u>	<u>(4,405,090)</u>

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


MUHAMMAD TAHIR BUTT
 CHIEF EXECUTIVE


(KHAWAR ANWAR KHUWAJA)
 DIRECTOR


MUHAMMAD AVAIS IBRAHIM
 CHIEF FINANCIAL OFFICER

Grays Leasing Limited


STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	CAPITAL RESERVE		ACCUMULATED LOSS	SHAREHOLDERS' EQUITY
		STATUTORY RESERVE			
----- Rupees -----					
Balance as at 30 June 2017	215,000,000	59,256,615		(200,488,608)	73,768,007
Loss for the year	-	-		(4,378,248)	(4,378,248)
Other comprehensive loss for the year	-	-		(26,842)	(26,842)
Total comprehensive loss for the year	-	-		(4,405,090)	(4,405,090)
Balance as at 30 June 2018	215,000,000	59,256,615		(204,893,698)	69,362,917
Loss for the year	-	-		(1,858,479)	(1,858,479)
Other comprehensive loss for the year	-	-		(37,614)	(37,614)
Total comprehensive loss for the year	-	-		(1,896,093)	(1,896,093)
Balance as at 30 June 2019	215,000,000	59,256,615		(206,789,791)	67,466,824

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


MUHAMMAD TAHIR BUTT
 CHIEF EXECUTIVE


(KHAWAR ANWAR KHUWAJA)
 DIRECTOR



MUHAMMAD AVAIS IBRAHIM
 CHIEF FINANCIAL OFFICER

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	2019 Rupees	2018 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(1,193,833)	(2,688,955)
Adjustments for non-cash charges and other items:		
Depreciation	260,957	319,194
Provision for gratuity	360,220	290,644
Financial charges	2,730,325	2,812,811
Allowance for potential lease losses - net	1,031,302	(2,219,792)
Loss on disposal of fixed assets	31,226	-
Profit on bank deposits	(132,424)	(44,669)
	<u>4,281,606</u>	<u>1,158,188</u>
Profit / (loss) before working capital changes	3,087,773	(1,530,767)
Decrease/ (increase) in advances and prepayments	48,387	(113,044)
Increase in sales tax recoverable	(119,426)	(217,779)
Decrease / (increase) in other receivable	5,398	(3,695)
Increase in accrued and other liabilities	504,972	339,269
Cash from / (used in) operations	3,527,104	(1,526,016)
Financial charges paid	(3,223,189)	(2,758,224)
Income tax paid	(724,046)	(1,522,494)
(Increase) / decrease in long term security deposits and prepayment - net	(440,742)	250,000
Net cash used in operating activities	(860,873)	(5,556,734)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investment in lease finance - net	(14,818,134)	(352,588)
Fixed assets acquired	(22,827)	(18,500)
Fixed assets disposed of	20,000	-
Profit on bank deposits	132,424	44,669
Net cash used in investing activities	(14,688,537)	(326,419)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds of loan from related party	15,000,000	16,975,730
Repayment of loans to related parties	-	(14,475,730)
Deposits on lease contracts - net	6,725,620	4,648,995
Net cash from financing activities	21,725,620	7,148,995
Net Increase in cash and cash equivalents	6,176,210	1,265,842
Cash and cash equivalents at the beginning of the year	4,294,769	3,028,927
Cash and cash equivalents at the end of the year	10,470,979	4,294,769

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


MUHAMMAD TAHIR BUTT
CHIEF EXECUTIVE


(KHAWAR ANWAR KHUWAJA)
DIRECTOR


MUHAMMAD AVAIS IBRAHIM
CHIEF FINANCIAL OFFICER

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 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. The Company is engaged in leasing business. It has been classified as a Non-Banking Finance Company (NBFC).

1.2 Geographical locations and addresses of all business units are as follows:

Sr. No.	Offices	Address
1	Head office and Registered office	701-A, 7th floor, City Towers, 6-K, Main Boulevard, Gulberg-II, Lahore.
2	Islamabad branch office	Flat No. 2, Block No. 4-A, Street No. 6, Sector I-8/1, Islamabad.
3	Karachi branch office	House No. L-64, Block-12, Gulistan-e-Johar, Karachi.
4	Sialkot branch office	P.O Box No. 10, Small Industries Estate, Sialkot.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated:

2.1 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) 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) and 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 from the IFRSs, 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.

b) 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.

c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires 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, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

Useful lives, patterns of economic benefits and impairments

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of fixed asset, with a corresponding effect on the depreciation charge and impairment.

Income tax

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent experience and historical collection rates.

a) **Standards, interpretations and amendments to published approved accounting standards that are effective in current year and are relevant to the Company**

Following standards, interpretations and amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2018:

- IFRS 9 'Financial Instruments'
- IFRS 15 'Revenue from Contracts with Customers'
- IFRS 15 (Amendments), 'Revenue from Contracts with Customers'
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration'
- Annual Improvements to IFRSs: 2014 – 2016 Cycle

The Company had to change its accounting policies and make certain adjustments without restating prior year results following the adoption of IFRS 9 and IFRS 15. These are disclosed in note 2.5 and note 2.14. Most of the other amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

b) **Standards, interpretations and amendments to published approved accounting standards that are not yet effective but relevant to the Company**

Following standards, interpretations and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2019 or later periods:

IFRS 16 'Leases' (effective for annual periods beginning on or after 01 January 2019). IFRS 16 specifies how an entity will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16 approach to lessor accounting substantially unchanged from its predecessor, IAS 17 'Leases'. IFRS 16 replaces IAS 17, IFRIC 4 'Determining Whether an Arrangement Contains a Lease', SIC-15 'Operating Leases–Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

Amendments to IFRS 9 (effective for annual periods beginning on or after 01 January 2019) clarify that for the purpose of assessing whether a prepayment feature meets the solely payments of principal and interest ('SPPI') condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail SPPI. The amendments are not likely to have significant impact on the Company's financial statements.

IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 01 January 2019). The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'. It specifically considers: whether tax treatments should be considered collectively; assumptions for taxation authorities' examinations; the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and the effect of changes in facts and circumstances. The interpretation is not expected to have a material impact on the Company's financial statements.

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Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (effective for annual periods beginning on or after 01 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS. In addition, the IASB has also issued guidance on how to make materiality judgements when preparing general purpose financial statements in accordance with IFRS.

Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 01 January 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in statement of other comprehensive income. The application of the amendments is not likely to have an impact on Company's financial statements.

On 12 December 2017, IASB issued Annual Improvements to IFRSs: 2015 – 2017 Cycle, incorporating amendments to four IFRSs more specifically in IFRS 3 'Business Combinations', IFRS 11 'Joint Arrangements', IAS 12 'Income Taxes' and IAS 23 'Borrowing Costs'. The amendments are effective for annual periods beginning on or after 01 January 2019. The amendments have no significant impact on the Company's financial statements and have therefore not been analyzed in detail.

On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework. The new Framework: reintroduces the terms stewardship and prudence; introduces a new asset definition that focuses on rights and a new liability definition that is likely to be broader than the definition it replaces, but does not change the distinction between a liability and an equity instrument; removes from the asset and liability definitions references to the expected flow of economic benefits—this lowers the hurdle for identifying the existence of an asset or liability and puts more emphasis on reflecting uncertainty in measurement; discusses historical cost and current value measures, and provides some guidance on how the IASB would go about selecting a measurement basis for a particular asset or liability; states that the primary measure of financial performance is profit or loss, and that only in exceptional circumstances will the IASB use other comprehensive income and only for income or expenses that arise from a change in the current value of an asset or liability; and discusses uncertainty, derecognition, unit of account, the reporting entity and combined financial statements. The Framework is not an IFRS standard and does not override any standard, so nothing will change in the short term. The revised Framework will be used in future standard-setting decisions, but no changes will be made to current IFRS. Preparers might also use the Framework to assist them in developing accounting policies where an issue is not addressed by an IFRS. It is effective for annual periods beginning on or after 1 January 2020 for preparers that develop an accounting policy based on the Framework.

a) Standards and amendments to approved published standards that are not yet effective and not considered relevant to the Company

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2019 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.1 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, demand deposits, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and short term borrowings under mark-up arrangements.

2.1 Net Investment in lease finance

Leases where the company transfers substantially all the risks and rewards incidental to ownership of the assets to the lessee are classified as finance leases. Net investment in lease finance is stated at an amount equal to the aggregate of the minimum lease payments receivable, including any guaranteed residual value and excluding any unearned income, write-offs and provision for potential lease losses, if any.

2.2 Allowance for potential lease losses

The specific allowance for potential lease losses, if any, is made quarterly in accordance with the Securities and Exchange Commission of Pakistan's Non-Banking Finance Companies and Notified Entities Regulations, 2008. In accordance with the SECP Regulations, the Company does not recognize income on financial assets which have been classified.

2.3 IFRS 9 "Financial instruments"

The Company has adopted IFRS 9 "Financial Instruments" from 01 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt instrument shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the Company makes an irrevocable election on initial recognition to present gains and losses on equity instruments in other comprehensive income. Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the Company's own credit risk to be presented in other comprehensive income (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the Company. New impairment requirements use an 'expected credit loss' ('ECL') model to recognize an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

The Company has adopted IFRS 9 without restating the prior year results. However, this change has no financial impact on these financial statements of the Company. Key changes in accounting policies resulting from application of IFRS 9 are as follows:

i) Recognition of financial instruments

The Company initially recognizes financial assets on the date when they are originated. Financial liabilities are initially recognized on the trade date when the entity becomes a party to the contractual provisions of the instrument.

ii) Classification and measurement of financial instruments

IFRS 9 largely retains the existing requirements in IAS 39 "Financial Instruments: Recognition and Measurement" for the classification and measurement of financial liabilities. However, it replaces the previous IAS 39 categories for financial assets i.e. loans and receivables, fair value through profit or loss (FVTPL), available for sale and held to maturity with the categories such as amortized cost, fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVTOCI).

Investments and other financial assets

a) Classification

From 01 July 2018, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

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For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

b) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/ (other expenses) and impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss

Changes in the fair value of equity investments at fair value through profit or loss are recognised in other income/ (other expenses) in the statement of profit or loss as applicable.

Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Financial liabilities

a) Classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

iii) Impairment of financial assets

From 01 July 2018, the Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade debts and other receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Allowance for potential lease losses is made in accordance with the criteria for classification and provisioning provided in Regulation No. 25 of the NBFC Regulations. International Financial Reporting Standard (IFRS) 9 "Financial Instruments" requires that finance lease receivables and operating lease receivables recognized by a lessor are subject to the derecognition and impairment requirements of the IFRS 9. As stated in note 2.1(a) 'Statement of Compliance', 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 from the IFRSs, 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. Therefore, allowance for potential lease losses is made in accordance with the Regulation No. 25 of the NBFC Regulations and impairment requirements of IFRS 9 are considered not applicable to the net investment in lease finance of the Company.

iv) De-recognition

a) Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

b) Financial liabilities

The Company derecognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

v) Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legal enforceable right to set off and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

vii) Hedge accounting

IFRS 9 requires that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness.

There is no impact of the said change on these financial statements as there is no hedge activity carried on by the Company during the year ended 30 June 2019.

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vii) **Reclassification of financial instruments on adoption of IFRS 9 on these financial statements as on 01 July 2018**

On 01 July 2018, the Company's management has assessed which business models apply to the financial assets held by the Company at the date of initial application of IFRS 9 (01 July 2018) and has classified its financial instruments into appropriate IFRS 9 categories. On the date of initial application, 01 July 2018, the classification and measurement of financial instruments of the Company were as follows:

	Measurement category		Carrying amounts		
	Original	New	Original	New	Difference
	(IAS 39)	(IFRS 9)	Rupees		
Financial assets					
Cash and bank balances	Loans and receivables	Amortised cost	4,294,769	4,294,769	-
Advances	Loans and receivables	Amortised cost	401,000	401,000	-
Other receivable	Loans and receivables	Amortised cost	5,398	5,398	-
Net investment in lease finance	Loans and receivables	Amortised cost	264,497,280	264,497,280	-
Long term security deposits	Loans and receivables	Amortised cost	62,500	62,500	-
Financial liabilities					
Accrued and other liabilities	Amortised cost	Amortised cost	3,198,626	3,198,626	-
Accrued mark-up	Amortised cost	Amortised cost	627,494	627,494	-
Unclaimed dividend	Amortised cost	Amortised cost	777,785	777,785	-
Loan from related parties	Amortised cost	Amortised cost	42,500,000	42,500,000	-

2.6 **Fixed assets**

Fixed assets except for land are stated at cost less accumulated depreciation and any identified impairment losses. Additions are stated at cost less accumulated depreciation and any identified impairment losses. Land is stated at cost less impairment loss, if any.

Depreciation on all fixed assets is charged to income by applying the reducing balance method whereby the cost of an asset is written off over its estimated useful life. Depreciation is being charged at the rates given in Note 10.

Depreciation on additions to fixed assets is charged from the day the asset is available for use while no depreciation is charged from the day on which asset is disposed of.

The assets' residual values and useful lives are reviewed at each financial year end, and adjusted if impact on depreciation is significant.

2.7 **Impairment of non-financial assets**

The carrying amounts of the company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in the statement of profit or loss. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

2.8 **Employees' benefits**

a) **Employees' retirement benefit**

The company operates a non-funded defined benefit gratuity scheme for its permanent employees who have completed the qualifying service period of three years. Provision in respect of the scheme is made in accordance with the actuarial recommendations. Experience adjustments in defined benefit obligation are recognized immediately in other comprehensive income.

b) **Employees' compensated absences**

The company provides for liability in respect of employees' compensated absences in the year in which these are earned.

2.9 **Taxation**

a) Current

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

b) Deferred

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.10 Borrowings

Financing and borrowings are initially recognized at fair value of the consideration received, net of transaction costs. They are subsequently measured at amortized cost using the effective interest method.

2.11 Borrowing costs

Mark-up, interest and other charges on borrowings are capitalized up to the date of commissioning of the qualifying asset, acquired out of the proceeds of such borrowings. All other mark-up, interest and other charges are charged to income.

2.12 Accrued and other liabilities

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost.

2.13 Provisions

Provisions are recognized when the company has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

2.14 Revenue from Contracts with Customers

The Company has adopted IFRS15 from 01 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognize revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. Credit risk is presented separately as an expense rather than adjusted against revenue. Contract with customers are presented in Company's statement of financial position as a contract liability, a contract asset, or a receivable, depending on a relationship between Company's performance and customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalized as an asset and amortized over the contract period.

The Company has adopted IFRS 15 by applying the modified retrospective approach according to which the Company is not required to restate prior year results. The Company is NBFC carrying leasing business in Pakistan, therefore, earns revenue mainly from lease operations which is outside the scope of IFRS 15 "Revenue from Contracts with Customers". Hence, this change has no financial impact on these financial statements of the Company.

Revenue from lease operations

Mark-up / return on investments and fund placements are recognized on a time proportion basis. The Company follows the finance method in accounting for recognition of lease income. Under this method, the unearned lease income, i.e., the excess of aggregate lease rentals and the residual value over the cost of leased asset is deferred and then amortized to income over the term of the lease, by applying the annuity method to produce a constant rate of return on the net investment in lease finance. Income on non-performing loans is recognized on receipt basis in accordance with SECP regulations. Front-end fees, documentation charges and other lease related income are taken to income currently. Additional lease rentals being late payment charges on lease rentals are recognized on receipt basis.

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2.15 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

2.16 Foreign currency transactions and translation

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are charged or credited to statement of profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Pak Rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into Pak Rupees at exchange rates prevailing at the date when fair values are determined.

2.17 Contingent assets

Contingent assets are disclosed when the Company has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization becomes certain.

2.18 Contingent liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the financial statements.

2.19 Earnings per share

The Company presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

2.20 Share capital

Ordinary shares are classified as equity.

2.21 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

	2019 Rupees	2018 Rupees
3. CASH AND BANK BALANCES		
Cash in hand	93,110	261,708
Cash with banks:		
Balance with State Bank of Pakistan	9,648	12,465
Current accounts	10,201,540	2,260,473
Saving accounts (Note 3.1)	166,681	1,760,123
	<u>10,470,979</u>	<u>4,294,769</u>
3.1 Rate of profit on bank deposits ranges from 4.52% to 8.04% (2018: 4.00% to 4.50%) per annum.		
4. ADVANCES AND PREPAYMENTS		
Advances - considered good:		
Advance against expenses	83,629	107,647
Advances to employees (Note 4.1)	379,000	401,000
Prepayments	<u>462,629</u>	<u>508,647</u>
Current maturity of prepayment shown under non-current assets (Note 8)	250,235	217,809
Others	131,417	133,786
	<u>844,281</u>	<u>860,242</u>

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- 4.1 These represent unsecured and interest free advances given to employees of the Company against salaries. These include advance of Rupees 0.195 million (2018: Rupees 0.155 million) receivable from Chief Financial Officer of the Company, maximum aggregate amount outstanding at the end of any month during the year was Rupees 0.220 million (2018: Rupees 0.200 million) and advance of Rupees Nil (2018: Rupees 0.025 million) receivable from Head of Internal Audit of the Company, maximum aggregate amount outstanding at the end of any month during the year was Rupees 0.025 million (2018: Rupees 0.025 million).

5. OTHER RECEIVABLES	2019 Rupees	2018 Rupees
Considered good:		
Advance income tax	724,046	496,744
Other receivable	-	5,398
	<u>724,046</u>	<u>502,142</u>
	<u>185,797,815</u>	<u>180,862,650</u>

6. CURRENT MATURITY OF NON-CURRENT ASSETS

Net investment in lease finance (Note 7)

7. NET INVESTMENT IN LEASE FINANCE

Lease rentals receivable	345,295,003	331,321,445
Add: Guaranteed residual value of leased assets	159,800,562	153,074,942
Gross investment in lease finance (Note 7.1)	<u>505,095,565</u>	<u>484,396,387</u>
Less: Unearned finance income	(69,257,187)	(63,376,143)
Net investment in lease finance (Note 7.1 and Note 7.3)	<u>435,838,378</u>	<u>421,020,244</u>
Less: Allowance for potential lease losses (Note 7.2)	(157,554,266)	(156,522,964)
Net investment in lease finance - net off provision (Note 7.3)	<u>278,284,112</u>	<u>264,497,280</u>
Less: Current maturity shown under current assets (Note 6)	(185,797,815)	(180,862,650)
	<u>92,486,297</u>	<u>83,634,630</u>

7.1

	GROSS INVESTMENT IN LEASE FINANCE		NET INVESTMENT IN LEASE FINANCE	
	2019	2018	2019	2018
	Rupees	Rupees	Rupees	Rupees
Not later than one year	397,591,339	392,224,307	343,352,081	337,385,614
Later than one year but not later than five years	107,504,226	92,172,080	92,486,297	83,634,630
	<u>505,095,565</u>	<u>484,396,387</u>	<u>435,838,378</u>	<u>421,020,244</u>
Less: Unearned finance income	(69,257,187)	(63,376,143)		
	<u>435,838,378</u>	<u>421,020,244</u>		

- 7.1.1 There are no lease contract receivables over five years. The company's implicit rate of return on leases ranges from 7.84% to 30% per annum (2018: 7.84% to 30.00 % per annum). In certain cases, in addition to leased assets the leases are secured against personal guarantees and charge on properties of the lessees.

- 7.1.2 Analysis of net investment in lease finance in respect of non-performing leases on which mark-up is being suspended is given in Note 30.1(b). The non-performing leases are determined in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

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	2019 Rupees	2018 Rupees
7.2 ALLOWANCE FOR POTENTIAL LEASE LOSSES		
Balance as at 01 July	156,522,964	158,742,756
Add: Allowance for potential lease losses made during the year	4,651,272	-
Less: Reversal of allowance for potential lease losses during the year	(3,619,970)	(2,219,792)
Net increase / (reversal) of allowance for potential lease losses	1,031,302	(2,219,792)
Balance as at 30 June	<u>157,554,266</u>	<u>156,522,964</u>

7.3 Net investment in lease finance includes an amount of Rupees 4.857 million (2018: Rupees 5.454 million) receivable from Mr. Muhammad Avais Ibrahim - Chief Financial Officer of the Company. The maximum aggregate of amount receivable from Chief Financial Officer of the Company at the end of any month during the year was Rupees 5.484 million (2018: Rupees 5.762 million). The age analysis of receivable from Chief Financial Officer of the Company is as follows:

	2019 Rupees	2018 Rupees
Neither past due nor impaired	3,567,038	4,731,217
Past due up to 179 days but not impaired	509,356	563,077
Past due 180-364 days - impaired	583,472	189,910
Past due more than one year and less than one and half year	197,271	-
	<u>4,857,137</u>	<u>5,484,204</u>
Less: Allowance for potential lease losses	-	-
	<u>4,857,137</u>	<u>5,484,204</u>

7.3.1 In accordance with the Regulation 25 of Non-Banking Finance Companies and Notified Entities Regulations, 2008, finance lease income against this lease facility is being suspended. Further, provision against outstanding balance of principal is not required due to adjustment of security deposit and forced sale value of leased asset.

8. LONG TERM SECURITY DEPOSITS AND PREPAYMENT

Security deposits	2,500	62,500
Prepayment	718,551	217,809
	<u>721,051</u>	<u>280,309</u>
Less: Current maturity of prepayment shown under current assets (Note 4)	(250,235)	(217,809)
	<u>470,816</u>	<u>62,500</u>

9. DEFERRED INCOME TAX

Deferred income tax assets / (liabilities) arising due to:

Accelerated tax depreciation	(84,145,175)	(75,118,498)
Tax losses	92,270,251	88,601,878
Provision for gratuity	627,704	472,851
	<u>8,752,780</u>	<u>13,956,231</u>
Less: Deferred income tax asset not recognized	(8,752,780)	(13,956,231)
	<u>-</u>	<u>-</u>

9.1 The net deferred income tax asset of Rupees 8.753 million (2018: Rupees 13.956 million) has not been recognized in these financial statements as the temporary differences are not expected to reverse in foreseeable future because taxable profits may not be available against which the temporary differences can be utilized.

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10. FIXED ASSETS

Reconciliation of carrying amounts at the beginning and end of the year is as follows:

	FURNITURE AND FIXTURES	VEHICLES	OFFICE EQUIPMENT	COMPUTER EQUIPMENT	TOTAL
-----Rupees-----					
As at 30 June 2017					
Cost	542,740	3,233,424	622,555	1,510,417	5,909,136
Accumulated depreciation	(373,154)	(1,906,757)	(391,459)	(1,427,623)	(4,098,993)
Accumulated impairment loss	(22,035)	-	(26,798)	(29,395)	(78,228)
Net book value	147,551	1,326,667	204,298	53,399	1,731,915
Year ended 30 June 2018					
Opening net book value	147,551	1,326,667	204,298	53,399	1,731,915
Additions	-	-	-	18,500	18,500
Depreciation charge	(14,755)	(265,333)	(20,430)	(18,676)	(319,194)
Closing net book value	132,796	1,061,334	183,868	53,223	1,431,221
As at 30 June 2018					
Cost	542,740	3,233,424	622,555	1,528,917	5,927,636
Accumulated depreciation	(387,909)	(2,172,090)	(411,889)	(1,446,299)	(4,418,187)
Accumulated impairment loss	(22,035)	-	(26,798)	(29,395)	(78,228)
Net book value	132,796	1,061,334	183,868	53,223	1,431,221
Year ended 30 June 2019					
Opening net book value	132,796	1,061,334	183,868	53,223	1,431,221
Additions	-	-	-	22,827	22,827
Disposal:					
Cost	(53,000)	-	(189,535)	(71,600)	(314,135)
Accumulated depreciation	42,319	-	136,848	70,498	249,665
Accumulated impairment	2,117	-	10,441	686	13,244
	(8,564)	-	(42,246)	(416)	(51,226)
Depreciation charge	(12,918)	(212,267)	(16,601)	(19,171)	(260,957)
Closing net book value	111,314	849,067	125,021	56,463	1,141,865
As at 30 June 2019					
Cost	489,740	3,233,424	433,020	1,480,144	5,636,328
Accumulated depreciation	(358,508)	(2,384,357)	(291,642)	(1,394,972)	(4,429,479)
Accumulated impairment loss	(19,918)	-	(16,357)	(28,709)	(64,984)
Net book value	111,314	849,067	125,021	56,463	1,141,865
Annual rate of depreciation (%)	10	20	10	30	-

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	2019 Rupees	2018 Rupees			
11. LOANS FROM RELATED PARTIES					
Chief Executive Officer (Note 11.1)	5,000,000	5,000,000			
Anwar Khawaja Industries (Private) Limited - holding company (Note 11.2)	52,500,000	37,500,000			
	<u>57,500,000</u>	<u>42,500,000</u>			
11.1.			This unsecured loan is obtained from Chief Executive Officer of the Company under mark-up arrangements for working capital requirements. This form part of total credit facility of Rupees 10 million (Rupees 10 million). This loan carries mark-up at the rate of 6 months KIBOR (2018: 3 months KIBOR) and is repayable within one year.		
11.2.			This unsecured loan is obtained from Anwar Khawaja Industries (Private) Limited - holding company under mark up arrangements for working capital requirements. This form part of total credit facilities of Rupees 65 million (2018: Rupees 65 million). This loan carries mark-up at the rate of 6 months KIBOR (2018: 3 months KIBOR) and is repayable till 04 November 2019. However, during the year Anwar Khawaja Industries (Private) Limited - holding company waived off mark-up on the loan for the period started from 01 January 2019 and ending on 30 June 2019. Hence, mark-up expense for the aforesaid period has not been recognized in the books of account of the Company.		
11.3.			Effective rate of mark-up charged on these loans during the year ranged from 6.41% to 10.80% (2018: 6.14% to 6.43%) per annum.		
11.4.			As on the reporting date, un-utilized credit facilities from related parties comprise of Rupees 22.500 million (2018: Rupees 32.500 million).		
12. ACCRUED AND OTHER LIABILITIES	2019 Rupees	2018 Rupees			
Accrued liabilities	1,011,840	866,116			
Income tax deducted at source	190,279	3,941			
Insurance premium and claims payable	2,505,420	2,332,510			
	<u>3,707,539</u>	<u>3,202,567</u>			
13. ACCRUED MARK-UP					
This represents mark-up payable on loans obtained from related parties.					
14. CURRENT MATURITY OF NON-CURRENT LIABILITIES					
Deposits on lease contracts (Note 15)	120,436,323	113,850,578			
15. DEPOSITS ON LEASE CONTRACTS					
Balance as at 30 June	159,800,562	153,074,942			
Less: Current maturity shown under current liabilities (Note 14)	(120,436,323)	(113,850,578)			
	<u>39,364,239</u>	<u>39,224,364</u>			
15.1			These represent interest free security deposits received from lessees, at the rates ranging from 1% to 70% (2018: 1% to 70%) of lease amount. These security deposits have been utilized for business purpose and are refundable / adjustable at the expiry / termination of respective leases. These security deposits include an amount of Rupees 3.168 million (Rupees 3.168 million) received from Chief Financial Officer of the Company.		
16. EMPLOYEES' RETIREMENT BENEFIT					
The latest actuarial valuation of the defined benefit plan as at 30 June 2019 was carried out using the Projected Unit Credit Method. Details of the plan as per the actuarial valuation are as follows:					
	2019 Rupees	2018 Rupees			
Present value of defined benefit obligation (Note 16.1)	2,164,498	1,751,300			
Net Liability as at 01 July	1,751,300	1,423,886			
Charge to statement of profit or loss (Note 16.2)	360,220	290,644			
Remeasurement recognized in other comprehensive income	52,978	36,770			
Liability as at 30 June	<u>2,164,498</u>	<u>1,751,300</u>			
16.1 The movement in the present value of defined benefit obligation is as follows:					
Present value of defined benefit obligations	1,751,300	1,423,886			
Current service cost	202,603	180,293			
Interest cost	157,617	110,351			
Actuarial losses from change in financial assumptions	34,301	7,142			
Experience adjustments	18,677	29,628			
	<u>2,164,498</u>	<u>1,751,300</u>			
16.2 Charge to statement of profit or loss:					
Current service cost	202,603	180,293			
Interest cost	157,617	110,351			
	<u>360,220</u>	<u>290,644</u>			
16.3	2019	2018	2017	2016	2015
Present value of defined benefit obligation (Rupees)	2,164,498	1,751,300	1,423,886	1,370,063	1,193,123
Experience adjustments on obligation	1.07%	2.08%	(4.79%)	(11.14%)	(1.02%)

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16.4 Principal actuarial assumptions used:

	2019 (% per annum)	2018
Discount rate	14.25	9.00
Expected rate of increase in salary	13.25	8.00

16.5 Mortality was assumed to be based on SLIC 2001-2005 ultimate mortality rates, set back one year.

16.6 The Company is expected to charge Rupees 0.532 million for gratuity in the next financial year.

16.7 Sensitivity analysis for actuarial assumptions:

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions at the reporting date:

	Defined benefit obligation		
	Changes in assumption Bps	Increase in assumption Rupees	Decrease in assumption Rupees
Discount rate	100	1,991,315	2,363,506
Future salary increase	100	2,368,515	1,983,873

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change in comparison to the previous period.

16.8 Maturity profile

The weighted average duration of the obligation (in years)

2019	2018
9	9

17. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2019	2018	
		(Number of shares)
19,500,000	19,500,000	Ordinary shares of Rupees 10 each fully paid-up in cash
2,000,000	2,000,000	Ordinary shares of Rupees 10 each issued as bonus shares
<u>21,500,000</u>	<u>21,500,000</u>	

2019 Rupees	2018 Rupees
195,000,000	195,000,000
20,000,000	20,000,000
<u>215,000,000</u>	<u>215,000,000</u>

17.1 Ordinary shares of the Company held by the holding company and associated company:

GOC (PAK) Limited - associated company
Anwar Khawaja Industries (Private) Limited - holding company

2019 (Number of shares)	2018 (Number of shares)
7,999,999	7,999,999
3,739,603	3,739,603
<u>11,739,602</u>	<u>11,739,602</u>

18. STATUTORY RESERVE

This represents reserve fund created under Non-Banking Finance Companies and Notified Entities Regulations, 2008.

19. Contingencies and commitments

19.1 Contingencies

2019	2018
-	-

19.2 Commitments

-	-
---	---

20. INCOME FROM LEASE OPERATIONS

	2019 Rupees	2018 Rupees
Finance lease income	13,501,419	8,741,129
Documentation charges	264,500	251,965
Additional lease rentals	278,888	409,564
	<u>14,044,807</u>	<u>9,402,658</u>

21. OTHER INCOME

Income from financial assets

Processing fee and other charges	750,711	445,141
Profit on bank deposits	132,424	44,669
	<u>883,135</u>	<u>489,810</u>

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	2019 Rupees	2018 Rupees
22. ADMINISTRATIVE AND OTHER EXPENSES		
Salaries, allowances and other benefits (Note 22.1)	6,177,572	5,594,598
Repair and maintenance	350,323	361,119
Rent, rates and taxes	531,200	591,200
Postage and telephone	216,716	236,480
Vehicles' running	980,139	862,935
Utilities	171,001	143,169
Legal and professional	816,995	870,774
Insurance	85,303	93,015
Fees and subscription	841,536	1,067,324
Travelling and conveyance	498,530	477,130
Printing and stationery	271,679	236,474
Auditors' remuneration (Note 22.2)	670,000	670,000
Entertainment	187,937	181,740
Advertisement	45,900	119,340
Newspapers and periodicals	13,669	16,539
Depreciation on fixed assets (Note 10)	260,957	319,194
Loss on disposal of fixed assets	31,226	-
Miscellaneous	209,465	147,373
	<u>12,360,148</u>	<u>11,988,404</u>
22.1 These include Rupees 0.360 million (2018: Rupees 0.291 million) charged in respect of gratuity as referred to in Note 16 and Rupees 0.329 million (2018: Rupees 0.307 million) charged in respect of compensated absences.		
22.2 Auditor's remuneration	2019 Rupees	2018 Rupees
Audit fee	368,000	368,000
Half yearly review and other sundry certifications	207,000	207,000
Out-of-pocket expenses	95,000	95,000
	<u>670,000</u>	<u>670,000</u>
23. FINANCIAL AND OTHER CHARGES		
Mark up on loans from related parties	2,331,656	2,412,268
Commission and other bank charges	393,669	380,543
Penalties (Note 23.1)	5,000	20,000
	<u>2,730,325</u>	<u>2,812,811</u>
23.1 These are paid to Sindh Revenue Board (2018: Federal Board of Revenue) against late filing of monthly sales tax return (2018: late filing of monthly withholding tax statements).		
24. TAXATION		
Current:		
For the year (Note 24.1)	(832,311)	(679,773)
Prior year	183,029	(999,592)
Deferred:		
For the year	(15,364)	(9,928)
	<u>(664,646)</u>	<u>(1,689,293)</u>
24.1 The Company has carry forwardable unabsorbed depreciation of Rupees 318.173 million (2018: Rupees 328.155 million). Provision for income tax in the current year is computed only for minimum tax as required under section 113 of the Income Tax Ordinance, 2001, therefore, it is impracticable to prepare the tax charge reconciliation for the years presented.		
25. LOSS PER SHARE - BASIC AND DILUTED		
Loss after taxation	Rupees (1,858,479)	(4,378,247)
Weighted average number of ordinary shares	Number 21,500,000	21,500,000
Loss per share - basic	Rupees (0.086)	(0.204)

There is no dilutive effect on the loss per share of the Company.

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26. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Liabilities from financing activities		TOTAL
	Loans from related parties	Deposits on lease contracts	
----- Rupees -----			
Balance as at 01 July 2018	42,500,000	153,074,942	195,574,942
Loan obtained	15,000,000	-	15,000,000
Deposits on new lease contracts - received	-	20,845,370	20,845,370
Adjusted at the time of expiry / termination of lease contracts	-	(14,119,750)	(14,119,750)
Balance as at 30 June 2019	57,500,000	159,800,562	217,300,562

27. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise the 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, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

	2019 Rupees	2018 Rupees
i) Transactions		
Holding company		
Mark-up paid	2,435,387	1,849,258
Mark-up charged to the statement of profit or loss	1,886,429	1,939,642
Loan obtained	15,000,000	16,975,730
Loan repaid	-	9,475,730
Rent of office building	300,000	300,000
Other Related Parties		
Chief Executive Officer		
Mark-up paid	389,133	508,423
Mark-up charged to the statement of profit or loss	445,227	472,626
Loan repaid	-	5,000,000
Chief Financial Officer		
Advance against salary given	100,000	200,000
Deductions of advance against salary	60,000	45,000
Received against net investment in finance lease	627,067	369,636
Head of Internal Audit - Mr. Bilal Arslan Mir (uptil 13 May 2019)		
Advance against salary	-	25,000
Deductions of advance against salary	25,000	25,000
ii) Period end balances		
Holding company		
Loan payable	52,500,000	37,500,000
Accrued mark up	-	548,958
Chief Executive Officer		
Loan payable	5,000,000	5,000,000
Accrued mark up	134,630	78,536
Chief Financial Officer		
Advance against salary receivable	195,000	155,000
Net investment in lease finance	4,857,137	5,484,204
Deposit against lease contract	3,168,000	3,168,000
Head of Internal Audit		
Advance against salary receivable	-	25,000

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27.1 Following are the related parties with whom the Company had entered into transactions or have arrangements / agreements in place:

Names of the holding company, associated companies and related parties	Basis of relationship	Transactions entered or agreements and / or arrangements in place during the financial year		Percentage of shareholding
		2019	2018	
Anwar Khawaja Industries (Private) Limited	Holding company	Yes	Yes	None
GOC (PAK) Limited	Common directorship	No	No	None
Muhammad Tahir Butt	Chief Executive Officer	Yes	Yes	Not Applicable
Muhammad Avais Ibrahim	Chief Financial Officer	Yes	Yes	Not Applicable
Mr. Bilal Arslan Mir	Head of Internal Audit (uptil 13 May 2019)	Yes	Yes	Not Applicable
Grays Fabrics Limited	Common directorship	No	No	None
Sialkot International Airport Limited	Common directorship	No	No	None
Port Services Limited	Common directorship	No	No	None
Gujranwala Electric Power Company Limited	Common directorship	No	No	None
A.K. Infotech (Private) Limited	Common directorship	No	No	None
Select Pak (Private) Limited	Common directorship	No	No	None
Derbystar Sportartikel GMBH	Common directorship	No	No	None

28. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

No amount is charged in these financial statements for remuneration, benefits of the chief executive officer and directors of the Company. Further, no employee of the company falls under the definition of executive given in fourth schedule to the Companies Act, 2017.

29. NUMBER OF EMPLOYEES

	2019	2018
Number of employees as on June 30		
Permanent	9	9
Contractual	3	3
Average number of employees during the year		
Permanent	9	9
Contractual	3	3

30. FINANCIAL RISK MANAGEMENT

30.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors (the Board). The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

Currently, the Company is not exposed to currency risk because there are no receivables and payables in foreign currency at the reporting date.

(ii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in market interest rates.

The risk arises when there is a mismatch in the financial assets and financial liabilities which are subject to interest rate adjustment within a specified period. The Company's interest rate risk arises mainly from net investment in finance lease, bank balances and loans.

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Interest rate gap is the common measure of interest rate risk. A positive gap occurs when more financial assets than financial liabilities are subject to rate changes during a prescribed period of time. A negative gap occurs when financial liabilities exceed financial assets subject to rate changes during a prescribed period of time.

At the reporting date the interest rate profile of the Company's interest bearing financial instruments was:

	2019 Rupees	2018 Rupees
Floating rate instruments		
Financial assets		
Bank balances - saving accounts	166,681	1,760,123
Net investment in lease finance - net off potential lease losses	278,284,112	264,497,280
Financial liabilities		
Loans from related parties	57,500,000	42,500,000

Effective interest rates on these financial instruments are disclosed in the respective notes.

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, loss after taxation for the year would have been Rupees 2.210 million (2018:Rupees 2.238 million) lower / higher, mainly as a result of higher / lower interest income and expense on floating rate financial instruments. This analysis is prepared assuming the amounts of financial instruments outstanding at the reporting date were outstanding for the whole year.

(iii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. Currently, the Company is not exposed to other price and commodity price risks.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk is crucial for the Company's business, therefore management carefully manages its exposure to credit risk. The Company has established credit policies and procedures to manage credit exposure including evaluation of lease, credit worthiness, credit approvals, assigning credit limits, obtaining securities such as lien on title of leased assets, security deposits, personal guarantees and mortgages over properties. Further, exposure to credit risk is being managed through regular analysis of the ability of lessees and potential lessees to meet repayment obligations. The Company has clear policies in place to identify early warning signals and to initiate appropriate and timely remedial actions.

The maximum exposure to credit risk at the reporting date was as follows:

	2019 Rupees	2018 Rupees
Bank balances	10,377,869	4,033,061
Advances	379,000	401,000
Other receivable	-	5,398
Net investment in lease finance	278,284,112	264,497,280
Long term security deposits	2,500	62,500
	<u>289,043,481</u>	<u>268,999,239</u>

The Company is engaged primarily in leasing operations, therefore its credit risk arises mainly from net investment in lease finance. Classification of net investment in finance leases on the basis of lease neither past due nor impaired, other assets especially mentioned (OEAM), substandard, doubtful and loss is as follows:

Description	2019		2018	
	Personal Rupees	Corporate Rupees	Personal Rupees	Corporate Rupees
Net Investment in lease finance				
Neither past due nor impaired	71,218,168	98,924,876	72,581,009	79,801,852
OEAM - past due 90 - 179 days	1,100,569	-	-	-
Impaired				
Substandard - past due 180-364 days	2,529,710	-	5,484,204	-
Doubtful - past due more than one year and less than one and half year	4,857,137	-	-	-
Loss - past due more than one and half year	9,227,781	247,980,137	9,703,450	253,449,729
	<u>16,614,628</u>	<u>247,980,137</u>	<u>15,187,654</u>	<u>253,449,729</u>
Total	88,933,365	346,905,013	87,768,663	333,251,581
Less: Allowance for potential lease losses	6,624,317	150,929,949	6,801,575	149,721,389
Net Investment in lease finance - net off potential lease losses	<u>82,309,048</u>	<u>195,975,064</u>	<u>80,967,088</u>	<u>183,530,192</u>

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Rentals overdue by 1 day but less than 180 days are considered past due, but not impaired. Rescheduled leases have been monitored as per Non-Banking Finance Companies and Notified Entities Regulations, 2008 issued by Securities and Exchange Commission of Pakistan before setting to regular status. These cases are being kept under continuous review. Provision for potential lease losses is incorporated in the books of account on the basis of Regulation 25 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (If available) or to historical information about counterparty default rate. Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, after providing provision against doubtful receivables, credit risk is minimal.

The credit quality of balances with banks can be assessed with reference to external credit ratings of the banks:

Banks	Rating			2019	2018
	Short Term	Long term	Agency	Rupees	
National Bank of Pakistan	A1+	AAA	PACRA	21,774	22,064
Askari Bank Limited	A1+	AA+	PACRA	1,728,907	3,425,778
First Women Bank Limited	A2	A-	PACRA	7,286	7,286
Bank Al-Habib Limited	A1+	AA+	PACRA	167,188	316,445
The Bank of Punjab	A1+	AA	PACRA	30,487	5,322
Habib Bank Limited	A-1+	AAA	JCR-VIS	16,086	15,789
Meezan Bank Limited	A1+	AA+	JCR-VIS	8,396,493	227,912
				<u>10,368,221</u>	<u>4,020,596</u>

(c) Concentration of risk

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or activities in the same geographic region or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry or geographic location. The management is of the view that it is not exposed to significant concentration of credit risk as its financial assets are adequately diversified in organizations covering various industrial sectors and segments. Sector-wise break-up of lease portfolio is given below:

i) Sector wise concentration of net investment in lease finance

Lease portfolio	2019		2018	
	Rupees	%	Rupees	%
Industrial sectors				
Chemical, fertilizer and pharmaceuticals	17,096,877	3.92	16,876,646	4.01
Construction	4,759,708	1.09	7,519,265	1.79
Energy, oil and gas	11,400,546	2.62	11,540,218	2.74
Food, tobacco and beverage	7,325,928	1.68	7,397,237	1.76
Leather, footwear and tanneries	54,519	0.01	19,344,786	4.59
Paper and board	3,628,614	0.83	5,576,665	1.32
Rubber and plastic	12,937,573	2.97	18,017,397	4.28
Services	43,496,633	9.98	21,481,589	5.10
Steel, engineering and automobiles	3,151,962	0.72	2,705,740	0.64
Sugar and allied	6,491,541	1.49	6,554,710	1.56
Surgical	477,353	0.11	482,000	0.11
Textile and allied	112,225,984	25.75	114,817,126	27.27
Trading	18,278,439	4.19	9,245,191	2.20
Transport and communication	81,754,095	18.76	66,712,212	15.85
Individuals and others	112,758,606	25.87	112,749,462	26.78
	<u>435,838,378</u>	<u>100</u>	<u>421,020,244</u>	<u>100</u>
Segment by public / private sector				
Public / Government	-	-	-	-
Private	<u>435,838,378</u>	<u>100.00</u>	<u>421,020,244</u>	<u>100.00</u>

ii) Geographical concentration of net investment in lease finance

The Company only does business within Pakistan and geographical exposure is within the country.

Grays Leasing Limited

iii) Concentration of net investment in lease finance by type of customers

	2019 Rupees	2018 Rupees
Personal	88,933,365	87,768,663
Corporate	346,905,013	333,251,581
	<u>435,838,378</u>	<u>421,020,244</u>

(d) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through credit facilities from related parties. At the reporting date, the company has Rupees 22.500 million (2018: Rupees 32.500 million) available borrowing limits from related parties and Rupees 10.471 million (2018: Rupees 4.295 million) cash and bank balances. Management believes the liquidity risk to be manageable. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2019

	Carrying amount	Contractual cash flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
-----Rupees-----						
Non-derivative financial liabilities						
Accrued and other liabilities	3,517,260	3,517,260	3,517,260	-	-	-
Unclaimed dividend	777,785	777,785	777,785	-	-	-
Accrued mark up	134,630	134,630	134,630	-	-	-
Loans from related parties	57,500,000	60,438,473	54,898,473	5,540,000	-	-
	<u>61,929,675</u>	<u>64,868,148</u>	<u>59,328,148</u>	<u>5,540,000</u>	<u>-</u>	<u>-</u>

Contractual maturities of financial liabilities as at 30 June 2018

	Carrying amount	Contractual cash flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
-----Rupees-----						
Non-derivative financial liabilities						
Accrued and other liabilities	3,198,626	3,198,626	3,198,626	-	-	-
Unclaimed dividend	777,785	777,785	777,785	-	-	-
Accrued mark-up	627,494	627,494	627,494	-	-	-
Loans from related parties	42,500,000	43,240,164	43,240,164	-	-	-
	<u>47,103,905</u>	<u>47,844,069</u>	<u>47,844,069</u>	<u>-</u>	<u>-</u>	<u>-</u>

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at 30 June.

30.2 Financial instruments by categories

As at 30 June 2019

Assets as per statement of financial position

	Amortized cost Rupees
Cash and bank balances	10,470,979
Advances	379,000
Net investment in lease finance	278,284,112
Long term security deposit	2,500
	<u>289,136,591</u>

Financial liabilities at amortized cost

Liabilities as per statement of financial position

	Rupees
Accrued and other liabilities	3,517,260
Accrued mark-up	134,630
Loan from related parties	57,500,000
Unclaimed dividend	777,785
	<u>61,929,675</u>

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As at 30 June 2018

Assets as per statement of financial position

	Loans and receivables
	Rupees
Cash and bank balances	4,294,769
Advances	401,000
Other receivable	5,398
Net investment in lease finance	264,497,280
Long term security deposits	62,500
	<u>269,260,947</u>

Financial liabilities at amortized cost

Liabilities as per statement of financial position

	Rupees
Accrued and other liabilities	3,198,626
Accrued mark up	627,494
Loan from related parties	42,500,000
Unclaimed dividend	777,785
	<u>47,103,905</u>

31. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or sell assets to reduce debt. Consistent with others in the industry the Company monitors the capital structure on the basis of gearing ratio.

The ratio is calculated as borrowings divided by total capital employed. Borrowings represent loans from related parties. Total capital employed includes shareholders' equity plus borrowings. The gearing ratio as at year ended 30 June 2019 and 30 June 2018 is as follows:

		2019	2018
Borrowings	Rupees	57,500,000	42,500,000
Total equity	Rupees	67,466,824	69,362,917
Total capital employed	Rupees	<u>124,966,824</u>	<u>111,862,917</u>
Gearing ratio	Percentage	<u>46.01</u>	<u>37.99</u>

32. Maturities of assets and liabilities

	2019					
	TOTAL	UP TO ONE MONTH	OVER ONE MONTH TO ONE YEAR	OVER ONE YEAR TO FIVE YEAR	OVER FIVE YEAR	NON FIXED MATURITIES
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Assets						
Cash and bank balances	10,470,979	10,470,979	-	-	-	-
Advances and prepayments	844,281	152,291	691,990	-	-	-
Sales tax recoverable	557,611	-	557,611	-	-	-
Other receivables	724,046	-	724,046	-	-	-
Net investment in finance lease	278,284,112	108,563,569	77,234,246	92,486,297	-	-
Long term security deposit and prepayment	470,816	-	-	468,316	-	2,500
Fixed assets	1,141,865	-	-	-	-	1,141,865
	<u>292,493,710</u>	<u>119,186,839</u>	<u>79,207,893</u>	<u>92,954,613</u>	<u>-</u>	<u>1,144,365</u>
Liabilities						
Accrued and other liabilities	3,707,539	3,707,539	-	-	-	-
Accrued mark up	134,630	134,630	-	-	-	-
Loans from related parties	57,500,000	-	57,500,000	-	-	-
Deposits on lease contracts	159,800,562	106,464,328	13,971,995	39,364,239	-	-
Employees' retirement benefit	2,164,498	-	-	-	-	2,164,498
Unclaimed dividend	777,785	777,785	-	-	-	-
Provision for taxation	941,872	-	941,872	-	-	-
	<u>225,026,886</u>	<u>111,084,282</u>	<u>72,413,867</u>	<u>39,364,239</u>	<u>-</u>	<u>2,164,498</u>
Net balance	<u>67,466,824</u>	<u>8,102,557</u>	<u>6,794,026</u>	<u>53,590,374</u>	<u>-</u>	<u>(1,020,133)</u>
Net assets	<u>67,466,824</u>					

Grays Leasing Limited

	2018					
	TOTAL	UP TO ONE MONTH	OVER ONE MONTH TO ONE YEAR	OVER ONE YEAR TO FIVE YEAR	OVER FIVE YEAR	NON FIXED MATURITIES
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Assets						
Cash and bank balances	4,294,769	4,294,769	-	-	-	-
Advances and prepayments	860,242	183,567	676,675	-	-	-
Sales tax recoverable	438,185	-	438,185	-	-	-
Other receivables	502,142	-	502,142	-	-	-
Net investment in lease finance	264,497,280	105,476,484	75,386,166	83,634,630	-	-
Long term security deposits	62,500	-	-	-	-	62,500
Property, plant and equipment	1,431,221	-	-	-	-	1,431,221
	<u>272,086,339</u>	<u>109,954,820</u>	<u>77,003,168</u>	<u>83,634,630</u>	<u>-</u>	<u>1,493,721</u>
Liabilities						
Accrued and other liabilities	3,202,567	3,202,567	-	-	-	-
Accrued mark up	627,494	627,494	-	-	-	-
Loan from related parties	42,500,000	-	42,500,000	-	-	-
Deposits on lease contracts	153,074,942	103,294,478	10,556,100	39,224,364	-	-
Employees' retirement benefit	1,751,300	-	-	-	-	1,751,300
Unclaimed dividend	777,785	777,785	-	-	-	-
Provision for taxation	789,334	-	789,334	-	-	-
	<u>202,723,422</u>	<u>107,902,324</u>	<u>53,845,434</u>	<u>39,224,364</u>	<u>-</u>	<u>1,751,300</u>
Net balance	<u>69,362,917</u>	<u>2,052,496</u>	<u>23,157,734</u>	<u>44,410,266</u>	<u>-</u>	<u>(257,579)</u>
Net assets	<u>69,362,917</u>					

33. 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 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.

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34. SEGMENT INFORMATION

As per IFRS 8, "Operating Segments", operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Chief Executive Officer of the Company has been identified as the chief operating decision-maker, which is responsible for allocating resources and assessing performance of the operating segments.

The Chief Executive Officer is responsible for the Company's entire product portfolio and considers the business to have a single operating segment. The Company's asset allocation decisions are based on a single integrated investment strategy and the Company's performance is evaluated on an overall basis.

The internal reporting provided to the Chief Executive Officer for the Company's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of approved accounting standards as applicable in Pakistan.

35. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Company have not proposed any appropriations in their meeting held on 04th October, 2019.

36. DATE OF AUTHORIZATION

These financial statements have been authorized for issue by the Board of Directors of the Company on 04th October, 2019.

37. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant rearrangements have been made in these financial statements.


MUHAMMAD TAHIR BUTT
CHIEF EXECUTIVE


(KHAWAR ANWAR KHUWAJA)
DIRECTOR


MUHAMMAD AVAIS IBRAHIM
CHIEF FINANCIAL OFFICER

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Grays Leasing Limited

PATTERN OF SHAREHOLDING AS ON JUNE 30, 2019

Grays Leasing Limited

As On: June 30, 2019

2.3 Categories of Shareholder	Share held	Percentage
2.3.1 - Directors, CEO, Their Spouse and Minor Childern	4,477,564	20.83
2.3.2 - Associated Companies, Undertakings & Related Parties	11,739,602	54.60
2.3.8 - A. General Public (Local)	4,827,482	22.45
2.3.8 - B. General Public (Foreigner)	30,736	0.14
2.3.9 - A. Other Companies (Local)	424,616	1.97
	21,500,000	100.00
Shareholders More Than 10.00%		
GOC (PAK) LIMITED	7,999,999	37.21
Anwar Khawaja Industries (Pvt) Limited	3,739,603	17.39

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The Companies ACT, 2017
The Companies (General Provisions and Forms) Regulations,
2018[Section 227(2)(f)]
Pattern of Shareholding

Form - 34

1.1 Name of The Company

PART -I
Grays Leasing Limited
PART -II

2.1 Pattern of Holding of the Shares held by the Shareholders as at :June 30, 2019

2.2

No. of Shareholders	Shareholding		Total Shares held
	From	To	
65	1	100	1,553
58	101	500	23,289
101	501	1,000	75,341
75	1,001	5,000	196,864
26	5,001	10,000	182,586
9	10,001	15,000	109,622
7	15,001	20,000	133,147
12	20,001	25,000	272,757
5	25,001	30,000	136,790
3	30,001	35,000	99,333
1	35,001	40,000	40,000
2	40,001	45,000	86,000
1	45,001	50,000	50,000
3	55,001	60,000	173,888
1	60,001	65,000	64,666
4	95,001	100,000	387,025
3	110,001	115,000	334,721
1	115,001	120,000	116,435
1	120,001	125,000	120,400
3	135,001	140,000	417,350
1	180,001	185,000	181,666
1	225,001	230,000	228,086
1	255,001	260,000	258,000
1	285,001	290,000	288,510
1	305,001	310,000	305,504
1	310,001	315,000	311,524
1	330,001	335,000	334,312
1	350,001	355,000	351,574
1	475,001	480,000	476,312
1	575,001	580,000	575,840
1	1,065,001	1,070,000	1,065,952
1	1,130,001	1,135,000	1,131,018
1	1,230,001	1,235,000	1,230,333
1	3,735,001	3,740,000	3,739,603
1	7,995,001	8,000,000	7,999,999
396			21,500,000

GRAYS LEASING LTD.

24TH ANNUAL GENERAL MEETING

FORM OF PROXY

This form of Proxy, in order to be effective, must be completed and deposited at the Company's registered office at 701-A, 7th Floor, City Towers, 6-K, Main Boulevard, Gulberg-II, Lahore not less than 48 hours before the time of holding the meeting. A proxy must be a member of the Company.

I/We _____
of _____ being a member of **GRAYS LEASING LTD.**

Registered at Folio No. _____ and / or CDC participant I.D. No. _____ and sub account No. _____

holder of _____

Ordinary shares hereby appointed Mr./Mrs./Miss _____

who is also a member of the Company, as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf in the annual general meeting of the Company at 701-A, 7th Floor, City Towers, 6-K, Main Boulevard, Gulberg-II, Lahore on October 28, 2019 at 10:00 a.m or at any adjournment thereof.

As witness my/our hand this _____ day of 2019.

Signed by the said _____ in the presence of _____

Date _____ (Member's Signature)

Affix Rs. 5/- revenue stamp which must be canceled either by signature over it or by some other means

Place _____ (Witness Signature)

پراکسی فارم (مختار نامہ)

سیکرٹری

گریز لیزنگ لمیٹڈ

۷۰-اے، ساتویں منزل، سٹی ٹاورز،

مین بلیوارڈ، گلبرگ-۱۱، لاہور

میں / ہم _____

ساکن _____

بحیثیت رکن گریز لیزنگ لمیٹڈ اور حامل _____ عام حصص برطابق شیئر رجسٹر فوئیو نمبر _____

(بصورت سنٹرل ڈیپازٹری سسٹم اکاؤنٹ ہولڈر اکاؤنٹ نمبر _____ پارٹنیشن (شرکت) آئی ڈی نمبر _____)

بذریعہ ہذا

محترم / محترمہ _____ ساکن _____

جو کمپنی کا ممبر ہے برطابق شیئر رجسٹر فوئیو نمبر _____

(بصورت سنٹرل ڈیپازٹری سسٹم اکاؤنٹ ہولڈر اکاؤنٹ نمبر _____ پارٹنیشن (شرکت) آئی ڈی نمبر _____)

یا اسکی غیر موجودگی میں محترم / محترمہ _____ ساکن _____

جو کمپنی کا ممبر ہے برطابق شیئر رجسٹر فوئیو نمبر _____

(بصورت سنٹرل ڈیپازٹری سسٹم اکاؤنٹ ہولڈر اکاؤنٹ نمبر _____ پارٹنیشن (شرکت) آئی ڈی نمبر _____) کو

مورخہ 28 اکتوبر 2019ء کو منعقد ہونے والے کمپنی کے 24 ویں سالانہ اجلاس عام (۷۰-اے، ساتویں منزل، سٹی ٹاورز، مین بلیوارڈ، گلبرگ-۱۱، لاہور) میں حق رائے دہی استعمال کرنے، تقرر اور

شرکت کرنے یا کسی بھی التواء کی صورت میں اپنا / ہمارا بطور مختار (پراکسی) مقرر کرتا ہوں / کرتے ہیں۔

5 روپے کارسیدی ٹکٹ

چسپاں کریں

دستخط آج بروز تاریخ 2019ء

دستخط کمپنی کے ہاں رجسٹرڈ نمونہ دستخطوں کے

مطابق ہونے چاہئیں

ممبر کے دستخط

تاریخ

گواہ کے دستخط

جگہ



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