

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

---

**31 MARCH 2019  
(UN-AUDITED)**



**GRAYS LEASING LIMITED**

**COMPANY INFORMATION****BOARD OF DIRECTORS**

Mr. Khawar Anwar Khawaja  
 Mr. Muhammad Tahir Butt  
 Mr. Khurram Anwar Khawaja  
 Mr. Iftikhar Ahmad Butt  
 Mr. Omer Khawar Khawaja  
 Mr. Abdul Qayum Malik  
 Mr. Muhammad Khalid Butt

Chairman  
 Chief Executive

**AUDIT COMMITTEE**

Mr. Iftikhar Ahmad Butt  
 Mr. Khurram Anwar Khawaja  
 Mr. Omer Khawar Khawaja

**AUDITORS**

Riaz Ahmad & Company  
 Chartered Accountants  
 10-B Saint Mary Park  
 Main Boulevard, Gulberg III  
 Lahore.

**COMPANY SECRETARY**

Muhammad Adil Munir

**CHIEF FINANCIAL OFFICER**

M. Avais Ibrahim

**HEAD OF INTERNAL AUDIT**

Mr. Bilal Arsalan Mir

**HUMAN RESOURCE AND  
REMUNERATION COMMITTEE**

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

Chairman

**LEGAL ADVISOR**

Lexicon Law Firm

**REGISTERED AND HEAD OFFICE**

701-A, 7th Floor, City Towers  
 6-K, Main Boulevard, Gulberg - II, Lahore  
 Tel: (042) 35770381 - 2  
 Fax: (042) 35770389  
 E-mail: [info@graysleasing.com](mailto:info@graysleasing.com)  
 Website: [www.graysleasing.com](http://www.graysleasing.com)

**BANKERS**

**Meezan Bank Limited**  
 The Bank of Punjab  
 Askari Bank Limited  
 National Bank of Pakistan  
 Habib Bank Limited  
 State Bank of Pakistan  
 First Women Bank Limited  
 Bank Al-Habib Limited

**SHARE REGISTRAR**

CorpTec Associates (Pvt) Ltd.  
 503-E, Johar Town, Lahore.

**DIRECTORS' REPORT**

We are pleased to present the condensed interim financial information for the period ended 31 March 2019, together with report of the Board of Directors of the company.

During the period ended 31 March 2019, the company transacted business worth Rupees 74.09 million as compared to Rupees 24.826 million on 31 March 2018. During the period ended 31 March 2019, the company earned a profit before and after tax of Rupees 0.917 million and Rupees 0.506 million respectively as compared to loss before and loss after tax of Rupees 0.520 million and Rupees 0.710 million during the corresponding period of 2018. Net investment stands at Rupees 447.643 million as on 31 March 2019 as compared to Rupees 421.020 million as on June 30, 2018. During the period ended 31 March 2019, there is net reversal of Rupees 2.585 million against potential lease losses, resultantly the equity of the company comes to Rupees 69.869 million.

In our country there is a huge demand of financing in SME sector which are still undiscovered, but the leasing sector is unable to cater the needs of the potential customers due to non availability of the funds from commercial banks. However, the company has emphasized on the recoveries from the stuck up clients and the proceeds from stuck ups are directed to new leases.

JCR-VIS Credit Rating Company Limited (JCR-VIS) has reaffirmed the entity ratings of Grays Leasing Limited (GLL) at 'BB-/B' (Double B Minus/Single B). Outlook on the assigned rating is 'Stable'.

At the end, we would like to thank our clients who provided us the opportunity to serve them. We also extend lot of appreciation to the company employees at all levels for their efforts.

For and on behalf of the board



Muhammad Tahir Butt  
Chief Executive

Lahore: 23 April 2019

## ڈائریکٹرز رپورٹ

ہم کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے 31 مارچ 2019 کو اختتام پذیر ہونے والی عبوری مالی اسٹیٹمنٹ بمعہ ڈائریکٹرز رپورٹ مسرت سے پیش کرتے ہیں۔

### مرکزی کام اور مالی اعداد و شمار

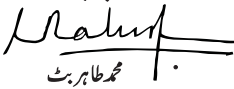
زیر جائزہ 31 مارچ 2019 کے دورانیے کے اختتام پر کمپنی نے 74.09 ملین روپے کا کاروبار کیا 31 مارچ 2018 کے 24.826 ملین روپے کے مقابل 31 مارچ 2019 کے دورانیے کے اختتام پر کمپنی نے ٹیکس سے قبل اور بعد میں منافع 0.917 ملین اور 0.506 ملین کمایا جبکہ 2018 کے دورانیے میں ٹیکس سے قبل اور بعد میں نقصان 0.520 ملین اور 07.10 ملین رہا۔ حتیٰ سرمایہ کاری 31 مارچ 2019 کو 447.643 ملین روپے کی 30 جون 2018 کے 421.020 ملین کے مقابل 31 مارچ 2019 کے دوران ممکنہ لیزز کے الٹ 2.585 ملین ہے، جس کے نتیجے میں کمپنی کی اکوٹی 69.869 ملین ہو گئی ہے۔

عزیز شئیر ہولڈرز ہمارے ملک میں ایس ایم ای شعبہ میں سرمایہ کاری کی بڑی مانگ ہے جو ابھی بھی ناقابل دریافت ہے۔ لیکن لیز بیگ شعبہ کمرشل بنکوں سے فنڈز کی عدم دستیابی کی وجہ سے ممکنہ گاہکوں کی ضروریات کو پورا کرنے کے قابل نہیں ہے۔ تاہم کمپنی نے پھنسے ہوئے گاہکوں سے وصولی پر زور دیا ہے، اور اس سلسلے میں قابل ذکر کامیابی حاصل کی ہے اور اس آمدنی سے نئی لیزز کی ہیں۔

### کریڈٹ کی درجہ بندی

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

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


بجانب بورڈ  
  
 محمد طاہر  
 چیف ایگزیکٹو

لاہور، 23 اپریل 2019

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

		UN-AUDITED 31 MARCH 2019	AUDITED 30 JUNE 2018
	NOTE	Rupees	Rupees
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances		1,963,313	4,294,769
Advances and prepayments		1,142,311	860,242
Sales tax recoverable		556,477	438,185
Other receivables		526,255	502,142
Current maturity of non-current assets		188,265,321	180,862,650
		192,453,677	186,957,988
<b>Non-current assets</b>			
Net investment in lease finance	4	105,439,827	83,634,630
Long term security deposits		12,500	62,500
Property, plant and equipment	5	1,257,367	1,431,221
		106,709,694	85,128,351
<b>TOTAL ASSETS</b>		299,163,371	272,086,339
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Loans from related parties	6	57,500,000	42,500,000
Accrued and other liabilities		3,597,894	3,202,567
Accrued mark-up		3,461,772	627,494
Current maturity of non-current liabilities		112,120,354	113,850,578
Unclaimed dividend		777,785	777,785
Provision for taxation		703,945	789,334
		178,161,750	161,747,758
<b>Non-current liabilities</b>			
Deposits on lease contracts		49,205,508	39,224,364
Employees' retirement benefit		1,927,300	1,751,300
		51,132,808	40,975,664
<b>TOTAL LIABILITIES</b>		229,294,558	202,723,422
<b>NET ASSETS</b>		69,868,813	69,362,917
<b>REPRESENTED BY:</b>			
<b>Authorized share capital</b>			
35,000,000 (30 June 2018: 35,000,000) ordinary shares of Rupees 10 each		350,000,000	350,000,000
<b>Issued, subscribed and paid-up share capital</b>			
21,500,000 (30 June 2018: 21,500,000) ordinary shares of Rupees 10 each		215,000,000	215,000,000
<b>Statutory reserve</b>		59,256,615	59,256,615
<b>Accumulated loss</b>		(204,387,802)	(204,893,698)
<b>Shareholders' equity</b>		69,868,813	69,362,917
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7	69,868,813	69,362,917

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

  
**MUHAMMAD TAHIR BUTT**  
 CHIEF EXECUTIVE

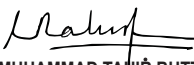
  
**IFTIKHAR AHMAD BUTT**  
 DIRECTOR

  
**MUHAMMAD AVASI IBRAHIM**  
 CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)  
FOR THE PERIOD ENDED 31 MARCH 2019**

	PERIOD ENDED		QUARTER ENDED	
	31 MARCH	31 MARCH	31 MARCH	31 MARCH
	2019	2018	2019	2018
NOTE	Rupees	Rupees	Rupees	Rupees
<b>REVENUE</b>				
Income from lease operations	9,807,350	7,186,259	3,315,024	2,311,832
Other income	728,658	373,029	284,522	176,753
	<u>10,536,008</u>	<u>7,559,288</u>	<u>3,599,546</u>	<u>2,488,585</u>
<b>EXPENDITURE</b>				
Administrative and other operating expenses	(8,540,102)	(7,858,854)	(2,659,574)	(2,372,730)
Financial and other charges	(3,663,376)	(1,964,270)	(1,459,614)	(548,885)
Reversal of potential lease losses	4.1 2,584,721	1,892,108	-	504,871
	<u>(9,618,757)</u>	<u>(7,931,016)</u>	<u>(4,119,188)</u>	<u>(2,416,744)</u>
PROFIT / (LOSS) BEFORE TAXATION	917,251	(371,728)	(519,642)	71,841
Taxation	(411,355)	(487,859)	(189,910)	(176,995)
PROFIT / (LOSS) AFTER TAXATION	<u>505,896</u>	<u>(859,587)</u>	<u>(709,552)</u>	<u>(105,154)</u>
Profit / (loss) per share - basic and diluted	<u>0.024</u>	<u>(0.040)</u>	<u>(0.033)</u>	<u>(0.005)</u>

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

  
**MUHAMMAD TAHIR BUTT**  
 CHIEF EXECUTIVE

  
**IFTIKHAR AHMAD BUTT**  
 DIRECTOR

  
**MUHAMMAD AVAIS IBRAHIM**  
 CHIEF FINANCIAL OFFICER

# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE PERIOD ENDED 31 MARCH 2019

	PERIOD ENDED		QUARTER ENDED	
	31 MARCH 2019	31 MARCH 2018	31 MARCH 2019	31 MARCH 2018
	Rupees	Rupees	Rupees	Rupees
PROFIT /(LOSS) AFTER TAXATION	505,896	(859,587)	(709,552)	(105,154)
OTHER COMPREHENSIVE INCOME :				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	<u>505,896</u>	<u>(859,587)</u>	<u>(709,552)</u>	<u>(105,154)</u>

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

  
**MUHAMMAD TAHIR BUTT**  
 CHIEF EXECUTIVE

  
**IFTIKHAR AHMAD BUTT**  
 DIRECTOR

  
**MUHAMMAD AVAIS IBRAHIM**  
 CHIEF FINANCIAL OFFICER

# CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE PERIOD ENDED 31 MARCH 2019

	PERIOD ENDED	
	31 MARCH 2019	31 MARCH 2018
	Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before taxation	917,251	(371,728)
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	196,681	240,307
Provision for gratuity	176,000	213,000
Financial charges	3,663,376	1,964,270
Reversal for potential lease losses	(2,584,721)	(1,892,108)
Profit on bank deposits	(124,520)	(31,562)
	1,326,816	493,907
<b>Operating profit / (loss) before working capital changes</b>	2,244,067	122,179
Increase in advances and prepayments	(282,069)	(327,392)
Increase in sales tax recoverable	(118,292)	(201,418)
(Increase) / decrease in accrued and other liabilities	395,327	(2,680,028)
Increase in other receivables	(24,113)	-
<b>Cash generated from / (used in) operations</b>	2,214,920	(3,086,659)
Financial charges paid	(829,098)	(2,006,727)
Income tax paid	(496,744)	(964,060)
<b>Net cash generated from / (used in) operating activities</b>	889,078	(6,057,446)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net Investment in lease finance	(26,623,147)	17,238,790
Property, plant and equipment - acquired	(22,827)	(18,500)
Security deposits and prepayment	50,000	(182,191)
Profit on bank deposits	124,520	31,562
<b>Net cash from / (used in) investing activities</b>	(26,471,454)	17,069,661
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Deposits on lease contracts - net	8,250,920	(3,564,760)
Loans obtained from related party	15,000,000	-
Loan repaid to related party	-	(2,500,000)
<b>Net cash from / (used in) financing activities</b>	23,250,920	(6,064,760)
<b>Net increase / (decrease) in cash and cash equivalents</b>	(2,331,456)	4,947,455
<b>Cash and cash equivalents at the beginning of the period</b>	4,294,769	3,028,927
<b>Cash and cash equivalents at the end of the period</b>	1,963,313	7,976,382

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

  
**MUHAMMAD TAHIR BUTT**  
 CHIEF EXECUTIVE

  
**IFTIKHAR AHMAD BUTT**  
 DIRECTOR

  
**MUHAMMAD AVAIS IBRAHIM**  
 CHIEF FINANCIAL OFFICER



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE PERIOD ENDED 31 MARCH 2019

	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	CAPITAL RESERVE		ACCUMULATED LOSS	SHAREHOLDERS' EQUITY
		STATUTORY RESERVE			
	Rupees	Rupees	Rupees	Rupees	Rupees
<b>Balance as at 30 June 2017 (Audited)</b>	215,000,000	59,256,615	(200,488,608)	73,768,007	
Loss for the period ended 31 March 2018	-	-	(859,587)	(859,587)	
Other comprehensive income for the period ended 31 March 2018	-	-	-	-	
Total comprehensive loss for the period ended 31 March 2018	-	-	(859,587)	(859,587)	
<b>Balance as at 31 March 2018 (Un-Audited)</b>	215,000,000	59,256,615	(201,348,195)	72,908,420	
Loss for the period ended 30 June 2018	-	-	(3,518,661)	(3,518,661)	
Other comprehensive loss for the period ended 30 June 2018	-	-	(26,842)	(26,842)	
Total comprehensive loss for the period ended 30 June 2018	-	-	(3,545,503)	(3,545,503)	
<b>Balance as at 30 June 2018 (Audited)</b>	215,000,000	59,256,615	(204,893,698)	69,362,917	
Profit for the period ended 31 March 2019	-	-	505,896	505,896	
Other comprehensive income for the period ended 31 March 2019	-	-	-	-	
Total comprehensive income for the period ended 31 March 2019	-	-	505,896	505,896	
<b>Balance as at 31 March 2019 (Un-Audited)</b>	215,000,000	59,256,615	(204,387,802)	69,868,813	

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

  
MUHAMMAD TAHIR BUTT  
CHIEF EXECUTIVE

  
IFKHAR AHMAD BUTT  
DIRECTOR

  
MUHAMMAD AVAIS IBRAHIM  
CHIEF FINANCIAL OFFICER

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE PERIOD ENDED 31 MARCH 2019

### 1 LEGAL STATUS AND NATURE OF BUSINESS

Grays Leasing Limited ("the Company") is a public limited Company incorporated in Pakistan under the Companies Ordinance, 1984 (Now Companies, 2017). The Company's shares are listed on Pakistan Stock Exchange Limited. The Company is engaged in leasing business. It has been classified as a Non-Banking Finance Company (NBFC). Its registered office is situated at 701-A, 7th Floor, City Towers, 6-K, Main Boulevard, Gulberg-II, Lahore.

### 2 BASIS OF PREPARATION

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, and the NBFC Regulations differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, and the NBFC Regulations have been followed.

2.2 These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2018. These condensed interim financial statements are un-audited.

### 3 ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of these condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2018, except for the change as explained in note 3.3 to these condensed interim financial statements which has no financial impact.

#### 3.1 ACCOUNTING CONVENTION

These condensed interim 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.

#### 3.2 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2018.

#### 3.3 ADOPTION OF IFRS 15 "REVENUE FROM CONTRACTS WITH CUSTOMERS" AND ITS IMPACT THERE OFF

The Company has adopted IFRS 15 by applying the modified retrospective approach according to which the Company is not required to restate comparative prior years periods. The application of IFRS 15 does not have any impact on the revenue recognition policy of the Company and therefore, the cumulative effect of initially applying this standard as an adjustment to the opening equity of the Company in the period of initial application is nil.

#### 3.4 DEFERMENT OF IFRS 9 "FINANCIAL INSTRUMENTS"

The Securities and Exchange Commission of Pakistan ("SECP") through SRO 1007 (I) / 2017 dated 04 October 2017 had notified that IFRS 9, 'Financial Instruments' would be applicable for annual periods beginning on or after 01 July 2018, however, subsequently SECP through SRO 229 (I) / 2019 dated 14 February 2019 has notified the deferment of this standard to reporting period / year ending on or after 30 June 2019 (earlier application is permitted). Consequently, the Company has not adopted this standard in the preparation of these condensed interim financial statements for the half year ended 31 December 2018.

This standard replaces the guidance in IAS 39, 'Financial Instruments: Recognition and measurement'. It includes requirements on the classification and measurement of financial assets and liabilities. As allowed above, the Company will apply this standard in the preparation of its financial statements for the year ending on 30 June 2019 and it is yet to assess the full impact of this standard.

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE PERIOD ENDED 31 MARCH 2019**

	Un-Audited 31 March 2019 Rupees	Audited 30 June 2018 Rupees
<b>4 NET INVESTMENT IN LEASE FINANCE</b>		
Lease rentals receivable	357,076,900	331,321,445
Add: Guaranteed residual value of leased assets	161,325,862	153,074,942
Gross investment in lease finance	518,402,762	484,396,387
Less: Unearned finance income	(70,759,371)	(63,376,143)
	447,643,391	421,020,244
Less: Allowance for potential lease losses (Note 4.1)	(153,938,243)	(156,522,964)
Net investment in lease finance - net off provision	293,705,148	264,497,280
Less: Current maturity shown under current assets	(188,265,321)	(180,862,650)
	105,439,827	83,634,630
<b>4.1 Allowance for potential lease losses</b>		
Balance as at 01 July 2018	156,522,964	158,742,756
Reversal of provision for potential lease losses during the period / year	(2,584,721)	(2,219,792)
Balance as at 31 March 2019	153,938,243	156,522,964
<b>5 PROPERTY, PLANT AND EQUIPMENT</b>		
Owned Assets (Note 5.1)	1,257,367	1,431,221
<b>5.1 Owned Assets</b>		
Opening book value	1,431,221	1,731,915
Add: Cost of additions during the period / year (Note 5.1.1)	22,827	18,500
	1,454,048	1,750,415
Less: Depreciation charged during the period / year	(196,681)	(319,194)
Closing book value	1,257,367	1,431,221
<b>5.1.1 Cost of additions</b>		
Computer equipment	22,827	18,500

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED 31 MARCH 2019**

	Un-Audited 31 March 2019 Rupees	Audited 30 June 2018 Rupees
<b>6 LOANS FROM RELATED PARTIES</b>		
Chief Executive Officer (Note 6.1)	5,000,000	5,000,000
Anwar Khawaja Industries (Private) Limited - holding company (Note 6.2)	52,500,000	37,500,000
	<u>57,500,000</u>	<u>42,500,000</u>

**6.1** 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 (30 June 2018 : Rupees 10 million). This loan carries mark-up at the rate of 6 months KIBOR (30 June 2018: 3 months KIBOR) and is repayable on demand.

**6.2** 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 (30 June 2018 : Rupees 65 million). This loan carries mark-up at the rate of 3 months KIBOR (30 June 2018: 3 months KIBOR) and is repayable till 04 November 2019.

**6.3** Effective rate of mark-up charged on these loans during the period / year ranged from 6.41% to 11.10% (30 June 2018: 6.14% to 6.43% ) per annum.

**6.4** As on the reporting date, un-utilized credit facilities from related parties comprise of Rupees 17.500 million (30 June 2018: Rupees 32.50 million).

**7 CONTINGENCIES AND COMMITMENTS**

There are no reportable contingencies and commitments as at 31 March 2019 (30 June 2018: NIL).

**8 TRANSACTIONS WITH RELATED PARTIES**

The related parties comprise of holding company, associated undertakings, other related group companies, directors of the Company, Chief Executive Officer of the Company and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties is as follows:

	Un-Audited			
	PERIOD ENDED		QUARTER ENDED	
	31 March 2019 Rupees	31 March 2018 Rupees	31 March 2019 Rupees	31 March 2018 Rupees
<b>i) Transactions</b>				
<b>Holding company</b>				
Mark-up paid	627,494	1,387,348	78,536	465,222
Mark-up charged	3,151,175	1,390,684	1,322,956	482,568
Loan obtained	15,000,000	5,942,730	15,000,000	2,500,000
Loan repaid	-	9,475,730	-	-
Rent of office building	225,000	225,000	75,000	75,000
<b>Other Related Parties</b>				
<b>Chief Executive Officer</b>				
Mark-up charged	332,399	394,090	154,952	166,155
Mark-up paid	78,536	424,272	-	155,013
<b>Chief Financial Officer</b>				
Advance against salary given	-	200,000	-	200,000
Deductions of advance against salary	45,000	15,000	15,000	15,000
Lease rentals received	526,535	530,195	150,000	200,000
Deposit against lease contract received	-	3,168,000	-	3,168,000
Lease disbursed	-	6,600,000	-	6,600,000
Remuneration of chief financial officer	658,100	598,950	225,000	199,650
<b>Head of Internal Audit</b>				
Deductions of advance against salary	25,000	-	-	-
Remuneration of head of internal audit	260,512	227,304	90,000	75,768

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED 31 MARCH 2019**

	Un-Audited 31 March 2019 Rupees	Audited 30 June 2018 Rupees
<b>ii) Period end balances</b>		
<b>Holding company</b>		
Loan	52,500,000	37,500,000
Accrued mark-up	3,151,175	548,958
<b>Chief Executive Officer</b>		
Loan	5,000,000	50,000,000
Accrued mark-up	310,597	78,536
<b>Chief Financial Officer</b>		
Advance against salary receivable	125,000	155,000
Net investment in lease finance	5,045,820	5,484,204
Deposit against lease contract	3,168,000	3,168,000
<b>Head of Internal Audit</b>		
Advance against salary receivable	-	25,000

**9 FINANCIAL RISK MANAGEMENT**

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2018.

**10 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 recognised and measured at fair value in these condensed interim financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company classify its financial instruments into the following three levels. However, as at the reporting date, the Company has no such type of financial instruments which are required to be grouped into these levels. These levels are explained as under:

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

**11 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on 23 April, 2019.

**12 CORRESPONDING FIGURES**

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the condensed interim statement of financial position and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of comprehensive income and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been rearranged or reclassified wherever necessary for the purpose of comparison. However, no significant rearrangements or reclassifications have been made.

**13 GENERAL**

Figures have been rounded off to nearest of Rupee.

  
**MUHAMMAD TAHIR BUTT**  
CHIEF EXECUTIVE

  
**IFTIKHAR AHMAD BUTT**  
DIRECTOR

  
**MUHAMMAD AVAIS IBRAHIM**  
CHIEF FINANCIAL OFFICER

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