

2016

Annual
Report



GRAYS LEASING LIMITED

Annual Report 2016

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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. Munib Tahir Butt

Chairman
Chief Executive

(Subject to approval for SECP)

AUDIT COMMITTEE

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

AUDITORS

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

COMPANY SECRETARY

Muhammad Adil Munir

CHIEF FINANCIAL OFFICER

M. Avais Ibrahim

HEAD OF INTERNAL AUDIT

Mr. Bilal Arsalan Mir

HUMAN RESOURCE AND REMUNERATION COMMITTEE

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

Chairman

LEGAL ADVISOR

Lexicon Law Firm

REGISTERED AND HEAD OFFICE

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

BANKERS

Standard Chartered Bank (Pakistan) Limited
The Bank of Punjab
Askari Bank Limited
National Bank of Pakistan
Habib Bank Limited
State Bank of Pakistan
First Women Bank Limited
Bank Al-Habib Limited

SHARE REGISTRAR

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

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 21TH ANNUAL GENERAL MEETING

Notice is hereby given that the 21th Annual General Meeting of the Company will be held on October 26, 2016 at 03:00 pm 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 20th Annual General Meeting held on October 26, 2015.
- 2 To receive, consider and adopt the audited financial statements of the company for the year ended June 30, 2016 together with the Directors' and Auditors' reports thereon.
- 3 To appoint auditors for the year 2016-2017 and to fix their remuneration. The present auditors Messrs Riaz Ahmed & Company, Chartered Accountants, retire. The audit committee and Board of Directors have recommended Messrs Riaz Ahmed & Company, Chartered Accountants for the year ending 30th June, 2017.
- 4 To transact any other business with the permission of the chair.

BY ORDER OF THE BOARD



Muhammad Adil Munir
(COMPANY SECRETARY)

Lahore: October 04, 2016

NOTES:

1. The Share Transfer Books of the Company will remain closed from October 20, 2016 to October 26, 2016 (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 19, 2016 will be considered in time for determination of entitlement of shareholders to attend and vote at the meeting.
2. 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.
3. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarially 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.
4. Members, who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan

A. For Attending the Meeting

- a. In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his identity by showing his original NIC or original Passport at the time of attending the Meeting.
- b. In case of corporate entity, the Boards' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

B. For Appointing Proxies

- a. In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirements.
- b. Two persons whose names, addresses and NIC numbers shall be mentioned on the form shall witness the proxy form.
- c. Attested copies of NIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- d. The proxy shall produce his original NIC or original passport at the time of the Meeting.
- e. In case of corporate entity, the Boards' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

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DIRECTORS' REPORT

On behalf of the Board of Directors, I am pleased to present the 21st Annual Report together with the audited financial statements for the year ended June 30, 2016.

OPERATING RESULTS

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

	Rupees
Total revenue	10,222,046
Total expenses	<u>(10,046,491)</u>
Profit before tax	175,555
Provision for taxation	
Current	
For the year	(478,989)
Prior year	(451,786)
Deferred	
For the year	<u>41,211</u>
	<u>(889,564)</u>
Loss after tax	<u>(714,009)</u>
Loss per share	(0.033)

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 72.407. million (2015: 45.436 million). Gross investment in finance leases as at 30 June 2016 stands at Rupees 461.147 million against Rupees 444.761 million on June 30, 2015, while the net investment stands at Rupees 400.993 million on 30 June 2016 against Rupees 384.207 million of the last year. The gross revenue from operations was Rupees 10.222 million against Rupees 10.986 million in 2015. The profit before and loss after tax for the current year is Rupees 0.176 million and Rupees 0.714 million as compared to loss before and profit after tax of preceding year which was Rupees 1.705 million and Rupees 0.102 million respectively. Shareholders equity of the company is at Rupees 74.626 million.

Previously, the Company was not in compliance with the minimum equity requirement to carry on leasing business. License of the Company was expired and financial statements were not prepared on going concern basis. During the year, the Securities and Exchange Commission of Pakistan (SECP) has made certain amendments in Non-Banking Finance Companies and Notified Entities Regulations, 2008. Now, in accordance with the Schedule I to the aforesaid regulations, the Company as a non-deposit taking non-banking finance company carrying out leasing business meets the minimum equity requirement of Rupees 50 million. The license of the Company to carry out leasing business has been renewed till 15 May 2019. The sponsors of the Company are committed to support the Company, financially and operationally. Therefore, financial statements of the Company have been prepared on going concern basis and do not include any adjustments that may be necessary if the Company is unable to continue as going concern.

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 associated undertaking Anwar Khawaja Industries Private Limited 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.

Despite efforts of the management the revival of NBFC sector is largely dependent upon its access to funds for fresh disbursements for which the sector requires support from the Regulators and related Government Authorities.

DIVIDEND

Dear shareholders, you know, the company has been declaring cash dividends since start of operations. However this year the company could not generate profits. Due to this reasons we could not declare dividend this year.

CODE OF CORPORATE GOVERNANCE

A statement of compliance with the best practices of Code of Corporate Governance is annexed.

CORPORATE AND FINANCIAL FRAMEWORK

In compliance of the Code of Corporate Governance, we give below statements on Corporate and Financial Reporting framework:

- The financial statements, prepared by the management of the company, present its state of affairs fairly, the result of its operations, cash flow and changes in equity.
- Proper book of accounts 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.
- International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the company's ability to continue as going concern.
- A director has completed Director Training Program by the Institute of Chartered Accountant of Pakistan.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

PATTERN OF SHAREHOLDING

A statement showing pattern of shareholding in the company as on 30 June 2016 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 Messrs Riaz Ahmad & Company, Chartered Accountants, have retired and being eligible, offer themselves for reappointment.

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BOARD OF DIRECTORS

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. Munib Tahir Butt (Subject to approval from SECP)	-	-
Mr. Abdul Qayum Malik	1	-
Mr. Neil Douglas James Gray	-	2
Mr. Khawaja Zaka-u-Din	-	2

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	-

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

Sialkot: 27th September 2016

ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے میں 30 جون 2016 کو اختتام پذیر ہونے والے سال کے لیے 21 ویں ڈائریکٹرز رپورٹ بمعہ آڈٹ شدہ مالی اسٹیٹمنٹس مسرت سے پیش کر رہا ہوں۔
عمل کاری کے نتائج:

کمپنی کے عمل کاری کے نتائج درج ذیل ہیں:

10,222,046	کل آمدن
(10,046,491)	کل اخراجات
175,555	منافع قبل از ٹیکس
	قواعد برائے ٹیکس
	موجودہ
478,989	برائے سال
451,786	گزشتہ سال
	تاخیر
41,211	برائے سال
889,564	
714,009	نقصان بعد از ٹیکس
(0.033)	نقصان فی شیئر
	مرکزی کام اور مالی اعداد و شمار

زیر جائزہ سال کے دوران، کمپنی نے 72.407 ملین روپے کا کاروبار کیا (ملین 45.436:2015)

30 جون 2016 تک مالی لیز میں کل سرمایہ کاری 30 جون 2015 کے 461.147 ملین تھی، جبکہ 30 جون 2016 تک کی حتمی سرمایہ کاری گزشتہ سال کے 384.207 ملین روپے کی جگہ 400.993 ملین تھی۔ عوامل سے کل آمدن 2015 کے 10.986 ملین کی جگہ 10.222 ملین ہوئی۔ ٹیکس سے قبل منافع اور بعد میں نقصان 0.176 ملین اور 0.714 ملین روپے ہے جبکہ گزشتہ سال ٹیکس سے قبل نقصان اور بعد میں منافع کے موازنہ میں بالترتیب 1.705 ملین روپے اور 0.102 ملین روپے تھا۔ کمپنی کی Shareholders Equity مبلغ 74.626 ملین روپے پر ہے۔

گزشتہ طور پر، کمپنی کے لیے لیزنگ کا کاروبار جاری رکھنے کے لیے کم از کم ایکویٹی کی شرط کی پابندی کرنا لازم نہ تھا۔ کمپنی کا لائسنس ایکسپائر ہوا اور مالی اسٹیٹمنٹس جاری بنیادوں پر تیار نہ کی گئیں۔ دوران سال، بیکپورٹیز اینڈ ایجنسی کمیشن آف پاکستان (SECP) نے Non Banking Finance Companies and Notified Entities Regulations 2008 میں ترامیم کی ہیں۔ اب مندرجہ بالا قوانین کے شیڈول کے مطابق، کمپنی بطور ڈیپازٹ وصول نہ کرنے والے، بٹکنگ نہ کرنے والے مالی ادارے کے طور پر لیزنگ کا کاروبار جاری رکھنے کے لیے 50 ملین کی کم از کم ایکویٹی کی شرط پوری کرتی ہے۔ کمپنی کا لیزنگ کاروبار جاری رکھنے کا لائسنس 15 مئی 2019 تک تجدید کر دیا گیا ہے۔ کمپنی کے سپانسرز مالی اور عملی طور پر کمپنی کو سپانسر کرنے کے لیے پرعزم ہیں۔ لہذا کمپنی کی مالی اسٹیٹمنٹس جاری بنیادوں پر تیار کی گئی ہیں اور ان میں کوئی ایسی ایڈجسٹمنٹ شامل نہ ہے جو اس صورت میں ضروری ہو اگر کمپنی جاری رہنے کے قابل نہ رہے۔

کرڈٹ کی درجہ بندی

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

مستقبل کا جائزہ

کمرشل بنکس کی جانب سے کسی بھی فنڈنگ کی غیر موجودگی کی صورت میں کمپنی ملحقہ ادارے اور خواجہ انڈسٹریز پرائیویٹ لمیٹڈ کی جانب سے دستیاب فنڈز اور وصولی تدارک کے ذریعے اندرونی کیش استعمال کر رہی ہے۔ ان فراہمیوں کا اثر موجودہ سال کی مالی صورتحال پر خاطر خواہ اہم نہیں ہے، بہر حال یہ حیات نو کی جانب ایک قدم ہے اور انتظامیہ اگلے سال کے نتائج میں بہتری لانے کے لیے پرامید ہے۔

انتظامیہ کی کاوشوں کے باوجود NBFC کی حیات نو بنی فراہمیوں کے لیے فنڈنگ کی رسائی پر منحصر ہے جس کے لیے اس شعبے کو ریگولیشنز اور متعلقہ حکومتی اداروں کی جانب سے حمایت درکار ہے۔

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مقوم

عزیز شیئر ہولڈرز، آپ جانتے ہیں کہ کمپنی اپنے عمل کے آغاز سے ہر سال نقد مقبول کا اعلان کرتی آرہی ہے۔ تاہم اس سال کمپنی کوئی منافع حاصل نہ کر سکی۔ اس وجہ سے ہم اس سال مقبول کا اعلان نہیں کر سکے۔

ضابطہ کاروبار باری نگرانی

ضابطہ کاروبار باری نگرانی کے بہترین عمل کی پاسداری کا بیان لف ہذا ہے۔

کاروبار باری و مالی ڈھانچہ

ضابطہ کاروبار باری نگرانی کے تحت، ہم کاروبار باری و مالی ڈھانچے پر درج ذیل بیان دیتے ہیں:

کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالی اسٹیٹمنٹس کمپنی کے معاملات، اس کے عوامل، کیش فلوا اور ایکویٹی میں تبدیلی جائز 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۔

مالی اسٹیٹمنٹس کی تیاری میں پاکستان میں لاگو بین الاقوامی اکاؤنٹنگ کے معیاروں کی پیروی کی گئی ہے اور کسی بھی انحراف کا انکشاف کیا گیا ہے۔

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 ہونے کی قابلیت پر کوئی خاطر خواہ شبہات نہ ہیں۔

ایک ڈائریکٹرز نے اسٹیٹس آف چارٹرڈ اکاؤنٹنٹ آف پاکستان سے ڈائریکٹرز ٹریننگ پروگرام مکمل کیا ہے۔

لسٹنگ کے قواعد میں درج کاروبار باری نگرانی کے بہترین آداب سے کوئی مادی انحراف نہیں ہوا۔

شیئر ہولڈنگ کی ترتیب:

30 جون 2016 کو کمپنی میں شیئر 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 شیئر کے کاروبار میں کوئی حصہ نہیں رکھا۔

آڈیٹرز

موجودہ آڈیٹرز میسرز ریاض اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس ریٹائر ہوئے اور اہل ہوتے ہوئے انھوں نے خود کو دوبارہ تقرری کے لیے پیش کیا۔

بورڈ آف ڈائریکٹرز

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

نام ڈائریکٹر	حاضر میٹنگز	جاری کردہ 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 نیت طاہر بٹ (SECP کی منظوری سے مشروط)	-	-
جناب عبدالقیوم ملک	1	-
جناب نیل ڈگلیس جیمز گرے	-	2
جناب خواجہ زکا الدین	-	2

Grays Leasing Limited

آڈٹ کمیٹی کی میٹنگز

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

نام ڈائریکٹر	حاضر میٹنگز	جاری کردہ رخصت
جناب خرم انور خواجہ	4	-
جناب عمر خاور خواجہ	4	-
جناب افتخار احمد بٹ	4	-

انسانی وسائل و معاوضہ کمیٹی

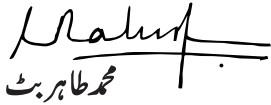
دوران سال انسانی وسائل و معاوضہ کمیٹی کی دو میٹنگز ہوئیں۔ ہر ڈائریکٹر کی حاضری درج ذیل ہے:

نام ڈائریکٹر	حاضر میٹنگز	جاری کردہ رخصت
جناب عمر خاور خواجہ	2	-
جناب محمد طاہر بٹ	2	-
جناب خرم انور خواجہ	2	-

اعتراف

میں بنکوں اور مالی اداروں کا ان کی حمایت کے لیے شکریہ ادا کرنا چاہتا ہوں، ان کے کلائنٹس کا جنھوں نے ہمیں اپنی خدمت کا موقع دیا اور تمام درجے کے کمپنی ملازمین کا، ان کی مخلص کوششوں کے لیے۔

بجانب بورڈ



محمد طاہر بٹ

چیف ایگزیکٹو

سیالکوٹ، 27 ستمبر 2016

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KEY OPERATING AND FINANCIAL DATA FOR SIX YEARS

30-06-2011	30-06-2012	30-06-13	30-06-14	30-06-15	30-06-16
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PROFIT AND LOSS

(Rupees in Thousand)

Revenue	30,610	25,930	9,206	10,246	10,667	10,222
Financial charges	28,125	8,631	1,426	1,105	2,127	2,022
Provision / (Reversal)for doubtful receivables	15,493	2,897	10,595	(6,650)	(1,474)	(3,407)
Profit / (Loss) before tax	(42,506)	(1,784)	3,686	(677)	(1,705)	176
Profit / (Loss) after tax	(44,170)	(3,523)	3,439	(1,075)	102	(714)
Dividend	-	-	-	-	-	-
Bonus shares	-	-	-	-	-	-

BALANCE SHEET

Paid up share capital	215,000	215,000	215,000	215,000	215,000	215,000
Shareholders' equity	75,433	71,910	75,349	75,140	75,248	74,626
Borrowings	74,550	12,383	4,000	15,000	25,000	25,000
Net investment in finance lease	547,058	424,714	373,463	383,630	384,207	400,993
Total assets	388,087	243,381	214,753	223,832	234,461	248,032

PERFORMANCE INDICATORS

Profit / (Loss) before tax/Gross revenue	-139%	-7%	40%	-7%	-16%	2%
Profit / (Loss) after tax/Gross revenue	-144%	-14%	37%	-10%	1%	-7%
Pre tax return on shareholders' equity	-56%	-2%	5%	-1%	-2%	0.2%
After tax return on shareholders' equity	-59%	-5%	5%	-1%	0%	-1%
Income / expense ratio	0.42	0.93	0.76	0.83	0.75	0.76
Interest coverage ratio	(2.71)	(1.23)	2.11	(1.61)	(1.80)	(0.91)
Earning / (Loss) per share	(2.05)	(0.16)	0.16	(0.05)	0.005	-0.033
Break up value per share	3.51	3.34	3.50	3.49	3.50	3.47
Lease disbursements	-	2,680	29,232	40,880	45,436	72,407
Number of contracts	-	2	20	31	19	29

Grays Leasing Limited

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE YEAR ENDED 30 JUNE 2015

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No. 5.19 of listing regulations of Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

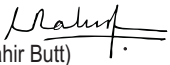
The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes:

Category	Names
Independent Directors	Mr. Abdul Qayum Malik Mr. Iftikhar Ahmed Butt
Executive Director	Mr. Muhammad Tahir Butt
Non-Executive Directors	Mr. Khawar Anwar Khawaja Mr. Khurram Anwar Khawaja Mr. Munib Tahir Butt (Subject to approval from SECP) Mr. Omer Khawar Khawaja

The above named independent directors meet the criteria of independence under clause 5.19.1 (b) of the CCG.

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
- All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBF or, being a broker of a stock exchange, has been declared as a defaulter by that stock exchange.
- Two casual vacancies were occurred on the Board, out of which one casual vacancy was filled up by the directors.
- 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 material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board. No remuneration is paid to CEO and directors of the company.
- 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 and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
- All the directors on the Board are fully conversant with their duties and responsibilities as directors of corporate bodies. Three Directors of the company are exempt from orientation course due to 14 years of education and 15 years of experience on the board of a listed company. One director has completed the directors' training program during the year.
- No new appointment of CFO, Company Secretary and Head of Internal Audit has been approved by the Board. However, remuneration of the aforesaid officers was ratified as per company policy approved by the Board.
- The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
- The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.
- The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
- The company has complied with all the corporate and financial reporting requirements of the CCG.
- The board has formed an Audit Committee. It comprises 3 members, of whom two are non-executive directors and the chairman of the committee is an independent director.
- The Board has formed a Human Resource and Remuneration Committee. It comprises of 3 members, 2 of them are Non-Executive Directors and the Chairman of the Committee is a Non Executive Director.
- The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
- The Board has set-up effective internal audit function by appointing a full-time Head of Internal Audit. The day to day operations of this function are being performed and supervised by the Head of Internal Audit, who is experienced for the purpose and 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, 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 listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange.
- Material/price sensitive information has been disseminated among all market participants at once through stock exchange.
- The company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
- We confirm that all other material principles of the CCG 2012 have been complied with.


(Tahir Butt)
Chief Executive
NIC Number: 34603-2201819-5

**REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH
BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE**

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors ("the Board") of GRAYS LEASING LIMITED ("the Company") for the year ended 30 June 2016, to comply with the Code contained in Regulations of Pakistan Stock Exchange Limited, where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 Code.

As a part of our audit of 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 Code requires 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 distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

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

- (i) During the year, two causal vacancies occurred on the Board of Directors of the Company. One causal vacancy was filled up after 90 days of its occurrence while the other causal vacancy has not so far been filled up till the date of issuance of this report.
- (ii) Chief Financial Officer of the Company does not meet the qualification criteria given in clause 5.19.9(a) of the Code.
- (iii) Head of internal audit of the Company does not meet the qualification criteria given in clause 5.19.9(b) of the Code.

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 best practices contained in the Code as applicable to the Company for the year ended 30 June 2016.



RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Mubashar Mehmood

Date: **27 SEP 2016**

LAHORE

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Main Boulevard, Gulberg-III
Lahore 54660, Pakistan
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racolhr@racopk.com
www.racopk.com

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **GRAYS LEASING LIMITED** as at 30 June 2016 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the change as stated in note 2.1 (b) to the financial statements with which we concur;
 - ii) the expenditure incurred during the year was for the purpose of the company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, 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 2016 and of the loss, its comprehensive loss, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).


RIAZ AHMAD & COMPANY
 Chartered Accountants

Name of engagement partner:
Mubashar Mehmood

Date: 27 SEP 2016

LAHORE

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 Main Boulevard, Gulberg-III
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BALANCE SHEET AS AT 30 JUNE 2016

	Note	2016 Rupees	2015 Rupees
ASSETS			
Current assets			
Cash and bank balances	3	4,244,979	11,466,600
Advances and prepayments	4	322,673	706,256
Sales tax recoverable		114,981	-
Other receivables	5	469,360	383,519
Current maturity of non-current assets	6	185,904,619	176,174,054
		191,056,612	188,730,429
Non-current assets			
Net investment in lease finance	7	54,319,704	43,912,503
Long term security deposits and prepayment	8	530,308	62,500
Deferred income tax	9	-	-
Property, plant and equipment	10	2,125,562	1,755,965
		56,975,574	45,730,968
TOTAL ASSETS		248,032,186	234,461,397
LIABILITIES			
Current liabilities			
Loan from associated undertaking	11	25,000,000	25,000,000
Accrued and other liabilities	12	7,417,858	2,151,814
Accrued mark-up	13	392,723	307,717
Current maturity of non-current liabilities	14	111,754,205	107,375,912
Provision for taxation		588,550	517,324
		145,153,336	135,352,767
Non-current liabilities			
Deposit on lease contracts	15	26,882,615	22,667,055
Employees' retirement benefit	16	1,370,063	1,193,123
		28,252,678	23,860,178
TOTAL LIABILITIES		173,406,014	159,212,945
NET ASSETS		74,626,172	75,248,452
REPRESENTED BY:			
Authorized share capital			
35,000,000 (2015: 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 (2015: 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		(199,630,443)	(199,008,163)
Shareholders' equity		74,626,172	75,248,452
Contingencies and commitments	19		
		74,626,172	75,248,452

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


MUHAMMAD TAHIR BUTT
 CHIEF EXECUTIVE


KHAWAR ANWAR KHAWAJA
 DIRECTOR

Grays Leasing Limited

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 Rupees	2015 Rupees
REVENUE			
Income from lease operations	20	9,711,670	10,667,470
Other income	21	510,376	318,703
		<u>10,222,046</u>	<u>10,986,173</u>
EXPENDITURE			
Administrative and other expenses	22	(11,431,372)	(12,038,210)
Financial and other charges	23	(2,022,731)	(2,127,088)
Reversal for potential lease losses	7.2	3,407,612	1,474,019
		<u>(10,046,491)</u>	<u>(12,691,279)</u>
PROFIT / (LOSS) BEFORE TAXATION		175,555	(1,705,106)
Taxation	24	(889,564)	1,806,877
PROFIT / (LOSS) AFTER TAXATION		<u>(714,009)</u>	<u>101,771</u>
Earnings / (loss) per share - basic and diluted	25	<u>(0.033)</u>	<u>0.005</u>

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


MUHAMMAD TAHIR BUTT
 CHIEF EXECUTIVE



KHAWAR ANWAR KHAWAJA
 DIRECTOR

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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	2016 Rupees	2015 Rupees
Profit / (loss) after taxation	(714,009)	101,771
Other comprehensive income :		
Item that will not be reclassified to profit or loss		
Gain on remeasurement of defined benefit obligation	132,940	9,843
Deferred tax on remeasurement of defined benefit obligation	(41,211)	(3,150)
	91,729	6,693
Items that may be reclassified subsequently to profit or loss	-	-
Total comprehensive income / (loss) for the year	<u>(622,280)</u>	<u>108,464</u>

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


MUHAMMAD TAHIR BUTT
CHIEF EXECUTIVE



KHAWAR ANWAR KHAWAJA
DIRECTOR

Grays Leasing Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2016

	2016 Rupees	2015 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	175,555	(1,705,106)
Adjustments for non-cash charges and other items:		
Depreciation	351,703	400,345
Provision for gratuity	309,880	316,199
Financial charges	2,022,731	2,127,088
Reversal for potential lease losses	(3,407,612)	(1,474,019)
Profit on bank deposits	(218,255)	(152,424)
	(941,553)	1,217,189
Loss before working capital changes	(765,998)	(487,917)
Decrease in advances and prepayments	383,583	70,691
Increase in sales tax recoverable	(114,981)	-
Increase in other receivable	(31,175)	(3,970)
Increase / (decrease) in accrued and other liabilities	5,266,044	(29,290)
Cash generated from / (used in) operations	4,737,473	(450,486)
Financial charges paid	(1,919,532)	(2,401,549)
Income tax paid	(914,215)	(379,550)
Gratuity paid	-	(76,230)
Net increase in long term prepayment	(500,000)	-
Net cash generated from / (used in) operating activities	1,403,726	(3,307,815)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investment in lease finance - net	(16,899,962)	(576,124)
Property, plant and equipment acquired	(721,300)	(45,499)
Profit on bank deposits	218,255	152,424
Net cash used in investing activities	(17,403,007)	(469,199)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan from associated undertaking	-	10,000,000
Deposits on lease contracts - net	9,054,590	3,655,055
Lease rentals paid	(276,930)	(270,665)
Net cash from financing activities	8,777,660	13,384,390
Net increase / (decrease) in cash and cash equivalents	(7,221,621)	9,607,376
Cash and cash equivalents at the beginning of the year (Note 26)	11,466,600	1,859,224
Cash and cash equivalents at the end of the year (Note 26)	4,244,979	11,466,600

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


MUHAMMAD TAHIR BUTT
 CHIEF EXECUTIVE


KHAWAR ANWAR KHAWAJA
 DIRECTOR

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	CAPITAL RESERVE STATUTORY RESERVE	ACCUMULATED LOSS	SHAREHOLDER S' EQUITY
	----- Rupees -----			
Balance as at 30 June 2014	215,000,000	59,236,261	(199,096,273)	75,139,988
Profit for the year	-	-	101,771	101,771
Other comprehensive income for the year	-	-	6,693	6,693
Total comprehensive income for the year	-	-	108,464	108,464
Transfer to statutory reserve	-	20,354	(20,354)	-
Balance as at 30 June 2015	215,000,000	59,256,615	(199,008,163)	75,248,452
Loss for the year	-	-	(714,009)	(714,009)
Other comprehensive income for the year	-	-	91,729	91,729
Total comprehensive loss for the year	-	-	(622,280)	(622,280)
Balance as at 30 June 2016	215,000,000	59,256,615	(199,630,443)	74,626,172

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


MUHAMMAD TAHIR BUTT
 CHIEF EXECUTIVE


KHAWAR ANWAR KHAWAJA
 DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Grays Leasing Limited ("the company") is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984 on 31 August 1995. The company's shares are listed on Pakistan Stock Exchange. The Company is engaged in leasing business. It has been classified as a Non-Banking Finance Company (NBFC). Its registered office is situated at 701-A, 7th floor, City Towers, 6-K, Main Boulevard, Gulberg-II, Lahore.
- 1.2 Previously, the Company was not in compliance with the minimum equity requirement to carry on leasing business. License of the Company was expired and financial statements were not prepared on going concern basis. During the year, the Securities and Exchange Commission of Pakistan (SECP) has made certain amendments in Non-Banking Finance Companies and Notified Entities Regulations, 2008. Now, in accordance with the Schedule I to the aforesaid regulations, the Company as a non-deposit taking non-banking finance company carrying out leasing business meets the minimum equity requirement of Rupees 50 million. The license of the Company to carry out leasing business has been renewed till 15 May 2019. The sponsors of the Company are committed to support the Company, financially and operationally. Therefore, these financial statements have been prepared on going concern basis and do not include any adjustments that may be necessary if the Company is unable to continue as going concern.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below.

2.1 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). Wherever the requirements of the Companies Ordinance, 1984, NBFC Rules, NBFC Regulations and directives issued by the Securities and Exchange Commission of Pakistan (SECP) differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984, NBFC Rules, NBFC Regulations and the said directives take precedence.

b) Accounting convention

Preceding annual published financial statements of the Company for the year ended 30 June 2015 were prepared on the basis of realizable (settlement) values of assets and liabilities respectively in addition to historical cost convention. Now, due to the reasons mentioned in para 1.2 above, 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. This change has no impact on the amounts presented in these financial statements.

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:

- a) Employees' retirement benefit
- b) Provision for taxation
- c) Residual values of property, plant and equipment
- d) Impairment of assets

d) Standard that is effective in current year and is relevant to the Company

The following standard is mandatory for the company's accounting periods beginning on or after 01 July 2015:

IFRS 13 'Fair Value Measurement' (effective for annual periods beginning on or after 01 January 2015). This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. This standard is not expected to have a material impact on the Company's financial statements.

e) Standards and amendments to published standards that are effective in current year but not 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 2015 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.

f) Standards and amendments to published approved accounting standards that are not yet effective but relevant to the Company

Following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2016 or later periods:

Annual Report 2016

IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after 01 January 2018). A finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 'Financial Instruments: Recognition and Measurement'. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk. The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized. It introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

IFRS 15 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 January 2018). IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are: identify the contract with the customer; identify the performance obligations in the contract; determine the transaction price; allocate the transaction price to the performance obligations in the contracts; and recognize revenue when (or as) the entity satisfies a performance obligation. Guidance is provided on topics such as the point in which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. The aforesaid standard is not expected to have a material impact on the Company's financial statements.

IAS 16 (Amendments) 'Property, Plant and Equipment' (effective for annual periods beginning on or after 01 January 2016). The amendments clarify that a depreciation method which is based on revenue, generated by an activity by using of an asset is not appropriate for property, plant and equipment; and add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset. However, the amendments are not expected to have a material impact on the Company's financial statements.

IFRS 16 'Lease' (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, IFRIC4 '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.

IFRS 15 (Amendments), 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 January 2018). Amendments clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts. The aforesaid amendments are not expected to have a material impact on the Company's financial statements.

IAS 7 (Amendments), 'Statement of Cash Flows' (effective for annual periods beginning on or after 01 January 2017). Amendments have been made to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The aforesaid amendments will result in certain additional disclosures in the Company's financial statements.

On 25 September 2014, IASB issued Annual Improvements to IFRSs: 2012 – 2014 Cycle, incorporating amendments to four IFRSs more specifically in IAS 34 'Interim Financial Reporting', which is considered relevant to the Company's financial statements. These amendments are effective for annual periods beginning on or after 01 January 2016. The amendment is unlikely to have a significant impact on the Company's financial statements and has therefore not been analyzed in detail.

g) Standard and amendments to published standards that are not yet effective and not considered relevant to the Company

There are other standard and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2016 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.

2.2 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.

2.3 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.

2.4 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.

2.5 Investments

Classification of an investment is made on the basis of intended purpose for holding such investment. The management determines the appropriate classification of its investments at the time of purchase.

Investments are initially measured at fair value plus transaction costs directly attributable to acquisition, except for "Investment at fair value through profit or loss" which is measured initially at fair value.

The company assess at the end of each reporting period whether there is any objective evidence that investments are impaired. If any such evidence exists, the company applies the provisions of IAS 39 'Financial Instruments: Recognition and Measurement' to all investments.

a) Investment at fair value through profit or loss

Investment classified as held-for-trading and those designated as such are included in this category. Investments are classified as held-for-trading if these are acquired for the purpose of selling in the short term. Gains or losses on investments held-for-trading are recognized in profit and loss account.

b) Held-to-maturity

Investments with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the company has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Other long-term investments that are intended to be held to maturity are subsequently measured at amortized cost. This cost is computed as the amount initially recognized minus principal repayments, plus or minus the cumulative amortization, using the effective interest method, of any difference between the initially recognized amount and the maturity amount. For investments carried at amortized cost, gains and losses are recognized in profit and loss account when the investments are de-recognized or impaired, as well as through the amortization process.

c) Available-for-sale

Investments intended to be held for an indefinite period of time, which may be sold in response to need for liquidity, or changes to interest rates or equity prices are classified as available-for-sale. After initial recognition, investments which are classified as available-for-sale are measured at fair value. Gains or losses on available-for-sale investments are recognized directly in statement of other comprehensive income until the investment is sold, de-recognized or is determined to be impaired, at which time the cumulative gain or loss previously reported in statement of other comprehensive income is included in profit and loss account.

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2.6 Property, plant and equipment

Property, plant and equipment 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 property, plant and equipment 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 property, plant and equipment 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.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

2.7 Impairment

a) Financial assets

A financial asset is considered to be impaired if objective evidence indicate that one or more events had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as a difference between its carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of available for sale financial asset is calculated with reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

b) Non-financial assets

The carrying amounts of the company's non-financial assets are reviewed at each balance sheet 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 profit and loss account. 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 profit and loss account.

2.8 Leases

Where the company is the lessee:

a) Finance lease

Leases where the company has substantially all the risks and rewards of ownership are classified as finance leases. Assets subject to finance leases are stated at the lower of present value of minimum lease payments under the lease agreements and the fair value of the assets.

The related rental obligations, net of finance charges, are included in liabilities against assets subject to finance lease as referred to in Note 14.1.

Each lease payment is allocated between the liability and the finance charge so as to achieve a constant rate on the balance outstanding. The interest element of the rental is charged to profit over the lease term.

Assets acquired under a finance lease are depreciated over the useful lives of the assets on a reducing balance method at the rates given in Note 10. Depreciation on leased assets is charged to income.

Depreciation on additions to leased assets is charged from the day in which an asset is acquired while no depreciation is charged from the day on which the asset is disposed of.

Where the company is the lessor:

b) **Operating lease**

Assets leased out under operating leases are included in property, plant and equipment. These are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income (net of any incentives given to lessees) is recognized on accrual basis over the lease term.

2.9 **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.

2.10 **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 balance sheet 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 utilised.

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 balance sheet date. Deferred tax is charged or credited in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.11 **Financial instruments**

Financial instruments carried on the balance sheet include deposits, net investment in finance leases, advances, other receivable, cash and bank balances, loan from associated undertaking, accrued mark-up, liabilities against assets subject to finance lease, accrued and other liabilities. Financial assets and liabilities are recognized when the company becomes a party to the contractual provisions of instrument. Initial recognition is made at fair value plus transaction costs directly attributable to acquisition, except for "financial instrument at fair value through profit or loss" which is measured initially at fair value.

Financial assets are de-recognized when the company loses control of the contractual rights that comprise the financial asset. The company loses such control if it realizes the rights to benefits specified in contract, the rights expire or the company surrenders those rights. Financial liabilities are de-recognized when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on subsequent measurement (except available for sale investments) and de-recognition is charged to the profit or loss currently. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item of financial instruments.

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2.12 Borrowings

Loans and borrowings from financial institutions and others are initially recorded at the proceeds received together with associated transaction costs. In subsequent periods, borrowings are stated at amortized cost using the effective yield method. Finance costs are accounted for on an accrual basis. Transaction costs are amortized over the period of agreement using the effective interest rate method.

2.13 Accrued and other liabilities

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

2.14 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. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

2.15 Offsetting of financial assets and liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Income and expenses arising from such assets and liabilities are also accordingly offset.

2.16 Revenue recognition

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.

2.17 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.

2.18 Foreign currency transactions

All monetary assets and liabilities in foreign currencies are translated into rupees at exchange rates prevailing at the balance sheet date. Transactions in foreign currencies are translated into rupees at the spot rate. All non-monetary items are translated into rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined. Exchange differences are included in income currently.

2.19 Share capital

Ordinary shares are classified as equity.

2.20 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.

	2016 Rupees	2015 Rupees
3. CASH AND BANK BALANCES		
Cash in hand	13,065	12,249
Cash with banks:		
Balance with State Bank of Pakistan	1,071	5,331
Current accounts	2,446,575	3,694,698
Saving accounts (Note 3.1)	1,784,268	7,754,322
	<u>4,244,979</u>	<u>11,466,600</u>
3.1 Cash with banks in saving accounts carry mark-up at 5 % (2015: 5%) per annum.		
4. ADVANCES AND PREPAYMENTS		
Advances - considered good:		
Advances against expenses	71,660	83,030
Advances to employees	116,500	487,903
	<u>188,160</u>	<u>570,933</u>
Prepayments	134,513	135,323
	<u>322,673</u>	<u>706,256</u>

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	2016 Rupees	2015 Rupees
5. OTHER RECEIVABLES		
Advance income tax - considered good	434,215	379,549
Other receivable - considered good	35,145	3,970
	<u>469,360</u>	<u>383,519</u>
6. CURRENT MATURITY OF NON-CURRENT ASSETS		
Net investment in lease finance (Note 7)	185,654,619	175,754,246
Long term security deposits and prepayment (Note 8)	250,000	419,808
	<u>185,904,619</u>	<u>176,174,054</u>
7. NET INVESTMENT IN LEASE FINANCE		
Lease rentals receivable	322,510,412	315,178,852
Add: Guaranteed residual value of leased assets	138,636,820	129,582,230
Gross investment in lease finance (Note 7.1)	461,147,232	444,761,082
Less: Unearned finance income	(60,154,607)	(60,554,581)
Net investment in lease finance (Note 7.1)	400,992,625	384,206,501
Less: Allowance for potential lease losses (Note 7.2)	(161,018,302)	(164,539,752)
Net investment in lease finance - net off provision	239,974,323	219,666,749
Less: Current maturity shown under current assets (Note 6)	(185,654,619)	(175,754,246)
	<u>54,319,704</u>	<u>43,912,503</u>

7.1	GROSS INVESTMENT IN LEASE FINANCE		NET INVESTMENT IN LEASE FINANCE	
	2016 Rupees	2015 Rupees	2016 Rupees	2015 Rupees
Not later than one year	400,665,402	394,825,067	185,654,619	175,754,246
Later than one year but not later than five years	60,481,830	49,936,015	215,338,006	208,452,255
	<u>461,147,232</u>	<u>444,761,082</u>	<u>400,992,625</u>	<u>384,206,501</u>
Less: Unearned finance income	(60,154,607)	(60,554,581)		
	<u>400,992,625</u>	<u>384,206,501</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 30.00% per annum (2015: 8.00% 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.

	2016 Rupees	2015 Rupees
7.2 ALLOWANCE FOR POTENTIAL LEASE LOSSES		
Balance as at 01 July	164,539,752	166,013,771
Net reversal of potential lease losses during the year	(3,407,612)	(1,474,019)
Net investment in lease finance written off against provision	(113,838)	-
Balance as at 30 June	<u>161,018,302</u>	<u>164,539,752</u>

	2016 Rupees	2015 Rupees
8. LONG TERM SECURITY DEPOSITS AND PREPAYMENT		
Security deposits	62,500	264,500
Prepayment	717,808	217,808
	<u>780,308</u>	<u>482,308</u>
Less: Current maturity shown under current assets (Note 6)	(250,000)	(419,808)
	<u>530,308</u>	<u>62,500</u>

	2016 Rupees	2015 Rupees
9. DEFERRED INCOME TAX		
Deferred income tax assets / (liabilities) arising due to:		
Accelerated tax depreciation	(82,121,334)	(81,671,231)
Tax losses	104,483,241	110,009,165
Liability against asset subject to finance lease	-	(62,567)
Provision for gratuity	424,720	381,799
	<u>22,786,627</u>	<u>28,657,166</u>
Less: Deferred income tax asset not recognized	(22,786,627)	(28,657,166)
	<u>-</u>	<u>-</u>

9.1 The net deferred income tax asset of Rupees 22.787 million (2015: Rupees 28.657 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. PROPERTY, PLANT AND EQUIPMENT

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

	OWNED					LEASED		TOTAL
	OWN USE					OWN USE	VEHICLE	
	FURNITURE AND FIXTURES	VEHICLES	OFFICE EQUIPMENT	COMPUTER EQUIPMENT	TOTAL			
.....Rupees.....								
As at 30 June 2014								
Cost	489,740	1,544,324	577,456	1,490,017	4,101,537	1,040,800	5,142,337	
Accumulated depreciation	(322,968)	(754,918)	(322,377)	(1,332,557)	(2,732,820)	(220,478)	(2,953,298)	
Accumulated impairment loss	(22,035)	-	(26,798)	(29,395)	(78,228)	-	(78,228)	
Net book value	144,737	789,406	228,281	128,065	1,290,489	820,322	2,110,811	
Year ended 30 June 2015								
Opening net book value	144,737	789,406	228,281	128,065	1,290,489	820,322	2,110,811	
Additions	22,000	-	3,099	20,400	45,499	-	45,499	
Depreciation charge	(16,065)	(157,881)	(22,847)	(39,488)	(236,281)	(164,064)	(400,345)	
Closing net book value	150,672	631,525	208,533	108,977	1,099,707	656,258	1,755,965	
As at 30 June 2015								
Cost	511,740	1,544,324	580,555	1,510,417	4,147,036	1,040,800	5,187,836	
Accumulated depreciation	(339,033)	(912,799)	(345,224)	(1,372,045)	(2,969,101)	(384,542)	(3,353,643)	
Accumulated impairment loss	(22,035)	-	(26,798)	(29,395)	(78,228)	-	(78,228)	
Net book value	150,672	631,525	208,533	108,977	1,099,707	656,258	1,755,965	
Year ended 30 June 2016								
Opening net book value	150,672	631,525	208,533	108,977	1,099,707	656,258	1,755,965	
Additions	31,000	648,300	42,000	-	721,300	-	721,300	
Transferred from leased assets :								
Cost	-	1,040,800	-	-	1,040,800	(1,040,800)	-	
Accumulated depreciation	-	(489,256)	-	-	(489,256)	489,256	-	
Depreciation charge	(17,726)	(173,035)	(23,535)	(32,693)	(551,544)	(551,544)	-	
Closing net book value	163,946	1,658,334	226,998	76,284	2,125,562	(104,714)	(351,703)	
As at 30 June 2016								
Cost	542,740	3,233,424	622,555	1,510,417	5,909,136	-	5,909,136	
Accumulated depreciation	(356,759)	(1,575,090)	(368,759)	(1,404,738)	(3,705,346)	-	(3,705,346)	
Accumulated impairment loss	(22,035)	-	(26,798)	(29,395)	(78,228)	-	(78,228)	
Net book value	163,946	1,658,334	226,998	76,284	2,125,562	-	2,125,562	
Annual rate of depreciation (%)	10	20	10	30	20	20	20	

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11. LOAN FROM ASSOCIATED UNDERTAKING

This unsecured loan is obtained from Anwar Khawaja Industries (Private) Limited - associated company and carries mark-up at the rate of 3 months KIBOR (2015: 3 months KIBOR) per annum. This loan is repayable till 04 November 2016.

	2016 Rupees	2015 Rupees
12. ACCRUED AND OTHER LIABILITIES		
Accrued liabilities	481,672	503,212
Income tax deducted at source	720	20,851
Un-claimed dividend	777,785	777,785
Insurance premium and claims payable	1,487,681	849,966
Payable against purchase of vehicles given on lease	4,670,000	-
	<u>7,417,858</u>	<u>2,151,814</u>

13. ACCRUED MARK-UP

It represents mark-up payable on loan obtained from associated undertaking.

14. CURRENT MATURITY OF NON-CURRENT LIABILITIES

Liability against asset subject to finance lease (Note 14.1)	-	460,737
Deposits on lease contracts (Note 15)	111,754,205	106,915,175
	<u>111,754,205</u>	<u>107,375,912</u>

14.1 LIABILITY AGAINST ASSET SUBJECT TO FINANCE LEASE

Present value of minimum lease payments	<u>-</u>	<u>460,737</u>
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14.1.1 This lease liability has been fully repaid during the year. These minimum lease payments were discounted at an implicit interest rate of 15.08% per annum to arrive at their present value. This lease finance facility was secured against title of the leased vehicle in the name of lessor and demand promissory note.

	2016			2015		
	MINIMUM LEASE PAYMENTS Rupees	FUTURE FINANCE CHARGE Rupees	PRESENT VALUE OF MINIMUM LEASE PAYMENTS Rupees	MINIMUM LEASE PAYMENTS Rupees	FUTURE FINANCE CHARGE Rupees	PRESENT VALUE OF MINIMUM LEASE PAYMENTS Rupees
Not later than 1 year	-	-	-	478,930	18,193	460,737
Later than 1 year but not later than 5 years	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>478,930</u>	<u>18,193</u>	<u>460,737</u>

	2016 Rupees	2015 Rupees
15. DEPOSITS ON LEASE CONTRACTS		
Balance as at 30 June	138,636,820	129,582,230
Less: Current maturity shown under current liabilities	(111,754,205)	(106,915,175)
	<u>26,882,615</u>	<u>22,667,055</u>

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15.1 These represent interest free security deposits received from lessees, at the rates ranging from 5% to 70% (2015: 5% to 70%) of lease amount, against lease contracts and are refundable / adjustable at the expiry / termination of respective leases.

16. EMPLOYEES' RETIREMENT BENEFIT

The latest actuarial valuation of the defined benefit plan as at 30 June 2016 was carried out using the Projected Unit Credit Method. Details of the plan as per the actuarial valuation are as follows:

	2016 Rupees	2015 Rupees
Present value of defined benefit obligation (Note 16.1)	1,370,063	1,193,123
Net Liability as at 01 July	1,193,123	962,997
Charge to profit and loss account (Note 16.2)	309,880	316,199
Remeasurement recognized in other comprehensive income	(132,940)	(9,843)
Payments	-	(76,230)
Liability as at 30 June	1,370,063	1,193,123

16.1 The movement in the present value of defined benefit obligation is as follows:

Present value of defined benefit obligations	1,193,123	962,997
Current service cost	193,551	193,652
Interest cost	116,329	122,547
Benefit paid	-	(76,230)
Experience adjustment	(132,940)	(9,843)
	1,370,063	1,193,123

16.2 Charge to profit and loss account:

Current service cost	193,551	193,652
Interest cost	116,329	122,547
	309,880	316,199

	2016	2015	2014	2013	2012
16.3 Present value of defined benefit obligation (Rupees)	1,370,063	1,193,123	962,997	961,215	538,025
Experience adjustment on obligation	(11.14%)	(1.02%)	(29.98%)	0.5026	5.97%

16.4 Principal actuarial assumptions used:

	2016 (% per annum)	2015 (% per annum)
Discount rate	7.25	9.75
Expected rate of increase in salary	6.25	8.75

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 0.282 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 reporting date:

	Defined benefit obligation		
	Changes in assumption	Increase in assumption	Decrease in assumption
	Bps	Rupees	Rupees
Discount rate	100	1,254,578	1,504,736
Future salary increase	100	1,504,736	1,252,547

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.

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			2016	2015
16.8 Maturity profile				
	The weighted average duration of the obligation (in years)		<u>9</u>	<u>9</u>
17. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL				
			2016	2015
			Rupees	Rupees
		2016		
		2015		
		(Number of shares)		
			195,000,000	195,000,000
	Ordinary shares of Rupees 10 each fully paid-up in cash		195,000,000	195,000,000
			<u>2,000,000</u>	<u>2,000,000</u>
	Ordinary shares of Rupees 10 each issued as bonus shares		20,000,000	20,000,000
			<u>21,500,000</u>	<u>21,500,000</u>
			<u>215,000,000</u>	<u>215,000,000</u>
			2016	2015
			(Number of shares)	
17.1 Ordinary shares of the Company held by associated companies:				
	GOC (PAK) Limited (Formerly: Grays of Cambridge (Pakistan) Limited)		7,999,999	7,999,999
	Anwar Khawaja Industries (Private) Limited		3,739,603	3,739,603
	Grays of Cambridge (International) Limited		<u>165,823</u>	<u>165,823</u>
			<u>11,905,425</u>	<u>11,905,425</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				
	Nil (2015: Nil)			
19.2 Commitments				
	Nil (2015: Nil)			
			2016	2015
			Rupees	Rupees
20. INCOME FROM LEASE OPERATIONS				
	Finance lease income		8,990,149	10,396,301
	Documentation charges		164,003	153,510
	Additional lease rentals		<u>557,518</u>	<u>117,659</u>
			<u>9,711,670</u>	<u>10,667,470</u>
21. OTHER INCOME				
	Income from financial assets			
	Processing fee and other charges		292,121	166,279
	Profit on bank deposits		<u>218,255</u>	<u>152,424</u>
			<u>510,376</u>	<u>318,703</u>

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	2016 Rupees	2015 Rupees
22. ADMINISTRATIVE AND OTHER EXPENSES		
Salaries, allowances and other benefits (Note 22.1)	5,402,213	5,518,039
Repair and maintenance	550,696	434,766
Rent, rates and taxes	567,200	555,550
Postage and telephone	234,438	212,956
Vehicles' running	796,495	920,097
Utilities	136,848	156,526
Legal and professional	811,036	1,283,712
Insurance	96,136	103,255
Fees and subscription	811,850	795,502
Travelling and conveyance	450,992	504,365
Printing and stationery	237,365	224,135
Auditors' remuneration (Note 22.2)	565,000	550,500
Entertainment	209,767	183,871
Advertisement	38,500	54,450
Newspapers and periodicals	11,874	10,946
Depreciation on property, plant and equipment (Note 10)	351,703	400,345
Miscellaneous	159,259	129,195
	<u>11,431,372</u>	<u>12,038,210</u>
22.1 These include Rupees 0.310 million (2015: Rupees 0.316 million) charged in respect of gratuity as referred to in Note 16 and Rupees 0.287 million (2015: Rupees 0.313 million) charged in respect of compensated absences.		
22.2 Auditors' remuneration	2016 Rupees	2015 Rupees
Audit fee	300,000	275,000
Half yearly review and other sundry certifications	185,000	225,500
Out-of-pocket expenses	80,000	50,000
	<u>565,000</u>	<u>550,500</u>
23. FINANCIAL AND OTHER CHARGES		
Financial charges		
Mark up on:		
Loan from associated undertaking	1,656,347	1,733,273
Lease liability	20,922	61,644
	<u>1,677,269</u>	<u>1,794,917</u>
Other charges		
Commission and other bank charges	345,462	332,171
	<u>2,022,731</u>	<u>2,127,088</u>
24. TAXATION		
Current:		
For the year (Note 24.1)	(478,989)	(407,763)
Prior year	(451,786)	2,211,490
Deferred:		
For the year	41,211	3,150
	<u>(889,564)</u>	<u>1,806,877</u>
24.1 The Company has carry forwardable tax losses of Rupees 337.043 million (2015: Rupees 343.779 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. EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED	2016 Rupees	2015 Rupees
Profit / (loss) after taxation	Rupees (714,009)	101,771
Weighted average number of ordinary shares	Number 21,500,000	21,500,000
Earnings / (loss) per share - basic	Rupees (0.033)	0.005
There is no dilutive effect on the basic earnings / (loss) per share of the Company.		
26. CASH AND CASH EQUIVALENTS		
Cash and bank balances (Note 3)	<u>4,244,979</u>	<u>11,466,600</u>
27. TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS AND OTHER RELATED PARTIES		
The related parties comprise associated undertakings, other related group companies, directors of the Company and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:		

Grays Leasing Limited

i) Transactions	2016 Rupees	2015 Rupees
Associated company		
Financial charges paid	1,571,341	2,007,734
Financial charges charged to profit and loss account	1,656,347	1,733,273
Loan obtained	-	10,000,000
Rent of office building	300,000	300,000
Lease rentals received	1,017,525	814,020
ii) Period end balances		
Associated company		
Loan	25,000,000	25,000,000
Accrued mark up	392,723	307,717
Lease rentals receivable	-	1,017,525

28. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

No amount is charged in these financial statements for remuneration, including all benefits, of the chief executive, directors and executives of the Company.

	2016	2015
29. NUMBER OF EMPLOYEES		
Number of employees as on June 30	13	14
Average number of employees during the year	13	14

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 instrument 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 balance sheet date.

(ii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument 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, liability against asset subject to finance lease and borrowing.

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 balance sheet date the interest rate profile of the Company's interest bearing financial instruments was:

Floating rate instruments	2016 Rupees	2015 Rupees
Financial assets		
Bank balances - saving accounts	1,784,268	7,754,322
Net investment in lease finance - net off potential lease losses	239,974,323	219,666,749
Financial liabilities		
Loan from associated undertaking	25,000,000	25,000,000
Liability against asset subject to finance lease	-	460,737

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 balance sheet date would not affect profit or loss of the Company.

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

Rating			2016	2015
Short Term	Long term	Agency	Rupees	

Banks

National Bank of Pakistan	A-1+	AAA	JCR-VIS	22,064	20,064
Askari Bank Limited	A1+	AA+	PACRA	3,941,713	11,236,242
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	-	844
First Women Bank Limited	A2	A-	PACRA	7,286	7,286
Bank Al-Habib Limited	A1+	AA+	PACRA	217,508	144,189
The Bank of Punjab	A1+	AA-	PACRA	26,039	24,609
Habib Bank Limited	A-1+	AAA	JCR-VIS	16,233	15,786
				<u>4,230,843</u>	<u>11,449,020</u>

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	2016		2015	
	Rupees	%	Rupees	%
Industrial sectors				
Chemical, fertilizer and pharmaceuticals	16,704,118	4.17	16,694,767	4.35
Construction	6,359,094	1.59	6,684,606	1.74
Energy, oil and gas	14,299,670	3.57	17,144,389	4.46
Food, tobacco and beverage	7,770,094	1.94	8,489,487	2.21
Leather, footwear and tanneries	94,608,943	23.59	8,446,894	2.20
Paper and board	7,492,138	1.87	7,256,697	1.89
Rubber and plastic	8,491,263	2.12	7,152,184	1.86
Services	17,552,149	4.38	26,544,827	6.91
Steel, engineering and automobiles	19,270,900	4.81	4,035,351	1.05
Sugar and allied	3,546,875	0.88	6,484,070	1.69
Surgical	6,487,702	1.62	476,806	0.12
Textile and allied	477,073	0.12	125,567,175	32.68
Trading	121,085,810	30.20	9,690,569	2.52
Transport and communication	9,498,788	2.37	67,286,578	17.51
Individuals and others	67,348,008	16.80	72,252,101	18.81
	<u>400,992,625</u>	<u>100.00</u>	<u>384,206,501</u>	<u>100.00</u>

Segment by public / private sector

Public / Government	-	-	-	-
Private	<u>400,992,625</u>	<u>100.00</u>	<u>384,206,501</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.

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

	2016	2015
	Rupees	Rupees
Personal	66,339,592	40,213,973
Corporate	334,653,033	343,992,528
	<u>400,992,625</u>	<u>384,206,501</u>

(c) Liquidity risk

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

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 2.168 million (2015: profit after taxation would have been Rupees 2.019 million higher/ lower) 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 balance sheet dates 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:

	2016 Rupees	2015 Rupees
Bank balances	4,231,914	11,454,351
Advances	116,500	487,903
Other receivable	35,145	3,970
Net investment in lease finance	239,974,323	219,666,749
Long term security deposits	62,500	264,500
	<u>244,420,382</u>	<u>231,877,473</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, past due but not impaired and impaired is as follows:

Description	2016		2015	
	Personal Rupees	Corporate Rupees	Personal Rupees	Corporate Rupees
Net Investment in lease finance				
Neither past due nor impaired	48,973,059	65,828,345	19,871,140	55,618,631
Past due up to 179 days but not impaired	8,181,833	7,618,498	11,108,439	20,332,815
Impaired				
Past due 180-364 days	-	-	-	-
Past due more than 365 days to 548 days	-	-	-	-
Past due more than 548 days	9,184,700	261,206,190	9,234,394	268,041,082
	<u>9,184,700</u>	<u>261,206,190</u>	<u>9,234,394</u>	<u>268,041,082</u>
Total	66,339,592	334,653,033	40,213,973	343,992,528
Less: Provision for potential lease losses	6,283,773	154,734,529	6,320,078	158,219,674
Net Investment in lease finance - net off potential lease losses	<u>60,055,819</u>	<u>179,918,504</u>	<u>33,893,895</u>	<u>185,772,854</u>

Rentals overdue by 1 day but less than 179 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.

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The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through credit facility. At 30 June 2016, the company has Rupees 4.245 (2015: Rupees 11.466) 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 2016

	Carrying amount	Contractual cash flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
	-----Rupees-----					
Accrued and other liabilities	7,417,138	7,417,138	7,417,138	-	-	-
Accrued mark up	392,723	392,723	392,723	-	-	-
Loan from associated undertaking	25,000,000	25,530,000	25,530,000	-	-	-
	<u>32,809,861</u>	<u>33,339,861</u>	<u>33,339,861</u>	<u>-</u>	<u>-</u>	<u>-</u>

Contractual maturities of financial liabilities as at 30 June 2015

	Carrying amount	Contractual cash flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
	-----Rupees-----					
Accrued and other liabilities	2,130,963	2,130,963	2,130,963	-	-	-
Accrued mark up	307,717	307,717	307,717	-	-	-
Loan from associated undertaking	25,000,000	25,632,390	25,632,390	-	-	-
Liability against subject to finance lease	460,737	478,930	166,158	312,772	-	-
	<u>27,899,417</u>	<u>28,550,000</u>	<u>28,237,228</u>	<u>312,772</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 2016

Assets as per balance sheet

Cash and bank balances	4,244,979
Advances	116,500
Other receivable	35,145
Net investment in lease finance	239,974,323
Long term security deposits	62,500
	<u>244,433,447</u>

**Loans and
receivables**
Rupees

Liabilities as per balance sheet

Accrued and other liabilities	7,417,138
Accrued mark-up	392,723
Loan from associated undertaking	25,000,000
	<u>32,809,861</u>

**Financial liabilities at amortized
cost**

----- Rupees -----

As at 30 June 2015

Assets as per balance sheet

Cash and bank balances	11,466,600
Advances	487,903
Other receivable	3,970
Net investment in lease finance	219,666,749
Long term security deposits	264,500
	<u>231,889,722</u>

**Loans and
receivables**
Rupees

Liabilities as per balance sheet

Accrued and other liabilities	2,130,963
Accrued mark up	307,717
Loan from associated undertaking	25,000,000
Liability against subject to finance lease	460,737
	<u>27,899,417</u>

**Financial liabilities at amortized
cost**

----- Rupees -----

Grays Leasing Limited

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 loan from associated undertaking and liability against asset subject to finance lease as referred to in Note 11 and 14.1. Total capital employed includes shareholders' equity plus borrowings. The gearing ratio as at year ended 30 June 2016 and 30 June 2015 is as follows:

		2016	2015
Borrowing	Rupees	25,000,000	25,460,737
Total equity	Rupees	74,626,172	75,248,452
Total capital employed	Rupees	99,626,172	100,709,189
Gearing ratio	Percentage	25.09	25.28

32. Maturities of assets and liabilities

	2016					
	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	4,244,979	4,244,979	-	-	-	-
Advances and prepayments	322,673	15,800	306,873	-	-	-
Sales tax recoverable	114,981	-	114,981	-	-	-
Other receivables	469,360	-	469,360	-	-	-
Net investment in finance lease	239,974,323	142,855,851	42,798,768	54,319,704	-	-
Long term security deposits and prepayment	780,308	21,233	228,767	530,308	-	-
Property, plant and equipment	2,125,562	-	-	-	-	2,125,562
	248,032,186	147,137,863	43,918,749	54,850,012	-	2,125,562

	2016					
	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
Liabilities						
Accrued and other liabilities	7,417,858	7,417,858	-	-	-	-
Accrued mark up	392,723	392,723	-	-	-	-
Loan from associated undertaking	25,000,000	-	25,000,000	-	-	-
Deposits on lease contracts	138,636,820	101,060,105	10,694,100	26,882,615	-	-
Employees' retirement benefit	1,370,063	-	-	-	-	1,370,063
Provision for taxation	588,550	-	588,550	-	-	-
	173,406,014	108,870,686	36,282,650	26,882,615	-	1,370,063
Net balance	74,626,172	38,267,177	7,636,099	27,967,397	-	755,499
Net Assets	74,626,172					

	2015					
	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	11,466,600	11,466,600	-	-	-	-
Advances and prepayments	706,256	9,636	696,620	-	-	-
Other receivables	383,519	-	383,519	-	-	-
Net investment in lease finance	219,666,749	143,265,774	32,488,472	43,912,503	-	-
Long term security deposits and prepayment	482,308	-	419,808	62,500	-	-
Property, plant and equipment	1,755,965	-	-	-	-	1,755,965
	234,461,397	154,742,010	33,988,419	43,975,003	-	1,755,965
Liabilities						
Accrued and other liabilities	2,151,814	2,151,814	-	-	-	-
Accrued mark up	307,717	307,717	-	-	-	-
Loan from associated undertaking	25,000,000	-	25,000,000	-	-	-
Liability against subject to finance lease	460,737	24,441	436,296	-	-	-
Deposits on lease contracts	129,582,230	100,245,245	6,669,930	22,667,055	-	-
Employees' retirement benefit	1,193,123	-	-	-	-	1,193,123
Provision for taxation	517,324	-	517,324	-	-	-
	159,212,945	102,729,217	32,623,550	22,667,055	-	1,193,123
Net balance	75,248,452	52,012,793	1,364,869	21,307,948	-	562,842
Net Assets	75,248,452					

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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 recognised 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 classifies 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 trading and available-for-sale 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 maximise 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.

34. INFORMATION FOR ALL SHARES ISLAMIC INDEX SCREENING

34.1	Description	Note	2016		2015	
			Carried under		Carried under	
			Non-Shariah arrangements	Shariah arrangements	Non-Shariah arrangements	Shariah arrangements
Assets						
Loans and advances						
	Net Investment in lease finance - net off potential lease losses	7	239,974,323	-	219,666,749	-
	Advances to employees	4	-	188,160	-	570,933
Deposits						
	Long term security deposits	8	-	62,500	-	264,500
	Bank balances	3	1,784,268	2,447,646	7,754,322	3,700,029
Liabilities						
Loan and advances						
	Loan from associated undertaking	13	25,000,000	-	25,000,000	-
Deposits						
	Deposit on lease contracts	15	-	138,636,820	-	129,582,230
Income						
	Sources of other income	21				
	Processing fee and other charges		292,121	-	166,279	-
	Profit on deposits with banks		218,255	-	152,424	-

34.2 Relationship with banks

Name	Relationship	
	Non Islamic window operations	With Islamic windows operations
State Bank of Pakistan	✓	-
Askari Bank Limited	✓	-
National Bank of Pakistan	✓	-
Bank Al-Habib Limited	✓	-
Habib Bank Limited	✓	-
First Women Bank Limited	✓	-
The Bank of Punjab	✓	-

35. 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 senior management 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 management 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 senior management 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.

36. EVENTS AFTER THE REPORTING PERIOD


The Board of Directors of the Company have not proposed any appropriations in their meeting held on 27th September 2016.

37. DATE OF AUTHORIZATION

These financial statements have been authorized for issue by the Board of Directors of the Company on 27th September 2016.

38. CORRESPONDING FIGURES

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


MUHAMMAD TAHIR BUTT
CHIEF EXECUTIVE


KHAWAR ANWAR KHAWAJA
DIRECTOR

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Grays Leasing Limited

PATTERN OF SHAREHOLDING AS ON JUNE 30, 2016

Categories of Shareholder	Physical	CDC	Total	% age
Directors, Chief Executive Officer, Their Spouses and Minor Children				
Directors				
Mr. Munib Tahir Butt	228,086	-	228,086	1.06
Mr. Iftikhar Ahmed Butt	50	-	50	0.00
Mr. Abdul Qayum	50	-	50	0.00
Mr. Khawar Anwar Khawaja	138,675	1,131,018	1,269,693	5.91
Mr. Khurram Anwar Khawaja	138,675	1,230,333	1,369,008	6.37
Mr. Mohammad Tahir Butt	-	339,312	339,312	1.58
Mr. Omar Khawar Khawaja	95,675	-	95,675	0.45
Director's Spouses and Their Minor Children				
Mrs. Farough Tahir Butt	351,574	-	351,574	1.64
Mrs. Khadeeja Khurram	575,840	-	575,840	2.68
Mrs. Nuzhat Khawar Khawaja	-	476,312	476,312	2.22
	1,528,625	3,176,975	4,705,600	21.89
Associated Companies, Undertakings & Related Parties				
Anwar Khawaja Industries (Pvt) Limited	3,739,603	-	3,739,603	17.39
Grays Of Cambridge (pakistan) Limited	-	7,999,999	7,999,999	37.21
	3,739,603	7,999,999	11,739,602	54.60
Banks, NBFCs, DFIs, Takaful, Pension Funds	-	-	-	-
Other Companies, Corporate Bodies, Trust etc.	111,111	18,001	129,112	0.60
General Public				
A. Local	3,469,752	1,429,198	4,898,950	22.79
B. Foreign	26,736	-	26,736	0.12
	3,496,488	1,429,198	4,925,686	22.91
	8,875,827	12,624,173	21,500,000	100.00
Shareholders More Than 5.00%				
Grays Of Cambridge (pakistan) Limited			7,999,999	37.21
Anwar Khawaja Industries (Pvt) Limited			3,739,603	17.39
Khurram Anwar Khawaja			1,230,333	5.72
Khawar Anwar Khawaja			1,131,018	5.26

Annual Report 2016

The Companies Ordinance 1984 (Section 236(1) and 464) Pattern Of Shareholding

Form - 34

1. Incorporation Number 0035396
2. Name of The Company **Grays Leasing Limited**
3. Pattern of Holding of the Shares held by the Shareholders as at :June 30, 2016
- 4.

No. of Shareholders	Shareholding		Total Shares held
	From	To	
66	1	100	1,239
40	101	500	15,180
97	501	1,000	71,147
76	1,001	5,000	185,514
19	5,001	10,000	134,971
12	10,001	15,000	145,344
6	15,001	20,000	105,647
12	20,001	25,000	264,788
4	25,001	30,000	108,290
6	30,001	35,000	201,332
1	35,001	40,000	40,000
3	40,001	45,000	131,000
1	45,001	50,000	50,000
4	55,001	60,000	233,888
1	60,001	65,000	62,500
5	95,001	100,000	487,025
1	100,001	105,000	100,500
3	110,001	115,000	334,721
1	115,001	120,000	116,435
1	120,001	125,000	120,400
2	125,001	130,000	258,000
3	135,001	140,000	417,350
1	180,001	185,000	181,666
1	225,001	230,000	228,086
1	285,001	290,000	288,510
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
377			21,500,000

GRAYS LEASING LTD.

21ST 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 26, 2016 at 3:00 p.m or at any adjournment thereof.

As witness my/our hand this _____ day of 2016.

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
۷۰-۱-اے، ساتویں منزل، ہٹی ٹاورز،
مین بلیوارڈ، گلبرگ-۱۱، لاہور

میں اہم

ساکن

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

(بصورت سنٹرل ڈیپازٹری سسٹم کاؤنٹ ہولڈر کاؤنٹ نمبر _____ پارٹنیشنٹ (شرکت) آئی ڈی نمبر _____)

بذریعہ ہذا

محترم/محترمہ _____ ساکن _____

جو کمپنی کا ممبر ہے بمطابق شیئر رجسٹر فوئیو نمبر _____

(بصورت سنٹرل ڈیپازٹری سسٹم کاؤنٹ ہولڈر کاؤنٹ نمبر _____ پارٹنیشنٹ (شرکت) آئی ڈی نمبر _____)

یا اسکی غیر موجودگی میں محترم/محترمہ _____ ساکن _____

جو کمپنی کا ممبر ہے بمطابق شیئر رجسٹر فوئیو نمبر _____

(بصورت سنٹرل ڈیپازٹری سسٹم کاؤنٹ ہولڈر کاؤنٹ نمبر _____ پارٹنیشنٹ (شرکت) آئی ڈی نمبر _____) کو

مورخہ 26 اکتوبر 2016ء کو منعقد ہونے والے کمپنی کے 21 ویں سالانہ اجلاس عام (۷۰-۱-اے، ساتویں منزل، ہٹی ٹاورز، مین بلیوارڈ، گلبرگ-۱۱، لاہور) میں حق رائے دہی استعمال کرنے، تقریر 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 2016ء

دستخط کمپنی کے ہاں رجسٹرڈ نمونہ دستخطوں کے
مطابق ہونے چاہئیں

ممبر کے دستخط

تاریخ

گواہ کے دستخط

جگہ