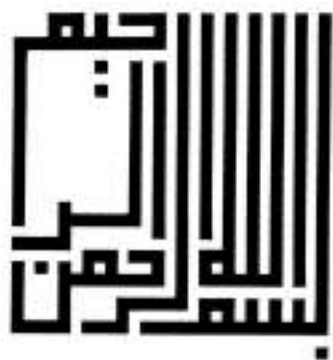


Condensed Interim
Financial Statements
(Un-audited)
For the six months period
ended 31 December 2020



Pak-Gulf Leasing
Company Limited



Board of Directors

Mr. Sohail Inam Ellahi	Chairman
Mr. Pervez Inam	Director
Mr. Fawad Salim Malik	Director
Brig. Naveed Nasar Khan (Retd)	Director
Mr. Ismail H. Ahmed	Director
Mr. Jan Ali Khan Junejo	Director
Mr. Naeem Ali Muhammad Munshi	Director
Ms. Naueen Ahmed	Director
Mr. Mahfuz-ur-Rehman Pasha	Chief Executive Officer

Company Secretary

Ms. Mehreen Usama

Audit Committee

Mr. Ismail H. Ahmed	Chairman
Mr. Naeem Ali Muhammad Munshi	Member
Mr. Pervez Inam	Member
Brig. Naveed Nasar Khan (Retd)	Member
Ms. Farah Farooq	Secretary

Human Resource and Remuneration Committee

Mr. Jan Ali Khan Junejo	Chairman
Mr. Sohail Inam Ellahi	Member
Mr. Pervez Inam	Member
Mr. Ismail H. Ahmed	Member
Ms. Naueen Ahmed	Member
Mr. Mahfuz-ur-Rahman Pasha	Member
Ms. Mehreen Usama	Secretary

Senior Management

Mr. Mahfuz-ur-Rehman Pasha	Chief Executive Officer
Lt. Col. Saleem Ahmed Zafar (Retd)	Chief Operating Officer
Mr. Khalil Anwer Hassan	Advisor "Business Development, Risk Mgmt. Planning & Compliance"
Lt. Col. Farhat Parvez Kayani (Retd)	General Manager Punjab
Ms. Mehreen Usama	Chief Financial Officer
Ms. Farah Farooq	Head of Audit
Major Arifullah Lodhi (Retd)	Manager HR & Admin.

Credit Rating Agency

VIS Credit Rating Company Limited

Entity Rating

- A- (Single A Minus) for Medium to Long term
- A-2 (A-Two) for Short term
- Outlook - Stable

Auditors

M/S Grant Thornton Anjum Rahman
Chartered Accountants
1st & 3rd Floor, Modern Motors House
Beaumont Road, Karachi 75530.
Tel#: (92-21) 35672951-56
Fax: (92-21) 35688834

Legal Advisors

M/s. Mohsin Tayebaly & Company
2nd Floor, Dime Centre,
BC-4, Block # 9, Kehkashan, Clifton,
Karachi.
Tel #: (92-21) 111-682-529
Fax #: (92-21) 35870240, 35870468

Shariah Advisor

M/s. Alhamd Shariah Advisory Services (Pvt) Ltd.

Bankers
Islamic bank

Albaraka Bank (Pakistan) Limited
MCB Islamic Bank

Conventional banks

Allied Bank Limited
Askari Commercial Bank Limited
Bank Al-Falah Limited
Bank Al Habib Limited
Bank of Punjab
Habib Bank Limited
JS Bank Limited
MCB Bank Limited
National Bank of Pakistan
Silk bank Limited
Soneri Bank Limited

Registered Office

UNIBRO House
Ground and Mezzanine Floor
Plot No. 114, 9th East Street, Phase I
DHA, P.O.Box # 12215, Karachi-75500
Tel #: (92-21) 35820301, 35820965-6
(92-21) 35824401, 35375986-7
Fax #: (92-21) 35820302, 35375985
E-mail: pgl@pakgulfleasing.com
Website: www.pakgulfleasing.com

Branch Office

202, 2nd Floor, Divine Mega II,
New Airport Road, Lahore
Tel #: (92-42) 35700010
Fax #: (92-42) 35700011

Share Registrar / Transfer Office

THK Associates (Pvt.) Limited
Plot No. C-32 Jami Commercial Street 2
DHA, Phase-VII, Karachi.
UAN: (92-21) 111-000-322
Fax: (92-21) 35310190

Mission Statement

The Company will:

- Aim to gain the confidence of all its stakeholders by earning a credible reputation for being an innovative enterprise that is prepared to change in the best interests of its stakeholders.
- Continually monitor structural changes in the various sectors of the economy, and accordingly alter the Company's business strategy to benefit from the emerging opportunities.
- Focus on changing customer needs and strive to improve tangible and intangible returns to its customers by providing service and satisfaction at par with the best in the industry, which would be reflected in prompt risk evaluation and facility disbursement procedures and practices.
- Consciously share, and remain part of all initiatives by the leasing industry to play a positive role in the evolution of small and medium size enterprises to expand the country's industrial base and support economic growth, higher employment and a better future for all.

Dear Shareholders,

The Directors of your Company are pleased to present before you the Financial Statements of your Company for the half year ended on December 31, 2020 of the current financial year. They are equally pleased to share with you the fact that despite the challenging economic and business conditions due to COVID 19 and otherwise, the overall performance of your Company remained quite satisfactory during this period. Directors of the company are however fully aware of the challenges posed to the company by the adverse economic scenario and have directed the management to devise a comprehensive business strategy for coping up with the challenges and for effectively minimizing the risks that the company is facing at this critical juncture.

Total Revenue earned of Rs. 135,685 million by your Company for the half year ended on December 31, 2020 was slightly more than the total Revenue of Rs. 135.66 million, earned by your Company in the first half of the Financial Year 2019-20. With reference to Finance Cost incurred during the half year there was a substantial decrease due to decrease in policy rate and reduced utilization of available finance facilities, as compared to the corresponding figures for the half year ended December 31, 2019. Further during the half year ended December 31, 2020 the Company had to charge provision of Rs. 39.77 million, Rs. 2.08 million and Rs. 0.11 million for leases held under litigation, non-performing lessees and insurance premium and other receivable, respectively. Due to the increase in provision for doubtful receivables, the Company's Profit after Taxation for the half year ended December 31, 2020 amounted to Rs. 15.32 million as compared to Rs. 16.19 million, for the corresponding period of the last Financial Year 2019-20.

The Shareholders Equity of your Company amounts to Rs. 666 million, as at December 31, 2020 while Earning per Share for the half year ended December 31, 2020 stands at Rs. 0.60 per share.

In June 2020, VIS Credit Rating Company Limited has re-affirmed the Medium to Long-term Entity Rating of your Company at A- (Single A Minus), and the Short-term Rating at A-2 (A-Two) and have graded the Outlook of your Company as "Stable".

Your Directors, in their capacity as your representatives for overseeing the performance of your Company, would like to place on record their appreciation for the services rendered and the dedicated efforts made by the Management Team and all the staff members of your Company, towards obtaining the positive results placed before you, notwithstanding the testing market conditions. We expect the management and staff of PGL, not only to maintain, but to further enhance their marketing skills and make all-out effort towards improving upon the quality of their services to your Company's clients so as to project a positive image of your Company in the leasing sector of Pakistan.

The Directors also take the opportunity to acknowledge, with thanks, the cooperation and guidance extended to your Company by the Securities and Exchange Commission of Pakistan (SECP), Pakistan Institute of Corporate Governance (PICG) and other regulatory authorities. Their role is critical in developing the leasing sector and it is hoped that these agencies would continue to strengthen the leasing sector, by taking appropriate measures for its betterment.

In the end, we would like to thank you, our valued Shareholders, as well as PGL's customers and bankers, for the valuable support given by them to PGL. We look forward to reinforcing and building further a mutually beneficial and cordial relationship between PGL and all its stakeholders.

Chairman**Chief Executive Officer****Karachi
16 February 2021**

قابل احترام حصص یافتگان

آپ کی کمپنی کے ڈائریکٹرز موجودہ مالی سال کی ششماہی، جو کہ 31 دسمبر 2020 کو ختم ہوئی ہے کے مالیاتی گوشوارے انتہائی مسرت کے ساتھ آپ کو پیش کرتے ہیں۔ یہ بات بھی باعث مسرت ہے کہ کووڈ-19 کی وجہ سے ملک میں مشکل معاشی اور کاروباری حالات کے باوجود آپ کی کمپنی کی کارکردگی اس سہ ماہی میں کافی حد تک اطمینان بخش رہی۔ کمپنی کے ڈائریکٹرز منفی معاشی منظر نامے اور کمپنی کو درپیش چیلنجوں سے پوری طرح واقف ہیں اور اسی لئے انہوں نے درپیش چیلنجوں سے موثر طریقے سے نمٹنے کے لیے انتظامیہ کو ایک جامع کاروباری حکمت عملی وضع کرنے کی ہدایت کی ہے تاکہ بہتر نتائج حاصل کیے جاسکیں۔

آپ کی کمپنی نے اس مالی سال کی ششماہی میں 31 دسمبر 2020 کو اختتام پذیر ہوئی میں کل 135.685 ملین روپے کی آمدنی حاصل کی ہے، بمقابلہ 135.66 ملین روپے کی آمدن کے جو کہ پچھلے مالی سال 2019-20 کی ششماہی میں حاصل ہوئی تھی۔ اخراجات کے حوالے سے اس ششماہی میں کئے گئے مالی اخراجات میں کمی کی ہوئی ہے اگر اس کا مقابلہ 31 دسمبر 2019 کے اخراجات سے کیا جائے۔ علاوہ ان میں کمپنی نے موجودہ سال کی ششماہی میں قانونی چارہ جوئی کے تحت لیٹوز، زغیر کارکردگی والی لیٹوز اور دوسری ادائیگیوں کے لیے 39.77 ملین روپے، 2.08 ملین روپے اور 0.11 ملین روپے مختص کئے۔ موجودہ مالی سال کی ششماہی جو کہ 31 دسمبر 2020 کو اختتام پذیر ہوئی کا بعد از انگیس منافع 15.32 ملین روپے ہے، بمقابلہ 16.19 ملین روپے جو کہ پچھلے مالی سال کی ششماہی میں تھا۔

آپ کی کمپنی کے شیئرز ہولڈرز کی ایکویٹی (Equity) 31 دسمبر 2020 کو 666 ملین روپے ہو گئی ہے۔ جبکہ موجودہ مالی سال کی ششماہی میں کمپنی نے 0.60 روپے فی شیئر سے۔

جون 2020 میں VIS کی ریٹ ریٹنگ کمپنی لیٹوز نے کمپنی کی تین قسمی ریٹنگ کا دوبارہ اعادہ کرنے کے بعد درمیانہ سے طویل المیعاد کے لئے A- ریٹنگ، اور مختصر مدت کی ریٹنگ A-2 برقرار رکھی ہے اور کمپنی کے آئندہ امکانات کو مستحکم قرار دیا گیا۔

آپ کے ڈائریکٹرز جو کہ آپ کے نمائندے ہونے کی حیثیت سے آپ کی کمپنی کی کارکردگی کو دیکھ رہے ہیں وہ کمپنی کے باصلاحیت ملازمین کی کوششوں کا اعتراف کرتے ہیں اور نتائج کارکردگی کے مشکل حالات کے باوجود انہوں نے مثبت نتائج حاصل کرنے میں جواہک محنت کی ہے اس کو سراہتے ہیں اور امید رکھتے ہیں کہ انتظامیہ ٹیم اور اسٹاف اپنے مارکیٹنگ اسکولز کو صرف برقرار رکھیں گے بلکہ ان میں مزید اضافہ کریں گے اور پھر پورے کوشش کریں گے کہ صارفین کیلئے خدمات کے معیار کو بہتر سے بہتر بنائیں تاکہ کمپنی کا مثبت تاثر بھرپور طریقے سے اچاگر ہو۔

کمپنی کے ڈائریکٹرز، SECP، PICG اور دوسرے ریگولیٹری اداروں نے آپ کی کمپنی کی جو رہنمائی کی ہے اور جو تعاون کیا ہے نہ صرف اس کا اعتراف بلکہ شکریہ بھی ادا کرتے ہیں۔ ان تمام اداروں کا کردار مالی شعبے کو بہتر بنانے میں نہایت اہم رہا ہے۔ امید کی جاتی ہے کہ یہ تمام ادارے بذریعہ مناسب اقدامات اس شعبے کو مزید مستحکم اور بہتر بنائیں گے۔

آخر میں ہم اپنے تمام قابل احترام شیئرز ہولڈرز بشمول کمپنی کے صارفین اور بینکرز کو جنہوں نے کمپنی کے ساتھ بھرپور تعاون کیا ہے ان کا شکریہ ادا کرتے ہیں۔ اس کے ساتھ اس بات کی بھی توفیق امید رکھتے ہیں کہ ہمارے شراکت داروں اور کمپنی کے درمیان مضبوط روابط اور باہم مفید اور خوشگوار تعلقات قائم رہیں گے۔

چیف ایگزیکٹو آفیسر

چوہدری

کراچی

16 فروری 2021

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of Pak-Gulf Leasing Company Limited
Report on review of interim financial statements

GRANT THORNTON ANJAM KHURRAM
12 & 34 Floor,
Majid Ahmed House,
Boulevard Road,
Karachi 75000

T +92(0)21 2947 2950/56
F +92(0)21 2948 8556
www.gtlpk.com

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Pak-Gulf Leasing Company Limited** as at **December 31, 2020** and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.


Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is **Khurram Jameel**.



Chartered Accountants
Karachi

Date: February 18, 2021

**CONDENSED INTERIM
STATEMENT OF
FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

	NOTE	(Un-audited) 31 December 2020	(Audited) 30 June 2020
Rupees			
ASSETS			
CURRENT ASSETS			
Cash and bank balances	4	118,497,974	114,805,586
Short term investments	5	43,473,915	64,508,233
Other receivables	6	133,221,139	8,385,830
Ijarah rental receivables		278,062	278,062
Advance to employees		23,500	11,500
Prepayments		2,849,442	2,444,677
Current portion of net investment in finance lease	7	731,802,400	887,042,453
Current portion of long-term loan		11,595,091	15,815,393
Taxation - net		-	3,107,203
		<u>1,041,741,523</u>	<u>1,096,398,937</u>
NON-CURRENT ASSETS			
Net investment in finance lease	7	944,581,980	1,446,647,811
Long-term loan		20,713,827	7,661,554
Diminishing musharakah receivable	8	-	-
Long-term deposits		118,500	118,500
Investment property		154,440,000	154,440,000
Property, plant and equipment		4,846,955	7,630,654
Right of use of assets		10,782,901	12,909,967
Intangible assets		61,707	1,523,702
		<u>1,135,545,870</u>	<u>1,630,932,188</u>
		<u>2,177,287,393</u>	<u>2,727,331,125</u>
TOTAL ASSETS			
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		29,166,476	39,649,330
Taxation - net		66,530,979	-
Unclaimed dividend		3,274,119	2,960,408
Accrued mark-up		9,326,828	60,215,191
Short term borrowings	9	151,989,136	344,585,560
Current portion of certificates of investment	10	12,000,000	12,000,000
Current portion of long-term loan	11	50,000,004	16,666,668
Current portion of lease liabilities		4,239,201	3,833,364
Current portion of long-term deposits	12	231,926,812	234,778,192
Current portion of advance rental against Ijarah leasing		90,576	633,942
		<u>558,544,131</u>	<u>715,322,655</u>
NON-CURRENT LIABILITIES			
Certificates of investment	10	177,100,000	392,171,853
Long-term loan	11	70,833,327	12,499,997
Lease liabilities		7,222,234	11,405,762
Long-term deposits	12	453,093,395	647,766,213
Deferred taxation	13	151,182,560	198,550,326
		<u>859,431,516</u>	<u>1,262,394,151</u>
		<u>1,417,975,647</u>	<u>1,977,716,806</u>
		<u>759,311,746</u>	<u>749,614,319</u>
TOTAL LIABILITIES			
NET ASSETS			
NET ASSETS FINANCED BY			
Authorised share capital		<u>500,000,000</u>	<u>500,000,000</u>
Issued, subscribed and paid-up capital		<u>253,698,000</u>	<u>253,698,000</u>
Capital reserves			
Statutory reserve		111,153,865	108,089,370
Reserve for issue of bonus shares		4,402,000	4,402,000
Surplus on revaluation of property, plant and equipment		90,504,204	90,504,204
Surplus on revaluation of available for sale investments - net		2,575,949	1,858,546
		<u>208,636,018</u>	<u>204,854,120</u>
Revenue reserve		<u>296,977,728</u>	<u>291,062,199</u>
Unappropriated profit		<u>759,311,746</u>	<u>749,614,319</u>
CONTINGENCIES AND COMMITMENTS			
	14		

The annexed notes 1 to 22 form an integral part of this condensed interim financial statements.

Chief Executive Officer
Chief Financial Officer
Director



**CONDENSED INTERIM
STATEMENT OF PROFIT OR LOSS
(UN-AUDITED)**

FOR THE SIX MONTHS AND THREE MONTHS
PERIOD ENDED 31 DECEMBER 2020

	Note	Six months ended		Three months ended	
		31 December		31 December	
		2020	2019	2020	2019
		Rupees			
INCOME					
Income from financing operations	15	128,013,915	126,476,050	49,712,822	60,227,381
OTHER OPERATING INCOME					
Return on investments		2,704,397	4,578,240	1,351,878	2,565,533
Other income		4,967,266	4,603,020	2,573,446	1,829,130
		7,671,663	9,181,260	3,925,324	4,394,663
		135,685,578	135,657,310	53,638,146	64,622,044
OPERATING EXPENSES					
Administrative and operating expenses	16	29,861,086	36,543,541	15,512,221	18,111,353
Finance cost	17	24,725,541	57,760,180	8,183,865	30,227,952
		54,586,627	94,303,721	23,696,086	48,339,305
Operating profit before provision		81,098,951	41,353,589	29,942,060	16,282,739
Provision for lease receivables held under litigation - net	6.1	(39,769,217)	(5,131,828)	(1,286,499)	(5,131,828)
Provision for diminishing musharaka receivables		-	(9,394,499)	-	(9,394,499)
Provision for potential lease losses - net	7.1	(2,082,372)	(4,750,922)	(3,461,921)	(4,491,281)
Provision against insurance premium and other receivable		(113,000)	-	(113,000)	-
Profit / (loss) before taxation		39,134,362	22,076,340	25,080,640	(2,734,869)
Taxation - current		(71,179,654)	(6,015,192)	(42,272,118)	(4,990,672)
- deferred		47,367,766	129,548	10,018,309	4,558,868
		(23,811,888)	(5,885,644)	(32,253,809)	(431,804)
Profit / (loss) after taxation		15,322,474	16,190,696	(7,173,169)	(3,166,673)
Earnings / (loss) per share - basic & diluted		0.60	0.64	(0.28)	(0.12)

The annexed notes 1 to 22 form an integral part of this condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director



**CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE
INCOME (UN-AUDITED)**
FOR THE SIX MONTHS AND THREE MONTHS
PERIOD ENDED 31 DECEMBER 2020

	Six months ended		Three months ended	
	31 December		31 December	
	2020	2019	2020	2019
	Rupees			
Profit / (loss) after taxation	15,322,474	16,190,696	(7,173,169)	(3,166,673)
Other comprehensive income				
Surplus on revaluation of AFS investments	717,303	494,130	244,350	798,753
Total comprehensive income / (loss) for the period	16,039,777	16,684,826	(6,928,819)	(2,367,920)

The annexed notes 1 to 22 form an integral part of this condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director

**CONDENSED INTERIM
STATEMENT OF CASH FLOWS
(UN-AUDITED)
FOR THE SIX MONTHS
PERIOD ENDED 31 DECEMBER 2020**

	Note	31 December 2020	31 December 2019
		----- Rupees -----	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		39,134,362	22,076,340
Adjustments for:			
Depreciation and amortisation		5,072,477	6,543,271
Amortisation of premium on long term investments		-	22,602
Finance cost		24,725,541	57,760,180
Provision for lease receivables held under litigation		39,769,217	5,131,828
Provision for diminishing musharaka receivables		-	9,394,499
Provision against insurance premium and other receivables		113,000	-
Intangible - written off		1,440,217	-
Provision for potential lease losses		2,082,372	4,750,922
Gain on disposal of property, plant and equipment		-	(6,500)
		<u>73,202,824</u>	<u>83,596,802</u>
Operating profit before working capital charges		112,337,186	105,673,142
Movement in working capital			
(Increase) / decrease in current assets			
Other receivables		(164,717,360)	840,528
Long term deposits		-	(6,000)
Advance to employees		(12,000)	(3,000)
Accrued mark-up / return on investments		-	103,972
Ijarah rental receivables		-	27,060
Prepayments		(404,765)	(2,584,547)
		<u>(165,134,125)</u>	<u>(1,621,987)</u>
(Decrease) / increase in current liabilities			
Trade and other payables		(10,482,854)	3,025,430
Unclaimed dividend		313,711	1,285,764
		<u>(10,169,143)</u>	<u>4,311,194</u>
Cash (used in) / generated from operating activities		<u>(62,966,082)</u>	<u>108,362,349</u>
Finance cost paid		(74,900,163)	(41,794,766)
Taxes paid - net		(1,541,472)	(1,490,859)
Net investment in finance lease - net		655,223,512	(76,319,008)
Long-term loan - net		(8,831,971)	-
Advance rental against Ijarah leasing		(543,366)	(1,408,655)
Long term deposits		<u>(197,524,198)</u>	<u>94,025,953</u>
Net cash generated from operating activities		<u>308,916,260</u>	<u>81,375,014</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Additions in property, plant and equipment		(140,000)	(81,500)
Sale proceeds on disposal of property, plant and equipment		-	6,500
Short term investments - net		21,751,621	(3,480,420)
Long-term investments - net		-	2,000,000
Net cash generated from / (used in) investing activities		<u>21,611,621</u>	<u>(1,555,420)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Certificates of investment - net		(215,071,853)	18,740,965
Dividend paid		(6,342,450)	(19,027,350)
Lease payments		(4,491,432)	-
Long-term loan - net		91,666,666	(12,499,997)
Net cash used in financing activities		<u>(134,239,069)</u>	<u>(12,786,382)</u>
Net increase in cash and cash equivalents		196,288,812	67,033,212
Cash and cash equivalents at beginning of the period		<u>(229,779,974)</u>	<u>(397,930,875)</u>
Cash and cash equivalents at the end of the period		<u>(33,491,162)</u>	<u>(330,897,663)</u>

The annexed notes 1 to 22 form an integral part of this condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director

**CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS AND THREE MONTHS
PERIOD ENDED 31 DECEMBER 2020**

	Reserves				Rupees	Revenue		Total reserves	Total equity
	Share capital	Statutory reserve	Reserve for issue of bonus shares	Capital Surplus on revaluation of property, plant & equipment - net of tax		Surplus / (deficit) on revaluation of available for sale investments	Unappro- priated profit		
Balance as at 1 July 2019	253,698,000	105,910,520	4,402,000	90,504,204	1,759,720	302,371,124	504,947,568	758,645,568	(19,027,350)
Final dividend for the year ended 30 June 2019 @ Rs. 0.75 per share	-	-	-	-	-	(19,027,350)	-	-	-
Profit after taxation	-	-	-	-	-	16,190,696	-	16,190,696	-
Other comprehensive income Total comprehensive income for the period	-	-	-	-	494,130	-	16,684,826	16,684,826	-
Transfer to statutory reserve	-	3,238,139	-	-	-	(3,238,139)	-	-	-
Balance as at 31 Dec. 2019	<u>253,698,000</u>	<u>109,148,659</u>	<u>4,402,000</u>	<u>90,504,204</u>	<u>2,253,890</u>	<u>296,296,331</u>	<u>502,605,044</u>	<u>756,303,044</u>	<u>(19,027,350)</u>
Balance as at 1 July 2020	<u>253,698,000</u>	<u>108,089,370</u>	<u>4,402,000</u>	<u>90,504,204</u>	<u>1,856,646</u>	<u>291,062,199</u>	<u>495,916,319</u>	<u>749,614,319</u>	<u>(19,027,350)</u>
Final dividend for the year ended 30 June 2020 @ Rs.0.25 per share	-	-	-	-	-	-	-	-	-
Profit after taxation	-	-	-	-	-	(6,342,450)	(6,342,450)	(6,342,450)	-
Other comprehensive income Total comprehensive income for the period	-	-	-	-	717,303	15,322,474	15,322,474	15,322,474	-
Transfer to statutory reserve	-	3,064,495	-	-	717,303	15,322,474	16,039,777	16,039,777	-
Balance as at 31 Dec. 2020	<u>253,698,000</u>	<u>111,153,865</u>	<u>4,402,000</u>	<u>90,504,204</u>	<u>2,575,949</u>	<u>296,977,728</u>	<u>505,615,746</u>	<u>759,311,746</u>	<u>(19,027,350)</u>

The annexed notes 1 to 22 form an integral part of this condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director



1. STATUS AND NATURE OF BUSINESS

- 1.1 Pak-Gulf Leasing Company Limited ("the Company") was incorporated in Pakistan on December 27, 1994 as a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and commenced its operations on September 16, 1996. The Company is principally engaged in the business of leasing and is listed on Pakistan Stock Exchange Limited.

The registered office of the Company is located at UNIBRO House, Ground and Mezzanine Floor, Plot No. 114, 9th East Street, Phase-1, Defence Housing Authority, Karachi and a branch office is located at Office No. 202, 2nd Floor, Divine Mega II, Opp Honda Point, New Airport Road, Lahore.

JCR-VIS Credit Rating Company Limited (JCR-VIS) has re-affirmed A- and A-2 ratings to the Company for medium to long term and short term, respectively on June 30, 2020.

- 1.2 Regulation 4 of Non-Banking Finance Companies and Notified Entities Regulations, 2008 requires an existing deposit taking leasing company to maintain, at all times, minimum equity of Rs. 500 million. The equity of the Company as at December 31, 2020 is Rs. 666.170 million which is Rs. 166.170 million in excess of the minimum equity requirement.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, "Interim Financial Reporting," issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with Part VIIIA of the repealed Companies Ordinance, 1984;
- Islamic Financial Accounting Standard - 2 Ijarah (IFAS-2) issued by the Institute of Chartered Accountants of Pakistan; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

Where provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations differ from the IAS-34 and IFAS-2, the provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.

- 2.2 The disclosures in these condensed interim financial statements do not contain all the information required for full annual financial statements. Consequently, this condensed interim financial statements should be read in conjunction with the financial statements of the Company for the year ended June 30, 2020.

The comparative statement of financial position presented in these condensed interim financial statements as at December 31, 2020 has been extracted from the audited financial statements of the Company for the year ended June 30, 2020, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity have been extracted from the condensed interim financial statements for the period ended December 31, 2019. Further, the figures in the condensed interim financial statements for the three months period ended December 31, 2019 and December 31, 2020 have not been reviewed by the auditors.

3. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

3.1 The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are same as those applied in the preparation of annual audited financial statements for the year ended June 30, 2020 except for the adoption of the following new amended standards, which become effective for the current period:

Standards	Effective date (Annual period beginning on or after)
IFRS 3 Definition of a Business (Amendment to IFRS 3)	January 01, 2020
IAS 1 and IAS 8 Definition of Material (Amendment to IAS 1 and IAS 8)	January 01, 2020
IFRS 9, IAS 39 and IFRS 7 Investment rate benchmark Reform (Amendment to IFRS 9, IAS 39 and IFRS 7)	January 01, 2020
IFRS 16 - Covid-19 Related rent concessions (Amendments to IFRS 16)	January 01, 2020

The adoption of the above standards, amendments and interpretation are not expected to have any material impact on the Company's condensed interim financial statements.

3.2 The significant estimates and judgements made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements for the year ended June 30, 2020.

4.	CASH AND BANK BALANCES	Note	(Un-audited) 31 December 2020	(Audited) 30 June 2020
			------(Rupees)-----	
	Cash in hand		405,655	106,254
	Balances with banks:			
	- in current accounts		110,403,273	108,673,212
	- in saving accounts	4.1	7,689,046	6,026,120
			<u>118,497,974</u>	<u>114,805,586</u>

4.1 Return on these savings accounts is earned at rates ranging from 4.05% to 6.05% (June 30, 2020 : 5.25% to 5.75%) per annum.

		(Un-audited) 31 December 2020	(Audited) 30 June 2020
	Note	------(Rupees)-----	
5. SHORT TERM INVESTMENTS			
Available for sale			
National Investment (Unit) Trust		3,770,049	3,052,746
At amortised cost			
Government Securities - Market Treasury Bills	5.1	<u>39,703,866</u>	61,455,487
		<u>43,473,915</u>	<u>64,508,233</u>
5.1			
These represent Market Treasury Bills having cost of Rs. 39.423 million (June 30, 2020: Rs. 61.038 million) and interest accrued thereon of Rs. 0.27 million (June 30, 2020: Rs. 0.417 million). The effective rate of return is 7.1% (June 30, 2020: 7.9%) per annum. These will mature latest by February 11, 2021.			
6. OTHER RECEIVABLES - net			
Lease receivables held under litigation		241,205,279	60,483,652
Insurance premium receivable and other receivables		<u>5,907,283</u>	5,615,281
		<u>247,112,562</u>	<u>66,098,933</u>
Provision against lease receivables held under litigation	6.1	<u>(89,405,745)</u>	(49,636,528)
Povision against insurance premium and other receivables		<u>(2,592,451)</u>	(2,479,451)
Mark-up held in suspense against lease receivables under litigation		<u>(21,893,227)</u>	(5,597,124)
		<u>(113,891,423)</u>	(57,713,103)
		<u>133,221,139</u>	<u>8,385,830</u>
6.1 Provision against lease receivables held under litigation			
Opening balance		49,636,528	29,198,603
Charge for the period / year		<u>39,769,217</u>	<u>20,437,925</u>
Closing balance		<u>89,405,745</u>	<u>49,636,528</u>

7.
NET INVESTMENT IN FINANCE LEASE - Secured

 Net investment in finance lease
 less: Current portion

	(Un-audited)	(Audited)
	31 December 2020	30 June 2020
	1,676,384,380	2,333,690,264
	<u>(731,802,400)</u>	<u>(887,042,453)</u>
	944,581,980	1,446,647,811
	----- (Rupees) -----	----- (Rupees) -----

	(Un-audited)			(Audited)		
	31 December 2020	30 June 2020	Total	31 December 2020	30 June 2020	Total
Minimum lease payments	664,218,814	575,610,639	1,239,829,453	880,957,218	959,494,570	1,840,451,788
Residual value of leased assets	231,926,812	453,093,395	685,020,207	234,778,192	647,766,213	882,544,405
Gross investment in finance lease	896,145,626	1,028,704,034	1,924,849,660	1,115,735,410	1,607,260,783	2,722,996,193
Unearned lease income	<u>(113,470,400)</u>	<u>(94,122,054)</u>	<u>(197,592,454)</u>	<u>(170,705,159)</u>	<u>(160,612,972)</u>	<u>(331,318,131)</u>
Mark-up held in suspense	<u>(15,324,295)</u>	<u>-</u>	<u>(15,324,295)</u>	<u>(24,521,639)</u>	<u>-</u>	<u>(24,521,639)</u>
Provision for potential lease losses	<u>(28,794,695)</u>	<u>(94,122,054)</u>	<u>(122,916,749)</u>	<u>(195,226,799)</u>	<u>(160,612,972)</u>	<u>(355,839,770)</u>
Net investment in finance lease	767,350,931	944,581,980	1,711,932,911	920,508,612	1,446,647,811	2,367,156,423
	(35,548,531)	-	(35,548,531)	(33,466,159)	-	(33,466,159)
	<u>731,802,400</u>	<u>944,581,980</u>	<u>1,676,384,380</u>	<u>887,042,453</u>	<u>1,446,647,811</u>	<u>2,333,690,264</u>
	----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----	----- (Rupees) -----
		33,466,159	2,628,042		2,082,372	30,838,117
		<u>35,548,531</u>	<u>33,466,159</u>			

7.1
Provision for potential lease losses

 Balance at beginning of the period / year
 Charge for the period / year - net
 Balance at end of the period / year

33,466,159	2,628,042
<u>2,082,372</u>	<u>30,838,117</u>
35,548,531	33,466,159

	(Un-audited) 31 December 2020	(Audited) 30 June 2020
	------(Rupees)-----	
8. DIMINISHING MUSHARAKAH RECEIVABLE - Secured		
Considered doubtful	18,788,999	18,788,999
Less: Provision for doubtful receivable	<u>(18,788,999)</u>	<u>(18,788,999)</u>
	<u>-</u>	<u>-</u>
9. SHORT TERM BORROWINGS - Secured		
The Company has arranged short-term running finance facilities from various commercial banks amounting to Rs. 550 million (June 30, 2020: Rs. 630 million). These carry mark-up at the rate ranging from 3 months KIBOR plus 1% to 2.5% (June 30, 2020: 3 months KIBOR plus 1.5% to 2.5%) per annum. These are secured by hypothecation charge over leased assets and lease rentals receivable with 25% margin.		
10. CERTIFICATES OF INVESTMENT - Unsecured		
Certificates of Investment	189,100,000	404,171,853
Less: Current portion	<u>(12,000,000)</u>	<u>(12,000,000)</u>
	<u>177,100,000</u>	<u>392,171,853</u>
10.1 These carry mark-up at the rate ranging from 8% to 11.45% (June 2020: 8% to 14%) per annum.		
11. LONG-TERM LOAN - Secured		
Long-term loan	120,833,331	29,166,665
Less: Current portion	<u>(50,000,004)</u>	<u>(16,666,668)</u>
	<u>70,833,327</u>	<u>12,499,997</u>
11.1 These carry mark-up at the rate ranging from 3 months KIBOR plus 1% to 1.5% (June 30, 2020: 3 months KIBOR plus 1.5%) per annum. These are secured by hypothecation charge over leased assets and lease rentals receivable with 25% margin.		
12. LONG-TERM DEPOSITS		
Deposit held against finance lease	685,020,207	882,544,405
Less: Current portion	<u>(231,926,812)</u>	<u>(234,778,192)</u>
	<u>453,093,395</u>	<u>647,766,213</u>
13. DEFERRED TAXATION		
Taxable temporary difference arising in respect of:		
Surplus on revaluation of property, plant and equipment	36,966,506	36,966,506
Un-realised gain on revaluation of investment property	5,971,680	5,971,680
Net investment in finance lease	154,141,032	192,344,766
	197,079,218	235,282,952
Deductible temporary difference arising in respect of:		
Provisions		
Accelrated tax depreciation	(43,360,762)	(30,822,892)
Others	(2,339,121)	(5,234,278)
	(196,775)	(675,456)
	(45,896,658)	(36,732,626)
	<u>151,182,560</u>	<u>198,550,326</u>

14. CONTINGENCIES AND COMMITMENTS
14.1 Contingencies

The aggregate amount of tax contingencies amounted to Rs. 55.612 million as at December 31, 2020. There were no changes in the status of contingencies during the period.

	(Un-audited) 31 December 2020	(Audited) 30 June 2020
14.2 Commitments	----- (Rupees) -----	
Commitments for finance lease	<u>29,500,000</u>	<u>5,865,000</u>
Commitments for auto-finance loan	<u>14,632,000</u>	<u>22,500,000</u>

15. INCOME FROM FINANCING OPERATIONS

	(Un-audited)			
	Six months ended 31 December		Three months ended 31 December	
	2020	2019	2020	2019
	----- Rupees -----			
Finance income	90,287,212	110,280,108	41,074,096	53,537,541
Gain on lease termination	13,758,207	652,626	3,716,222	503,940
Late payment charges	17,624,677	7,036,447	1,176,814	2,191,928
Income from Ijarah operations	2,797,922	7,213,769	1,528,730	3,306,022
Income from long-term loan	2,913,797	-	1,837,760	-
Others	632,100	1,293,100	379,200	687,950
	<u>128,013,915</u>	<u>126,476,050</u>	<u>49,712,822</u>	<u>60,227,381</u>

16. ADMINISTRATIVE AND OPERATING EXPENSES

Salaries, allowances and benefits	14,786,140	19,157,663	7,672,103	9,523,710
Directors' fee	800,000	1,099,998	560,000	569,998
Depreciation	5,050,698	6,521,492	2,480,032	2,908,178
Intangibles - written off	1,440,217	-	1,440,217	-
Amortisation	21,779	21,779	10,890	10,890
Office utilities	903,624	951,823	441,547	467,257
Legal and professional charges	1,507,165	1,763,376	(153,614)	1,161,649
Auditors' remuneration	332,300	332,300	201,050	201,050
Postage, subscription, printing and stationary	1,404,894	987,271	914,418	687,011
Vehicle running and maintenance	936,004	1,212,034	580,935	600,908
Office repair and general maintenance	509,113	508,420	256,968	222,671
Workers' Welfare Fund	800,000	451,000	512,000	1,000
Insurance	680,000	567,526	313,022	262,729
Advertisement	204,000	117,830	(26,830)	(173,770)
Travelling and conveyance	48,230	27,250	30,105	21,510
Office rent	-	2,300,940	-	1,243,867
Miscellaneous	436,922	522,839	279,378	402,695
	<u>29,861,086</u>	<u>36,543,541</u>	<u>15,512,221</u>	<u>18,111,353</u>

(Un-audited)

17.	FINANCE COST	Six months ended 31 December		Three months ended 31 December	
		2020	2019	2020	2019
	Mark-up on:				
	- Short term borrowings	8,217,910	25,457,201	2,944,449	10,794,517
	- Certificates of investment	13,570,624	29,019,754	3,325,980	17,796,041
	- Long-term loan	2,046,363	3,108,230	1,438,140	1,489,501
	- Lease liabilities	713,741	-	309,672	-
	Other charges	176,903	174,995	165,624	147,893
		<u>24,725,541</u>	<u>57,760,180</u>	<u>8,183,865</u>	<u>30,227,952</u>

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Company as at June 30, 2020.

19. FAIR VALUES OF ASSETS AND LIABILITIES

The carrying values of all financial assets and liabilities are estimated to approximate their fair values. There were no transfers amongst levels during the period.

20. TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise associated companies, staff retirement funds, Directors and key management personnel. Transactions with related parties are as under:

20.1	Transactions during the period	Relationship	(Un-audited)	
			Six months ended 31 December	
	Nature of transaction		2020	2019
	<u>Certificates of investment</u>			
	<u>Issued / Rolled over during the period</u>			
	Board of Directors and their relatives	Director	167,100,000	382,171,853
	<u>Repaid during the period</u>			
	Board of Directors and their relatives	Director	260,067,860	-
	<u>Finance cost</u>			
	Board of Directors and their relatives	Director	12,509,473	23,682,936
	<u>Net investment in finance lease</u>			
	<u>Rental received</u>			
	MACPAC Films Limited	Associated undertaking (Common Director)	15,155,346	15,155,346
	Saira Industries (Pvt) Ltd	Associated undertaking (Common Director)	-	413,898

		----- (Un-audited) ----- Six months ended 31 December	
Relationship		2020	2019
----- Rupees -----			
Office rent			
Rental paid during the year			
Unibro Industries Ltd.	Associated undertaking (Common Director)	4,241,688	3,945,750
Dividend paid during the period			
Board of Directors and their relatives	Director	3,766,202	11,298,607
Unibro Industries Ltd.	Associated undertaking (Common Director)	374,946	1,124,839
Mid-East Agencies (Pvt) Ltd.	Associated undertaking (Common Director)	321,749	965,246
Retirement benefit fund			
Charge for the period	Provident fund	313,483	443,717
Contribution paid for the period	Provident fund	313,483	443,717
		(Un-audited) 31 December 2020	(Audited) 30 June 2020
----- Rupees -----			
20.2	Balances at period / year end		
	Certificates of investment	167,100,000	382,171,853
	Accrued mark-up on Certificates of investment	2,493,688	48,483,205
	Net investment in finance lease	32,334,667	48,441,609
	Security deposit (in respect of finance lease)	9,830,000	9,830,000
	Security deposit (in respect of rented office premises)	245,000	245,000
	Prepaid rent	3,084,864	1,076,115

21. SEGMENT INFORMATION

The Company has two primary reporting segments namely, "Conventional finance" and "Islamic finance". Other operations, which are not deemed by management to be sufficiently significant to disclose as separate items and do not fall into the above segment categories, are reported under "Others".

31 December 2020 (Un-audited)				
----- Rupees -----				
Segment transactions	Conventional finance	Islamic finance	Others	Total
Segment revenue	124,215,993	2,898,481	7,571,104	135,685,578
Administrative and operating expense	55,491,138	3,103,072	3,318,278	61,912,488
Segment result	69,724,855	(204,591)	4,252,826	73,773,090
Unallocated expenses				(9,913,187)
Result from operating activities				63,859,903
Finance cost				(24,725,541)
Provision for taxation				(23,811,888)
Profit for the period				<u>15,322,474</u>

31 December 2020 (Un-audited)				
-----Rupees-----				
	Conventional finance	Islamic finance	Others	Total
Segment assets and liabilities				
Segment assets	<u>1,841,451,887</u>	<u>364,449</u>	<u>327,353,403</u>	2,169,169,739
Unallocated assets				<u>8,117,654</u>
Total assets				<u>2,177,287,393</u>
Segment liabilities	<u>701,761,677</u>	<u>591,148</u>	<u>473,383,902</u>	1,175,736,727
Unallocated liabilities				<u>242,238,920</u>
Total liabilities				<u>1,417,975,647</u>

31 December 2020 (Un-audited)				
-----Rupees-----				
	Conventional finance	Islamic finance	Others	Total
Other Information				
Depreciation	<u>-</u>	<u>2,137,117</u>	<u>2,127,066</u>	<u>4,264,183</u>
Unallocated capital expenditure				<u>140,000</u>
Unallocated depreciation				<u>786,515</u>

31 December 2019 (Un-audited)				
-----Rupees-----				
	Conventional finance	Islamic finance	Others	Total
Segment transactions				
Segment revenue	119,308,726	7,214,517	9,134,067	135,657,310
Administrative and operating expense	<u>36,119,682</u>	<u>6,838,595</u>	<u>3,318,278</u>	<u>46,276,555</u>
Segment result	83,189,044	375,922	5,815,789	89,380,755
Unallocated expenses				<u>(9,544,235)</u>
Result from operating activities				<u>79,836,520</u>
Finance cost				<u>(57,760,180)</u>
Provision for taxation				<u>(5,885,644)</u>
Profit for the period				<u>16,190,696</u>

30 June 2020 (Audited)				
-----Rupees-----				
	Conventional finance	Islamic finance	Others	Total
Segment assets and liabilities				
Segment assets	<u>2,364,869,166</u>	<u>4,492,099</u>	<u>239,205,435</u>	2,608,566,700
Unallocated assets				<u>118,764,425</u>
Total assets				<u>2,727,331,125</u>
Segment liabilities	<u>911,348,805</u>	<u>1,212,190</u>	<u>19,219,165</u>	931,780,160
Unallocated liabilities				<u>1,045,936,646</u>
Total liabilities				<u>1,977,716,806</u>

31 December 2019 (Un-audited)				
-----Rupees-----				
<u>Other information</u>	Conventional finance	Islamic finance	Others	Total
Depreciation	<u>-</u>	<u>5,726,649</u>	<u>-</u>	<u>5,726,649</u>
Unallocated capital expenditure				<u>81,500</u>
Unallocated depreciation				<u>794,843</u>

22. GENERAL

These condensed interim financial statements was authorised for issue on February 16, 2021 by the Board of Directors of the Company.

Chief Executive Officer

Chief Financial Officer

Director