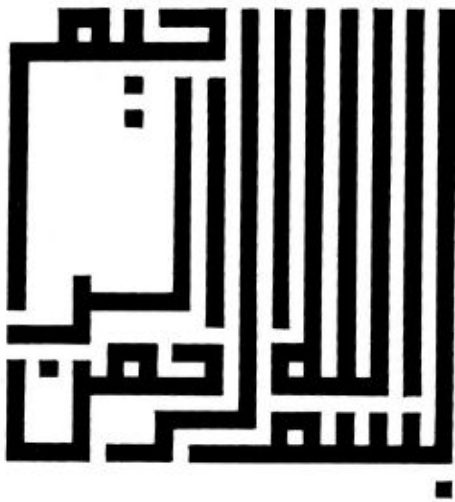


Condensed Interim  
Financial Statements  
(Un-audited)  
For the nine months period  
ended March 31, 2022



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. Naeen Ahmed	Director
Mr. Mahfuz-ur-Rehman Pasha	Chief Executive Officer

**Company Secretary**

Mr. Suleman Chhagla

**Audit Committee**

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

**Human Resource & Remuneration Committee**

Mr. Jan Ali Khan Junejo	Chairman
Mr. Sohail Inam Ellahi	Member
Mr. Pervez Inam	Member
Mr. Ismail H. Ahmed	Member
Ms. Naeen Ahmed	Member
Mr. Mahfuz-ur-Rahman Pasha	Member
Mr. Suleman Chhagla	Secretary

**Senior Management**

Mr. Mahfuz-ur-Rahman Pasha	Chief Executive Officer
Lt. Col. Saleem Ahmed Zafar (Retd.)	Chief Operating Officer
Lt. Col. Farhat Pervez Kayani (Retd.)	General Manager Punjab
Mr. Suleman Chhagla	Chief Financial Officer
Ms. Farah Farooq	Head of Audit
Major Arifullah Lodhi (Retd.)	Manager HR & Administration

**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: Negative

**Auditors**

M/s. BDO Ebrahim & Co.  
Chartered Accountants  
2nd Floor, Block C,  
Lakson Square Building No. 1  
Sarwar Shaheed Road  
Karachi-74200

**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

**Shariah Advisor**

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

**Bankers**
**Islamic Banks**

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  
Karachi, P.O.Box # 12215, Karachi-75600.  
Tel #: (92-21) 35820301, 35820966  
35824401, 35375986-7  
Fax #: (92-21) 35820302  
E-mail: pgl@pakgulfleasing.com  
Website: www.pakgulfleasing.com

**Branch Office**

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

**Registrar / Share Transfer Office**

THK Associates (Pvt) Limited  
Plot No. C-32 Jami Commercial Street 2  
DHA, Phase-VII, Karachi.  
Tel # : (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.

**DIRECTORS' REPORT**

Dear Shareholders

The Directors of your Company are pleased to present before you the Financial Statements of your Company for the nine months ended on March 31, 2022 of the current financial year. They are equally pleased to share with you the fact that the economic and business conditions in the last nine months have been encouraging and overall performance of your Company have remained satisfactory during this period. We would like to apprise you that during the first nine months, the leases written and finance provided by the Company have crossed the billion rupee mark and was in excess of Rs 1.2 billion, highest ever in a nine month period, since the inception of the Company.

Total Revenue earned of Rs. 174.368 million by your Company for the nine months ended on March 31, 2022 was lower than the total Revenue of Rs. 184.55 million, earned by your Company in the similar period of the Financial Year 2020-21. Other Operating income, included in total revenue above, for the period was Rs 11.59 million compared to Rs 10.98 million in the previous period. Administrative expense increased from Rs 43.61 million to Rs 47.09 million, mainly due restatement of salaries at pre-covid levels and impact of Workers' Welfare Fund due to higher pre-tax profitability. Finance Cost increased to Rs 44.82 million compared to Rs 32.57 million, due to policy rate change in the previous quarters, and increased utilization in borrowings. Further during the nine months ended March 31, 2022 the Company reversed provisions of Rs. 17.63 million, and Rs. 17.82 million for potential lease losses, and leases held under litigation, respectively. The reversals were due to continuous effort on part of the Company to recover monies from non-performing lessees which were provided earlier and entering into out of court settlement agreements with lessees. Due to the above the Company's Profit after Taxation for the nine months ended March 31, 2022 amounted to Rs. 87.61 million as compared to loss of Rs 22.88 million, for the corresponding period of the last Financial Year 2020-21.

The Shareholders Equity of your Company amounts to Rs. 763.08 million, as at March 31, 2022 while Earnings per Share for the nine months ended March 31, 2022 stands at Rs. 3.45 per share.

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



Karachi,  
April 22, 2022

Chief Executive Officer



# ڈائریکٹرز رپورٹ

پیارے شیئرز ہولڈرز (تخصیص یافتگان)

آپ کی کمپنی کے ڈائریکٹرز انتہائی مسرت کے ساتھ آپ کے سامنے موجودہ مالی سال کے 31 مارچ 2022 کو ختم ہونے والے نو ماہ کے لیے آپ کی کمپنی کے مالیاتی گوشوارے پیش کر رہے ہیں۔ ہمیں آپ کو یہ حقیقت بتاتے ہوئے انتہائی خوشی ہو رہی ہے کہ پچھلے نو ماہ میں معاشی اور کاروباری حالات حوصلہ افزا رہے ہیں اور اس عرصے کے دوران آپ کی کمپنی کی مجموعی کارکردگی تسلی بخش رہی ہے۔ ہم آپ کو بتانا چاہتے ہیں کہ پہلے نو مہینوں کے دوران، کمپنی کی طرف سے فراہم کردہ لیز اور فنانس ایک ارب روپے سے تجاوز کر چکے ہیں اور 1.2 ارب روپے سے زیادہ رہے، جو کہ کمپنی کے قیام کے بعد سے اب تک نو ماہ کی مدت میں سب سے زیادہ ہیں۔

31 مارچ 2022 کو ختم ہونے والے نو ماہ کے لیے آپ کی کمپنی نے 174.368 ملین روپے کی کل آمدنی حاصل کی تھی جو آپ کی کمپنی کی طرف سے مالی سال 2020-2021 کے اسی عرصے میں حاصل کردہ 184.55 ملین روپے آمدنی سے کم تھی۔ اس مدت کے لیے دیگر آپریٹنگ آمدنی، بشمول مندرجہ بالا مجموعی آمدنی گزشتہ مدت کے 10.98 ملین روپے کے مقابلے میں 11.59 ملین روپے رہی۔ انتظامی اخراجات 43.61 ملین روپے سے بڑھ کر 47.09 ملین روپے ہو گئے، جس کی بنیادی وجہ کوویڈ سے پہلے کی سطح پر تنخواہوں کی بحالی اور زیادہ قبل از ٹیکس منافع کی وجہ سے ورکرز ویلفیئر فنڈ کا اثرا ہے۔ پچھلی سہ ماہیوں میں پالیسی ریٹ میں تبدیلی اور قرضوں کے استعمال میں اضافے کی وجہ سے مالیاتی لاگت 32.57 ملین روپے کے مقابلے میں بڑھ کر 44.82 ملین روپے ہو گئی۔ مزید برآں، کمپنی نے 31 مارچ 2022 کو ختم ہونے والے نو ماہ کے دوران لیز کے ممکنہ خساروں اور قانونی چارہ جوئی کے تحت زیر ترحیل لیز کے لیے مختص بالترتیب 17.63 ملین روپے، اور 17.82 ملین روپے کمپنی نے واپس وصول کر لیے۔ یہ واپسی کمپنی کی جانب سے پہلے فراہم کردہ غیر فعال لیزوں سے رقوم کی وصولی کی مسلسل کوششوں اور لیز لینے والوں سے عدالت سے باہر تصفیہ کے معاہدوں کا نتیجہ ہے۔ مذکورہ بالا کی وجہ سے 31 مارچ 2022 کو ختم ہونے والے نو ماہ کے لیے کمپنی کے بعد از ٹیکس منافع کی مالیت گزشتہ مالی سال 2020-2021 کی اسی مدت کے لیے 22.88 ملین روپے کے نقصان کے مقابلے میں 31 مارچ 2022 کو ختم ہونے والے نو ماہ کے لیے 87.61 ملین روپے ہو گئی۔

برمطابق 31 مارچ 2022، آپ کی کمپنی کے شیئرز ہولڈرز کی ایکویٹی کی مالیت 763.08 ملین روپے ہے جبکہ 31 مارچ 2022 کو ختم ہونے والے نو ماہ کے لیے فی شیئر آمدنی 3.45 روپے فی شیئر ہے۔

آپ کے ڈائریکٹرز، مارکیٹ کے آزمائش سے بھرپور حالات کے باوجود آپ کی کمپنی کی کارکردگی کی نگرانی کرنے کے لیے آپ کے نمائندے کی حیثیت سے اپنی خدمات ریکارڈ پر لانا چاہیں گے اور انتظامی ٹیم اور آپ کی کمپنی کے تمام عملے کے اراکین کی طرف سے کی جانے والی مخلصانہ کوششوں کو خراج تحسین پیش کرتے ہیں۔ ہم PGL کی انتظامیہ اور عملہ سے توقع کرتے ہیں کہ وہ اپنی مارکیٹنگ کی مہارتوں کو نہ صرف برقرار رکھیں گے بلکہ مزید نکھاریں گے اور آپ کی کمپنی کے کلائنٹس کے لیے اپنی خدمات کے معیار کو بہتر بنانے کی ہر ممکن کوشش کریں گے تاکہ پاکستان کے لیزنگ سیکٹر میں آپ کی کمپنی کا مثبت امیج ابھارا جاسکے۔

ڈائریکٹرز اس موقع سے فائدہ اٹھاتے ہوئے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP)، پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس (PICG) اور دیگر ریگولیٹری اتھارٹیز کی جانب سے آپ کی کمپنی کو فراہم کیے گئے تعاون اور رہنمائی کا شکریہ کے ساتھ اعتراف کرتے ہیں۔ لیزنگ سیکٹر کی ترقی میں ان کا کردار اہم ہے اور امید کی جاتی ہے کہ یہ ایجنسیاں لیزنگ سیکٹر کی بہتری کے لیے مناسب اقدامات سے اسے مزید مضبوط بنانے کا سلسلہ جاری رکھیں گی۔

آخر میں، ہم کو ان کی طرف سے PGL کو فراہم کی گئی قابل قدر معاونت کے لیے ہمارے قابل قدر شیئرز ہولڈرز کے ساتھ ساتھ PGL کے صارفین اور بینکرز سے اظہار تشکر کرتے ہیں۔ ہم PGL اور اس کے تمام اسٹیک ہولڈرز کے درمیان باہم فائدہ مند اور خوشگوار تعلقات کو تقویت دینے اور مزید استوار کرنے کے خواہش مند ہیں۔

چیف ایگزیکٹو آفیسر

چیئر مین

کراچی

22 اپریل، 2022

PAK-GULF LEASING COMPANY LIMITED  
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2022

		(Un-audited) March 31, 2022	(Audited) June 30, 2021
	Note	-----Rupees-----	
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and bank balances	6	19,367,237	35,972,488
Short term investments	7	47,669,534	34,002,899
Other receivables	8	95,170,986	90,727,035
Ijarah rental receivables		-	278,062
Advance to employees		119,269	84,669
Prepayments		1,330,653	862,378
Current portion of net investment in finance lease	9	776,985,295	623,493,104
Current portion of vehicle finance loan	10	81,388,017	36,309,466
		1,022,030,991	821,730,101
<b>NON-CURRENT ASSETS</b>			
Net investment in finance lease	9	1,565,496,186	1,349,584,136
Vehicle finance loan	10	159,149,616	81,892,476
Long-term deposits		309,000	118,500
Investment property		154,440,000	154,440,000
Right of use assets		5,526,264	8,676,875
Property, plant and equipment	12	3,669,215	4,256,389
Intangible assets		7,260	39,928
		1,888,597,541	1,599,008,304
		2,910,628,532	2,420,738,405
<b>TOTAL ASSETS</b>			
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables		85,511,818	29,875,067
Taxation - net		52,192,935	16,647,758
Unclaimed dividend		1,474,330	1,474,330
Accrued mark-up		16,050,659	16,403,208
Short term borrowings	13	361,032,652	353,831,937
Current portion of certificates of investment	14	267,908	23,297,675
Current portion of long-term loan	15	66,666,672	45,833,325
Current portion of long-term deposits	16	212,914,520	143,885,047
Current portion of lease liabilities		4,357,851	4,357,851
		800,469,345	635,606,198
<b>NON-CURRENT LIABILITIES</b>			
Certificates of investment	14	280,071,726	167,826,029
Long-term loan	15	83,333,320	50,000,004
Long-term deposits	16	714,310,208	610,638,604
Lease liabilities		3,422,336	7,434,418
Deferred taxation	17	172,877,272	180,357,130
		1,254,014,862	1,016,256,185
		2,054,484,207	1,651,862,383
<b>TOTAL LIABILITIES</b>			
<b>NET ASSETS</b>			
		856,144,325	768,876,022
<b>NET ASSETS FINANCED BY:</b>			
Authorised share capital		500,000,000	500,000,000
Issued, subscribed and paid-up capital		253,698,000	253,698,000
<b>Capital reserves</b>			
Statutory reserve		130,524,824	113,002,637
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 investments at FVOCI		2,553,729	2,896,362
		227,984,757	210,805,203
<b>Revenue reserve</b>			
Unappropriated profit		374,461,568	304,372,819
		856,144,325	768,876,022

**CONTINGENCIES AND COMMITMENTS**

18

The annexed notes from 1 to 23 form an integral part of this condensed interim financial statements.

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

PAK-GULF LEASING COMPANY LIMITED  
 CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)  
 FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED MARCH 31, 2022

	Nine months ended		Three months ended	
	March 31,		March 31,	
	2022	2021	2022	2021
	------(Rupees)-----			
<b>INCOME</b>				
Income from financing operations	162,779,361	173,566,992	61,027,308	45,553,077
<b>OTHER OPERATING INCOME</b>				
Return on investments	3,250,809	3,247,757	1,129,953	543,360
Other income	8,338,471	7,738,504	2,896,521	2,771,238
	11,589,280	10,986,261	4,026,474	3,314,598
	174,368,641	184,553,253	65,053,782	48,867,675
<b>OPERATING EXPENSES</b>				
Administrative and operating expenses	47,089,294	43,608,618	15,339,139	13,747,532
Finance cost	44,824,435	32,574,119	19,145,853	7,848,578
	91,913,729	76,182,737	34,484,992	21,596,110
Operating profit before provision	82,454,912	108,370,516	30,568,790	27,271,565
Reversal/(Provision) for potential lease losses - net	17,632,286	(3,341,560)	(847,993)	(1,259,188)
Reversal/(Provision) for lease receivables held under litigation	17,816,932	(130,270,342)	(141,250)	(90,501,125)
Reversal/(Provision) against insurance premium and other re	-	(113,000)	-	-
Profit/(loss) before taxation	117,904,130	(25,354,386)	29,579,547	(64,488,748)
Taxation				
Current	(37,773,055)	(87,174,292)	(19,093,180)	(15,994,638)
Deferred	7,479,861	89,650,099	4,431,349	42,282,333
	(30,293,194)	2,475,807	(14,661,831)	26,287,695
Profit/(loss) after taxation	87,610,936	(22,878,579)	14,917,716	(38,201,053)
Earnings/(loss) per share - basic and diluted	3.45	(0.90)	0.59	(1.51)

The annexed notes from 1 to 23 form an integral part of this condensed interim financial statements.

  
 Chief Executive Officer

  
 Chief Financial Officer

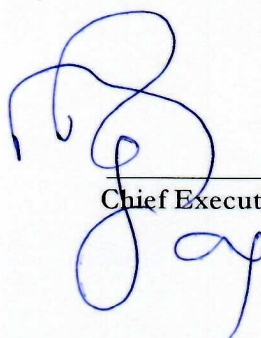
  
 Director



PAK-GULF LEASING COMPANY LIMITED  
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
 FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED MARCH 31, 2022

	Nine months ended		Three months ended	
	March 31,		March 31,	
	2022	2021	2022	2021
	------(Rupees)-----			
Profit/(loss) after taxation	87,610,936	(22,878,579)	14,917,716	(38,201,053)
Other comprehensive income				
<b>Items that will not be reclassified subsequently to statement of profit or loss</b>				
Unrealised gain/(loss) on investments at FVOCI - net	(342,633)	795,495	(23,892)	301,365
Total comprehensive income/(loss) for the period	<u>87,268,303</u>	<u>(22,083,084)</u>	<u>14,893,824</u>	<u>(37,899,688)</u>

The annexed notes from 1 to 23 form an integral part of this condensed interim financial statements.

  
 Chief Executive Officer

  
 Chief Financial Officer

  
 Director

PAK-GULF LEASING COMPANY LIMITED  
 CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
 FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022

Issued, subscribed and paid up capital	Reserves					Total reserves	Total equity
	Capital		Revenue				
	Statutory reserve	Reserve for issue of bonus shares	Surplus on revaluation of property, plant and equipment - net of tax	Surplus / (deficit) on investments at FVOCI	Unappropriated profit		
(Rupees)							
Balance as at July 1, 2020	253,698,000	108,089,370	4,402,000	90,504,204	1,858,646	291,062,509	749,614,319
Final dividend for the year ended June 30, 2020 @ Rs. 0.25 per share	-	-	-	-	-	(6,342,450)	(6,342,450)
Profit after taxation	-	-	-	-	-	(22,878,579)	(22,878,579)
Other comprehensive income	-	-	-	-	795,495	-	795,495
Total comprehensive income/(loss) for the period	-	-	-	-	795,495	(22,878,579)	(22,083,084)
Transfer to statutory reserve	-	-	-	-	-	-	-
<b>Balance as at March 31, 2021</b>	<b>253,698,000</b>	<b>108,089,370</b>	<b>4,402,000</b>	<b>90,504,204</b>	<b>2,654,141</b>	<b>261,841,480</b>	<b>721,188,785</b>
Balance as at July 1, 2021	253,698,000	113,002,637	4,402,000	90,504,204	2,896,362	304,372,819	768,876,022
Profit after taxation	-	-	-	-	-	87,610,936	87,610,936
Other comprehensive income	-	-	-	-	(342,633)	-	(342,633)
Total comprehensive income for the period	-	-	-	-	(342,633)	87,610,936	87,268,303
Transfer to statutory reserve	-	17,522,187	-	-	-	(17,522,187)	-
<b>Balance as at March 31, 2022</b>	<b>253,698,000</b>	<b>130,524,824</b>	<b>4,402,000</b>	<b>90,504,204</b>	<b>2,553,729</b>	<b>374,461,568</b>	<b>856,144,325</b>

The annexed notes from 1 to 23 form an integral part of this condensed interim financial statements.

  
 Chief Executive Officer

  
 Chief Financial Officer

  
 Director

PAK-GULF LEASING COMPANY LIMITED  
 CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)  
 FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022

	March 31, 2022	March 31, 2021
Note	------(Rupees)-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	117,904,130	(25,354,386)
Adjustments for:		
Depreciation	3,985,068	6,489,241
Amortisation of intangible assets	32,668	32,668
Intangible written off		1,440,217
Finance cost	44,824,435	32,574,119
Reversal/(Provision) for lease receivables held under litigation - net	(17,816,932)	130,270,342
Reversal/(Provision) against insurance premium and other receivable	-	113,000
Reversal/(Provision) for potential lease losses - net	(17,632,286)	3,341,560
	<u>13,392,953</u>	<u>174,261,147</u>
Operating profit before working capital changes	131,297,083	148,906,761
<b>Movement in working capital</b>		
(Increase) / decrease in current assets		
Other receivables	13,372,981	(190,325,483)
Long term deposits	(190,500)	-
Advance to employees	(34,600)	(36,668)
Ijarah rental receivables	278,062	-
Prepayments	(468,274)	159,969
	<u>12,957,669</u>	<u>(190,202,182)</u>
Increase / (decrease) in current liabilities		
Trade and other payables	55,636,750	(6,995,023)
Unclaimed dividend	-	(1,486,078)
	<u>55,636,750</u>	<u>(8,481,101)</u>
Cash generated from operating activities	199,891,502	(49,776,522)
Finance cost paid	(45,176,984)	(81,391,865)
Tax (paid)/refunded - net	(2,157,790)	(1,655,388)
Net investment in finance lease	(351,771,955)	611,681,268
Vehicle finance	(122,335,691)	(64,783,766)
Advance rental against ijarah leasing	-	(633,942)
Long term deposits	172,701,077	(162,312,874)
<b>Net cash generated from operating activities</b>	<u>(148,849,841)</u>	<u>251,126,911</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions in property, plant and equipment	(247,187)	(254,995)
Sale proceeds on disposal of property, plant and equipment	-	-
Short term investments - net	(14,009,268)	29,591,461
Long-term investments - net	-	-
<b>Net cash generated from / (used in) investing activities</b>	<u>(14,256,455)</u>	<u>29,336,466</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from certificates of investment - net	89,215,930	(214,048,149)
Dividend paid	-	(6,342,450)
Lease Payments	(4,082,263)	(5,005,589)
Long-term loan - net	54,166,663	79,166,665
<b>Net cash (used in) / generated from financing activities</b>	<u>139,300,330</u>	<u>(146,229,523)</u>
Net increase in cash and cash equivalents	(23,805,966)	134,233,854
Cash and cash equivalents at the beginning of the period	(317,859,449)	(229,779,974)
<b>Cash and cash equivalents at the end of the period</b>	<u><u>(341,665,415)</u></u>	<u><u>(95,546,120)</u></u>

The annexed notes from 1 to 23 form an integral part of this condensed interim financial statements.

  
 Chief Executive Officer

  
 Chief Financial Officer

  
 Director

**PAK-GULF LEASING COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022**

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**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 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.

VIS Credit Rating Company Limited (VIS) has re-affirmed A- and A-2 ratings to the Company for long term and short term, respectively on September 1, 2021.

- 1.2** Regulation 4 of Non-Banking Finance Companies and Notified Entities Regulations, 2008 vide SRO 1002(I)/2015 dated October 15, 2015, requires an existing deposit taking leasing company to maintain, at all times, minimum equity of Rs. 500 million by November 25, 2016. The equity of the Company as at March 31, 2022 is Rs. 763.08 million which is Rs. 263.08 in excess of the minimum equity requirement.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

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

- International Accounting Standards(IAS) 34 "Interim Financial Reporting," issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standard - 2 Ijarah (IFAS) issued by the Institute of Chartered Accountants of Pakistan; and
- Provisions of and directives issued under the Companies Act, 2017 along with Part VIII A of the repealed Companies Ordinance, 1984;
- 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 VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations differ from the IFRS Standards and IFAS-2, the provisions of and directives issued under the Companies Act, 2017, Part VIII A 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 are presented in accordance with IAS 34 and 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, 2021.

The comparative statement of financial position presented in these condensed interim financial statements as at March 31, 2022 has been extracted from the audited financial statements of the Company for the year ended June 30, 2021, 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 March 31, 2022. Further, the figures in the condensed interim financial statements for the nine months period ended March 31, 2021 and March 31, 2022 have not been reviewed by the auditors.

**2.3 Basis of measurement**

These financial statements have been prepared under the historical cost convention, except that investment property is stated at fair value and certain investments which have been classified as 'available for sale' are marked to market and carried at fair value.

**2.4 Functional and presentation currency**

These financial statements are presented in Pak Rupees which is the functional and presentation currency of the Company. All financial information presented in Pakistani Rupees has been rounded off to the nearest rupee unless otherwise stated.

**3. NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO APPROVED ACCOUNTING**

- 3.1** 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, 2021.

PAK-GULF LEASING COMPANY LIMITED  
 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
 FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022

3.2 Standards, amendments and interpretations to the published standards that are notified by the Securities and Exchange Commission of Pakistan (SECP)

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

**Standard or Interpretation**

Financial Instruments - IFRS 9

June 30, 2022

The SECP has issued S.R.O. 800(I)/2021 and has extended the effective date for applicability of International Financial Reporting Standard - Financial Instruments (IFRS-9) in place of International Accounting Standard (IAS-39) (Financial Instruments: Recognition and Measurement) for Non-Banking Finance Companies from reporting period/year ending on or after June 30, 2022.

An extensive assessment is required to be made, because the actual impact of adopting IFRS 9 on or after June 30, 2022 may result in certain changes which have been noted in note 3.2 of the Financial Statement for the period ended December 31, 2021.

4. ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of annual audited financial statements for the year ended June 30, 2021.

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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, 2021.

		(Un-audited) March 31, 2022	(Audited) June 30, 2021
		-----Rupees-----	
6.	<b>CASH AND BANK BALANCES</b>		
	Cash in hand	130,000	100,633
	Balances with banks:		
	- in current accounts	5,498,271	21,348,338
	- in saving accounts	13,738,966	14,523,517
		<u>19,367,237</u>	<u>35,972,488</u>
6.1	Return on these savings accounts is earned at rates ranging from 8.25% to 9.5% (June 30, 2021 : 5.50% to 6.50%) per annum.		
		(Un-audited) March 31, 2022	(Audited) June 30, 2021
7.	<b>SHORT TERM INVESTMENTS</b>		
	At FVOCI		
	National Investment (Unit) Trust	3,747,929	3,052,746
	At amortised cost		
	Government securities - Market Treasury Bills	43,921,605	29,912,337
		<u>47,669,534</u>	<u>32,965,083</u>
8.	<b>OTHER RECEIVABLES - net</b>		
	Lease receivables held under litigation	195,817,780	214,454,564
	Insurance premium and other receivables	14,013,438	6,986,834
		<u>209,831,218</u>	<u>221,441,398</u>
	Provision against lease receivables held under litigation	(88,536,989)	(106,353,921)
	Provision against insurance premium and other receivables	(2,592,451)	(2,592,451)
	Mark-up held in suspense against lease receivables held under litigation	(23,530,792)	(24,360,442)
		<u>(114,660,232)</u>	<u>(133,306,814)</u>
		<u>95,170,986</u>	<u>88,134,584</u>

PAK-GULF LEASING COMPANY LIMITED  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022

	(Un-audited) March 31, 2022	(Audited) June 30, 2021
	-----Rupees-----	
9. NET INVESTMENT IN FINANCE LEASE		
Net investment in finance lease	2,342,481,481	1,973,077,240
Less: current portion	<u>(776,985,295)</u>	<u>623,493,104</u>
	<u>1,565,496,186</u>	<u>2,596,570,344</u>

	March 31, 2022 (Un-audited)				June 30, 2021 (Audited)			
	Not later than one year	Later than one year and less than five years	Later than five years	Total	Not later than one year	Later than one year and less than five years	Later than five years	Total
Note	----- (Rupees) -----							
Minimum lease payments	737,088,404	1,011,945,375	-	1,749,033,779	651,033,449	843,535,926	-	1,494,569,375
Residual value of leased assets	212,914,520	714,310,208	-	927,224,728	143,885,047	610,638,604	-	754,523,651
Gross investment in finance lease	950,002,924	1,726,255,583	-	2,676,258,507	794,918,496	1,454,174,530	-	2,249,093,026
Unearned lease income	<u>(150,447,833)</u>	<u>(160,759,397)</u>	-	<u>(311,207,230)</u>	<u>(128,950,546)</u>	<u>(104,590,394)</u>	-	<u>(233,540,940)</u>
Mark-up held in suspense	<u>(10,361,624)</u>	-	-	<u>(10,361,624)</u>	<u>(12,634,388)</u>	-	-	<u>(12,634,388)</u>
	<u>(160,809,457)</u>	<u>(160,759,397)</u>	-	<u>(321,568,854)</u>	<u>(141,584,934)</u>	<u>(104,590,394)</u>	-	<u>(246,175,328)</u>
Provision for potential lease losses	789,193,467	1,565,496,186	-	2,354,689,653	653,333,562	1,349,584,136	-	2,002,917,698
	<u>(12,208,172)</u>	-	-	<u>(12,208,172)</u>	<u>(29,840,458)</u>	-	-	<u>(29,840,458)</u>
Net investment in finance lease	<u>776,985,295</u>	<u>1,565,496,186</u>	-	<u>2,342,481,481</u>	<u>623,493,104</u>	<u>1,349,584,136</u>	-	<u>1,973,077,240</u>

	(Un-audited) March 2022	(Audited) June 30, 2021
	-----Rupees-----	
9.1 Provision for potential lease losses		
Balance at beginning of the period / year	29,840,458	33,466,159
Charge for the period / year	-	-
Reversal for the period / year	<u>(17,632,286)</u>	<u>(3,625,701)</u>
Balance at end of the period / year	<u>12,208,172</u>	<u>29,840,458</u>

PAK-GULF LEASING COMPANY LIMITED  
 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
 FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022

		(Un-audited) March 31, 2022	(Audited) June 30, 2021
		-----Rupees-----	
10.	<b>VEHICLE FINANCE LOAN</b>		
	Secured		
	Vehicle finance loan	240,537,633	118,201,942
	Less: Current portion	(81,388,017)	(36,309,466)
		<u>159,149,616</u>	<u>81,892,476</u>
11.	<b>DIMINISHING MUSHARAKAH RECEIVABLE</b>		
	Considered doubtful	18,788,999	18,788,999
	Less: Provision for doubtful receivable	(18,788,999)	(18,788,999)
		<u>-</u>	<u>-</u>
12.	<b>PROPERTY, PLANT AND EQUIPMENT</b>		
	Operating fixed assets - Own use	3,669,215	4,256,389
		<u>3,669,215</u>	<u>4,256,389</u>
13.	<b>SHORT TERM BORROWINGS - Secured</b>		
	From banking companies - secured		
	Running Finance under mark-up arrangement	13.1 361,032,652	353,831,937
13.1	The Company has arranged short-term running finance facilities from various commercial banks amounting to Rs. 530 million (June 30, 2021: Rs. 500 million). These carry mark-up at the rate ranging from 3 months KIBOR plus 1.0% to 3 months KIBOR plus 2.5% per annum and are secured by hypothecation charge over leased assets and lease rentals receivable.		
14.	<b>CERTIFICATES OF INVESTMENT</b>		
	Un-secured		
	Certificates of investment	280,339,634	191,123,704
	less: current portion	(267,908)	(23,297,675)
		<u>280,071,726</u>	<u>167,826,029</u>
15.	<b>LONG-TERM LOAN</b>		
	Secured		
	Long-term loan	149,999,992	95,833,329
	Less: Current portion	(66,666,672)	(45,833,325)
		<u>83,333,320</u>	<u>50,000,004</u>
16.	<b>LONG-TERM DEPOSITS</b>		
	Deposit held against finance lease	927,224,728	754,523,651
	Less: current portion	(212,914,520)	(143,885,047)
		<u>714,310,208</u>	<u>610,638,604</u>
17.	<b>DEFERRED TAXATION</b>		
	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

PAK-GULF LEASING COMPANY LIMITED  
 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
 FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022

Net investment in finance lease	165,790,209	183,657,734
Long-term investments	-	-
	208,728,395	226,595,920

Deductible temporary difference arising in respect of:

Provisions	(35,932,775)	(46,213,049)
Accelerated tax depreciation	735,298	877,723
Right of use assets and liabilities	(653,638)	(903,464)
	(35,851,115)	(46,238,790)
	172,877,280	180,357,130

18. CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

The aggregate amount of tax contingencies amounted to Rs. 55.55 million as at March 31, 2022. There were no changes in the status of contingencies during the period.

18.2 Commitments

	(Un-audited) March 31, 2022	(Audited) June 30, 2021
	-----Rupees-----	
Finance lease committed but not executed	82,891,907	30,890,550
Vehicle finance loan committed but not executed	30,000,000	-



PAK-GULF LEASING COMPANY LIMITED  
 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
 FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022

19. 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, 2021.

20. 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.

21. 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:

21.1 Transactions during the period

Nature of transaction	Relationship	------(Un-audited)-----	
		Nine months ended March 31, 2022	Nine months ended March 31, 2021
------(Rupees)-----			
<b><u>Certificates of investment</u></b>			
Issued/rolled over during the period			
Board of Directors and their relatives	Director	277,100,000	167,100,000
Repaid during the period			
Board of Directors and their relatives	Director	50,000,000	382,171,853
Finance cost			
Board of Directors and their relatives	Director	16,159,316	16,217,728
<b><u>Net investment in finance lease</u></b>			
Rental received			
MACPAC Films Limited	Associated undertaking (Common directorship)	20,207,128	22,733,019
<b><u>Office rent</u></b>			
Rent paid during the period			
Unibro Industries Limited	Associated undertaking (Common directorship)	4,858,656	4,241,688
<b><u>Dividend paid during the period</u></b>			
Board of Directors and their relatives	Director	-	3,766,202
	Associated undertaking (Common directorship)		
Unibro Industries Limited	Associated undertaking (Common directorship)	-	374,946
Mid-East Agencies (Private) Limited	Associated undertaking (Common directorship)	-	321,749
<b><u>Retirement benefit fund</u></b>			
Charge for the period	Provident fund	479,940	496,138
Contribution paid for the period	Provident fund	479,940	496,138

PAK-GULF LEASING COMPANY LIMITED  
 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
 FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022

21.2 Balances at period/year end	(Un-audited) March 31, 2022	(Audited) June 30, 2021
	------(Rupees)-----	
Certificates of investment	279,613,605	167,100,000
Accrued mark-up on Certificates of investment	7,200,815	9,951,390
Net investment in finance lease	-	20,207,128
Security deposit (in respect of finance lease)	9,830,000	10,075,000
Security deposit (in respect of rented office premises)	245,000	245,000

22. SEGMENT INFORMATION

The Company has two primary reporting segments namely, "Lease finance" and "Loan/Vehicle 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".

	March 31, 2022 (Un-audited)			
	------(Rupees)-----			
	Lease Finance	Vehicle Finance	Others	Total
<b>Segment transactions</b>				
Segment revenue	144,172,325	18,607,036	11,589,280	174,368,641
Administrative and operating expenses	49,864,693	6,347,775	-	56,212,468
Segment results	94,307,632	12,259,261	11,589,280	118,156,173
Unallocated expenses				44,572,392
Result from operating activities				162,728,565
Finance cost				(44,824,435)
Provision for taxation				(30,293,194)
Profit for the period				87,610,936

	March 31, 2022 (Un-audited)			
	------(Rupees)-----			
	Lease Finance	Vehicle Finance	Others	Total
<b>Segment assets and liabilities</b>				
Segment assets	2,437,652,467	240,537,633	212,951,927	2,891,142,027
Unallocated assets				19,486,505
Total assets				2,910,628,534
Segment liabilities	965,428,588	-	7,297,360	972,725,948
Unallocated liabilities				1,081,758,259
Total liabilities				2,054,484,210

	March 31, 2022 (Un-audited)			
	------(Rupees)-----			
	Lease Finance	Vehicle Finance	Others	Total
<b>Other Information</b>				
Depreciation	3,985,068	-	-	3,985,068
Unallocated capital expenditure				247,187
Unallocated depreciation				3,985,068

	March 31, 2021 (Un-audited)			
	------(Rupees)-----			
	Conventional Finance	Islamic finance	Others	Total

PAK-GULF LEASING COMPANY LIMITED  
 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
 FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022

Finance

Segment transactions

Segment revenue	170,315,819	3,489,768	10,747,666	184,553,253
Administrative and operating expenses	155,830,995	2,719,491	3,318,278	161,981,764
Segment results	14,484,824	770,277	7,429,388	22,571,489
Unallocated expenses				(15,351,756)
Result from operating activities				7,219,733
Finance cost				(32,574,119)
Provision for taxation				2,475,807
Profit for the period				(22,878,579)

June 30, 2021 (Audited)

------(Rupees)-----

Segment assets and liabilities

Segment assets	2,181,761,217	659,339	232,955,985	2,415,376,541
Unallocated assets				5,361,864
Total assets				2,420,738,405
Segment liabilities	774,776,572		14,186,089	788,962,661
Unallocated liabilities				862,899,722
Total liabilities				1,651,862,383

March 31, 2021 (Un-audited)

------(Rupees)-----

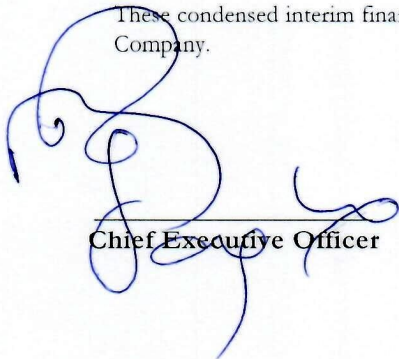
Conventional finance	Islamic finance	Others	Total
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Other Information

Depreciation	-	2,137,117	3,177,473	5,314,590
Unallocated capital expenditure				254,995
Unallocated depreciation				1,174,651

23. GENERAL

These condensed interim financial statements was authorised for issue on April 22, 2022 by the Board of Directors of the Company.



Chief Executive Officer



Chief Financial Officer



Director