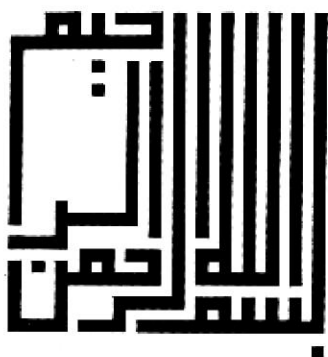


Condensed Interim
Financial Statements
(Un-audited)
For the First Quarter
ended 30 September 2020



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

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
MCB Islamic Bank
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
1st Floor, 40-C, Block 6,
P.E.C.H.S., Karachi
Tel #: (92-21) 111-000-322
Fax #: (92-21) 34168271

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 1st Quarter, of the current financial year, ended September 30, 2020. They are equally pleased to share with you the fact that despite the challenging economic and business conditions due to COVID 19 the overall performance of your Company has remained highly satisfactory during this Quarter. 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.

Your Company earned a Total Revenue of Rs. 82.05 million, for the 1st Quarter ended on September 30, 2020 as compared to the Total Revenue of Rs. 71.04 million posted, in the 1st Quarter of the Financial Year 2019-20. Despite the increase in revenue and decrease in administrative expenses and financial cost for the period, the Company's Profit before Taxation has significantly decreased due to increase in provision for doubtful receivables. The Company's Profit before Taxation stood at Rs. 14.05 million for the quarter ended September 30, 2020 as compared with the Profit before Taxation of Rs. 24.81 million, earned in the corresponding period of FY2019-20. Net Profit after Tax for the 1st Quarter ended September 30, 2020 has increased to Rs. 22.49 million as compared to Rs. 19.36 million for the corresponding period of the last Financial Year 2019-20 due to decrease in deferred tax charge for the period.

The Shareholders Equity of your Company has risen from Rs. 655.728 million, as at June 30, 2020, to Rs. 678.234 million, as at September 30, 2020 while Earnings per Share has also increased to Rs. 0.89 as compared with the EPS of Rs. 0.76 for the corresponding period in FY-2019-20.

In June 2020, VIS Credit Rating Company Limited had re-affirmed the Medium to Long-term Entity Rating for your Company at A- (Single A Minus), and the Short-term Rating at A-2. The Outlook for your Company was graded 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

October 27, 2020
Karachi

محترم شیئر ہولڈرز (تھمس یافتگان)

آج کی کمپنی کے ڈائریکٹرز موجودہ مالی سال (2020-21) کی پہلی سہ ماہی، جو 30 ستمبر 2020 کو ختم ہوئی، کے مالیاتی گوشوارے انتہائی مسرت کے ساتھ پیش کرتے ہیں۔ یہ بات بھی باعث مسرت ہے کہ کووڈ-19 کی وجہ سے ملک میں مشکل معاشی اور کاروباری حالات کے باوجود آج کی کمپنی کی کارکردگی اس سہ ماہی میں نہایت ہی اطمینان بخش رہی۔ کمپنی کے ڈائریکٹرز منفی معاشی منظر نامے اور کمپنی کو درپیش چیلنجوں سے پوری طرح واقف ہیں اور اس لیے 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۔

آج کی کمپنی نے اس مالی سال کی پہلی سہ ماہی میں جو 30 ستمبر 2020 کو اختتام پذیر ہوئی میں کل 82.05 ملین روپے کی آمدنی حاصل کی ہے، بہت قابل 71.04 ملین روپے کی آمدن کے باوجود پچھلے مالی سال (2019-20) کی پہلی سہ ماہی میں حاصل ہوئی تھی۔ آمدنی میں اضافے اور انتظامی اور مالی سرمایہ کاری اخراجات میں کمی کے باوجود غیر کارکردگی والی لیسز جو قانونی چارہ جوئی کے تحت ہیں، کی رقم میں اضافے کی وجہ سے کمپنی کا موجودہ سہ ماہی کا منافع قبل از ٹیکس 14.05 ملین روپے ہے جو کہ گزشتہ سال کی پہلی سہ ماہی کے منافع سے جو کہ 24.81 ملین روپے تھا سے کہیں کم ہے۔ اس مالی سال کی پہلی سہ ماہی کا بعد از ٹیکس منافع 22.49 ملین روپے ہے جو کہ پچھلے مالی سال کے اسی دورانیہ کے منافع بعد از ٹیکس (19.36 ملین روپے) سے 16.2 فیصد زیادہ ہے۔

آج کی کمپنی کے شیئرز ہولڈرز کی ایکویٹی (Equity) جو کہ 30 جون 2020 تک 655.728 ملین روپے تھی بڑھ کر 30 ستمبر 2020 کو 678.234 ملین روپے ہو گئی ہے۔ اس مالی سال کی پہلی سہ ماہی میں فی شیئر منافع 0.89 روپے ہے جبکہ گزشتہ مالی سال کی پہلی سہ ماہی میں 0.76 روپے فی شیئر تھا۔

جون 2020 میں VIS کریڈٹ ریٹنگ کمپنی لیٹیڈ نے آج کی کمپنی کی تشخیصی ریٹنگ کا دوبارہ احادہ کیا تھا جس میں درمیانہ سے طویل المیعاد کے لئے A- ریٹنگ، اور مختصر مدت کی ریٹنگ A-2 مقرر کی گئی اور کمپنی کے آئندہ امکانات کو مستحکم قرار دیا گیا۔

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

کمپنی کے ڈائریکٹرز، SECP، PICG اور دوسرے ریگولیٹری اداروں نے آج کی کمپنی کی جو رہنمائی کی ہے اور جو تعاون کیا ہے نہ صرف اس کا اعتراف بلکہ شکر 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 منیکرز کو جنہوں نے کمپنی کے ساتھ بھرپور تعاون کیا ہے، ان کا شکر ادا کرتے ہیں۔ اس کے ساتھ اس بات کی بھی قومی امید رکھتے ہیں کہ ہمارے شرکاء، اداروں اور کمپنی کے درمیان مضبوط روابط اور باہم مفید اور خوشگوار تعلقات قائم رہیں گے۔

چیف ایگزیکٹو آفیسر

چیئر مین

127 اکتوبر 2020

کراچی



**Condensed Interim
Statement of Financial Position**

As at 30 September 2020

NOTE	(Un-audited) 30 September 2020	(Audited) 30 June 2020	
	Rupees		
ASSETS			
Current Assets			
Cash and bank balances	6	128,061,866	114,805,586
Short term investments	7	43,141,542	64,508,233
Other receivables	8	134,348,894	8,385,830
Ijarah rental receivables		278,062	278,062
Advance to employees		39,500	11,500
Prepayments		1,441,642	2,444,677
Taxation - net		-	3,107,203
Current portion of net investment in finance lease	9	660,972,147	887,042,453
Current portion of long-term loans	10	18,203,474	15,815,393
		<u>986,487,127</u>	<u>1,096,398,937</u>
Non-current assets			
Net investment in finance lease	9	1,162,023,725	1,446,647,811
Long-term loans	10	4,936,224	7,661,554
Long-term security deposits		118,500	118,500
Diminishing musharaka receivable	11	-	-
Investment property		154,440,000	154,440,000
Property, plant and equipment	12	6,123,511	7,630,654
Right to use assets		11,846,434	12,909,967
Intangible assets		1,512,813	1,523,702
		<u>1,341,001,207</u>	<u>1,630,932,188</u>
Total assets		<u>2,327,488,334</u>	<u>2,727,331,125</u>
LIABILITIES			
Current liabilities			
Trade and other payables		48,483,264	39,649,330
Taxation - net		23,419,915	-
Unclaimed dividend		2,960,408	2,960,408
Accrued mark-up		42,015,844	60,215,191
Short term borrowings	13	305,855,938	344,585,560
Current portion of certificates of investment	14	12,000,000	12,000,000
Current portion of long-term loan	15	16,666,668	16,666,668
Current portion of lease liabilities	16	4,109,424	3,833,364
Current portion of long-term deposits	17	239,606,682	234,778,192
Current portion of advance rental against Ijarah leasing		452,820	633,942
		<u>695,570,963</u>	<u>715,322,655</u>
Non-current liabilities			
Certificates of investment	14	219,163,955	392,171,853
Long-term loan	15	8,333,330	12,499,997
Lease liabilities	16	10,329,394	11,405,762
Long-term deposits	17	460,306,908	647,766,213
Deferred taxation - net	18	161,200,869	198,550,326
		<u>859,334,456</u>	<u>1,262,394,151</u>
Total liabilities		<u>1,554,905,419</u>	<u>1,977,716,806</u>
NET ASSETS		<u>772,582,915</u>	<u>749,614,319</u>
FINANCED BY			
Authorised share capital		<u>500,000,000</u>	<u>500,000,000</u>
Issued, subscribed and paid up capital		253,698,000	253,698,000
Capital Reserves			
Statutory reserve		112,588,499	108,089,370
Reserve for issue of bonus shares		4,402,000	4,402,000
Surplus on revaluation of property, plant and equipment - net of tax		90,504,204	90,504,204
Surplus on revaluation of available for sale investments		2,331,499	1,858,546
		<u>209,826,202</u>	<u>204,854,120</u>
Revenue Reserve		<u>309,058,713</u>	<u>291,062,199</u>
Unappropriated profit		<u>772,582,915</u>	<u>749,614,319</u>
Contingencies and commitments	19		

The annexed notes 1 to 24 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 three months period
ended 30 September 2020

	Three months period ended 30 September	
	2020	2019
	----- Rupees -----	
INCOME		
Income from financing operations	78,301,093	66,248,669
Other operating Income		
Return on investments	1,352,519	2,012,707
Other income	2,393,820	2,773,890
	3,746,339	4,786,597
	82,047,432	71,035,266
OPERATING EXPENSES		
Administrative and operating expenses	14,348,865	18,432,188
Finance cost	16,541,676	27,532,228
	30,890,541	45,964,416
Operating profit before provision	51,156,891	25,070,850
Provision for potential lease losses - net	1,379,549	(259,641)
Provision for lease receivables held under litigation - net	(38,482,718)	-
Profit before taxation	14,053,722	24,811,209
Taxation		
- Current	(28,907,536)	(1,024,520)
- Deferred	37,349,457	(4,429,320)
	8,441,921	(5,453,840)
Profit after taxation	22,495,643	19,357,369
Earning per share- basic & diluted	0.89	0.76

The annexed notes 1 to 24 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 three months period
ended 30 September 2020

	Three months period ended 30 September	
	2020	2019
Profit after taxation	22,495,643	19,357,369
Other comprehensive income / (loss)		
<i>Item that will be reclassified to statement of profit or loss in subsequent periods:</i>		
Surplus / (deficit) on revaluation of available for sale investment	472,953	(304,623)
Total comprehensive income for the period	<u>22,968,596</u>	<u>19,052,746</u>

The annexed notes 1 to 24 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 three months period
ended 30 September 2020

**Three months Period Ended
30 September**

	2020	2019
NOTE	----- Rupees -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	14,053,722	24,811,209
Adjustments for:		
- Depreciation	2,570,676	3,613,314
- Amortisation of premium on long-term investments - net	-	12,511
- Amortisation of intangible asset	10,889	10,889
- Finance cost	16,541,676	27,532,228
- Provision for lease receivable held under litigation - net	38,482,718	-
- Provision for potential lease losses - net	(1,379,549)	259,641
	56,226,410	31,428,583
Operating profit before working capital changes	70,280,132	56,239,792
Movements in working capital		
(Increase) / decrease in current assets		
- Other receivables - net	(164,445,782)	1,442,401
- Advances to employees	(28,000)	(10,500)
- Accrued mark-up / return on investments	-	10,712
- Ijarah rental receivables	-	(507,535)
- Prepayments	1,003,035	97,154
	(163,470,747)	1,032,232
Increase / (decrease) in current liabilities		
Trade and other payables	8,833,934	(412,848)
Cash (used in) / generated from operating activities	(84,356,681)	56,859,176
Finance cost paid	(34,336,954)	(24,769,678)
Tax (paid) / refunded - net	(2,380,418)	(304,339)
Net investment in finance lease	512,073,941	(59,470,434)
Long-term loans	337,249	-
Deposits received from lessees - net	(182,630,815)	58,943,303
Advance rental against ijarah leasing	(181,122)	(836,972)
Net cash generated from operating activities	208,525,200	30,421,056
CASH FLOW FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	-	(81,500)
Short term investment - net	21,839,644	(3,312,607)
Long-term investment - net	-	2,000,000
Net cash generated from / (used in) investing activities	21,839,644	(1,394,107)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from certificates of investment - net	(173,007,898)	8,234,272
Lease liabilities	(1,204,377)	
Long term loan - net	(4,166,667)	(8,333,330)
Net cash (used in) / generated from financing activities	(178,378,942)	(99,058)
Net increase in cash and cash equivalents	51,985,902	28,927,891
Cash and cash equivalents at the beginning of the period	(229,779,974)	(397,930,875)
Cash and cash equivalents at the end of the period	(177,794,072)	(369,002,984)

The annexed notes 1 to 24 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 three months period
ended 30 September 2020

	Reserves					Total equity
	Issued, subscribed and paid up capital	Statutory reserve	Reserve for issue of bonus shares	Capital Surplus on revaluation of property, plant & equipment - net of tax	Revenue Unappropri- ated profit	
Balance as at 1 July 2019	253,698,000	105,910,520	4,402,000	90,504,204	302,371,124	758,645,568
Profit after taxation	-	-	-	-	19,357,369	19,357,369
Other comprehensive income / (loss)	-	-	-	(304,623)	-	(304,623)
Total comprehensive income / (loss) for the period	-	-	-	(304,623)	-	19,052,746
Transfer to statutory reserve	-	3,871,474	-	-	(3,871,474)	-
Balance as at 30 Sept. 2019	<u>253,698,000</u>	<u>109,781,994</u>	<u>4,402,000</u>	<u>90,504,204</u>	<u>317,857,019</u>	<u>777,698,314</u>
Balance as at 1 July 2020	253,698,000	108,089,370	4,402,000	90,504,204	291,062,199	749,614,319
Profit after taxation	-	-	-	-	22,495,643	22,495,643
Other comprehensive income	-	-	-	-	-	472,953
Total comprehensive income for the period	-	-	-	-	472,953	22,968,596
Transfer to statutory reserve	-	4,499,129	-	-	(4,499,129)	-
Balance as at 30 Sept. 2020	<u>253,698,000</u>	<u>112,588,499</u>	<u>4,402,000</u>	<u>90,504,204</u>	<u>309,058,713</u>	<u>772,582,915</u>

The annexed notes 1 to 24 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.
- 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 September 30, 2020 is Rs. 678.234 million which is Rs. 178.234 million in excess of the minimum equity requirement.
- 1.3** VIS Credit Rating Company Limited has re-affirmed A- and A-2 ratings to the Company for long term and short term, respectively on June 30, 2020.

2. GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Company is located at UNIBRO House, Ground and Mezzanine Floor, Plot No. 114, 9th East Street, Phase-1, Defense 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.

3. BASIS OF PREPARATION**3.1 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 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.



- 3.2 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, 2020.

The comparative statement of financial position presented in these condensed interim financial statements as at September 30, 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 September 30, 2019.

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, 2020.

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, 2020.

	Note	(Un-audited) 30 September 2020	(Audited) 30 June 2020
----- Rupees -----			
6. CASH AND BANK BALANCES			
Cash in hand		130,000	106,254
Balances with banks:			
- in current accounts		112,278,926	108,673,212
- in saving accounts	6.1	15,652,940	6,026,120
		<u>128,061,866</u>	<u>114,805,586</u>
6.1			
Return on these savings accounts is earned at rates ranging from 5.5% to 6.30% (June 30, 2020 : 5.25% to 5.75%) per annum.			
7. SHORT TERM INVESTMENTS			
<i>Available for sale</i>			
National Investment (Unit) Trust		3,525,699	3,052,746
<i>Held to maturity</i>			
Government securities - Market Treasury Bills		39,615,843	61,455,487
		<u>43,141,542</u>	<u>64,508,233</u>

	(Un-audited) 30 September 2020	(Audited) 30 June 2020
8. OTHER RECEIVABLES - net		
<i>Considered good</i>		
Insurance premium and other receivables	3,272,207	3,135,830
<i>Considered doubtful</i>		
Lease receivables held under litigation	241,089,160	60,483,652
Insurance premium and other receivables	2,479,451	2,479,451
Provision against lease receivables held under litigation	(88,119,246)	(49,636,528)
Provision against insurance premium and other receivables	(2,479,451)	(2,479,451)
Mark-up held in suspense against lease receivables held under litigation	(21,893,227)	(5,597,124)
	131,076,687	5,250,000
	134,348,894	8,385,830
9. NET INVESTMENT IN FINANCE LEASE - secured		
Net investment in finance lease	1,822,995,872	2,333,690,264
Less: current portion	(660,972,147)	(887,042,453)
	1,162,023,725	1,446,647,811



Note	30 September 2020 (Un-audited)			30 June 2020 (Audited)		
	Not later than one year	Later than one year and less than five years	Total	Not later than one year	Later than one year and less than five years	Total
	----- Rupees -----					
Minimum lease payments	600,345,612	804,865,214	1,405,210,826	880,957,218	959,494,570	1,840,451,788
Residual value of leased assets	239,606,682	460,306,908	699,913,590	234,778,192	647,766,213	882,544,405
Gross investment in finance lease	839,952,294	1,265,172,122	2,105,124,416	1,115,735,410	1,607,260,783	2,722,996,193
Unearned lease income	131,700,369	(103,148,397)	(234,848,766)	(170,705,159)	(160,612,972)	(331,318,131)
Mark-up held in suspense	(146,893,537)	103,148,397	(43,745,140)	(124,521,639)	160,612,972	35,091,333
Provision for potential lease losses	693,058,757	1,162,023,725	1,855,082,482	920,508,612	1,446,647,811	2,367,156,423
Net investment in finance lease	660,972,147	1,162,023,725	1,822,995,872	887,042,453	1,446,647,811	2,333,690,264
	----- Rupees -----					
	(Un-audited) 30 September 2020			(Audited) 30 June 2020		
	33,466,159			2,628,042		
	(1,379,549)			30,838,117		
	32,086,610			33,466,159		

9.1 **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

	Note	(Un-audited) 30 September 2020	(Audited) 30 June 2020
----- Rupees -----			
10. LONG TERM LOANS - secured			
Auto-finance loan		23,139,698	23,476,947
Less: Current portion		(18,203,474)	(15,815,393)
		<u>4,936,224</u>	<u>7,661,554</u>
11. DIMINISHING MUSHARAKAH RECEIVABLE - secured			
Considered doubtful		18,788,999	18,788,999
Less: Provision for doubtful receivable	11.1	(18,788,999)	(18,788,999)
		<u>-</u>	<u>-</u>
11.1 Provision for doubtful receivable			
Balance at beginning of the period/year		18,788,999	9,394,500
Charge for the period/year		-	9,394,499
Balance at end of the period/year		<u>18,788,999</u>	<u>18,788,999</u>
12. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets - Own use		5,073,079	5,493,474
Operating fixed assets - Ijarah finance		1,050,432	2,137,180
		<u>6,123,511</u>	<u>7,630,654</u>
13. SHORT TERM BORROWINGS - secured			
The Company has arranged short-term running finance facilities from various commercial banks amounting to Rs. 630 million (June 30, 2020: Rs. 630 million). These carry mark-up at the rate ranging from 3 months KIBOR plus 1% to 3 months KIBOR plus 2.5% per annum and are secured by hypothecation charge over leased assets and lease rentals receivable.			
14. CERTIFICATES OF INVESTMENT - secured			
Certificates of investment		231,163,955	404,171,853
Less: Current portion		(12,000,000)	(12,000,000)
		<u>219,163,955</u>	<u>392,171,853</u>
15. LONG-TERM LOAN - secured			
Long-term loan		24,999,998	29,166,665
Less: Current portion		(16,666,668)	(16,666,668)
		<u>8,333,330</u>	<u>12,499,997</u>
16. LEASE LIABILITIES			
Lease liabilities		14,438,818	15,239,126
Less: Current portion		(4,109,424)	(3,833,364)
		<u>10,329,394</u>	<u>11,405,762</u>
17. LONG-TERM DEPOSITS			
Deposit held against finance lease		699,913,590	882,544,405
Less: Current portion		(239,606,682)	(234,778,192)
		<u>460,306,908</u>	<u>647,766,213</u>

	(Un-audited) 30 September 2020	(Audited) 30 June 2020
	----- Rupees -----	
18. 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	165,936,123	192,344,766
	208,874,309	235,282,952
Deductible temporary difference arising in respect of:		
Provisions	(42,348,465)	(30,822,892)
RoU asset and lease liabilities	(751,791)	(675,456)
Accelerated tax depreciation	(4,573,184)	(5,234,278)
	(47,673,440)	(36,732,626)
	161,200,869	198,550,326
19. CONTINGENCIES AND COMMITMENTS		
19.1 Contingencies		
The aggregate amount of tax contingencies amounted to Rs. 55.6 million as at September 30, 2020. There were no changes in the status of contingencies during the period.		
19.2 Commitments		
Finance lease committed but not executed	72,743,680	5,865,000
Vehicle finance loan committed but not executed	10,530,000	22,500,000
20. 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.		
21. 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.		
22. 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:		

22.1 Transactions during the period

Nature of transaction	Relationship	Three months period ended 30 September (Un-audited)	
		2020	2019
----- Rupees -----			
<u>Certificates of investment</u>			
Issued/rolled over during the period	Board of Directors and their relatives	-	372,171,853
Repaid during the period	Board of Directors and their relatives	<u>173,007,898</u>	-
Finance cost	Board of Directors and their relatives	<u>9,613,315</u>	<u>10,522,214</u>
<u>Net investment in finance lease</u>			
<i>Rental received</i>			
MACPAC Films Limited	Associated undertaking (common directorship)	<u>7,577,673</u>	<u>7,577,673</u>
Saira Industries (Pvt) Ltd	Associated undertaking (common directorship)	<u>-</u>	<u>206,949</u>
<u>Retirement benefit fund</u>			
Contribution for the period	Provident fund	<u>155,266</u>	<u>145,284</u>
<u>Remuneration and other benefits</u>			
Directors' fee	Board of Directors	<u>240,000</u>	<u>530,000</u>
Salary and allowances	Key management personal	<u>1,301,920</u>	<u>1,562,304</u>
		(Un-audited) 30 September 2020	(Audited) 30 June 2020
----- Rupees -----			

22.2 Balances at period/year end

Certificates of investment	209,163,955	382,171,853
Accrued mark-up on Certificates of investment	34,176,818	48,483,205
Net investment in finance lease	38,579,547	48,441,609
Security deposit	10,075,000	10,075,000
Prepaid rent	-	1,076,115

23. 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".

	Conventional Finance	Islamic Finance	Others	Total
	----- Rupees -----			
Segment analysis for the period ended 30 September 2020 (Un-audited)				
Segment revenue	77,031,901	1,269,192	3,746,339	82,047,432
Administrative and operating expenses	<u>(29,894,324)</u>	<u>1,170,955</u>	<u>3,318,278</u>	<u>(25,405,091)</u>
Segment result	106,926,225	98,237	428,061	56,642,341
Provision for Workers' Welfare Fund				(288,000)
Unallocated expenses				<u>(25,758,943)</u>
Result from operating activities				30,595,398
Finance cost				(16,541,676)
Provision for taxation				8,441,921
Profit for the period				<u><u>22,495,643</u></u>
Segment assets and liabilities as at 30 September 2020 (Un-audited)				
Segment assets	<u>1,848,048,902</u>	<u>4,493,421</u>	<u>334,569,915</u>	2,187,112,238
Unallocated assets				140,376,096
Total assets				<u><u>2,327,488,334</u></u>
Segment liabilities	<u>734,183,754</u>	<u>1,064,968</u>	<u>18,428,518</u>	753,677,240
Unallocated liabilities				801,228,179
Total liabilities				<u><u>1,554,905,419</u></u>
Other information for the period ended 30 September 2020 (Un-audited)				
Depreciation	<u>-</u>	<u>1,086,748</u>	<u>1,063,533</u>	<u>2,150,281</u>
Unallocated depreciation				<u>420,395</u>
Segment analysis for the period ended 30 September 2019 (Un-audited)				
Segment revenue	62,340,922	3,907,747	4,786,597	71,035,266
Administrative and operating expenses	<u>(9,764,072)</u>	<u>(3,393,859)</u>	<u>(1,277,224)</u>	<u>(14,435,155)</u>
Segment result	72,104,994	7,301,606	6,063,821	56,600,111
Provision for Workers' Welfare Fund				(450,000)
Unallocated expenses				<u>(3,806,674)</u>
Result from operating activities				52,343,437
Finance cost				(27,532,228)
Provision for taxation				(5,453,840)
Profit for the period				<u><u>19,357,369</u></u>

	Conventional Finance	Islamic Finance	Others	Total
	----- Rupees -----			
Segment assets and liabilities as at 30 June 2020 (Audited)				
Segment assets	<u>2,364,869,166</u>	<u>4,492,099</u>	<u>239,205,435</u>	2,608,566,700
Unallocated assets				118,764,425
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				1,045,936,646
Total liabilities				<u>1,977,716,806</u>
Other information for the period ended 30 September 2019 (Un-audited)				
Depreciation	<u>-</u>	<u>3,176,329</u>	<u>-</u>	<u>3,176,329</u>
Unallocated capital expenditure				<u>81,500</u>
Unallocated depreciation				<u>436,985</u>

24. GENERAL

These condensed interim financial statements was authorised for issue on October 27, 2020 by the Board of Directors of the Company.

Chief Executive Officer

Chief Financial Officer

Director