



Pak-Gulf Leasing
Company Limited

**Condensed Interim
Financial Statements
(Un-audited)**

**For the six months period
ended 31 December 2024**



COMPANY INFORMATION

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
Brig. Haris Nawaz (Retd.)	Director
Mr. Mahfuz-ur-Rehman Pasha	Chief Executive Officer

Company Secretary

Ms. Mehreen Usama

Audit Committee

Ms. Naueen Ahmed	Chairman
Mr. Pervez Inam	Member
Brig. Naveed Nasar Khan (Retd.)	Member
Mr. Ismail H. Ahmed	Member
Mr. Naeem Ali Mohammad Munshi	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. Naueen Ahmed	Member
Mr. Mahfuz-ur-Rahman Pasha	Member
Ms. Mehreen Usama	Secretary

Risk Management Committee

Mr. Jan Ali Khan Junejo	Chairman
Mr. Sohail Inam Ellahi	Member
Mr. Fawad Salim Malik	Member
Mr. Ismail H. Ahmed	Member
Mr. Naeem Ali Muhammad Munshi	Member
Ms. Naueen Ahmed	Member

Senior Management

Mr. Mahfuz-ur-Rahman Pasha	Chief Executive Officer
Lt. Col. Saleem Ahmed Zafar (Retd.)	Chief Operating Officer
Ms. Mehreen Usama	Chief Financial Officer
Lt. Col. Farhat Pervez Kayani (Retd.)	General Manager Punjab
Ms. Farah Farooq	Head of Audit

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. 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, 35820965-6
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,
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

DIRECTORS' REPORT

Dear Shareholders

The Directors of your Company are pleased to present before you the un-audited condensed interim financial Statements of your Company for the first half of the current financial year (CFY 2024-25) ending on December 31, 2024.

Financial Highlights and Business Review

Your Company earned a Total Revenue of Rs. 139.53 million during the first half of the current financial year (CFY: 2024-25) ending on December 31, 2024, as compared to the Total Revenue of Rs. 148.78 million posted, during the first half of the last financial year (LFY 2023-24) ending on December 31, 2023. Administrative expenses for the first half of the current financial year (CFY: 2024-25) have increased by Rs. 1 million as compared with the administrative expenses for the first half of the last financial year (LFY 2023-24), while due to low utilization of borrowing facilities finance cost for first half of the current financial year (CFY: 2024-25) showed a decrease of Rs. 19 million as compared to first half of the last financial year (LFY 2023-24). During the first half of the current financial year (CFY: 2024-25) the Company made provision of Rs. 2.4 million for potential lease and loan losses based on IFRS 9, while a sum of Rs. 0.275 million was recorded during the first half of the current financial year (CFY: 2024-25) on account of provision made against lease receivables held under litigation.

The Company's Profit before Taxation for the first half of the current financial year (CFY: 2024-25) amounted to Rs. 81.25 million which stood at Rs. 71 million in the first half of the last financial year (LFY 2023-24). Net Profit after Tax for the first half of the current financial year (CFY: 2024-25) has decreased to Rs. 46.34 million as compared to Rs. 58.82 million for the first half of the last financial year (LFY 2023-24).

The Shareholders Equity of your Company amounts to Rs. 753.489 million, as at December 31, 2024 which as at June 30, 2024 amounted to Rs. 815.948 million. Decrease in equity is mainly attributable to interim dividend payout of Rs. 108 million to the shareholders. Earnings per Share for the first half of the current financial year (CFY: 2024-25) has also decrease to Rs. 0.94 as compared with the EPS of Rs. 1.19 for the first half of the last financial year (LFY 2023-24).

In December 2024, 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 trying and testing market conditions. We expect the management and staff of PGL, not only to maintain, but to further enhance their marketing skills in the face of challenging business environment and make all-out efforts 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 co-operation and guidance extended to your Company by the Securities and Exchange Commission of Pakistan (SECP), NBFI's and Modaraba Association of Pakistan and other regulatory authorities, for the resolution of its genuine issues. 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 the Company's customers, investors and bankers, for the valuable support given by them to the Company. We look forward to reinforcing and building further a mutually beneficial and cordial relationship between the Company and all its stakeholders.

Chairman

Karachi
February 27, 2025

Chief Executive Officer

ڈائریکٹرز رپورٹ

محترم شیئر ہولڈرز (حصص یافتگان)

آپ کے ڈائریکٹرز انتہائی مسرت کے ساتھ آپ کے سامنے موجودہ مالی سال (2024-25) کی 31 دسمبر 2024 کو ختم ہونے والی ششماہی کے لیے آپ کی کمپنی کے مالیاتی گوشوارے پیش کر رہے ہیں۔

مالیاتی کارکردگی اور کاروباری جائزہ

مالی سال 2024-25 کی پہلی ششماہی میں آپ کی کمپنی کی کل آمدنی 139.53 ملین روپے رہی جو کہ مالی سال 2023-24 کی ششماہی میں 148.78 ملین روپے تھا۔ 31 دسمبر 2024 کو ختم ہونے والی ششماہی کے انتظامی اخراجات میں گزشتہ سال 31 دسمبر 2023 کو ختم ہونے والی ششماہی کے مقابلے میں 1 ملین روپے کا اضافہ ہوا۔ جبکہ تقابلی مدت میں مالی سہولیات کے کم استعمال کی وجہ سے مالیاتی لاگت میں 19 ملین روپے کی کمی دیکھی گئی ہے۔ 31 دسمبر 2023 کو ختم ہونے والی ششماہی کے دوران کمپنی نے IFRS-9 کے تحت ممکنہ لیز اور قرض کے نقصانات کیلئے 2.4 ملین روپے کا ایک عارضی پروویژن مختص کیا جبکہ اس دورانیہ میں قانونی چارہ جوئی کے تحت لیز کی وصولی کیلئے رکھے گئے کھاتے کی مدد میں 0.275 ملین روپے کا پروویژن ریکارڈ کیا گیا۔

ششماہی 31 دسمبر 2024 میں کمپنی کا منافع قبل از ٹیکس 81.25 ملین روپے رہا جو کہ گزشتہ سال ششماہی 31 دسمبر 2023 میں 71 ملین روپے تھا۔ ششماہی 31 دسمبر 2024 کو کمپنی کا منافع بعد از ٹیکس 46.34 ملین روپے رہا جو کہ پچھلے سال کی ششماہی میں 58.82 ملین روپے تھا۔

آپ کے کمپنی کے شیئر ہولڈرز کی ایکویٹی جو کہ 30 جون 2024 کو 815.948 ملین روپے تھی 31 دسمبر 2024 کو کم ہو کر 753.489 ملین ہو گئی ہے۔ جبکہ 31 دسمبر 2024 کو ختم ہونے والے ششماہی کے لئے نی شیئر آمدنی 0.94 روپے فی حصص ہے جو کہ پچھلے سال 2023-24 میں 1.14 روپے فی حصص تھی۔

دسمبر 2024 میں VIS کرڈٹ ریٹنگ ایجنسی نے کمپنی کی تشخیصی ریٹنگ کا اعادہ کرتے ہوئے درمیانی سے طویل المیعاد کے مدت کیلئے A- ریٹنگ، اور مختصر مدت کیلئے A-2 ریٹنگ مقرر کی اور کمپنی کے آئندہ امکانات کو مستحکم قرار دیا گیا۔

آپ کے ڈائریکٹرز، مارکیٹ کے آزمائشی اور مشکل حالات کے باوجود آپ کی کمپنی کی کارکردگی کی نگرانی کرنے کے لیے آپ کے نمائندے کی حیثیت سے اپنی خدمات ریکارڈ پر لانا چاہتے ہیں 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 کاروباری 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 سے 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)، NBFی اور مضاربہ ایسوسی ایشن (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 اداروں 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 PGL کو ان کی طرف سے فراہم کی گئی قابل قدر معاونت کے لیے ہمارے قابل قدر شیئر 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 کی کوشش کریں گے۔

چیف ایگزیکٹو آفیسر

چیرمین

27 فروری 2025

کراچی



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Karachi-74200
Pakistan

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF PAK-GULF LEASING COMPANY LIMITED

Report on review of condensed interim financial statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Pak-Gulf Leasing Company Limited** ("the Company") as at December 31, 2024 and the related condensed interim statement of profit or loss, the condensed interim statement of comprehensive income, the condensed interim statement of changes in equity, the condensed interim statement of cash flows and notes to the condensed interim financial statements for the six months period then ended (here-in-after referred as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for condensed interim financial reporting. Our responsibility is to express a conclusion on these condensed interim 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 condensed 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 condensed interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures of the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the quarters ended December 31, 2024 and December 31, 2023 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2024.

The engagement partner on the review resulting in this independent Auditor's report is Tariq Feroz Khan.

KARACHI

DATED: 27 FEB 2025

UDIN: RR202410166idIB4PyYZ


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

PAK-GULF LEASING COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

		(Un-Audited) December 31 2024 Rupees	(Audited) June 30 2024 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	3,686,072	7,298,508
Right of use of assets		14,814,946	17,160,784
Investment property	6	169,884,000	169,884,000
Intangible asset		287,875	324,625
Net investment in finance lease	7	619,322,151	773,389,541
Long-term loans	8	18,050,531	21,025,572
Long term deposits		118,500	118,500
		826,164,075	989,201,530
CURRENT ASSETS			
Current portion of net investment in finance lease	7	269,853,447	408,293,631
Current portion of long-term loans	8	19,241,479	52,100,860
Short term investments	9	50,925,249	40,549,837
Advance to employees		-	4,940
Prepayments		1,414,618	467,419
Other receivables - net	10	97,394,975	105,044,504
Cash and bank balances	11	329,153,914	354,856,487
		767,983,682	961,317,678
TOTAL ASSETS		<u>1,594,147,757</u>	<u>1,950,519,208</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		494,711,100	494,711,100
Capital reserves			
Statutory reserve		178,753,245	169,485,284
Surplus on revaluation of property and equipment - net		90,504,204	90,504,204
Surplus on revaluation of investments classified fair value through other comprehensive income		6,424,090	3,578,913
Revenue reserve			
Unappropriated profit		80,312,412	152,077,011
TOTAL EQUITY		<u>850,705,051</u>	<u>910,356,512</u>
NON-CURRENT LIABILITIES			
Long-term deposits	12	300,298,747	342,798,193
Long-term loan	13	-	4,166,668
Lease liabilities	14	9,703,872	8,662,199
Certificates of investment	15	111,140,075	225,475,007
Deferred taxation - net	16	136,969,207	121,024,669
		558,111,901	702,126,736
CURRENT LIABILITIES			
Trade and other payables	17	47,267,915	55,121,276
Unclaimed dividend		5,074,903	3,235,057
Taxation - net		18,174,261	37,977,148
Accrued mark-up	18	41,438,616	60,539,007
Current portion of long-term deposits	12	53,031,997	139,912,877
Current portion of long-term loan	13	12,500,000	33,333,332
Current portion lease liabilities	14	6,905,530	6,315,124
Current portion of certificates of investment	15	937,583	1,602,139
		185,330,805	338,035,960
		<u>1,594,147,757</u>	<u>1,950,519,208</u>
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The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

PAK-GULF LEASING COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2024

	Note	Six months period ended December 31		Three months period ended December 31	
		2024	2023	2024	2023
INCOME					
Income from financing operations	20	94,682,853	126,644,725	43,412,242	68,768,587
Other operating income					
Return on investments		36,611,329	15,336,779	16,935,910	8,886,787
Other income		8,231,598	6,797,172	4,274,655	3,504,792
		44,842,927	22,133,951	21,210,565	12,391,579
		139,525,780	148,778,676	64,622,807	81,160,166
OPERATING EXPENSES					
Administrative and operating expenses	21	29,647,419	28,654,337	14,502,302	14,607,941
Finance cost	22	25,958,569	45,191,041	10,825,896	19,076,381
		55,605,988	73,845,378	25,328,198	33,684,322
Operating profit before provisions		83,919,792	74,933,298	39,294,609	47,475,844
Provision for potential lease losses - net	7.2 & 8.1	(2,397,268)	(4,663,149)	(5,755,526)	(1,024,796)
(Provision) / Reversal against lease receivables held under litigation	10	(275,489)	731,706	(50,000)	(573,250)
Profit before taxation		81,247,035	71,001,855	33,489,083	45,877,798
Taxation-current		(18,962,691)	(38,186,117)	(10,662,993)	(21,552,514)
-deferred		(15,944,540)	25,999,736	(16,247,354)	14,280,035
Profit for the period		46,339,804	58,815,474	6,578,736	38,605,319
Earnings per share - basic and diluted		0.94	1.19	0.13	0.78

The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

PAK-GULF LEASING COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2024

		Six month period ended		Three months period ended	
	Note	December 31		December 31	
		2024	2023	2024	2023
Profit for the period		46,339,804	58,815,474	6,578,736	38,605,319
Other comprehensive income for the period					
Items that will not be reclassified to statement of profit or loss in subsequent periods:					
Gain on revaluation of investments classified fair value through other comprehensive income	9	2,845,177	1,373,790	2,725,860	900,837
Total comprehensive income for the period		<u>49,184,981</u>	<u>60,189,264</u>	<u>9,304,596</u>	<u>39,506,156</u>

The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

PAK-GULF LEASING COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

Share capital	Reserves				Total reserves	Total equity	
	Capital			Revenue			
	Statutory reserve	Surplus on revaluation of property and equipment - net of tax	Surplus on revaluation of investments classified as fair value through other comprehensive income	Unappropriated profit			
(Rupees)							
Balance as at July 1, 2023	494,711,100	153,725,579	90,504,204	1,554,609	89,038,190	334,822,582	829,533,682
Transaction with owners							
Total comprehensive income							
Profit for the period	-	-	-	-	58,815,474	58,815,474	58,815,474
Other comprehensive income							
Gain on revaluation of investments classified as fair value through other comprehensive income	-	-	-	1,373,790	-	1,373,790	1,373,790
Transfer to statutory reserve	-	-	-	1,373,790	58,815,474	60,189,264	60,189,264
Balance as at December 31, 2023	<u>494,711,100</u>	<u>165,488,674</u>	<u>90,504,204</u>	<u>2,928,399</u>	<u>136,090,569</u>	<u>395,011,846</u>	<u>889,722,946</u>
Balance as at July 1, 2024	494,711,100	169,485,284	90,504,204	3,578,913	152,077,011	415,645,412	910,356,512
Transaction with owners							
Interim dividend for the year ending June 30, 2025 @ Rs. 2.2/ per share					(108,836,442)	(108,836,442)	(108,836,442)
Total comprehensive income							
Profit for the period	-	-	-	-	46,339,804	46,339,804	46,339,804
Other comprehensive income							
Gain on revaluation of investments classified as fair value through other comprehensive income	-	-	-	2,845,177	-	2,845,177	2,845,177
Transfer to statutory reserve	-	-	-	2,845,177	46,339,804	49,184,981	49,184,981
Transfer to statutory reserve	-	9,267,961	-	-	(9,267,961)	-	-
Balance as at December 31, 2024	<u>494,711,100</u>	<u>178,753,245</u>	<u>90,504,204</u>	<u>6,424,090</u>	<u>80,312,412</u>	<u>355,993,951</u>	<u>850,705,051</u>

Net cash flow (used in) / generated from investing activities

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

PAK-GULF LEASING COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

	December 31 2024	December 31 2023
Note	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	81,247,035	71,001,855
Adjustment for:		
Depreciation	21 2,926,280	2,575,535
Amortisation	21 36,750	6,125
Finance cost	22 25,958,569	45,191,041
Provision for potential lease losses - net	2,397,268	4,663,149
Provision / (write back) against litigation receivable - net	275,489	(731,706)
Gain on disposal of property and equipment	(637,884)	-
	<u>30,956,472</u>	<u>51,704,144</u>
Operating profit before working capital changes	112,203,507	122,705,999
Movement in working capital		
Decrease / (increase) in current assets		
Advance to employees	4,940	64,807
Other receivables - net	7,374,040	6,463,166
Prepayments	(947,199)	(973,847)
	<u>6,431,781</u>	<u>5,554,126</u>
(Decrease) / increase in current liabilities		
Trade and other payables	(7,853,361)	(17,428,972)
Cash generated from operations	<u>110,781,927</u>	<u>110,831,153</u>
Finance cost paid	(43,116,639)	(29,825,830)
Tax paid - net	(38,765,578)	(42,142,435)
Long-term loans	36,705,155	30,674,264
Long-term deposits	(129,380,326)	(46,817,568)
Decrease in net investment in finance lease - net	289,239,573	236,425,857
	<u>114,682,185</u>	<u>148,314,288</u>
Net cash flow generated from operating activities	<u>225,464,112</u>	<u>259,145,441</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property and equipment	(75,000)	(1,528,000)
Proceeds on disposal of property and equipment	3,744,878	(367,500)
Short-term investment in Market Treasury Bills - net	(7,530,237)	17,889,337
Net cash flow (used in) / generated from investing activities	<u>(3,860,359)</u>	<u>15,993,837</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from certificates of investment - net	(114,999,488)	(114,416,566)
Dividend paid	(106,996,596)	-
Lease payments	(310,242)	(3,724,352)
Long-term loan - net	(25,000,000)	(41,666,671)
Net cash flow used in from financing activities	<u>(247,306,326)</u>	<u>(159,807,589)</u>
Net (decrease) / increase in cash and cash equivalents	(25,702,573)	115,331,689
Cash and cash equivalents at the beginning of the period	354,856,487	18,115,942
Cash and cash equivalents at the end of the period	23 <u>329,153,914</u>	<u>133,447,631</u>

The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

PAK-GULF LEASING COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

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 from 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.

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 December 31, 2024 is Rs. 753.49 million which is Rs. 253.49 million in excess of the minimum equity requirement.

2 BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 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,
- Islamic Financial Accounting Standard - 2 Ijarah (IFAS) issued by the Institute of Chartered Accountants of Pakistan;
- Provisions of and directives issued under the Companies Act, 2017 along with Part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

Where provisions of and directives issued under the Companies Act, 2017, the NBFC Rules and the NBFC Regulations differ from the IFRS Standards and IFAS, the provisions of and directives issued under the Companies act, 2017, the NBFC rules and the NBFC regulations have been followed.

2.1.2 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, 2024.

The comparative statement of financial position presented in these condensed interim financial statements as at December 31, 2024 have been extracted from the annual financial statements of the Company for the year ended June 30, 2024, 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, 2023. Further, the figures in the condensed interim financial statements for the three months period ended December 31, 2023 and December 31, 2024 have not been reviewed by the auditors.

2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention, unless otherwise stated.

2.3 Functional and presentation currency

These condensed interim financial statements are presented in Pakistani ("Rs." or "Rupees") which is the functional and presentation currency of the Company. All financial information presented in Rupees has been rounded off to the nearest rupee unless otherwise stated.

2.4 MATERIAL ACCOUNTING POLICIES INFORMATION

The accounting policies and methods of computation adopted for the presentation of these condensed interim financial statements are the same as those applied in the preparation of annual financial statements for the year ended June 30, 2024.

2.5 USE OF ACCOUNTING ESTIMATES AND JUDGEMENTS

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 financial statements for the year ended June 30, 2024.

3 INITIAL APPLICATION OF STANDARDS, INTERPRETATIONS, AMENDMENTS OR AN INTERPRETATION TO EXISTING STANDARDS

3.1 Standards, amendments and interpretations to accounting standards that are effective in the current period

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on January 01, 2024, but are considered not to be relevant or did not have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2025, but are considered not to be relevant or did not have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

4 RISK MANAGEMENT POLICIES

The financial risk management objectives and policies are consistent with those disclosed in the annual audited published financial statements of the Company for the year ended June 30, 2024.

		(Un-Audited) December 31 2024	(Audited) June 30 2024
	Note	(Rupees)	
5 PROPERTY AND EQUIPMENT			
Fixed assets - own use	5.1	<u>3,686,072</u>	<u>7,298,508</u>
5.1 Fixed Assets - Own Use			
Opening net book value		7,298,508	2,637,826
Add: Additions during the period/year		75,000	5,597,913
Net book value of disposal during the period / year		(3,106,994)	-
Less: Depreciation charge for the period/year		<u>(580,442)</u>	<u>(937,231)</u>
Closing net book value		<u>3,686,072</u>	<u>7,298,508</u>

6 INVESTMENT PROPERTY

Office premises	6.1	<u>169,884,000</u>	<u>169,884,000</u>
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6.1 An independent valuation was carried out by the management through an independent professional valuer as at June 28, 2024. As at reporting date, there is no material change in the aforementioned fair value of investment properties and accordingly no adjustment has been incorporated in these condensed interim financial statements.

		(Un-Audited)	(Audited)
		December 31	June 30
		2024	2024
	Note	(Rupees)	

7 NET INVESTMENT IN FINANCE LEASE (Secured)

Net investment in finance lease	7.1	889,175,598	1,181,683,172
Current portion shown under current assets		<u>(269,853,447)</u>	<u>(408,293,631)</u>
		<u>619,322,151</u>	<u>773,389,541</u>

7.1 Net investment in finance lease

Note	December 31, 2024 (Un-audited)			June 30, 2024 (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	399,615,805	404,961,212	804,577,017	478,607,101	543,830,484	1,022,437,585
Add: Residual value of leased assets	53,031,997	300,298,747	353,330,744	139,912,877	342,798,193	482,711,070
Gross investment in finance lease	452,647,802	705,259,959	1,157,907,761	618,519,978	886,628,677	1,505,148,655
Unearned lease income	7.3 (107,986,297)	(85,937,808)	(193,924,105)	(138,686,290)	(113,239,136)	(251,925,426)
Provision for potential lease losses	7.2 (74,808,058)	-	(74,808,058)	(71,540,057)	-	(71,540,057)
Net investment in finance lease	<u>269,853,447</u>	<u>619,322,151</u>	<u>889,175,598</u>	<u>408,293,631</u>	<u>773,389,541</u>	<u>1,181,683,172</u>

		(Un-Audited)	(Audited)
		December 31	June 30
		2024	2024
	Note	(Rupees)	

7.2 Allowance for potential lease losses

Opening balance		71,540,057	113,154,212
Transfer to lease receivable held under litigation	10.1	-	(43,598,720)
Charge for the period/year - net		<u>3,268,001</u>	<u>1,984,565</u>
Closing balance		<u>74,808,058</u>	<u>71,540,057</u>

7.3 This includes accumulated suspended income as at December 31, 2024 amounting to Rs. 21.284 million (June 30, 2024: Rs. 28.16 million).

		(Un-Audited) December 31 2024	(Audited) June 30 2024
	Note	(Rupees)	
8	LONG TERM LOANS (Secured)		
	Auto-finance loan	38,559,179	75,264,334
	Current portion shown under current assets	(19,241,479)	(52,100,860)
	Expected credit loss allowance	8.1 (1,267,169)	(2,137,902)
		<u>18,050,531</u>	<u>21,025,572</u>
8.1	Expected credit loss allowance - auto-finance loan		
	Opening balance	2,137,902	2,152,492
	Reversal for the period/year-net	(870,733)	(14,590)
	Closing balance	<u>1,267,169</u>	<u>2,137,902</u>
9	SHORT TERM INVESTMENTS		
	At fair value through other comprehensive income (FVOCI):		
	54,300 (June 30, 2024: 54,300) units of National Investment (Unit) Trust	4,773,113	2,748,809
	Re-measurement gain	2,845,177	2,024,304
		<u>7,618,290</u>	<u>4,773,113</u>
	At amortised cost:		
	Government Securities - Market Treasury Bills	9.1 43,306,959	35,776,724
		<u>50,925,249</u>	<u>40,549,837</u>
9.1	These represent market treasury bills having cost of Rs. 39.99 million (June 30, 2024: Rs. 34.70 million) and interest accrued thereon of Rs. 3.310 million (June 30, 2024: Rs. 1.076 million). These Market Treasury Bills (MTB) carries interest rate of 19.00% per annum (June 30, 2024: 21.35% per annum) and will mature latest by January 23, 2025.		
10	OTHER RECEIVABLES - net		
	Considered good		
	Insurance premium and other receivables	9,144,975	16,794,504
	Considered doubtful		
	Lease receivables held under litigation	194,158,391	193,882,902
	Insurance premium and other receivables	3,046,701	3,046,701
	Diminishing musharakah receivable	18,788,999	18,788,999
		<u>215,994,091</u>	<u>215,718,602</u>

		(Un-Audited) December 31 2024	(Audited) June 30 2024
	Note	(Rupees)	
Provision			
Provision against lease receivable held under litigation	10.1	(88,229,146)	(87,953,657)
Provision against insurance premium and other receivables		(3,046,701)	(3,046,701)
Mark-up held in suspense against lease receivables held under litigation		(17,679,245)	(17,679,245)
Diminishing musharakah receivable		(18,788,999)	(18,788,999)
		(127,744,091)	(127,468,602)
		<u>97,394,975</u>	<u>105,044,504</u>

10.1 Movement of provision against lease receivable held under litigation

Opening balance		87,953,657	43,561,174
Transfer from net investment in finance lease	7.2	-	43,598,720
Charged for the period/year - net		275,489	793,763
Closing balance		<u>88,229,146</u>	<u>87,953,657</u>

10.2 This is net-off of forced sale value of collaterals held

11 CASH AND BANK BALANCES

Cash in hand		130,000	104,905
Balances with banks:			
- in current accounts		11,426,027	6,798,778
- in savings accounts	11.1	317,597,887	347,952,804
		<u>329,153,914</u>	<u>354,856,487</u>

11.1 Return on these savings accounts at rates ranging from 11.00% to 16.00% (June 30, 2024: 20.50% to 21.00%) per annum.

12 LONG-TERM DEPOSITS

Long-term deposits	12.1	353,330,744	482,711,070
Current portion shown under current liabilities		(53,031,997)	(139,912,877)
		<u>300,298,747</u>	<u>342,798,193</u>

12.1 These represent interest free security deposits received against lease contracts and are adjustable at the expiry / termination of the respective leases.

		(Un-Audited) December 31 2024	(Audited) June 30 2024
	Note	(Rupees)	
13 LONG-TERM LOAN			
(Secured)			
Long-term loan	13.1	12,500,000	37,500,000
Current portion shown under current liabilities		<u>(12,500,000)</u>	<u>(33,333,332)</u>
		<u>-</u>	<u>4,166,668</u>

13.1 The Company has arranged long term finance facilities from Allied Bank Limited amounting to Rs. 350 million (June 30, 2024: Rs. 350 million) for a tenure of three years which is repayable in quarterly instalments. The final maturity date of the facilities is on August 31, 2025. The facilities carry mark-up at the rate of 3 month KIBOR plus 1% per annum and are secured by hypothecation charge over specific leased assets and lease rentals receivable.

14 LEASE LIABILITIES

Opening balance		14,977,323	636,978
Addition during the period		-	21,616,347
Finance cost incurred during the period / year		1,942,321	3,388,907
Lease payments during the period / year		<u>(310,242)</u>	<u>(10,664,909)</u>
Closing balance		16,609,402	14,977,323
Current portion shown under current liabilities		<u>(6,905,530)</u>	<u>(6,315,124)</u>
		<u>9,703,872</u>	<u>8,662,199</u>

15 CERTIFICATES OF INVESTMENT (Un-secured)

Certificates of investment	15.1	112,077,658	227,077,146
Current portion shown under current liabilities		<u>(937,583)</u>	<u>(1,602,139)</u>
		<u>111,140,075</u>	<u>225,475,007</u>

15.1 These represent certificates of investment issued by the Company for periods ranging from 12 to 36 months (June 30 2024: 12 to 36 months) and carry mark-up rates ranging from 15.00% to 21.75% per annum (June 30 2024: 14.75% to 21.75% per annum).

(Un-Audited) (Audited)
December 31 June 30
2024 2024
(Rupees)

16 DEFERRED TAXATION - NET

16.1 Taxable temporary difference arising in respect of:

Surplus on revaluation of property and equipment	36,966,506	36,966,506
Unrealised gain on revaluation of investment property	10,450,440	10,450,440
Accelerated tax depreciation	2,079,222	1,208,708
Right of use assets	4,296,334	4,976,627
Net investment in finance lease	142,315,641	124,692,928
	196,108,143	178,295,209

Deductible temporary difference arising in respect of:

Provision against potential lease losses	(22,061,816)	(20,746,617)
Provision against diminishing musharakah receivable	(5,448,810)	(5,448,810)
Provision against other receivables	(26,469,996)	(26,390,104)
Lease liabilities	(4,816,727)	(4,343,424)
Provision for leave encashment	(341,587)	(341,586)
	(59,138,936)	(57,270,541)
	136,969,207	121,024,668

17 TRADE AND OTHER PAYABLES

Accrued liabilities	2,520,369	2,173,322
Sundry creditors - Lease	35,709,390	41,211,188
Security deposit	2,393,820	2,393,820
Other liabilities	6,644,336	9,342,946
	47,267,915	55,121,276

18 ACCRUED MARK-UP

Accrued mark-up on:		
Certificates of investment	41,291,672	59,744,820
Short term borrowings	333	-
Long-term loan	146,611	794,187
	41,438,616	60,539,007

19 CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

The aggregate amount of tax contingencies amounted to Rs. 3.915 million as at December 31, 2024. There were no changes in the status of other contingencies during the period.

19.2 Commitments

There were no commitments as the reporting date.

		------(Un-audited)-----			
		Six month period ended		Three month period ended	
		December 31,		December 31,	
20	INCOME FROM FINANCING OPERATIONS	2024	2023	2024	2023
		------(Rupees)-----			
	Finance income	82,746,527	109,885,113	34,461,119	53,609,041
	Gain on lease termination	7,215,400	11,196,585	6,767,469	12,068,481
	Late payment charges	4,322,026	5,308,877	2,021,754	2,985,092
	Processing fees and documentation charges	398,900	254,150	161,900	105,973
		<u>94,682,853</u>	<u>126,644,725</u>	<u>43,412,242</u>	<u>68,768,587</u>
20.1	Finance Income				
	Net investment in finance lease	73,079,235	97,575,995	31,078,270	47,295,674
	Auto-finance loan	9,667,292	12,309,118	3,382,849	6,313,367
		<u>82,746,527</u>	<u>109,885,113</u>	<u>34,461,119</u>	<u>53,609,041</u>
21	ADMINISTRATIVE AND OPERATING EXPENSES				
	Salaries, allowances and benefits	16,456,245	16,619,265	8,738,963	8,897,729
	Directors' fee	1,349,998	280,000	450,000	15,002
	Depreciation	2,926,280	2,575,535	1,055,886	1,109,153
	Amortisation	36,750	6,125	18,375	6,125
	Office utilities	1,828,624	1,656,588	875,933	798,067
	Legal and professional charges	843,120	1,429,979	402,121	768,071
	Auditors' remuneration	348,948	288,340	156,249	157,090
	Postage, subscription, printing and stationary	467,276	1,225,579	274,875	691,768
	Vehicle running and maintenance	1,103,158	1,339,747	583,057	704,409
	Office repair and general maintenance	636,271	383,108	373,865	191,403
	Workers' Welfare Fund	1,224,500	904,658	249,500	290,892
	Insurance	1,548,272	645,902	789,395	425,528
	Advertisement	251,100	361,800	251,100	234,900
	Travelling and conveyance	23,910	24,790	11,700	14,000
	Miscellaneous	602,967	912,921	271,283	303,804
		<u>29,647,419</u>	<u>28,654,337</u>	<u>14,502,302</u>	<u>14,607,941</u>

26 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise associated companies where directors hold common directorship, key management personnel, directors and their close family members and staff retirement benefit funds. Transactions and balances with related parties during the period, other than those which have been disclosed elsewhere in these condensed interim financial statements, are as follows:

		------(Un-audited)-----	
		Six months ended	
		December 31	December 31
		2024	2023
		------(Rupees)-----	
26.1	Transactions during the period		
	Nature of transaction		Nature of relationship
	Certificates of investment		
	Issued/rolled over during the period	-	7,000,000
	Repaid during the period	113,600,932	115,555,001
	Finance cost	21,134,280	32,344,770
	Office rent		
	Rent paid during the period		
	Unibro Industries Limited	-	4,910,279
	Dividend paid during the period		
	Board members	64,653,277	-
	Unibro Industries Limited	6,434,076	-
	Mid-East Agencies (Private) Limited	5,521,204	-
	Staff retirement benefit fund		
	Contribution paid for the period	336,684	117,546
	Remuneration and other benefits		
	Director fee	850,000	280,000
	Chairman fee	499,998	249,996
	Salary and allowances	7,393,274	6,125,528
		(Un-audited)	(Audited)
		December 31	June 30
		2024	2024
		-----Rupees-----	
26.2	Balances at period / year end		
	Certificates of investment	111,140,080	224,741,012
	Accrued mark-up on certificates of investment	41,038,832	59,382,874
	Accrued chairman fee	1,541,654	1,041,656

26.3 All transactions with related parties are entered into at agreed terms as duly approved by the Board of Directors of the Company.

27 SEGMENT INFORMATION

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

December 31, 2024 (Un-audited)				
(Rupees)				
	Lease finance	Auto-finance	Others	Total
Segment transaction				
Segment revenue	82,903,453	11,779,400	44,842,927	139,525,780
Administrative and operating expenses	10,580,117	1,503,284	8,068,680	20,152,081
Segment result	<u>72,323,336</u>	<u>10,276,116</u>	<u>36,774,247</u>	119,373,699
Provision for Workers' Welfare Fund				(1,224,500)
Reversal / (Provision) for doubtful debts and litigation receivable				(2,672,757)
Unallocated expenses				<u>(8,270,838)</u>
Result from operating activities				107,205,604
Finance cost				(25,958,569)
Provision for taxation				<u>(34,907,231)</u>
Profit for the year				<u><u>46,339,804</u></u>
Segment assets and liabilities				
Segment assets	<u>983,988,112</u>	<u>37,292,010</u>	<u>555,804,543</u>	1,577,084,665
Unallocated assets				17,063,092
Total assets				<u>1,594,147,757</u>
Segment liabilities	<u>389,169,689</u>	<u>-</u>	<u>19,003,222</u>	408,172,911
Unallocated liabilities				335,269,795
Total liabilities				<u>743,442,706</u>
Other information				
Depreciation	<u>-</u>	<u>-</u>	<u>2,345,838</u>	2,345,838
Unallocated capital expenditure				<u>75,000</u>
Unallocated depreciation				<u>580,442</u>
Unallocated amortisation				<u>36,750</u>

	December 31, 2023 (Un-audited)			
	(Rupees)			
	Lease finance	Auto-finance	Others	Total
Segment transaction				
Segment revenue	114,188,300	12,456,425	22,133,951	148,778,676
Administrative and operating expenses	12,315,666	1,553,609	5,134,022	19,003,297
Segment result	101,872,634	10,902,816	16,999,929	129,775,379
Provision for Workers' Welfare Fund				(904,658)
Reversal / Provision for doubtful debts				(3,931,443)
Unallocated expenses				(8,746,382)
Result from operating activities				116,192,896
Finance cost				(45,191,041)
Provision for taxation				(12,186,381)
Profit for the year				58,815,474

	June 30, 2024 (Audited)			
	(Rupees)			
Segment assets and liabilities				
Segment assets	1,284,145,215	73,126,432	578,129,884	1,935,401,531
Unallocated assets				15,117,677
Total assets				1,950,519,208
Segment liabilities	523,922,258	-	17,371,143	541,293,401
Unallocated liabilities				498,869,295
Total liabilities				1,040,162,696

	December 31, 2023 (Un-audited)			
	(Rupees)			
Other information				
Depreciation	-	-	2,340,360	2,340,360
Unallocated capital expenditure				1,528,000
Unallocated depreciation				241,300

28 DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on February 27, 2025 by the Board of Directors of the Company.

29 GENERAL

29.1 Corresponding figures have been rearranged wherever necessary; however, there are no material reclassifications to report during the reporting period.

29.2 Figures have been rounded off to the nearest rupee in thousand, unless otherwise stated.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER