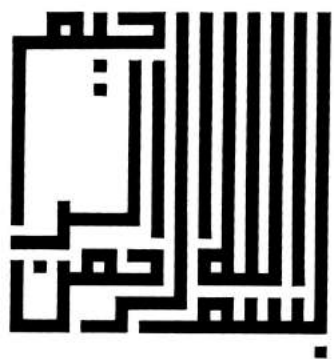


Condensed Interim  
Financial Statements  
(Un-audited)  
For the nine months  
and three months  
ended 31 March 2020



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. Naureen 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
Ms. Naureen 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	General Manager Sindh
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.
Mr. Ayaz Latif	Head of IT

**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  
National Bank of Pakistan  
Silkbank 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, 35820966  
(92-21) 35824401, 35375986-7

Fax #: (92-21) 35820302

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 nine months period ending on March 31, 2020 of the current financial year (CFY). Most of the businesses, due to the prevalent declining growth rate and the consequential adverse market conditions, have experienced a corresponding decline in their revenues and profitability in the first 3 quarters of the CFY. An additional decline in revenue and profitability has also been witnessed in the third quarter of the CFY due to the onslaught of COVID-19 in Pakistan and abroad, in and around the third quarter of the CFY. Although effective measures have been and are being taken by the Federal and Provincial Governments to control the spread of COVID-19 and combat its negative effects on the Pakistan's economy, yet due to the low growth rate combined with the negative effects of COVID-19 and the time required by the businesses to recover from the negative effects, the credit risk of the Company on account of repayments from its customers has increased manifold. As there is an uncertainty about the duration of the COVID-19, its short and long term negative effects on businesses with regard to profitability and liquidity and the time that the business sector would require to recover from its multiple negative effects therefore the overall impact of the above factors on the Company's financial position and its financial performance cannot be predicted at this stage with reasonable certainty. 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 has earned a Total Revenue of Rs. 203.779 million, in the nine months period ending on March 31, 2020. This reflects an increase of 23.81%, over the Total Revenue of Rs. 164.587 million earned in the nine months period ending on March 31, 2019. Finance Cost incurred during the nine months period ending on March 31, 2020 has, due to inflation and increased utilization of available finance facilities, increased substantially in comparison to the corresponding figures of financial cost for the nine months period ending on March 31, 2019. Further during the nine months period ending on March 31, 2020 the Company had to charge provisions of Rs. 19.313 million, Rs. 20.103 million and Rs. 9.39 million for the non-performing lessees, leases held under litigation and non-performing diminishing musharakah contracts, respectively. Due to the increase in finance cost and making provision for doubtful receivables in the Company's financial statements, the Company's Profit after Taxation for the nine months period ending on March 31, 2020 has amounted to Rs. 7.58 million in comparison to profit of Rs. 39.21 million, for the corresponding period of the last Financial Year 2018-19.

The Shareholders Equity of your Company amounts to Rs. 653.397 million, as at March 31, 2020 while Earning per Share for the nine months period ending on March 31, 2020 stands at rupees 0.30 per share.

On April 15, 2019, VIS Credit Rating Company Limited has re-affirmed the Medium to Long-term Entity Rating of your Company at A- (Single A Minus), and the Short-term Rating at A-2 (A-Two) and have graded the Outlook of your Company as "Stable".

Your Directors, in their capacity as your representatives for overseeing the performance of your Company, and being aware of the prevalent adverse market conditions recognize the strenuous efforts made by the management in these difficult and trying times to ensure the profitability of the Company however as extra ordinary times require extra ordinary efforts on the part of the management therefore they urge the management to make optimum utilization of the resources at its disposal and to ensure the best results for the Company. They also expect that the management and staff of PGL will make an all out effort for further improving the quality of their services to your Company's clients and not only to maintain, but to enhance the image of your Company in the financial services sector of Pakistan.

The Directors acknowledge, with thanks, the cooperation and guidance provided 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 financial services sector and it is hoped that these institutions would continue to strengthen the 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, 2020

**Chief Executive Officer**

**قابل احترام حصص یافتگان**

آپ کی کمپنی کے ڈائریکٹرز موجودہ مالی سال کی نو (9) مہینے کی مدت جو کہ 31 مارچ 2020 کو ختم ہوئی ہے کے مالیاتی گوشوارے انتہائی سمرت کے ساتھ آپ کو پیش کرتے ہیں۔ گرتی ہوئی نمونی شرح اور اس کے نتیجے میں پیدا ہونے والے حالات کے پیش نظر بیشتر زیادہ تر کاروباروں کو اس مالی سال کے نتیجوں سہہ ماہیوں میں اپنی آمدنی اور منافع میں کمی برداشت کرنی پڑی ہے۔ علاوہ ازیں بیرون ملک اور بالخصوص پاکستان میں COVID-19 کے مٹنی مالی اثرات کی وجہ سے مالی سال کی تیسری سہہ ماہی میں آمدن اور منافع میں مزید کمی دیکھنے میں آئی ہے۔ اگرچہ وفاق اور صوبائی حکومتوں نے COVID-19 کے پھیلاؤ اور اسکورو کے اور کم شرح نمود اور پاکستان کی معیشت پر اس کے مٹنی اثرات کا مقابلہ کرنے کے لئے موثر اقدامات اٹھائے ہیں اور اٹھا رہے ہیں، اس کے باوجود COVID-19 کے مٹنی اثرات پر قابو پانے کیلئے کاروباری اداروں کو جو وقت درکار ہے، اس کی وجہ سے کمپنی کے اس کرڈٹ رسک میں جو کہ صارفین کی ادائیگی سے منسلک ہے میں اضافہ ہونے کا امکان ہے۔ چونکہ COVID-19 کی مدت کے بارے میں ایک غیر یقینی صورتحال موجود ہے اور چونکہ کاروبار کے شرح نفع اور ماہیت پر اس کے مختصر اور طویل مدتی مٹنی اثرات کی طوالت، اور کاروباری شعبہ کو اس کے مٹنی اثرات کے اثر سے باہر آنے کیلئے جو وقت درکار ہوگا اور اس کے پیش نظر اکائی کی مالی حالت اور مالیاتی کارکردگی کا صحیح اور مستند اندازہ ابھی نہیں لگایا جاسکتا۔ تاہم کمپنی کے ڈائریکٹران مٹنی معاشی مظہر نامے اور کمپنی کو درپیش چیلنجوں سے پوری طرح واقف ہیں اور اس لئے انہوں نے انتظامیہ کو چیلنجوں سے منٹنے اور موثر طریقے سے کم کرنے کے لیے کمپنی کو ایک جامع کاروباری حکمت عملی وضع کرنے کی ہدایت کی ہے۔

آپ کی کمپنی نے اس مالی سال کی نو (9) مہینے کی مدت میں جو 31 مارچ 2020 کو اختتام پذیر ہوئی، میں کل 203,779 ملین روپے کی آمدنی حاصل کی ہے جو 164,587 ملین روپے کی آمدن سے جو کہ پچھلے مالی سال 2018-19 کی نو (9) مہینے کی مدت میں حاصل ہوئی تھی، سے 23.81% زیادہ ہے۔ اخراجات کے حوالے سے اس مالی سال کی نو (9) مہینے کی مدت میں کے گئے انتظامی اور مالی سرمایہ کاری اخراجات میں اضافہ ہوا اگر ان کا مقابلہ 31 مارچ 2020 کے اخراجات سے کیا جائے۔ علاوہ ازیں کمپنی نے موجودہ مالی سال کی نو (9) مہینے کی مدت میں غیر کارکردگی والی لیئرز، وہ لیئرز جو قانونی چارہ جو کی تحت ہیں اور ڈیٹسٹیک مشارک کے لیے باڈی ٹریپ 19,313 ملین اور 20,103 ملین اور 9,399 ملین روپے کا پروڈن لاکٹ میں اضافہ اور کمپنی کے حسابات میں منگلوک وصولیوں کیلئے گنجائش رکھنے کی وجہ سے کمپنی کا موجودہ مالی سال کی نو (9) مہینے کی مدت میں جو کہ 31 مارچ 2019 کو اختتام پذیر ہوئی کا بعد از گیس منافع 7.58 ملین روپے ہے، مقابلہ 39.21 ملین روپے جو کہ پچھلے سال اسی دورانیہ میں تھا۔

آپ کی کمپنی کے شیئر ہولڈرز کی ایکویٹی (Equity) 31 مارچ 2020 کو 653,397 ملین روپے ہوئی ہے۔ جبکہ موجودہ مالی سال کی نو (9) مہینے کی مدت کا فی شیئر منافع 0.30 روپے فی شیئر ہے۔

15 اپریل 2019 میں VIS کرڈٹ ریٹنگ کمپنی لمیٹڈ نے کمپنی کی تشخیصی ریٹنگ کا دوبارہ اعادہ کرنے کے بعد درمیانہ سے طویل المیعاد کے لئے A- ریٹنگ، اور مختصر مدت کی ریٹنگ A-2 برقرار رکھی ہے اور کمپنی کے آئندہ امکانات کو مستحکم قرار دیا گیا۔

آپ کے ڈائریکٹرز جو کہ آپ کے نمائندے ہونے کی حیثیت سے آپ کی کمپنی کی کارکردگی کو دیکھ رہے ہیں مشکلات کے باوجود انتظامیہ اور عملہ نے مثبت نتائج حاصل کرنے کیلئے جو انتھک محنت کی ہے اس کو سراہتے ہیں۔ وہ فنانشل مارکیٹ کے مشکل حالات کے باوجود امید رکھتے ہیں کہ انتظامیہ اور عملہ کمپنی کی موجودہ صورت حال کو مزید ترقی کی طرف گامزن کریں گے اور اپنی تمام مثبت کوششیں کمپنی کے صارفین کو اچھی خدمات مہیا کرنے اور آپ کی کمپنی کو بہتر بنانے میں بروئے کار لائیں گے۔

کمپنی کے ڈائریکٹرز SECP, PICG اور دوسرے ریگولیٹری اداروں نے جو رہنمائی/تعاون آپ کی کمپنی کے ساتھ کیا ہے نہ صرف اسکا اعتراف بلکہ شکر بھی ادا کرتے ہیں۔ ان اداروں کا کردار مالی شعبے کو بہتر بنانے میں نہایت اہم رہا ہے۔ امید کی جاتی ہے کہ یہ تمام ادارے مستقبل میں بھی اچھے اقدام کرتے ہوئے اس شعبہ کو مزید مستحکم اور بہتر بنا سکیں گے۔

آخر میں ہم اپنے تمام قابل احترام حصص یافتگان و بشمول کمپنی کے صارفین اور بینکرڈز کو کمپنی کے ساتھ اسکے بھرپور تعاون پر ان کا شکر یہ ادا کرتے ہیں۔ اس کے ساتھ ساتھ اس بات کی بھی قوی امید رکھتے ہیں کہ ہمارے شراکت داروں اور کمپنی کے درمیان جو مضبوط روابط اور باہم مفید اور خوشگوار تعلقات قائم ہیں ان میں مستقبل میں مزید اضافہ ہوتا رہے گا۔

چیف ایگزیکٹو آفیسر

چیمبرلین

کراچی

22 اپریل 2020



**CONDENSED INTERIM  
STATEMENT OF FINANCIAL POSITION**  
As at March 31, 2020

	Note	(Un-audited) March 31, 2020	(Audited) June 30, 2019
----- Rupees-----			
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and bank balances	6	43,556,310	16,410,061
Short term investments	7	62,555,402	57,433,161
Other receivables	8	10,426,062	25,835,690
Ijarah rental receivables		509,720	536,780
Advance to employees		62,990	57,490
Accrued mark-up / return on investments		-	202,301
Prepayments		3,886,034	2,573,005
Current portion of net investment in finance lease	9	834,062,738	711,771,188
Current portion of long-term investments		-	6,031,925
Current portion of vehicle finance loan	10	15,347,150	-
Taxation - net		2,109,286	4,264,832
		<u>972,515,692</u>	<u>825,116,433</u>
<b>Non-current assets</b>			
Net investment in finance lease	9	1,613,019,057	1,651,541,206
Vehicle finance loan	10	3,737,454	-
Diminishing musharakah receivable	11	-	9,394,499
Long-term deposits		118,500	112,500
Investment property		154,440,000	154,440,000
Property, plant and equipment	12	9,823,303	19,620,239
Intangible assets		1,534,592	1,567,260
		<u>1,782,672,906</u>	<u>1,836,675,704</u>
<b>Total assets</b>		<u>2,755,188,598</u>	<u>2,661,792,137</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		51,855,230	38,846,091
Unclaimed dividend		2,960,408	1,996,977
Accrued mark-up		57,715,730	22,857,201
Short term borrowings	13	361,983,164	414,340,936
Current portion of certificates of investment	14	7,375,094	18,375,094
Current portion of long-term loan	15	16,666,668	20,833,331
Current portion of long-term deposits	16	164,365,241	96,789,816
Current portion of advance rental against Ijarah financing		1,205,625	2,552,045
		<u>664,127,160</u>	<u>616,591,491</u>
<b>Non-current liabilities</b>			
Certificates of investment	14	392,171,853	373,937,581
Long-term loan	15	16,666,664	29,166,665
Long term deposits	16	747,824,379	691,163,737
Advance rental against Ijarah financing		-	633,918
Deferred taxation	17	187,602,803	191,653,177
		<u>1,344,265,699</u>	<u>1,286,555,078</u>
<b>Total liabilities</b>		<u>2,008,392,859</u>	<u>1,903,146,569</u>
<b>NET ASSETS</b>		<u>746,795,739</u>	<u>758,645,568</u>
<b>NET ASSETS FINANCED BY:</b>			
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
<b>Capital reserves</b>			
Statutory reserve		107,425,954	105,910,520
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		1,360,072	1,759,720
		<u>203,692,230</u>	<u>202,576,444</u>
<b>Revenue reserve</b>			
Unappropriated profit		289,405,509	302,371,124
		<u>746,795,739</u>	<u>758,645,568</u>
<b>Contingencies &amp; Commitments</b>	18		

The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.

**Chief Executive Officer**

**Chief Financial Officer**

**Director**

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

For the nine months and three months  
period ended March 31, 2020

	Nine months period ended		Three months period ended	
	March 31,		March 31,	
	2020	2019	2020	2019
	Rupees			
<b>INCOME</b>				
Income from financing operations	190,919,532	152,063,073	64,443,482	55,487,975
<b>OTHER OPERATING INCOME</b>				
Return on investments	5,829,603	4,774,770	1,251,363	1,626,525
Other income	7,029,840	7,748,892	2,426,820	2,700,532
	12,859,443	12,523,662	3,678,183	4,327,057
<b>TOTAL INCOME</b>	203,778,975	164,586,735	68,121,665	59,815,032
<b>OPERATING EXPENSES</b>				
Administrative and operating expenses	54,467,153	56,928,551	17,923,612	19,686,257
Finance cost	92,770,999	53,567,228	35,010,819	19,909,022
	147,238,152	110,495,779	52,934,431	39,595,279
Operating profit before provision	56,540,823	54,090,956	15,187,234	20,219,753
Provision of potential lease losses - net	(19,313,354)	(432,179)	(14,562,432)	554,460
Provision for lease receivables held under litigation-net	(20,102,571)	(4,169,959)	(14,970,743)	(4,383,292)
Provision for diminishing musharakah receivables-net	(9,394,499)	(4,697,250)	-	-
Profit / (loss) before taxation	7,730,399	44,791,568	(14,345,941)	16,390,921
<b>Taxation</b>				
- Current	(4,203,604)	(13,917,866)	1,811,588	(11,803,245)
- Deferred	4,050,374	8,340,627	3,920,826	7,200,347
	(153,230)	(5,577,239)	5,732,414	(4,602,898)
<b>Profit / (loss) after taxation</b>	7,577,169	39,214,329	(8,613,527)	11,788,023
<b>Earning / (loss) per share - basic &amp; diluted</b>	0.30	1.55	(0.34)	0.46

The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director



## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the nine months and three months  
period ended March 31, 2020

	Nine months period ended		Three months period ended	
	March 31,		March 31,	
	2020	2019	2020	2019
	----- Rupees -----			
Profit / (loss) after taxation	7,577,169	39,214,329	(8,613,527)	11,788,023
<b>Other comprehensive Income</b>				
<i>Item that will not be reclassified subsequently to statement of profit or loss</i>				
Unrealised gain / (loss) on investments at FVOCI-net	(399,648)	(521,280)	(893,778)	46,698
<b>Total comprehensive income / (loss) for the period</b>	<b>7,177,521</b>	<b>38,693,049</b>	<b>(9,507,305)</b>	<b>11,834,721</b>

The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director

## CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

For the nine months period  
ended March 31, 2020

	March 31, 2020	March 31, 2019
----- Rupees-----		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	7,730,399	44,791,588
Adjustments for :		
Depreciation	9,920,504	15,112,340
Amortisation of premium on long term investments - net	31,925	114,329
Amortisation of intangible asset	32,668	32,669
Finance cost	92,770,999	53,567,228
Provision for lease receivable held litigation - net	20,102,571	4,169,959
Provision for diminishing musharakah receivable - net	9,394,499	4,697,250
Provision for potential lease losses - net	19,313,354	432,179
Gain on disposal of property, plant and equipment	(39,500)	-
	151,527,020	78,125,954
<b>Operating profit before working capital charges</b>	159,257,419	122,917,522
<b>Movement in working capital</b>		
<b>(Increase) / decrease in current assets</b>		
Other receivables	(4,692,943)	(25,185,685)
Long term deposits	(6,000)	-
Advance to employees	(5,500)	154,005
Accrued mark-up / return on investments	202,301	924,923
Ijarah rental receivables	27,060	(9,712)
Prepayments	(1,313,028)	(956,677)
	(5,788,110)	(25,073,146)
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	13,009,138	5,179,895
Unclaimed dividend	963,431	1,741,284
	13,972,569	6,921,179
<b>Cash generated from operating activities</b>	167,441,878	104,765,555
Finance cost paid	(57,912,470)	(48,898,014)
Taxes (paid) / refunded - net	(2,048,058)	(667,341)
Net investment in finance lease	(103,082,755)	105,380,588
Vehicle finance loan	(19,084,604)	-
Diminishing musharakah receivable	-	275,001
Advance rental against Ijarah lessees	(1,980,338)	(4,168,449)
Long term deposits	124,236,067	(55,944,186)
<b>Net cash generated from operating activities</b>	107,569,720	100,743,154
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions in property, plant and equipment	(123,568)	(340,672)
Sale proceeds on disposal of property, plant and equipment	39,500	-
Short term investments - net	(5,521,889)	(19,021,768)
Long-term investments - net	6,000,000	16,000,000
<b>Net cash generated from / (used in) investing activities</b>	394,043	(3,362,440)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from certificates of investment - net	7,234,272	(5,464,761)
Dividend paid	(19,027,350)	(31,712,250)
Long term deposits - net	-	187,960
Long-term loan - net	(16,666,664)	37,499,999
<b>Net cash (used in) / generated from financing activities</b>	(28,459,742)	510,948
Net increase in cash and cash equivalents	79,504,021	97,891,662
Cash and cash equivalents at beginning of the period	(397,930,875)	(371,968,080)
<b>Cash and cash equivalents at the end of the period</b>	(318,426,854)	(274,076,418)

The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.

**Chief Executive Officer**

**Chief Financial Officer**

**Director**



**Pak-Gulf Leasing  
Company Limited**

## STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

For the nine months period  
ended March 31, 2020

	Reserves				Revenue			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	Surplus / (deficit) on investments at FVOCI	Unappropriated profit	
<b>Balance as at July 1, 2018</b>	253,698,000	93,034,892	4,402,000	90,504,204	2,815,855	282,580,862	473,337,813	727,035,813
Final dividend for the year ended June 30, 2018 @ Rs. 1.25 per share	-	-	-	-	-	(31,712,250)	(31,712,250)	(31,712,250)
Profit after taxation	-	-	-	-	-	39,214,329	39,214,329	39,214,329
Other comprehensive income	-	-	-	-	(521,280)	-	(521,280)	(521,280)
Total comprehensive income	-	-	-	-	(521,280)	39,214,329	38,693,049	38,693,049
Transfer from surplus on revaluation of property, plant and equipment to unappropriated profit - net of deferred tax	-	-	-	1,274,707	-	-	-	1,274,707
Transfer to statutory reserve	-	7,842,866	-	-	-	(7,842,866)	-	-
<b>Balance as at March 31, 2019</b>	253,698,000	100,877,758	4,402,000	91,778,911	2,294,575	282,240,075	481,583,319	735,291,319
<b>Balance as at July 1, 2019</b>	253,698,000	105,910,520	4,402,000	90,504,204	1,759,720	302,371,124	504,947,568	756,645,568
Final dividend for the year ended June 30, 2019 @ Rs.0.75 per share	-	-	-	-	-	(19,027,350)	(19,027,350)	(19,027,350)
Profit after taxation	-	-	-	-	-	7,577,169	7,577,169	7,577,169
Other comprehensive income	-	-	-	-	(399,648)	-	(399,648)	(399,648)
Total comprehensive income	-	-	-	-	(399,648)	7,577,169	7,177,521	7,177,521
Transfer to statutory reserve	-	1,515,434	-	-	-	(1,515,434)	-	-
<b>Balance as at March 31, 2020</b>	253,698,000	107,425,954	4,402,000	90,504,204	1,360,072	289,405,509	493,097,739	746,795,739

The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.

**Chief Executive Officer**

**Chief Financial Officer**

**Director**



**NOTES TO CONDENSED INTERIM  
FINANCIAL STATEMENTS  
(UN-AUDITED)**

For the nine months and three months period  
ended March 31, 2020

**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 March 31, 2020 is Rs. 653.4 million which is Rs. 153.4 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 April 15, 2019.

**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 VIII A 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 VIII A 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 VIII A 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, 2019.

The comparative statement of financial position presented in these condensed interim financial statements as at March 31, 2020 has been extracted from the audited financial statements of the Company for the year ended June 30, 2019, 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, 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, 2019 except for the adoption of the following new and amended standards, interpretation and improvements to IFRS by the Company which became effective for the current period:

IFRS 16 - Leases

IFRS 9 - Prepayment Features with Negative Compensation (Amendments)

IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)

IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments)

IFRIC 23 - Uncertainty over Income Tax Treatments

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

#### 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, 2019.

6. CASH AND BANK BALANCES	Note	(Un-audited) March 31, 2020	(Audited) June 30, 2019
		----- Rupees -----	
Cash in hand		130,000	49,241
Balances with banks:			
- in current accounts		37,209,153	12,326,630
- in saving accounts	6.1	6,217,157	4,034,190
		<u>43,556,310</u>	<u>16,410,061</u>

6.1 Return on these savings accounts is earned at rates ranging from 9.5% to 10% (June 30, 2019 : 10.25%) per annum.

7.	<b>SHORT TERM INVESTMENTS</b>	<b>(Un-audited) March 31, 2020</b>	<b>(Audited) June 30, 2019</b>
		----- Rupees -----	
	At FVOCI		
	National Investment (Unit) Trust	2,554,272	2,953,920
	At amortised cost		
	Government securities - Market Treasury Bills	<u>60,001,130</u>	<u>54,479,241</u>
		<u><b>62,555,402</b></u>	<u><b>57,433,161</b></u>
8.	<b>OTHER RECEIVABLES - net</b>		
	Lease receivables held under litigation	60,652,415	54,583,115
	Insurance premium and other receivables	<u>6,102,637</u>	<u>6,368,043</u>
		<b>66,755,052</b>	60,951,158
	Provision against lease receivables held under litigation	<b>(49,301,174)</b>	<b>(29,198,603)</b>
	Provision against insurance premium and other receivables	<b>(1,430,692)</b>	<b>(1,430,692)</b>
	Mark-up held in suspense against lease receivables held under litigation	<b>(5,597,124)</b>	<b>(4,486,173)</b>
		<u><b>(56,328,990)</b></u>	<u><b>(35,115,468)</b></u>
		<u><b>10,426,062</b></u>	<u><b>25,835,690</b></u>
9.	<b>NET INVESTMENT IN FINANCE LEASE</b>		
	Net investment in finance lease	2,447,081,795	2,363,312,394
	Less: current portion	<u><b>(834,062,738)</b></u>	<u><b>(711,771,188)</b></u>
		<u><b>1,613,019,057</b></u>	<u><b>1,651,541,206</b></u>



	Note	(Un-audited) March 31, 2020	(Audited) June 30, 2019
----- Rupees -----			
<b>10. VEHICLE FINANCE LOAN</b>			
<b>Secured</b>			
Vehicle finance loan		19,084,604	-
Less: current portion		<u>(15,347,150)</u>	<u>-</u>
		<u>3,737,454</u>	<u>-</u>
<b>11. DIMINISHING MUSHARAKAH RECEIVABLE</b>			
Considered doubtful		18,788,999	18,788,999
Less: Provision for doubtful receivable	11.1	<u>(18,788,999)</u>	<u>(9,394,500)</u>
		-	9,394,499
Less: Current portion		<u>-</u>	<u>-</u>
		<u>-</u>	<u>9,394,499</u>
<b>11.1 Provision for doubtful receivable</b>			
Balance at beginning of the period / year		9,394,500	-
Charge for the period / year		<u>9,394,499</u>	<u>9,394,500</u>
Balance at end of the period / year		<u>18,788,999</u>	<u>9,394,500</u>
<b>12. PROPERTY, PLANT AND EQUIPMENT</b>			
Opening fixed assets - Own use		5,563,053	7,046,592
Opening fixed assets - Ijarah finance		<u>4,260,250</u>	<u>12,573,647</u>
		<u>9,823,303</u>	<u>19,620,239</u>
<b>13. SHORT TERM BORROWINGS - Secured</b>			
<p>The Company has arranged short-term running finance facilities from various commercial banks amounting to Rs. 630 million (June 30, 2019: Rs. 550 million). These carry mark-up at the rate ranging from 3 months KIBOR plus 1.5% to 3 months KIBOR plus 2.5% per annum and are secured by hypothecation charge over leased assets and lease rentals receivable.</p>			
<b>14. CERTIFICATES OF INVESTMENT</b>			
<b>Un-secured</b>			
Certificates of investment		399,546,947	392,312,675
Less: current portion		<u>(7,375,094)</u>	<u>(18,375,094)</u>
		<u>392,171,853</u>	<u>373,937,581</u>
<b>14.1. Movement in balance of Certificates of investment</b>			
Opening balance		392,312,675	378,127,544
Certificates issued during the period / year		393,678,546	1,195,272,253
Rolled over during the period / year		(374,937,581)	(1,144,111,738)
Payments made during the period / year		<u>(11,506,693)</u>	<u>(36,975,384)</u>
Closing balance		<u>399,546,947</u>	<u>392,312,675</u>



	(Un-audited) March 31, 2020	(Audited) June 30, 2019
	----- Rupees -----	
<b>15. LONG-TERM LOAN</b>		
<b>Secured</b>		
Long-term loan	33,333,332	49,999,996
Less: current portion	<u>(16,666,668)</u>	<u>(20,833,331)</u>
	<u>16,666,664</u>	<u>29,166,665</u>
<b>16. LONG-TERM DEPOSITS</b>		
Deposit held against finance lease	912,189,620	787,953,553
Less: current portion	<u>(164,365,241)</u>	<u>(96,789,816)</u>
	<u>747,824,379</u>	<u>691,163,737</u>
<b>17. DEFERRED TAXATION</b>		
<b>Taxable temporary difference arising in respect of:</b>		
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	178,854,858	198,506,251
Long-term investments	-	9,258
	221,793,044	241,453,695
<b>Deductible temporary difference arising in respect of:</b>		
Provisions	(27,049,315)	(12,942,447)
Carried forward tax losses	-	(26,560,697)
Accelerated tax depreciation	(7,140,926)	(10,297,374)
	(34,190,241)	(49,800,518)
	<u>187,602,803</u>	<u>191,653,177</u>
<b>18. CONTINGENCIES AND COMMITMENTS</b>		
<b>18.1 Contingencies</b>		
The aggregate amount of tax contingencies amounted to Rs. 55.55 million as at March 31, 2020. There were no changes in the status of contingencies during the period.		
<b>18.2 Commitments</b>		
Finance lease committed but not executed	<u>118,001,134</u>	<u>205,434,521</u>
Vehicle finance loan committed but not executed	<u>12,663,000</u>	<u>-</u>
<b>19. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES</b>		
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, 2019.		
<b>20. FAIR VALUES OF ASSETS AND LIABILITIES</b>		
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 AND BALANCES 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 period ended March 31, 2020	Nine months period ended March 31, 2019
		----- Rupees -----	
<b><u>Certificates of investment</u></b>			
Issued / rolled over during the period			
Board of Directors and their relatives	Director	<b>382,171,853</b>	784,370,261
Repaid during the period			
Board of Directors and their relatives	Director	-	13,636,959
Finance cost			
Board of Directors and their relatives	Director	<b>37,022,307</b>	23,105,649
<b>Net investment in finance lease</b>			
Rental received			
MACPAC Films Limited	Associated undertaking (Common directorship)	<b>20,495,577</b>	-
Saira Industries (Pvt.) Ltd.	Associated undertaking (Common directorship)	<b>620,847</b>	620,847
<b>Office rent</b>			
Rent paid during the period			
Unibro Industries Limited	Associated undertaking (Common directorship)	<b>3,945,750</b>	3,587,045
<b>Dividend paid during the period</b>			
Board of Directors and their relatives	Director	<b>11,298,607</b>	18,867,375
Unibro Industries Limited	Associated undertaking (Common directorship)	<b>1,124,839</b>	1,874,731
Mid-East Agencies (Pvt.)Ltd.	Associated undertaking (Common directorship)	<b>965,246</b>	1,608,743
<b>Retirement benefit fund</b>			
Charge for the period	Provident fund	<b>664,517</b>	573,003
Contribution paid for the period	Provident fund	<b>664,517</b>	618,033

21.2	Balances at period / year end	(Un-audited) March 31, 2020	(Audited) June 30, 2019
		----- Rupees -----	
	Certificates of investment	382,171,853	363,937,581
	Accrued mark-up on Certificates of investment	35,143,837	8,614,716
	Net investment in finance lease	44,671,959	62,077,399
	Security deposit (in respect of finance lease)	11,150,000	11,150,000
	Security deposit (in respect of rented office premises)	245,000	245,000
	Prepaid rent	2,152,230	1,304,380

## 22. 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".

March 31, 2020 (Un-audited)				
-----Rupees-----				
	Conventional finance	Islamic Finance	Others	Total
<b><u>Segment transactions</u></b>				
Segment revenue	180,517,762	10,481,963	12,779,250	203,778,975
Administrative and operating expense	64,933,613	19,317,247	3,318,278	87,569,138
Segment results	115,584,149	(8,835,284)	9,460,972	116,209,837
Unallocated expenses				(15,708,439)
Result from operating activities				100,501,398
Finance cost				(92,770,999)
Provision for taxation				(153,230)
Profit for the period				<u>7,577,169</u>
<b><u>Segment assets and liabilities</u></b>				
Segment assets	2,475,456,586	5,984,395	262,184,517	2,743,627,495
Unallocated assets				11,561,100
Total assets				<u>2,755,188,598</u>
Segment liabilities	950,393,480	1,771,473	7,297,360	959,462,313
Unallocated liabilities				1,048,930,546
Total liabilities				<u>2,008,392,859</u>
<b><u>Other information</u></b>				
Depreciation	-	8,313,384	-	8,313,384
Unallocated capital expenditure				123,568
Unallocated depreciation				<u>1,607,120</u>

<b>March 31, 2019 (Un-audited)</b>				
<b>-----Rupees-----</b>				
	<b>Conventional finance</b>	<b>Islamic Finance</b>	<b>Others</b>	<b>Total</b>
<b><u>Segment transactions</u></b>				
Segment revenue	135,538,784	16,602,390	12,445,561	164,586,735
Administrative and operating expense	<u>30,390,210</u>	<u>19,001,744</u>	<u>3,329,818</u>	<u>52,721,772</u>
Segment results	105,148,574	(2,399,354)	9,115,743	111,864,963
Unallocated expenses				
Result from operating activities				<u>(13,506,167)</u>
Finance cost				98,358,796
Provision for taxation				(53,567,228)
Profit for the period				<u>(5,577,239)</u>
				<u>39,214,329</u>

<b>June 30, 2019 (Audited)</b>				
<b>-----Rupees-----</b>				
	<b>Conventional Lease</b>	<b>Islamic Finance</b>	<b>Others</b>	<b>Total</b>
<b><u>Segment assets and liabilities</u></b>				
Segment assets	<u>2,386,986,201</u>	<u>23,839,676</u>	<u>235,049,578</u>	2,645,875,455
Unallocated assets				15,916,682
Total assets				<u>2,661,792,137</u>
Segment liabilities	<u>813,739,471</u>	<u>3,804,259</u>	<u>7,066,295</u>	824,610,025
Unallocated liabilities				1,078,536,544
Total liabilities				<u>1,903,146,569</u>

<b>March 31, 2019 (Un-audited)</b>				
<b>-----Rupees-----</b>				
	<b>Conventional finance</b>	<b>Islamic Finance</b>	<b>Others</b>	<b>Total</b>
<b><u>Other information</u></b>				
Depreciation	<u>-</u>	<u>13,394,348</u>	<u>-</u>	13,394,348
Unallocated capital expenditure				<u>340,672</u>
Unallocated depreciation				<u>1,717,992</u>

## 23. IMPACT OF COVID-19 ON COMPANY'S FINANCIAL POSITION AND PERFORMANCE

In the end of March 2020, the Government announced a temporary lock down as a measure to reduce the spread of the COVID-19. The measures to reduce the spread of COVID-19 will impact the credit risk of the customers of the Company, which in turn with other macro-economic factors will also affect the provision for potential lease losses in the subsequent periods. Subsequent to the period end some customers have requested to either defer the payment of principal component of lease rentals or the entire lease rental amount for a specified period, which will be addressed by the Company on case to case basis. Due to uncertainty about the impacts and duration of COVID-19, the overall impact on the Company's financial position and financial performance cannot be predicted with reasonable certainty.

**24. GENERAL**

These condensed interim financial statements was authorised for issue on April 22, 2020 by the Board of Directors of the Company.

**Chief Executive Officer**















**Chief Financial Officer**

**Director**



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