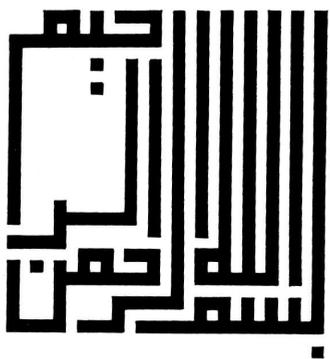


Condensed Interim
Financial Statements
(Un-audited)
For the nine months period
ended March 31, 2021



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

Mr. Suleman Chhagla

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. Naueen Ahmed	Member
Mr. Mahfuz-ur-Rahman Pasha	Member
Mr. Suleman Chhagla	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
Mr. Suleman Chhagla	Chief Financial Officer
Ms. Farah Farooq	Head of Audit
Major Arifullah Lodhi (Retd)	Manager HR & Admin.

Credit Rating Agency

VIS Credit Rating Company Limited

Entity Rating

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

Auditors

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

Legal Advisors

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

Shariah Advisor

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

Bankers
Islamic bank

Albaraka Bank (Pakistan) Limited
MCB Islamic Bank

Conventional banks

Allied Bank Limited
Askari Commercial Bank Limited
Bank Al-Falah Limited
Bank Al Habib Limited
Bank of Punjab
Habib Bank Limited
JS Bank Limited
MCB Bank Limited
National Bank of Pakistan
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
Plot No. C-32 Jami Commercial Street 2
DHA, Phase-VII, Karachi.
UAN: (92-21) 111-000-322
Fax: (92-21) 35310190

Mission Statement

The Company will:

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

Dear Shareholders,

The Directors of your Company are pleased to present before you the Financial Statements of your Company for the nine months ended on March 31, 2021 of the current financial year. The challenging economic and business conditions due to COVID 19 continues to have an impact on the overall results of the Company. Directors of the company are however fully aware of the challenges posed to the company by the adverse economic scenario and have directed the management to devise a comprehensive business strategy for coping up with the challenges and for effectively minimizing the risks that the company is facing at this critical juncture.

Total Revenue earned of Rs. 173.6 million by your Company for the nine months ended on March 31, 2021 was 9% less than the total Revenue of Rs. 190.9 million, earned by your Company in the corresponding nine months of the Financial Year 2019-20. With reference to Finance Cost incurred during the nine months there was a substantial decrease due to decrease in policy rate and reduced utilization of available finance facilities, as compared to the corresponding figures for the nine months ended March 31, 2020. Further during the nine months ended March 31, 2021 the Company had to charge provision of Rs. 130.2 million, and Rs. 3.3 million and Rs. 0.1 million for leases held under litigation, non-performing lessees and insurance premium and other receivable, respectively. Due to the increase in provision for doubtful receivables, the Company's loss after taxation for the nine months ended March 31, 2021 amounted to Rs. 22.9 million as compared to profit after taxation of Rs. 7.6 million, for the corresponding period of the last Financial Year 2019-20.

The Shareholders Equity of your Company amounts to Rs. 628 million, as at March 31, 2021 while Loss per Share for the nine months ended March 31, 2021 stands at Rs. 0.90 per share.

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

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

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

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

Chairman

Karachi
April 29, 2021

Chief Executive Officer

قابل احترام حصص یافتگان

آپ کی کمپنی کے ڈائریکٹرز موجودہ مالی سال کی نو (9) مہینے کی مدت جو 31 مارچ 2021 کو ختم ہوئی ہے کے مالیاتی گوشوارے انتہائی مسرت کے ساتھ آپ کو پیش کرتے ہیں۔ کووڈ-19 کی وجہ سے ملک میں مشکل معاشی اور کاروباری حالات کے باوجود آپ کی کمپنی کی کارکردگی اس سہ ماہی میں چیلنجنگ رہا۔ کمپنی کے ڈائریکٹرز ان معنی معاشی منظر نامے اور کمپنی کو درپیش چیلنجوں سے پوری طرح واقف ہیں اور اسی لئے انہوں نے درپیش چیلنجوں سے موثر طریقے سے نمٹنے کے لیے انتظامیہ کو ایک جامع کاروباری حکمت عملی وضع کرنے کی ہدایت کی ہے تاکہ بہتر نتائج حاصل کیے جاسکیں۔

آپ کی کمپنی نے اس مالی سال کے نو (9) مہینے میں 31 مارچ 2021 کو اختتام پذیر ہوئی میں کل 173.6 ملین روپے کی آمدنی حاصل کی ہے۔ بمقابلہ 190.9 ملین روپے کی آمدن کے جو کہ پچھلے مالی سال 20-2019 کے نو (9) مہینے میں حاصل ہوئی تھی۔ اخراجات کے حوالے سے اس نو (9) مہینے میں گئے مالی اخراجات میں کمی ہوئی ہے اگر اس کا مقابلہ 31 مارچ 2020 کے اخراجات سے کیا جائے۔ علاوہ ازیں کمپنی نے موجودہ سال کی نو (9) مہینے میں قانونی چارہ جوئی کے تحت لیسرز غیر کارکردگی والی لیسر اور دوسری ادائیگیوں کے لیے 130.2 ملین روپے، 3.3 ملین روپے اور 0.11 ملین روپے مختص کئے۔ موجودہ مالی سال کی نو (9) مہینے کو 31 مارچ 2021 اختتام پر زیر ہوئی کا بعد از ٹیکس خسارہ 22.9 ملین روپے ہے۔ بمقابلہ 7.6 ملین روپے منافع جو کہ پچھلے سال اسی دورانیہ میں تھا۔

آپ کی کمپنی کے شیئرز ہولڈرز کی ایکویٹی (Equity) 31 مارچ 2021 کو 628 ملین روپے ہو گئی ہے۔ جبکہ موجودہ مالی سال کی نو (9) مہینے کا فی شیئر خسارہ 0.9 روپے فی شیئر ہے۔

جون 2020 میں VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے کمپنی کی تشخیصی ریٹنگ کا دوبارہ اعادہ کرنے کے بعد درمیان 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 آپ کے نمائندے ہونے کی حیثیت سے آپ کی کمپنی کی کارکردگی کو دیکھ رہے ہیں وہ کمپنی کے صلاحیت ملازمین کی کوششوں کا اعتراف کرتے ہیں اور فی الحال 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 اختتامی ٹیم اور اسٹاف اپنے مارکیٹنگ اسکیمز کو صرف برقرار رکھیں گے بلکہ ان میں مزید اضافہ کریں گے اور پھر پور کوشش کریں گے کہ صارفین کیلئے خدمات کے معیار کو بہتر سے بہتر بنائیں تاکہ کمپنی کا مثبت تاثر پھر پور طریقے سے جاگے۔

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

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

چیف ایگزیکٹو آفیسر

چیئر مین

کراچی

29 اپریل 2021



**CONDENSED INTERIM
STATEMENT OF FINANCIAL POSITION**
As at March 31, 2021

		(Un-audited) March 31, 2021	(Audited) June 30, 2020
		----- Rupees -----	
ASSETS			
Current assets			
Cash and bank balances	6	19,469,981	114,805,586
Short term investments	7	35,712,267	64,508,233
Other receivables	8	68,327,971	8,385,830
Ijarah rental receivables		278,062	278,062
Advance to employees		48,168	11,500
Prepayments		2,284,709	2,444,677
Current portion of net investment in finance lease	9	717,716,049	887,042,453
Current portion of long-term investments		24,873,404	15,815,393
Taxation - net		-	3,107,203
		868,710,611	1,096,398,937
Non-current assets			
Net investment in finance lease	9	1,000,951,387	1,446,647,811
Long-term loan		63,387,309	7,661,554
Diminishing musharakah receivable	10	-	-
Long-term deposits		118,500	118,500
Investment property		154,440,000	154,440,000
Right of use assets		9,732,494	12,909,967
Property, plant and equipment	11	6,014,031	7,630,654
Intangible assets		50,817	1,523,702
		1,234,694,538	1,630,932,188
Total assets		2,103,405,149	2,727,331,125
LIABILITIES			
Current liabilities			
Trade and other payables		32,654,308	39,649,330
Taxation-net		82,411,701	-
Unclaimed dividend		1,474,330	2,960,408
Accrued mark-up		11,397,445	60,215,191
Short term borrowings		115,016,100	344,585,560
Current portion of certificates of investment	13	10,297,675	12,000,000
Current portion of long-term loan	14	50,000,004	16,666,668
Current portion of long-term deposits	15	217,409,813	234,778,192
Current portion of lease liabilities		4,239,201	3,833,364
Current portion of advance rental against Ijarah leasing		-	633,942
		524,900,577	715,322,655
Non-current liabilities			
Certificates of investment	13	179,826,029	392,171,853
Long-term loan	14	58,333,326	12,499,997
Long term deposits	15	502,821,718	647,766,213
Lease liabilities		7,434,388	11,405,762
Deferred taxation	16	108,900,226	198,550,326
		857,315,687	1,262,394,151
Total liabilities		1,382,216,264	1,977,716,806
NET ASSETS		721,188,885	749,614,319
NET ASSETS FINANCED BY:			
Authorised share capital		500,000,000	500,000,000
Issued, subscribed and paid up capital		253,698,000	253,698,000
Capital reserves			
Statutory reserve		108,089,370	108,089,370
Reserve for issue of bonus shares		4,402,000	4,402,000
Surplus on revaluation of property, plant and equipment		90,504,204	90,504,204
Surplus on revaluation of investments at FVOCI		2,654,141	1,858,546
		205,649,715	204,854,120
Revenue reserve		261,841,170	291,062,199
Unappropriated profit		721,188,885	749,614,319

Contingencies & Commitments

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The annexed notes 1 to 22 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, 2021

	Nine months period ended		Three months period ended	
	March 31,		March 31,	
	2021	2020	2021	2020
	Rupees			
INCOME				
Income from financing operations	173,566,992	190,919,532	45,553,077	64,443,482
OTHER OPERATING INCOME				
Return on investments	3,247,757	5,829,603	543,360	1,251,363
Other income	7,738,504	7,029,840	2,771,238	2,426,820
	10,986,261	12,859,443	3,314,598	3,678,183
TOTAL INCOME	184,553,253	203,778,975	48,867,675	68,121,665
OPERATING EXPENSES				
Administrative and operating expenses	43,608,618	54,467,153	13,747,532	17,923,612
Finance cost	32,574,119	92,770,999	7,848,578	35,010,819
	76,182,737	147,238,152	21,596,110	52,934,431
Operating profit before provision	108,370,516	56,540,823	27,271,565	15,187,234
Provision of potential lease losses-net	(3,341,560)	(19,313,354)	(1,259,188)	(14,562,432)
Provision for lease receivables held under litigation-net	(130,270,342)	(20,102,571)	(90,501,125)	(14,970,743)
Provision against insurance premium and other receivable	(113,000)	(9,394,499)	-	-
Profit / (loss) before taxation	(25,354,386)	7,730,399	(64,488,748)	(14,345,941)
Taxation				
- Current	(87,174,292)	(4,203,604)	(15,994,638)	1,811,588
- Deferred	89,650,099	4,050,374	42,282,333	3,920,826
	2,475,807	(153,230)	26,287,695	5,732,414
Profit / (loss) after taxation	(22,878,579)	7,577,169	(38,201,053)	(8,613,527)
Earning / (loss) per share - basic & diluted	(0.90)	0.30	(1.51)	(0.34)

The annexed notes 1 to 22 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, 2021

	Nine months period ended		Three months period ended	
	March 31,		March 31,	
	2021	2020	2021	2020
	Rupees			
Profit / (loss) after taxation	(22,878,579)	7,577,169	(38,201,053)	(8,613,527)
Other comprehensive Income				
<i>Item that will not be reclassified subsequently to statement of profit or loss</i>				
Unrealised gain / (loss) on investments at FVOCI-net	795,495	(399,648)	301,365	(893,778)
Total comprehensive income / (loss) for the period	(22,083,084)	7,177,521	(37,899,688)	(9,507,305)

The annexed notes 1 to 22 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, 2021

	March 31, 2021	March 31, 2020
----- Rupees -----		
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	(25,354,386)	7,730,399
Adjustments for :		
Depreciation	6,489,241	9,920,504
Amortisation of premium on long term investments - net	-	31,925
Amortisation of intangible asset	32,668	32,668
Intangible written off	1,440,217	-
Finance cost	32,574,119	92,770,999
Provision for lease receivables held litigation - net	130,270,342	20,102,571
Provision against insurance premium and other receivable	113,000	-
Provision for diminishing musharakah receivable	-	9,394,499
Provision for potential lease losses - net	3,341,560	19,313,354
Gain on disposal of property, plant and equipment	-	(39,500)
	<u>174,261,147</u>	<u>151,527,020</u>
Operating profit before working capital charges	148,906,761	159,257,419
Movement in working capital		
(Increase) / decrease in current assets		
Other receivables	(190,325,483)	(22,142,803)
Advance to employees	(36,668)	(51,490)
Ijarah rental receivables	-	(231,658)
Prepayments	159,969	(1,441,356)
	<u>(190,202,182)</u>	<u>(23,867,307)</u>
Increase / (decrease) in current liabilities		
Trade and other payables	(6,995,023)	12,205,899
Unclaimed dividend	(1,486,078)	-
	<u>(8,481,101)</u>	<u>12,205,899</u>
Cash generated from operating activities	(49,776,552)	147,596,011
Finance cost paid	(81,391,865)	(95,270,460)
Taxes (paid) / refunded - net	(1,655,388)	(3,205,687)
Net investment in finance lease	611,681,268	(103,082,755)
Long-term loan - net	(64,783,766)	(11,423,050)
Diminishing musharakah receivable	-	(9,394,499)
Advance rental against Ijarah lessees	(633,942)	(10,834,079)
Long term deposits	(162,312,874)	29,645,215
Net cash generated from operating activities	251,126,911	(44,546,254)
CASH FLOW FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	(254,995)	(123,568)
Sale proceeds on disposal of property, plant and equipment	-	39,500
Short term investments - net	29,591,461	(5,521,889)
Long-term investments - net	-	6,000,000
Net cash generated from / (used in) investing activities	29,336,466	394,043
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from certificates of investment - net	(214,048,149)	(4,624,906)
Dividend paid	(6,342,450)	(6,342,450)
Lease payments	(5,005,589)	-
Long-term loan - net	79,166,665	4,166,667
Net cash (used in) / generated from financing activities	(146,229,523)	(6,800,689)
Net increase in cash and cash equivalents	134,233,854	(62,375,950)
Cash and cash equivalents at beginning of the period	(229,779,974)	(229,779,974)
Cash and cash equivalents at the end of the period	(95,546,120)	(292,155,924)

The annexed notes 1 to 22 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, 2021

CONDENSED INTERIM

	Reserves		Capital		Revenue		Total reserves	Total equity
	Statutory reserve	Reserve for issue of bonus shares	Surplus on revaluation of property, plant & equipment - net of tax	Surplus/ (deficit) on investments at FVOCI	Unappropriated profit			
Balance as at July 1, 2019	105,910,520	4,402,000	90,504,204	1,759,720	302,371,124	504,947,568	758,645,568	
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	-	-	-	(399,648)	7,577,169	7,577,169	7,577,169	
Other comprehensive income	-	-	-	(399,648)	(399,648)	(399,648)	(399,648)	
Total comprehensive income/(loss)	-	-	-	(399,648)	-	-	-	
Transfer from surplus on revaluation of property, plant and equipment to unappropriated profit - net of deferred tax	-	-	-	(399,648)	7,577,169	7,177,521	7,177,521	
Transfer to statutory reserve	1,515,434	-	-	-	(1,515,434)	-	-	
Balance as at March 31, 2020	107,425,954	4,402,000	90,504,204	1,360,072	289,405,509	493,097,739	746,795,739	
Balance as at July 1, 2020	108,069,370	4,402,000	90,504,204	1,858,646	291,062,509	495,916,319	749,614,319	
Final dividend for the year ended June 30, 2020 @ Rs.0.25 per share	-	-	-	-	(6,342,450)	(6,342,450)	(6,342,450)	
Profit after taxation	-	-	-	795,495	(22,878,579)	(22,878,579)	(22,878,579)	
Other comprehensive income	-	-	-	795,495	-	795,495	795,495	
Total comprehensive income for the period	-	-	-	795,495	(22,878,579)	(22,083,084)	(22,083,084)	
Transfer to statutory reserve	-	-	-	-	-	-	-	
Balance as at March 31, 2021	108,069,370	4,402,000	90,504,204	2,654,141	261,841,170	467,490,785	721,188,785	

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

Chief Executive Officer

Chief Financial Officer

Director

For the nine months period
ended March 31, 2021

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, 2021 is Rs. 628 million which is Rs. 128 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 30 June 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 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, 2020.

The comparative statement of financial position presented in these condensed interim financial statements as at March 31, 2021 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 March 31, 2020.

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 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 3 Definition of a Business (Amendment to IFRS 3)

IAS 1 and IAS 8 Definition of Material (Amendment to IAS 1 and IAS 8)

IFRS 9, IAS 39 and IFRS 7 Investment rate benchmark Reform (Amendment to IFRS 9, IAS 39 and IFRS 7)

IFRS 16 - Covid-19 Related rent concessions (Amendments to IFRS 16)

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, 2020.

6. CASH AND BANK BALANCES

Note	(Un-audited) March 31, 2021	(Audited) June 30, 2020
----- Rupees -----		
	414,676	106,254
	Balances with banks:	
	12,678,559	108,673,212
	6,376,746	6,026,120
6.1	<u>19,469,981</u>	<u>114,805,586</u>

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

7.	SHORT TERM INVESTMENTS	(Un-audited) March 31, 2021	(Audited) June 30, 2020
		----- Rupees -----	
	At FVOCI		
	National Investment (Unit) Trust	3,848,241	3,052,746
	At amortised cost		
	Government securities - Market Treasury Bills	<u>31,864,026</u>	<u>61,455,487</u>
		<u>35,712,267</u>	<u>64,508,233</u>
8.	OTHER RECEIVABLES - net		
	Lease receivables held under litigation	270,418,360	60,483,652
	Insurance premium and other receivables	<u>6,998,919</u>	<u>5,615,281</u>
		<u>277,417,279</u>	<u>66,098,933</u>
	Provision against lease receivables held under litigation	<u>(179,906,870)</u>	<u>(49,636,528)</u>
	Provision against insurance premium and other receivables	<u>(2,592,451)</u>	<u>(2,479,451)</u>
	Mark-up held in suspense against lease receivables held under litigation	<u>(26,589,987)</u>	<u>(5,597,124)</u>
		<u>(209,089,308)</u>	<u>(57,713,103)</u>
		<u>68,327,971</u>	<u>8,385,830</u>



9. NET INVESTMENT IN FINANCE LEASE

Net investment in finance lease
Less: current portion

	(Un-audited) March 31, 2021	(Audited) June 30, 2020
	----- Rupees -----	
	1,718,667,436	2,333,690,264
	<u>1,717,716,049</u>	<u>(887,042,453)</u>
	<u>1,000,951,387</u>	<u>1,446,647,811</u>

**March 31, 2021
(Un-audited)**

**June 30, 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
Note				Rupees		
Minimum lease payments	659,361,975	580,150,157	1,239,512,132	880,957,218	959,494,570	1,840,451,788
Add: Residual value of leased assets	217,409,813	502,821,718	720,231,531	234,778,192	647,766,213	882,544,405
Gross investment in finance lease	876,771,788	1,082,971,875	1,959,743,663	1,115,735,410	1,607,260,783	2,722,996,193
Unearned lease income	<u>(108,955,911)</u>	<u>(82,020,488)</u>	<u>(190,976,399)</u>	<u>(170,705,159)</u>	<u>(160,612,972)</u>	<u>(331,318,131)</u>
Mark-up held in suspense	<u>(13,292,109)</u>	<u>-</u>	<u>(13,292,109)</u>	<u>(24,521,639)</u>	<u>-</u>	<u>(24,521,639)</u>
Provision for potential lease losses	<u>(122,248,020)</u>	<u>(82,020,488)</u>	<u>(204,268,508)</u>	<u>(195,226,798)</u>	<u>(160,612,972)</u>	<u>(355,839,770)</u>
Net investment in finance lease	754,523,768	1,000,951,387	1,755,475,155	920,508,612	1,446,647,811	2,367,156,423
	(36,807,719)	-	(36,807,719)	(33,466,159)	-	(33,466,159)
	<u>717,716,049</u>	<u>1,000,951,387</u>	<u>1,718,667,436</u>	<u>887,042,453</u>	<u>1,446,647,811</u>	<u>2,333,690,264</u>

9.1 Provision for potential lease losses

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

	(Un-audited) March 31, 2021	(Audited) June 30, 2020
	----- Rupees -----	
	33,466,159	2,628,042
	<u>3,341,560</u>	<u>30,838,117</u>
	<u>36,807,719</u>	<u>33,466,159</u>

	Note	(Un-audited) March 31, 2021	(Audited) June 30, 2020
----- Rupees -----			
10. DIMINISHING MUSHARAKAH RECEIVABLE			
Considered doubtful		18,788,999	18,788,999
Less: Provision for doubtful receivable	10.1	(18,788,999)	(18,788,999)
		-	-
Less: Current portion		-	-
		<u> </u>	<u> </u>
10.1 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		18,788,999	(18,788,999)
		<u> </u>	<u> </u>
11. PROPERTY, PLANT AND EQUIPMENT			
Opening fixed assets - Own use		6,014,031	5,493,474
Opening fixed assets - Ijarah finance		-	2,137,180
		6,014,031	7,630,654
		<u> </u>	<u> </u>
12. SHORT TERM BORROWINGS - Secured			
The Company has arranged short-term running finance facilities from various commercial banks amounting to Rs. 550 million (June 30, 2020: Rs. 630 million). These carry mark-up at the rate ranging from 3 months KIBOR plus 1.5% to 3 months KIBOR plus 2.5% per annum and are secured by hypothecation charge over leased assets and lease rentals receivable with 25% margin.			
13. CERTIFICATES OF INVESTMENT			
Un-secured			
Certificates of investment		190,123,704	404,171,853
Less: current portion		(10,297,675)	(12,000,000)
		179,826,029	392,171,853
		<u> </u>	<u> </u>
14. LONG-TERM LOAN			
Secured			
Long-term loan		108,333,330	29,166,665
Less: current portion		(50,000,004)	(16,666,668)
		58,333,326	12,499,997
		<u> </u>	<u> </u>
15. LONG-TERM DEPOSITS			
Deposit held against finance lease		720,231,531	882,544,405
Less: current portion		(217,409,813)	(234,778,192)
		502,821,718	647,766,213
		<u> </u>	<u> </u>

	(Un-audited) March 31, 2021	(Audited) June 30, 2020
	----- Rupees -----	
16. 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	137,863,700	192,344,766
	<u>180,801,886</u>	<u>235,282,952</u>
Deductible temporary difference arising in respect of:		
Provisions	(69,563,910)	(30,822,892)
Accelerated tax depreciation	(1,774,832)	(5,234,278)
Others	(562,918)	(675,456)
	<u>(71,901,660)</u>	<u>(36,732,626)</u>
	<u>108,900,226</u>	<u>198,550,326</u>
17. CONTINGENCIES AND COMMITMENTS		
17.1 Contingencies		
The aggregate amount of tax contingencies amounted to Rs. 55.55 million as at March 31, 2021. There were no changes in the status of contingencies during the period.		
17.2 Commitments		
Finance lease committed but not executed	<u>183,611,313</u>	<u>205,434,521</u>
Vehicle finance loan committed but not executed	<u>4,060,000</u>	<u>-</u>
18. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES		
The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Company as at June 30, 2020.		
19. FAIR VALUES OF ASSETS AND LIABILITIES		
The carrying values of all financial assets and liabilities are estimated to approximate their fair values. There were no transfers amongst levels during the period.		
20. TRANSACTIONS 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:		

20.1 Transactions during the period

Nature of transaction	Relationship	----- (Un-audited) -----	
		Nine months period ended March 31, 2021	Nine months period ended March 31, 2020
----- Rupees -----			
Certificates of investment			
Issued / rolled over during the period			
Board of Directors and their relatives	Director	167,100,000	382,171,853
Repaid during the period			
Board of Directors and their relatives	Director	382,171,853	-
Finance cost			
Board of Directors and their relatives	Director	16,217,728	37,022,307
Net investment in finance lease			
Rental received			
MACPAC Films Limited	Associated undertaking (Common directorship)	22,733,019	20,495,577
Saira Industries (Pvt.) Ltd.	Associated undertaking (Common directorship)	-	620,847
Office rent			
Rent paid during the period			
Unibro Industries Limited	Associated undertaking (Common directorship)	4,241,688	3,945,750
Dividend paid during the period			
Board of Directors and their relatives	Director	3,766,202	11,298,607
Unibro Industries Limited	Associated undertaking (Common directorship)	374,946	1,124,839
Mid-East Agencies (Pvt.)Ltd.	Associated undertaking (Common directorship)	321,749	965,246
Retirement benefit fund			
Charge for the period	Provident fund	496,138	664,517
Contribution paid for the period	Provident fund	496,138	664,517

20.2	Balances at period / year end	(Un-audited) March 31, 2021	(Audited) June 30, 2020
		----- Rupees -----	
	Certificates of investment	167,100,000	382,171,853
	Accrued mark-up on certificates of investment	6,201,943	48,483,205
	Net investment in finance lease	25,859,058	48,441,609
	Security deposit (in respect of finance lease)	9,830,000	9,830,000
	Security deposit (in respect of rented office premises)	245,000	245,000
	Prepaid rent	1,076,115	1,076,115

21. SEGMENT INFORMATION

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

March 31, 2021 (Un-audited)				
-----Rupees-----				
<u>Segment transactions</u>	Conventional finance	Islamic Finance	Others	Total
Segment revenue	170,315,819	3,489,768	10,747,666	184,553,253
Administrative and operating expense	<u>155,830,995</u>	<u>2,719,491</u>	<u>3,318,278</u>	<u>161,981,764</u>
Segment results	<u>14,484,824</u>	<u>770,277</u>	<u>7,429,388</u>	<u>22,571,489</u>
Unallocated expenses				<u>(15,351,756)</u>
Result from operating activities				7,219,733
Finance cost				<u>(32,574,119)</u>
Provision for taxation				<u>2,475,807</u>
Profit for the period				<u>(22,878,579)</u>
 <u>Segment assets and liabilities</u>				
Segment assets	<u>1,875,011,120</u>	<u>727,139</u>	<u>211,702,880</u>	2,087,441,139
Unallocated assets				<u>15,964,010</u>
Total assets				<u>2,103,405,149</u>
Segment liabilities	<u>720,231,531</u>	<u>-</u>	<u>366,813,397</u>	1,087,044,928
Unallocated liabilities				<u>295,171,336</u>
Total liabilities				<u>1,382,216,264</u>
 <u>Other information</u>				
Depreciation	<u>-</u>	<u>2,137,117</u>	<u>3,177,473</u>	<u>5,314,590</u>
Unallocated capital expenditure				<u>254,995</u>
Unallocated depreciation				<u>1,174,651</u>

	March 31, 2020 (Un-audited)			
	-----Rupees-----			
	Conventional finance	Islamic Finance	Others	Total
<u>Segment transactions</u>				
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				(926,000)
Result from operating activities				(15,708,439)
Finance cost				100,501,398
Provision for taxation				(92,770,999)
Profit for the period				(153,230)
				<u>7,577,169</u>

	June 30, 2020 (Audited)			
	-----Rupees-----			
	Conventional Lease	Islamic Finance	Others	Total
<u>Segment assets and liabilities</u>				
Segment assets	2,475,456,586	5,984,395	262,184,517	2,743,625,498
Unallocated assets				11,561,100
Total assets				<u>2,755,186,598</u>
Segment liabilities	950,393,480	1,771,473	7,297,360	956,462,313
Unallocated liabilities				1,048,930,546
Total liabilities				<u>2,008,392,859</u>

	March 31, 2020 (Un-audited)			
	-----Rupees-----			
	Conventional finance	Islamic Finance	Others	Total
<u>Other information</u>				
Depreciation	-	8,313,384	-	8,313,384
Unallocated capital expenditure				123,568
Unallocated depreciation				<u>1,607,120</u>

22. GENERAL

These condensed interim financial statements was authorised for issue on April 29, 2021 by the Board of Directors of the Company.

Chief Executive Officer

Chief Financial Officer

Director