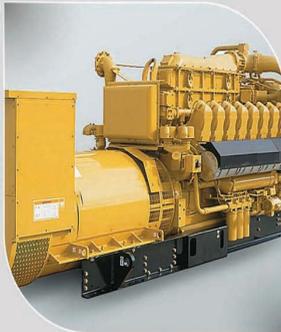
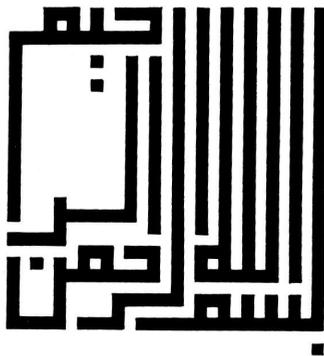


Condensed Interim
Financial Information
(Unaudited)
For the First Quarter
ended 30 September 2019



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. Naeem 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. Pervez Inam	Member
Mr. Sohail Inam Ellahi	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
Mr. Afzal-ul-Haque	Deputy COO & Senior Manager Risk
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, 35820965-6

(92-21) 35824401, 35375986-7

Fax #: (92-21) 35820302, 35375985

E-mail: pgl@pakgulfleasing.com

Website: www.pakgulfleasing.com

Branch Office

202, 2nd Floor, Divine Mega II,

New Airport Road, Lahore

Tel #: (92-42) 35700010

Fax #: (92-42) 35700011

Share Registrar / Transfer Office

THK Associates (Pvt.) Limited

1st Floor, 40-C, Block 6,

P.E.C.H.S., Karachi

Tel # : (92-21) 111-000-322

Fax # : (92-21) 34168271



Mission Statement

The Company will:

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



Dear Shareholders,

The Directors of your Company are pleased to present, to you, the Financial Statements of your Company for the 1st Quarter, of the current financial year, ended September 30, 2019. They are equally pleased to share with you the fact that despite the challenging economic conditions which have forced many leasing companies into merger with other leasing companies or parent Banks, the overall performance of your Company has remained highly satisfactory during this Quarter. Moreover, even in the face of the tough competition offered by commercial banks and NBFIs sponsored by banks, having access to cheaper funds, and increased cost of doing business, your Company has been able to maintain its profitability. Room for improving upon our achievements is always there, and your directors being conscious of their responsibilities are determined to ensure that better results are obtained in future.

Your Company earned a Total Revenue of Rs. 71.04 million, for the 1st Quarter ended on September 30, 2019 as compared to the Total Revenue of Rs. 51.83 million posted, in the 1st Quarter of the Financial Year 2018-19. Despite the increase in financial cost for the period, the Company's Profit before Taxation at Rs. 24.81 million for the quarter ended September 30, 2019, has significantly increased as compared with the Profit before Taxation of Rs. 17.62 million earned in the corresponding period of the previous year. Net Profit after Tax for the 1st Quarter ended September 30, 2019, despite considerable increase in deferred tax charge for the period, has increased to Rs. 19.36 million as compared to Rs. 18.08 million for the corresponding period of the last Financial Year 2018-19.

The Shareholders Equity of your Company has risen from Rs. 664.81 million, as at June 30, 2019, to Rs. 684.18 million, as at September 30, 2019 while Earnings per Share has also increased to Rs. 0.76 as compared with the EPS of Rs. 0.71 for the corresponding period in FY-2018-19.

In April 2019, VIS Credit Rating Company Limited had re-affirmed the Medium to Long-term Entity Rating for your Company at A- (Single A Minus), and the Short-term Rating at A-2. The Outlook for your Company was graded as "Stable".

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

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

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

Chairman

Chief Executive Officer

October 23, 2019
Karachi

محترم شیئرز ہولڈرز (حصص یافتگان)

آپ کی کمپنی کے ڈائریکٹرز موجودہ مالی سال (2019-20) کی پہلی سہ ماہی، جو 30 ستمبر 2019 کو ختم ہوئی، کے مالیاتی گوشوارے انتہائی مسرت کے ساتھ پیش کرتے ہیں۔ یہ بات بھی باعث مسرت ہے کہ ملک میں مشکل معاشی حالات کے باوجود جن کی وجہ سے کئی لیزنگ کمپنیوں کا دوسری لیزنگ کمپنیوں میں یا اپنے سرپرست بینکوں میں انضمام ہوا، آپ کی کمپنی کی کارکردگی اس سہ ماہی میں نہایت ہی اطمینان بخش رہی۔ آپ کی کمپنی نے ان کمرشل بینکوں اور ان NBFIs سے جن کو کمرشل بینکوں کی سرپرستی حاصل ہے اور جو سٹے فنڈز تک رسائی کی وجہ سے کم خرچے پر کاروبار کر رہے ہیں، سے سخت مقابلے کے باوجود اپنے منافع کو برقرار رکھا۔ چونکہ حاصل کردہ نتائج میں بہتری کی گنجائش ہمیشہ موجود رہتی ہے اس لئے آپ کے ڈائریکٹرز اپنی ذمہ داریوں کو محسوس کرتے ہوئے اس بات کا تہیہ کئے ہوئے ہیں کہ مستقبل میں مزید بہتر نتائج حاصل کیے جائیں۔

آپ کی کمپنی نے اس مالی سال کی پہلی سہ ماہی میں جو 30 ستمبر 2019 کو اختتام پذیر ہوئی میں کل 71.04 ملین روپے کی آمدنی حاصل کی ہے، بمقابلہ 51.83 ملین روپے کی آمدن کے جو کہ پچھلے مالی سال (2018-19) کی پہلی سہ ماہی میں حاصل ہوئی تھی۔ بینکوں سے حاصل کردہ رقم پر شرح سود کے غیر معمولی اضافے کے باوجود کمپنی کا موجودہ سہ ماہی کا منافع قبل از ٹیکس 24.81 ملین روپے ہے جو کہ گزشتہ سال کی پہلی سہ ماہی کے منافع سے جو کہ 17.62 ملین روپے تھا کمپنی زیادہ ہے۔ اسی طرح اس مالی سال کی پہلی سہ ماہی کا بعد از ٹیکس منافع 19.36 ملین روپے ہے جو کہ پچھلے مالی سال کے اسی دورانیہ کے منافع بعد از ٹیکس (18.08) ملین روپے سے 7 فیصد زیادہ ہے۔

آپ کی کمپنی کے شیئرز ہولڈرز کی ایکویٹی (Equity) جو کہ 30 جون 2019 تک 664.81 ملین روپے تھی بڑھ کر 30 ستمبر 2019 کو 684.18 ملین روپے ہو گئی ہے۔ اس مالی سال کی پہلی سہ ماہی میں فنڈز منافع 0.76 روپے ہے جبکہ گزشتہ مالی سال کی پہلی سہ ماہی میں 0.71 روپے فنڈز تھے۔

اپریل 2019 میں VIS کرڈٹ ریٹنگ کمپنی لمیٹڈ نے آپ کی کمپنی کی تین سی ریٹنگ کا دوبارہ اعادہ کیا تھا جس میں درمیانہ سے طویل المیعاد کے لئے A- ریٹنگ، اور مختصر مدت کی ریٹنگ A-2 مقرر کی گئی اور کمپنی کے آئندہ امکانات کو مستحکم قرار دیا گیا۔

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

کمپنی کے ڈائریکٹرز SEC, PICG اور دوسرے ریگولیٹری اداروں نے جو آپ کی کمپنی کی جو رہنمائی کی ہے اور تعاون دیا ہے نہ صرف اس کا اعتراف بلکہ شکریہ بھی ادا کرتے ہیں۔ انکا تمام اداروں کا کردار مالی شعبے کو بہتر بنانے میں نہایت اہم رہا ہے۔ امید کی جاتی ہے کہ یہ تمام ادارے بذریعہ مناسب اقدام اس شعبے کو مزید مستحکم اور بہتر بنائیں گے۔

آخر میں ہم اپنے تمام قابل احترام شیئرز ہولڈرز بشمول کمپنی کے صارفین اور ڈیٹیکریڈٹرز کو ان کے کمپنی کے ساتھ بھرپور تعاون پر ان کا شکریہ ادا کرتے ہیں۔ اس کے ساتھ اس بات کی بھی قوی امید رکھتے ہیں کہ ہمارے شراکت داروں اور کمپنی کے درمیان مضبوط روابط اور باہم مفید اور خوشگوار تعلقات قائم رہیں گے۔

چیف ایگزیکٹو آفیسر

چیئر مین

123 اکتوبر 2019

کراچی



**Condensed Interim
Statement of Financial Position
As at 30 September 2019**

	NOTE	(Un-audited) 30 September 2019	(Audited) 30 June 2019
		----- Rupees -----	
ASSETS			
Current Assets			
Cash and bank balances		29,628,913	16,410,061
Short term investments	5	60,441,145	57,433,161
Other receivables - net		24,393,289	25,835,690
Ijarah rental receivables		1,044,315	536,780
Advance to employees		67,990	57,490
Accrued mark-up / return on investments		191,589	202,301
Prepayments		2,475,851	2,573,005
Current portion of net investment in finance lease	6	773,259,397	711,771,188
Current portion of long-term investments	7	4,019,414	6,031,925
Current portion of diminishing musharaka receivable		-	-
Taxation - net		3,544,651	4,264,832
Total current assets		899,066,554	825,116,433
Non-current assets			
Net investment in finance lease	6	1,649,263,790	1,651,541,206
Long-term investments	7	-	-
Diminishing musharaka receivable		9,394,499	9,394,499
Long-term deposits		112,500	112,500
Investment property		154,440,000	154,440,000
Property, plant and equipment	8	16,088,425	19,620,239
Intangible assets		1,556,371	1,567,260
Total non-current assets		1,830,855,585	1,836,675,704
Total assets		2,729,922,139	2,661,792,137
LIABILITIES			
Current liabilities			
Trade and other payables		38,433,243	38,846,091
Unclaimed dividend		1,996,977	1,996,977
Accrued mark-up		25,619,751	22,857,201
Current portion of certificates of investment	10	18,375,094	18,375,094
Short term borrowings		398,631,897	414,340,936
Current portion of long-term loan	9	16,666,668	20,833,331
Current portion of advance rental against Ijarah financing		1,986,732	2,552,045
Current portion of long-term deposits		111,841,274	96,789,816
Total current liabilities		613,551,636	616,591,491
Non-current liabilities			
Long-term deposits		735,055,582	691,163,737
Long-term loan	9	24,999,998	29,166,665
Certificates of investment	10	382,171,853	373,937,581
Advance rental against Ijarah financing		362,259	633,918
Deferred taxation - net		196,082,497	191,653,177
Total non-current liabilities		1,338,672,189	1,286,555,078
Total liabilities		1,952,223,825	1,903,146,569
NET ASSETS		777,698,314	758,645,568
FINANCED BY			
Issued, subscribed and paid up capital		253,698,000	253,698,000
Capital Reserves			
Statutory reserve		109,781,994	105,910,520
Reserve for issue of bonus shares		4,402,000	4,402,000
Surplus on revaluation of property, plant and equipment - net of tax		90,504,204	90,504,204
Surplus on revaluation of investments classified as fair value through other comprehensive income		1,455,097	1,759,720
		206,143,295	202,576,444
Revenue Reserve		-	-
Unappropriated profit		317,857,019	302,371,124
		777,698,314	758,645,568
Contingencies and commitments	11		

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer

**Condensed Interim
Profit and Loss Account
(Un-audited)**
For the three months period
ended 30 September 2019

	Three months period ended 30 September	
	2019	2018
	----- Rupees -----	
INCOME		
Income from financing operations	66,248,669	48,093,346
Other operating Income		
Return on investments	2,012,707	1,248,223
Other income	2,773,890	2,485,401
	4,786,597	3,733,624
	71,035,266	51,826,970
OPERATING EXPENSES		
Administrative and operating expenses	18,432,188	18,247,621
Finance cost	27,532,228	16,133,758
	45,964,416	34,381,379
Operating profit before provision	25,070,850	17,445,591
Provision for potential lease losses - net	(259,641)	(40,653)
Reversal of provision against litigation receivable - net	-	213,333
Profit before taxation	24,811,209	17,618,271
Taxation		
- Current	(1,024,520)	(632,584)
- Deferred	(4,429,320)	1,098,351
	(5,453,840)	465,767
Profit after taxation	19,357,369	18,084,038
Earning per share- basic & diluted	0.76	0.71

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer



**Condensed Interim
Statement of Comprehensive Income
(Un-audited)**

**For the three months period
ended 30 September 2019**

	Three months period ended 30 September	
	2019	2018
	----- Rupees -----	
Profit after taxation	19,357,369	18,084,038
Other comprehensive income / (loss)		
<i>Item that will be reclassified to profit and loss account in subsequent periods:</i>		
Deficit on revaluation of investments classified as fair value through other comprehensive income	(304,623)	(259,011)
Total comprehensive income for the period	19,052,746	17,825,027

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer

**Condensed Interim
Cash Flow Statement
(Un-audited)
For the three months period
ended 30 September 2019**

	Three months Period Ended 30 September	
	2019	2018
NOTE		
	-----	-----
	Rupees	Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	24,811,209	17,618,271
Adjustments for:		
- Depreciation	3,613,314	5,102,242
- Amortisation of discount / premium on long-term investments - net	12,511	68,464
- Amortisation of intangible asset	10,889	10,890
- Provision for potential lease losses - net	259,641	40,653
- Reversal of provision against litigation receivable - net	-	(213,333)
- Finance cost	27,532,228	16,133,758
	<u>31,428,583</u>	<u>21,142,674</u>
Operating profit before working capital changes	<u>56,239,792</u>	<u>38,760,945</u>
Movements in working capital		
Decrease / (increase) in current assets		
- Other receivables - net	1,442,401	349,500
- Advances to employees	(10,500)	63,001
- Accrued mark-up / return on investments	10,712	852,146
- Ijarah rental receivables	(507,535)	(9,712)
- Prepayments	97,154	468,046
	1,032,232	1,722,981
Decrease in current liabilities		
Trade and other payables	(412,848)	(2,726,018)
Cash generated from operations	<u>56,859,176</u>	<u>37,757,908</u>
Finance cost paid	(24,769,678)	(12,412,026)
Tax paid	(304,339)	(255,353)
Deposits received from lessees - net	58,943,303	(129,016)
Advance Ijarah rental received from lessees	(836,972)	(1,389,483)
Diminishing musharaka receivable - net	-	-
Net investment in finance lease - net	(59,470,434)	56,971,847
	<u>(26,438,120)</u>	<u>42,785,969</u>
Net cash generated from operating activities	<u>30,421,056</u>	<u>80,543,877</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	(81,500)	-
Short term investment in Market Treasury Bills - net	(3,312,607)	(15,888,347)
Long-term investment - net	2,000,000	16,000,000
Net cash (used in) / generated from investing activities	<u>(1,394,107)</u>	<u>111,653</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from certificates of investment - net	8,234,272	262,857
Long term loan - net	(8,333,330)	(4,166,667)
Net cash used in financing activities	<u>(99,058)</u>	<u>(3,903,810)</u>
Net increase in cash and cash equivalents	<u>28,927,891</u>	<u>76,751,720</u>
Cash and cash equivalents at the beginning of the period	(397,930,875)	(371,968,080)
Cash and cash equivalents at the end of the period	<u>12</u> <u>(369,002,984)</u>	<u>(295,216,360)</u>

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer



**Pak-Gulf Leasing
Company Limited**

**Condensed Interim
Statement of Changes in Equity (Un-audited)
For the three months period
ended 30 September 2019**

	Reserves					Total equity
	Statutory reserve	Reserve for issue of bonus shares	Surplus on revaluation of property, plant & equipment - net of tax	Surplus on revaluation of classified as fair value through other comprehensive income	Unappro- priated profit	
Issued, subscribed and paid up capital	Rupees					
Balance as at 1 July 2018	93,034,892	4,402,000	90,504,204	2,815,855	282,580,862	473,337,813
<i>Total Comprehensive income for the period ended 30 September 2018</i>						727,035,813
Profit after taxation	-	-	-	-	18,084,038	18,084,038
Other comprehensive income Deficit on revaluation of available for sale investment	-	-	-	(259,011) (259,011)	-	(259,011) 17,825,027
Effect of change in tax rate on surplus on revaluation of property, plant and equipment	-	-	1,274,708	-	-	1,274,708
Transfer to statutory reserve	3,616,808	-	-	-	(3,616,808)	-
Balance as at 30 Sept. 2018	<u>96,651,700</u>	<u>4,402,000</u>	<u>91,778,912</u>	<u>2,556,844</u>	<u>297,048,092</u>	<u>746,135,548</u>
Balance as at 1 July 2019	105,910,520	4,402,000	90,504,204	1,759,720	302,371,124	504,947,568
<i>Total Comprehensive income for the period ended 30 September 2019</i>						758,645,568
Profit after taxation	-	-	-	-	19,357,369	19,357,369
Other comprehensive income Deficit on revaluation of investments classified at fair value through other comprehensive income	-	-	-	(304,623) (304,623)	-	(304,623) 19,052,746
Transfer to statutory reserve	3,871,474	-	-	-	(3,871,474)	-
Balance as at 30 Sept. 2019	<u>109,781,994</u>	<u>4,402,000</u>	<u>90,504,204</u>	<u>1,455,097</u>	<u>317,857,019</u>	<u>777,698,314</u>

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer



1. STATUS AND NATURE OF BUSINESS

1.1 Pak-Gulf Leasing Company Limited ("the Company") was incorporated in Pakistan on December 27, 1994 as a public limited company under the repealed Companies Ordinance, 1984 and commenced its operations on September 16, 1996. The Company is principally engaged in the business of leasing and is listed on Pakistan Stock Exchange Limited.

1.2 Regulation 4 of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations 2008) requires an existing deposit taking leasing company to maintain, at all times, minimum equity of Rs. 500 million. The equity of the Company as at September 30, 2019 is Rs. 684.18 million which is Rs. 184.18 million in excess of the minimum equity requirement.

1.3 VIS Credit Rating Company Limited (VIS) has re-affirmed A- and A-2 ratings to the Company for medium to 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, 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.

3. BASIS OF PREPARATION

3.1 Statement of compliance

This un-audited condensed interim financial information is being submitted to the shareholders as required under the Companies Act, 2017 and have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting, Islamic Financial Accounting Standard - 2 Ijarah (IFAS - 2) issued by the Institute of Chartered Accountants of Pakistan (ICAP), provisions of and directives issued under the repealed Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). In case where requirements differ, the provisions or directives issued under the Companies Act, 2017, NBFC Rules and NBFC Regulations shall prevail.

3.2 This condensed interim financial information has been presented in Pakistani Rupees, which is the functional currency of the Company. The figures are rounded off to the nearest Rupee.

4. ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements of the Company as at and for the year ended 30 June 2019.



**Pak-Gulf Leasing
Company Limited**

	Note	(Un-audited) 30 September 2019	(Audited) 30 June 2019
		----- Rupees -----	
5. SHORT TERM INVESTMENT			
At fair value through other comprehensive income			
Cost			
54,300 units of National Investment Trust (30 June 2019 : 54,300 units)		1,194,200	1,194,200
Revaluation Surplus			
Opening		1,759,720	2,815,855
Deficit for the period / year		(304,623)	(1,056,135)
		1,455,097	1,759,720
		2,649,297	2,953,920
At amortised cost			
Government Securities - Market Treasury Bills		57,791,848	54,479,241
		60,441,145	57,433,161
6. NET INVESTMENT IN FINANCE LEASE			
(Secured)			
Net investment in finance lease	6.1	2,422,523,187	2,363,312,394
Current portion shown under current assets	6.1	(773,259,397)	(711,771,188)
		1,649,263,790	1,651,541,206



6.1	Net investment in finance lease		30 September 2019 (Un-audited)		30 June 2019 (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
	854,388,493	1,073,291,305	1,927,679,798	784,856,063	1,134,886,052	1,919,742,115
	----- Rupees -----					
Minimum lease payments						
Add: Residual value of leased assets (6.2)	111,841,274	735,055,582	846,896,856	96,789,816	691,163,737	787,953,553
Gross Investment in finance lease	966,229,767	1,808,346,887	2,774,576,654	881,645,879	1,826,049,789	2,707,695,668
Unearned lease income	(185,969,482)	(159,083,097)	(345,052,579)	(165,129,167)	(174,508,583)	(339,637,750)
Mark-up held in suspense	(4,113,205)	-	(4,113,205)	(2,117,482)	-	(2,117,482)
Provision for potential lease losses	(190,082,687)	(159,083,097)	(349,165,784)	(167,246,649)	(174,508,583)	(341,755,232)
Net investment in finance lease	776,147,080	1,649,263,790	2,425,410,870	714,399,230	1,651,541,206	2,365,940,436
	(2,887,683)	-	(2,887,683)	(2,628,042)	-	(2,628,042)
	773,259,397	1,649,263,790	2,422,523,187	711,771,188	1,651,541,206	2,363,312,394

In certain leases, the Company has security, in addition to leased assets, in the form of mortgages / corporate / personal guarantees of associated companies / directors.

6.2 These represent interest free security deposits received against lease contracts and are refundable / adjustable at the expiry / termination of the respective leases. The amount is net of security deposit held against matured leases amounting to Rs. 163.82 million.



**Pak-Gulf Leasing
Company Limited**

	Note	(Un-audited) 30 September 2019	(Audited) 30 June 2019
----- Rupees -----			
7. LONG TERM INVESTMENTS			
At amortised cost			
Government Securities			
Pakistan Investment Bonds	7.1	4,019,414	6,031,925
Current portion shown under current assets	7.1	(4,019,414)	(6,031,925)
		<u><u>-</u></u>	<u><u>-</u></u>
7.1	These Pakistan Investment Bonds have a cost of Rs. 4 million (30 June 2019: Rs. 6 million) and will mature on 25 March 2020.		
8. PROPERTY, PLANT AND EQUIPMENT			
Fixed assets - Own use	8.1	6,691,107	7,046,592
Fixed assets - Ijarah finance	8.2	9,397,318	12,573,647
		<u><u>16,088,425</u></u>	<u><u>19,620,239</u></u>
8.1 FIXED ASSETS - Own Use			
Opening net book value		7,046,592	8,679,844
Additions during the period / year - at cost			
Furniture and fittings		56,000	-
Office equipment		-	45,000
Vehicles		-	187,960
Computer equipment		25,500	107,712
		81,500	340,672
Depreciation for the period / year		(436,985)	(1,973,924)
Closing net book value		<u><u>6,691,107</u></u>	<u><u>7,046,592</u></u>
8.2 FIXED ASSETS - Ijarah Finance			
Opening net book value		12,573,647	30,432,728
Additions during the period / year - at cost		-	-
Net book value of disposals during the period / year		-	(8)
Depreciation for the period / year		(3,176,329)	(17,859,073)
Closing net book value		<u><u>9,397,318</u></u>	<u><u>12,573,647</u></u>



	Note	(Un-audited) 30 September 2019	(Audited) 30 June 2019
----- Rupees -----			
9. LONG-TERM LOAN			
(Secured)			
Long-term loan	9.1	41,666,666	49,999,996
Current portion shown under current liabilities	9.1	<u>(16,666,668)</u>	<u>(20,833,331)</u>
		<u>24,999,998</u>	<u>29,166,665</u>
9.1	The Company has availed term finance facility from commercial banks amounting to Rs. 50 million (30 June 2019: Rs. 100 million). The facility has been obtained for a tenure of three (3) years which is ending on 06 February 2021. It carries mark-up at the rate of 3 months KIBOR plus 1.5% and is secured by hypothecation charge over specific leased assets and lease rentals receivable.		
10. CERTIFICATES OF INVESTMENT			
(Unsecured)			
Certificates of investment	10.1	400,546,947	392,312,675
Current portion shown under current liabilities	10.1	<u>(18,375,094)</u>	<u>(18,375,094)</u>
		<u>382,171,853</u>	<u>373,937,581</u>
10.1	These represent certificates of investment issued by the Company for periods ranging from 6 to 36 months (30 June 2019: 6 to 36 months) and carry mark-up rates ranging from 10.75% to 14.00% per annum (30 June 2019: 10.75% to 12.25% per annum).		
11. CONTINGENCIES AND COMMITMENTS			
11.1 Contingencies			
11.1.1	The Alternate Corporate Tax charge for the Tax Year 2019, 2018, 2017, 2016, 2015 and 2014 amounted to Rs. 12.101 million, Rs. 13.702 million, Rs. 11.135 million, Rs. 8.702 million, Rs. 9.233 million and Rs. 8.100 million, respectively which is Rs. 9.265 million, Rs. 11.411 million, Rs. 9.065 million, Rs. 7.127 million, Rs. 8.005 million and Rs. 7.140 million in excess of the minimum tax payable at Rs. 2.836 million, Rs. 2.291 million, Rs. 1.671 million, Rs. 1.575 million, Rs. 1.228 million and Rs. 0.960 million, respectively under section 113 of the Income Tax Ordinance, 2001 (Ordinance).		
	The Company had filed a Civil Suit against the levy and payment of Alternate Corporate Tax (ACT) on its accounting income in the Honorable High Court of Sindh. On December 29, 2014 the Honorable Court had issued an order restraining the Federal Board of Revenue (FBR) from taking any coercive action against the Company. Later on, on the basis of directions given by the Hon'ble Supreme Court of Pakistan vide its order dated June 27, 2018 in another case to the effect that civil suits shall only be entertained by the High Courts if 50% of the tax calculated by the tax authorities is deposited upfront by the filers of the civil suit, management was advised by its legal advisor to withdraw the civil suit and to file a constitution petition instead as and when a notice for the recovery of the tax demand is received from the FBR. Accepting the legal advice of the legal advisor the Company has withdrawn the civil suit and is waiting to be served by a recovery notice by the FBR. As soon as the notice is received the management will file a Constitutional Petition in the Honorable High Court of Sindh. The Company has a strong case and since the management is confident that it will get the desired relief from the Honorable High Court of Sindh therefore no provisioning for the disputed tax demand has been made by it in its accounts and only payment for minimum tax has been provided for.		
11.1.2	On June 15, 2016, Order-in-original No.551 of 2016 was passed by the Assistant Commissioner of Sindh Revenue Board (SRB) under section 23, 43(2)(3)(6d) of the Sindh Sales Tax on Services Act, 2011(the Act) whereby sales tax demand of Rs. 3.199 million was created against the Company for Tax Years 2012 to 2015. This demand included sum of Rs. 2.353		



**Pak-Gulf Leasing
Company Limited**

million being sales tax charged on income from Gross Ijarah operations. An appeal was filed against the said Order before the Commissioner (Appeals) of the SRB by the Company under section 57 of the Act which was not allowed by the Commissioner (Appeals) vide his Order-in-Appeal No. 20 of 2017 dated March 01, 2017. An appeal against the order of Assistant Commissioner of SRB and Order-in-Appeal of Commissioner (Appeals) was also filed by the Company in the Appellate Tribunal (AT) of SRB under section 61 of the Act which has also been dismissed by the AT of SRB vide its Order in Appeal No. AT-18/2017 dated April 30, 2019 on the ground that Ijarah transactions being undertaken by the Company are similar to an operating lease arrangement in which sales tax is chargeable on Gross Ijarah rental amount. The Company has filed a reference against the order of the AT of SRB in the Honorable High Court of Sindh and on June 10, 2019 has been granted a stay against the recovery of the disputed tax demand by the SRB.

No payment against the demand created under the Order has been made by the Company. The Company has a strong case and the management is confident that the outcome of the appeal will be in the Company's favor. Accordingly, no provision has been recorded in respect of the matter.

	(Un-audited) 30 September 2019	(Audited) 30 June 2019
	----- Rupees -----	
11.2 Commitments		
11.2.1 Commitments for finance lease	<u>142,454,790</u>	<u>205,434,521</u>
11.2.2 Contractual rentals receivable on Ijarah contracts		

This represents the rentals receivable by the Company in respect of Ijarah assets.

	30 September 2019 (Un-audited)		
	Due within 1 year	Due after 1 year but within 5 years	Total
	(Rupees)		
Rentals receivable in future	<u>9,163,635</u>	<u>1,985,355</u>	<u>11,148,990</u>
	30 June 2019 (Audited)		
	Due within 1 year	Due after 1 year but within 5 years	Total
	(Rupees)		
Rentals receivable in future	<u>11,173,320</u>	<u>2,538,830</u>	<u>13,712,150</u>

11.2.3 Contractual rentals receivable on Diminishing Musharaka contracts

This represents the rentals receivable by the Company in respect of Diminishing Musharaka contracts.

30 September 2019 (Un-audited)		
Due within 1 year	Due after 1 year but within 5 years	Total
(Rupees)		

Rentals receivable in future	<u>6,251,319</u>	<u>10,540,154</u>	<u>16,791,473</u>
------------------------------	------------------	-------------------	-------------------

30 June 2019 (Audited)		
Due within 1 year	Due after 1 year but within 5 years	Total
(Rupees)		

Rentals receivable in future	<u>6,285,557</u>	<u>10,883,630</u>	<u>17,169,187</u>
------------------------------	------------------	-------------------	-------------------

(Un-audited)	(Un-audited)
30 September	30 September
2019	2018

----- Rupees -----

12. CASH AND CASH EQUIVALENTS

Cash and bank balances	29,628,913	18,019,202
Short term borrowings	<u>(398,631,897)</u>	<u>(313,234,562)</u>
	<u>(369,002,984)</u>	<u>(295,215,360)</u>

13. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

Description	Liabilities		Total
	Long term loan	Certificates of investment	
	----- (Rupees) -----		
Balance as at July 1, 2019	49,999,996	392,312,675	442,312,671
Repayment of long term loan	(8,333,330)	-	(8,333,330)
Issued and rolled forward during the period	-	8,234,272	8,234,272
Payments made during the period	-	-	-
	<u>(8,333,330)</u>	<u>8,234,272</u>	<u>(99,058)</u>
Balance as at September 30, 2019	<u>41,666,666</u>	<u>400,546,947</u>	<u>442,213,613</u>

14. TRANSACTION AND BALANCES WITH RELATED PARTIES

The Company has related party relationships with companies with common directorship, directors of the Company, key management personnel and the employee's contribution plan (provident fund).

Nature of transaction	Relation with the Company	Three months period ended 30 September (Un-audited)	
		2019	2018
		----- Rupees -----	
Certificates of investment			
Certificates of investment(s) issued / rolled over during the period	Directors	<u>245,954,807</u>	<u>45,967,360</u>
Profit on Certificates of investment(s)	Directors	<u>6,509,754</u>	<u>4,990,367</u>
Certificates of investment(s) issued / rolled over during the period	Close relatives of directors	<u>126,217,046</u>	<u>45,140,534</u>
Profit on Certificates of investment(s)	Close relatives of directors	<u>4,012,460</u>	<u>2,330,072</u>
Finance Lease			
Rental received / adjusted	Associated undertaking	<u>7,784,622</u>	<u>206,949</u>
Prepaid rent (rented office premises)			
Prepaid rent charged as expense during the period	Associated undertaking	<u>978,285</u>	<u>889,350</u>
Employees' provident fund			
Contribution during the period to Provident Fund	Employees' provident fund	<u>145,284</u>	<u>172,837</u>
Remuneration and other benefits			
Directors' fee	Directors	<u>530,000</u>	<u>490,000</u>
Salary and allowances	Key management personnel	<u>1,562,304</u>	<u>1,562,304</u>

	(Un-audited) 30 September 2019	(Audited) 30 June 2019
----- Rupees -----		
Balances outstanding at the period / year end		
Certificates of investment	<u>372,171,853</u>	<u>363,937,581</u>
Accrued mark-up on certificates of investment	<u>8,544,814</u>	<u>8,614,716</u>
Net investment in finance lease	<u>56,329,178</u>	<u>62,077,399</u>
Security deposit (in respect of finance lease)	<u>11,150,000</u>	<u>11,150,000</u>
Prepaid rent	<u>326,095</u>	<u>1,304,380</u>
Security deposit (in respect of rented office premises)	<u>245,000</u>	<u>245,000</u>

15. SEGMENT INFORMATION

The Company has two primary reporting segments namely, "Finance lease" and "Islamic finance", based on the mode of finance, related risks and returns associated with the segments and reporting of income and expenditure in accordance with the applicable accounting standards as disclosed in Note 2.1. 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".

	Finance Lease	Islamic Finance	Others	Total
----- Rupees -----				
Segment analysis for the period ended 30 September 2019 (Un-audited)				
Segment revenue	62,340,922	3,907,747	4,786,597	71,035,266
Administrative and operating expenses	<u>(9,764,072)</u>	<u>(3,393,859)</u>	<u>(1,277,224)</u>	<u>(14,435,155)</u>
Segment result	52,576,850	513,888	3,509,373	56,600,111
Provision for Workers' Welfare Fund				(450,000)
Unallocated expenses				<u>(3,806,674)</u>
Result from operating activities				52,343,437
Finance cost				(27,532,228)
Provision for taxation				<u>(5,453,840)</u>
Profit for the year				<u>19,357,369</u>
Segment assets and liabilities as at 30 September 2019 (Un-audited)				
Segment assets	<u>2,445,763,601</u>	<u>23,686,068</u>	<u>245,892,220</u>	2,715,341,889
Unallocated assets				14,580,250
Total assets				<u>2,729,922,139</u>
Segment liabilities	<u>874,471,313</u>	<u>2,927,511</u>	<u>4,332,350</u>	881,731,174
Unallocated liabilities				1,070,492,651
Total liabilities				<u>1,952,223,825</u>



Pak-Gulf Leasing Company Limited

	Finance Lease	Islamic Finance	Others	Total
	----- Rupees -----			
Other Information for the period ended 30 September 2019 (Un-audited)				
Capital expenditure	-	-	-	-
Depreciation	-	3,176,329	-	3,176,329
Unallocated Capital expenditure				81,500
Unallocated Depreciation				436,985
Segment analysis for the period ended 30 September 2018 (Un-audited)				
Segment revenue	43,311,790	4,781,556	3,733,624	51,826,970
Administrative and operating expenses	(7,808,309)	(4,758,435)	(1,148,971)	(13,715,715)
Segment result	35,503,481	23,121	2,584,653	38,111,255
Provision for Workers' Welfare Fund				(360,600)
Unallocated expenses				(3,998,626)
Result from operating activities				33,752,029
Finance cost				(16,133,758)
Provision for taxation				465,767
Profit for the year				18,084,038
Segment assets and liabilities as at 30 June 2019 (Audited)				
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>
Other Information for the period ended 30 September 2018 (Un-audited)				
Capital expenditure	-	-	-	-
Depreciation	-	4,464,774	-	4,464,774
Unallocated Capital expenditure				-
Unallocated Depreciation				637,468

16. GENERAL

This condensed interim financial information was authorised for issue by the Board of Directors of the Company on 23 October 2019.

Chief Executive Officer

Director

Chief Financial Officer



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