



Pak-Gulf Leasing
Company Limited

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

**For the three months period
ended 30 September 2024**



Board of Directors

Mr. Sohail Inam Ellahi	Chairman
Mr. Pervez Inam	Director
Mr. Fawad Salim Malik	Director
Brig. Naveed Nasar Khan (Retd)	Director
Mr. Ismail H. Ahmed	Director
Mr. Jan Ali Khan Junejo	Director
Mr. Naeem Ali Muhammad Munshi	Director
Ms. Naueen Ahmed	Director
Brig. Haris Nawaz (Retd)	Director
Mr. Mahfuz-ur-Rahman Pasha	Chief Executive Officer

Company Secretary

Ms. Mehreen Usama

Audit Committee

Ms. Naueen Ahmed	Chairman
Mr. Pervez Inam	Member
Brig. Naveed Nasar Khan (Retd)	Member
Mr. Ismail H. Ahmed	Member
Mr. Naeem Ali Muhammad Munshi	Member
Ms. Farah Farooq	Secretary

Human Resource and Remuneration Committee

Mr. Jan Ali Khan Junejo	Chairman
Mr. Sohail Inam Ellahi	Member
Mr. Pervez Inam	Member
Mr. Ismail H. Ahmed	Member
Ms. Naueen Ahmed	Member
Mr. Mahfuz-ur-Rahman Pasha	Member
Ms. Mehreen Usama	Secretary

Risk Management Committee

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

Senior Management

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

Credit Rating Agency

VIS Credit Rating Co. Ltd.

Entity Rating:

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

Company Information
Auditors

M/s. BDO Ebrahim & Co.
Chartered Accountants
2nd Floor, Block C Lakson Square Building No. 1
Sarwar Shaheed Road
Karachi-74200.

Legal Advisor

M/s. Mohsin Tayebaly & Company
2nd Floor, Dime Centre
BC-4, Block # 9, Kehkashan, Clifton
Karachi-75600
Tel # : (92-21) 111-682-529

Shariah Advisor

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

Bankers
Islamic banks

Albaraka Bank (Pakistan) Limited
MCB Islamic Bank

Conventional banks

Allied Bank Limited
Askari Commercial Bank Limited
Bank Al-Falah Limited
Bank Al Habib Limited
Bank of Punjab
Habib Bank Limited
JS Bank Limited
MCB Bank Limited
National Bank of Pakistan
Silkbank Limited
Soneri Bank Limited

Registered Office

UNIBRO House
Ground and Mezzanine Floor,
Plot No. 114, 9th East Street, Phase I DHA
Karachi-75500. P.O. Box # 12215
Tel # : (92-21) 35820301, 35820966
35824401, 35375986-7
Fax # : (92-21) 35820302, 35375985
E-mail : pgl@pakgulfleasing.com
Website : www.pakgulfleasing.com

Branch Office

202, 2nd Floor, Divine Mega II,
Opp. Honda Point, New Airport Road, Lahore
Tel # : (92-42) 35700010
Fax # : (92-42) 35700011

Registrar/Share Transfer Office

THK Associate (Pvt.) Limited
Plot No. C-32, Jami Commercial Street2
DHA Phase VII, Karachi
Tel # : 92 (21) 111-000-322
Fax # : 92 (21) 34168271

DIRECTORS' REPORT

Dear Shareholders

The Directors of your Company are pleased to present before you the un-audited condensed interim financial Statements of your Company for the three months period ended on September 30, 2024 of the current financial year (FY 2024-25).

Financial Highlights and Business Review

Your Company earned a Total Revenue of Rs. 74.9 million, for the 1st Quarter of the FY 2024-25 which ended on September 30, 2024 as compared to the Total Revenue of Rs. 67.62 million posted, in the three months period ended September 30, 2023. Administrative expenses for the three months period ended September 30, 2024 increased by Rs. 1.1 million when compared to the same for the three months period ended September 30, 2023, while due to low utilization of borrowing facilities finance cost for this comparative period showed a decrease of Rs. 11 million. During the three months ended September 30, 2024 the Company made reversal of provision of Rs. 3.35 million for potential lease and loan losses based on IFRS 9, while Rs. 0.225 million was recorded during the period of provision held against lease receivables held under litigation.

The Company's Profit before Taxation for the three months period ended September 30, 2024 increased to Rs. 47.76 million which stood at Rs. 25.12 million in the corresponding period of the last Financial Year FY 2023-24. Net Profit after Tax for the three months period ended September 30, 2024 has increased to Rs. 39.76 million as compared to Rs. 20.21 million for the corresponding period of the last Financial Year 2023-24.

The Shareholders Equity of your Company has risen from Rs. 815.948 million, as at June 30, 2024, to Rs. 855.728 million, as at September 30, 2024 while Earnings per Share has also increased to Rs. 0.80 as compared with the EPS of Rs. 0.41 for the corresponding period in FY 2023-24.

In September 2023, VIS Credit Rating Company Limited had re-affirmed the Medium to Long-term Entity Rating for your Company at A- (Single A Minus), and the Short-term Rating at A-2. The Outlook for your Company was graded as "Stable".

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

The Directors also take the opportunity to acknowledge, with thanks, the co-operation and guidance extended to your Company by the Securities and Exchange Commission of Pakistan (SECP), NBFIs and Modaraba Association of Pakistan and other regulatory authorities, for the resolution of its genuine issues. Their role is critical in developing the leasing sector and it is hoped that these agencies would continue to strengthen the leasing sector, by taking appropriate measures for its betterment.

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

Chairman

Chief Executive Officer

Karachi
October 24, 2024

ڈائریکٹرز رپورٹ

محترم شیئر ہولڈرز (حصص یافتگان)

آپ کے ڈائریکٹرز انتہائی مسرت کے ساتھ آپ کے سامنے موجودہ مالی سال (2024-25) کی 30 ستمبر 2024 کو ختم ہونے والی سہ ماہی کے لیے آپ کی کمپنی کے مالیاتی گوشوارے پیش کر رہے ہیں۔

آپ کی کمپنی کی 2024-25 کی پہلی سہ ماہی کی کل آمدنی 74.9 ملین روپے رہی جو کہ مالی سال 2023-24 کی پہلی سہ ماہی میں 67.62 ملین روپے تھی۔ 30 ستمبر 2024 کو ختم ہونے والی سہ ماہی کے انتظامی اخراجات میں گزشتہ سال 30 ستمبر 2023 کو ختم ہونے والی سہ ماہی کے مقابلے میں 1.1 ملین روپے کا اضافہ ہوا ہے۔ جبکہ تقابلی مدت میں مالی سہولیات کے کم استعمال کی وجہ سے مالیاتی لاگت میں 11 ملین کی کمی دیکھی گئی ہے۔ 30 ستمبر 2024 کو ختم ہونے والی سہ ماہی کے دوران کمپنی نے IFRS-9 کے تحت ممکنہ لیز اور قرض کے نقصانات کیلئے مختص کیے پروویژن میں 3.35 ملین روپے کی کمی کی گئی ہے جبکہ اس دورانیہ میں قانونی چارہ جوئی کے تحت لیز کے پروویژن میں 0.225 ملین روپے کا اضافہ ریکارڈ کیا گیا۔

سہ ماہی 30 ستمبر 2024 کمپنی کا منافع قبل از ٹیکس بڑھ کر 47.76 ملین روپے رہا جو کہ گزشتہ سال سہ ماہی 30 ستمبر 2023 کو 25.12 ملین روپے تھا۔ سہ ماہی 30 ستمبر 2024 میں کمپنی کا منافع بعد از ٹیکس 39.76 ملین روپے رہا جو کہ پچھلے سال کے اس دورانیہ میں 20.21 ملین روپے تھا۔

آپ کے کمپنی کے شیر ہولڈر کی ایکویٹی جو کہ 30 جون 2024 کو 815.948 ملین روپے تھی، 30 ستمبر 2024 کو بڑھ کر 855.728 ملین ہو گئی ہے۔ جبکہ 30 ستمبر 2024 کو ختم ہونے والے سہ ماہی کے لئے فی شیر آمدنی 0.80 روپے فی حصص ہے جو کہ پچھلے سال 2023-24 کے اس دورانیہ میں 0.41 روپے فی حصص تھی۔

ستمبر 2023 میں VIS کریڈٹ ریٹنگ ایجنسی نے کمپنی کی تشخیصی ریٹنگ کا اعادہ کرتے ہوئے درمیانی سے طویل المیعاد کے مدت لئے A- ریٹنگ، اور مختصر مدت کیلئے A-2 ریٹنگ مقرر کی اور کمپنی کے آئندہ امکانات کو مستحکم قرار دیا گیا۔

آپ کے ڈائریکٹرز، مارکیٹ کے آزمائش اور مشکل حالات کے باوجود آپ کی کمپنی کی کارکردگی کی نگرانی کرنے کے لیے آپ کے نمائندے کی حیثیت سے اپنی خدمات ریکارڈ پر لانا چاہیں گے اور انتظامی ٹیم اور آپ کی کمپنی کے تمام عملے کے اراکین کی طرف سے کی جانے والی مخلصانہ کوششوں کو خراج تحسین پیش کرتے ہیں۔ ہم PGL کی انتظامیہ اور عملہ سے توقع کرتے ہیں کہ وہ اپنی کاروباری مہارتوں کو نہ صرف برقرار رکھیں گے بلکہ مزید نکھاریں گے اور آپ کی کمپنی کے کلانٹس کے لیے اپنی خدمات کے معیار کو بہتر سے بہتر بنانے کی ہر ممکن کوشش کریں گے تا کہ پاکستان کے لیزنگ سیکٹر میں آپ کی کمپنی کا مثبت امیج ابھارا جا سکے۔

ڈائریکٹرز اس موقع سے فائدہ اٹھاتے ہوئے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP)، پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس (PICG) اور دیگر ریگولیٹری اتھارٹیز کی جانب سے آپ کی کمپنی کو فراہم کیے گئے تعاون اور رہنمائی کا شکریہ کے ساتھ اعتراف کرتے ہیں۔ لیزنگ سیکٹر کی ترقی میں ان اداروں کا کردار اہم ہے اور امید کی جاتی ہے کہ یہ ایجنسیاں لیزنگ سیکٹر کی بہتری کے لیے مناسب اقدامات سے اسے مزید مضبوط بنانے کا سلسلہ جاری رکھیں گی۔

آخر میں، ہم PGL کو ان کی طرف سے فراہم کی گئی قابل قدر معاونت کے لیے ہمارے قابل قدر شیئر ہولڈرز کے ساتھ ساتھ PGL کے صارفین اور بینکرز سے اظہار تشکر کرتے ہیں۔ ہم PGL اور اس کے تمام اسٹیک ہولڈرز کے درمیان باہم فائدہ مند اور خوشگوار تعلقات کو تقویت دینے اور مزید استوار کرنے کے خواہش مند ہیں۔

چیف ایگزیکٹو آفیسر

چیئرمین

24 اکتوبر 2024

کراچی

PAK-GULF LEASING COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024

		(Un-audited) September 30, 2024	(Audited) June 30, 2024
	Note	-----Rupees-----	
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	6	7,076,992	7,298,508
Right of use assets	7	15,647,906	17,160,784
Investment property	8	169,884,000	169,884,000
Intangible assets		306,250	324,625
Net investment in finance lease	9	702,317,937	773,389,541
Long-term loans	10	17,160,147	21,025,572
Long-term security deposits		118,500	118,500
TOTAL NON-CURRENT ASSETS		912,511,732	989,201,530
CURRENT ASSETS			
Current portion of net investment in finance lease	9	392,461,893	408,293,631
Current portion of long-term loans	10	30,083,827	52,100,860
Short term investments	11	46,304,765	40,549,837
Advance to employees		1,608	4,940
Prepayments		1,008,055	467,419
Other receivables	12	98,382,618	105,044,504
Cash and bank balances	13	488,298,819	354,856,487
TOTAL CURRENT ASSETS		1,056,541,585	961,317,678
TOTAL ASSETS		1,969,053,317	1,950,519,208
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		494,711,100	494,711,100
Reserves		455,525,797	415,645,412
TOTAL EQUITY		950,236,897	910,356,512
NON-CURRENT LIABILITIES			
Long-term deposits		331,646,833	342,798,193
Long-term loan	14	4,166,667	4,166,668
Lease liabilities	15	9,615,887	8,662,199
Certificates of investment	16	219,215,814	225,475,007
Deferred taxation	17	120,721,854	121,024,669
TOTAL NON-CURRENT LIABILITIES		685,367,055	702,126,736
CURRENT LIABILITIES			
Trade and other payables		61,922,160	55,121,276
Unclaimed dividend		3,235,057	3,235,057
Taxation - net		39,643,423	37,977,148
Accrued mark-up		70,685,675	60,539,007
Current portion of long-term deposits		128,913,937	139,912,877
Current portion of long-term loan	14	20,833,333	33,333,332
Current portion of lease liabilities	15	6,461,391	6,315,124
Current portion of certificates of investment	16	1,754,389	1,602,139
TOTAL CURRENT LIABILITIES		333,449,365	338,035,960
TOTAL LIABILITIES		1,018,816,420	1,040,162,696
TOTAL EQUITY AND LIABILITIES		1,969,053,317	1,950,519,208
CONTINGENCIES AND COMMITMENTS			
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The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

PAK-GULF LEASING COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

	Three months period ended	
	September 30,	
	2024	2023
	-----Rupees-----	
INCOME		
Income from financing operations	51,270,611	57,876,138
Income from other activities		
Return on investments	19,675,419	6,449,992
Other income	3,956,943	3,292,380
	23,632,362	9,742,372
	74,902,973	67,618,510
EXPENSES		
Administrative and operating expenses	(15,145,117)	(14,046,396)
Finance cost	(15,132,673)	(26,114,170)
	(30,277,790)	(40,160,566)
Operating profit before provisions	44,625,183	27,457,944
(Provision) / Reversal against lease receivables held under litigation	(225,489)	1,304,956
Reversal / (Provision) for potential lease and loan losses	3,358,258	(3,638,353)
Profit before tax	47,757,952	25,124,547
Taxation		
Current	(8,299,698)	(16,633,603)
Deferred	302,814	11,719,701
	(7,996,884)	(4,913,902)
Net profit after taxation	39,761,068	20,210,645
Earnings per share - basic and diluted	0.80	0.41

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

PAK-GULF LEASING COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

	Three months period ended	
	September 30,	
Note	2024	2023
	-----Rupees-----	
Net profit after taxation	39,761,068	20,210,645

Other comprehensive income / (loss) for the period

Items that may not be reclassified to statement of profit or loss in subsequent periods:

Gain / (loss) on revaluation of FVOCI investments	11	<u>119,317</u>	<u>173,617</u>
Total comprehensive income for the period		<u><u>39,880,385</u></u>	<u><u>20,384,262</u></u>

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

PAK-GULF LEASING COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

Share capital	Reserves					Total reserves	Total equity	
	Capital				Revenue			
	Statutory reserve	Reserve for issue of bonus shares	Surplus on revaluation of property and equipment	Surplus on revaluation of FVOCI investments	Unappropriated profit			
----- (Rupees) -----								
Balance at July 01, 2023	494,711,100	153,725,579	-	90,504,204	1,554,609	89,038,190	334,822,582	829,533,682
Net profit / (loss) for the period	-	-	-	-	-	20,210,645	20,210,645	20,210,645
Other comprehensive income / (loss)	-	-	-	-	173,617	-	173,617	173,617
Total comprehensive income / (loss) for the period	-	-	-	-	173,617	20,210,645	20,384,262	20,384,262
Transfer to statutory reserve	-	4,042,129	-	-	-	(4,042,129)	-	-
Balance as at September 30, 2023	494,711,100	157,767,708	-	90,504,204	1,728,226	105,206,706	355,206,844	849,917,944
Balance at July 01, 2024	494,711,100	169,485,284	-	90,504,204	3,578,913	152,077,011	415,645,412	910,356,512
Net profit / (loss) for the period	-	-	-	-	-	39,761,068	39,761,068	39,761,068
Other comprehensive income / (loss)	-	-	-	-	119,317	-	119,317	119,317
Total comprehensive income / (loss) for the period	-	-	-	-	119,317	39,761,068	39,880,385	39,880,385
Transfer to statutory reserve	-	7,952,214	-	-	-	(7,952,214)	-	-
Balance as at September 30, 2024	494,711,100	177,437,498	-	90,504,204	3,698,230	183,885,865	455,525,797	950,236,897

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

PAK-GULF LEASING COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

	Three months period ended	
	September 30,	
	2024	2023
Note	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	47,757,952	25,124,547
Adjustment for:		
Depreciation and amortisation	1,888,769	1,466,382
Finance cost	15,132,673	26,114,170
(Reversal) / provision for potential lease and loan losses - net	(3,358,258)	3,638,353
Provision / (reversal) for lease receivables held under litigation -net	225,489	(1,304,956)
Gain on disposal of property and equipment	(218,499)	-
	<u>13,670,174</u>	<u>29,913,949</u>
Operating profit before working capital changes	61,428,126	55,038,496
Decrease / (increase) in current assets		
Advance to employees	3,332	(4,676)
Other receivables	6,436,397	2,350,408
Prepayments	(540,636)	(1,076,301)
	<u>5,899,093</u>	<u>1,269,431</u>
Increase / (decrease) in current liabilities		
Trade and other payables	6,800,884	(11,695,008)
Cash generated from operations	<u>74,128,103</u>	<u>44,612,919</u>
Finance cost paid	(3,730,930)	(10,378,684)
Tax paid - net	(6,633,423)	(12,098,633)
Long-term deposits- net	(22,150,300)	(22,741,837)
Long-term loans - net	26,464,841	12,259,318
Net investment in finance lease	89,679,217	120,879,226
	<u>83,629,405</u>	<u>87,919,390</u>
Net cash generated from operating activities	<u>157,757,508</u>	<u>132,532,309</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property and equipment	(167,000)	-
Proceeds on disposal of property and equipment	249,499	-
Investments redeem / (made) during the period	(5,635,611)	(44,068,133)
Net cash (used in) investing activities	<u>(5,553,112)</u>	<u>(44,068,133)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Paid) / received against certificates of investment	(6,106,943)	449,750
Lease payments	(155,121)	(4,349,854)
Payment of long-term loan installments	(12,500,000)	(20,833,333)
Net cash used in financing activities	<u>(18,762,064)</u>	<u>(24,733,437)</u>
Net increase in cash and cash equivalents	133,442,332	63,730,739
Cash and cash equivalents at the beginning of the period	354,856,487	18,115,942
Cash and cash equivalents at the end of the period	<u>488,298,819</u>	<u>81,846,681</u>

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

PAK-GULF LEASING COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

1. LEGAL 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 (the 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 VIS Credit Rating Company Limited (VIS) has assigned a long term credit rating of A- and short term credit rating of A-2 to the Company on September 21, 2023.
- 1.3 Regulation 4 of Non-Banking Finance Companies and Notified Entities Regulations, 2008, requires an existing NBFC with valid deposit taking permission having leasing licence to maintain, at all times, minimum equity of Rs. 500 million. The equity of the Company as at September 30, 2024 is Rs. 855.728 million which is Rs. 355.728 million in excess of the minimum equity requirement.

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. The Company also have a branch office 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 interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim reporting comprising of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with Part VIIIA of the repealed Companies Ordinance, 1984;
- Islamic Financial Accounting Standard - 2 Ijarah (IFAS-2) issued by the Institute of Chartered Accountants of Pakistan; and

- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

Where provisions of and directives issued under the Companies Act, 2017, Part 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, 2024.

3.3 Basis of measurement

These financial statements have been prepared under the historical cost convention, except that investment property is stated at fair value and certain investments which have been classified as fair value through OCI.

3.4 Functional and presentation currency

These financial statements are presented in Pakistani Rupee which is the Company's functional and presentation currency.

4. MATERIAL ACCOUNTING POLICIES INFORMATION

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, 2024.

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, 2024.

	(Un-audited) September 30, 2024	(Audited) June 30, 2024
Note	-----Rupees-----	
6. PROPERTY AND EQUIPMENT		
Opening net book value	7,298,508	2,637,826
Addition during the period / year	167,000	5,597,913
Net book value of disposal during the period / year	(31,000)	-
Depreciation charged during the period / year	(357,516)	(937,231)
Closing net book value	<u>7,076,992</u>	<u>7,298,508</u>

7. RIGHT OF USE ASSETS

Opening net book value	17,160,784	147,563
Addition during the period / year	-	21,616,348
Depreciation charged during the period / year	(1,512,878)	(4,603,127)
Closing net book value	<u>15,647,906</u>	<u>17,160,784</u>
Depreciation rate	<u>22%</u>	<u>22%</u>

8. INVESTMENT PROPERTY

Office premises	<u>169,884,000</u>	<u>169,884,000</u>
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8.1 The carrying value of investment property is the fair value of the property as determined by an independent professional valuer, M/s. Akbani and Javed Associates as on June 28, 2024.

9. NET INVESTMENT IN FINANCE LEASE

Secured

Net investment in finance lease	9.1	1,094,779,830	1,181,683,172
Current portion shown under current assets		(392,461,893)	(408,293,631)
		<u>702,317,937</u>	<u>773,389,541</u>

9.1 Net investment in finance lease

September 30, 2024 (Un-audited)		
Not later than one year	Later than one year and less than five years	Total

Note -----Rupees-----

Minimum lease payments	450,705,622	472,989,851	923,695,473
Residual value of leased assets	128,913,937	331,646,833	460,560,770
Gross investment in finance lease	579,619,559	804,636,684	1,384,256,243
Unearned finance income	(118,393,484)	(102,318,747)	(220,712,231)
	461,226,075	702,317,937	1,163,544,012
Allowance for potential lease losses	9.2	(68,764,182)	(68,764,182)
Net investment in finance lease		<u>392,461,893</u>	<u>702,317,937</u>
		<u>702,317,937</u>	<u>1,094,779,830</u>

June 30, 2024 (Audited)			
	Not later than one year	Later than one year and less than five years	Total
Note	-----Rupees-----		
Minimum lease payments	478,607,101	543,830,484	1,022,437,585
Residual value of leased assets	139,912,877	342,798,193	482,711,070
Gross investment in finance lease	618,519,978	886,628,677	1,505,148,655
Unearned finance income	(138,686,290)	(113,239,136)	(251,925,426)
	479,833,688	773,389,541	1,253,223,229
Allowance for potential lease losses	9.2 (71,540,057)	-	(71,540,057)
Net investment in finance lease	408,293,631	773,389,541	1,181,683,172

		(Un-audited) September 30, 2024	(Audited) June 30, 2024
	Note	-----Rupees-----	
9.2 Allowance for potential lease losses			
Balance as at July 01		71,540,057	113,154,212
Transfer to lease receivable held under litigation	12.1	-	(43,598,720)
(Reversal) / charge for the period / year - net		(2,775,875)	1,984,565
		<u>68,764,182</u>	<u>71,540,057</u>

10. LONG-TERM LOANS

Secured

Auto-finance loan		48,799,493	75,264,334
Current portion shown under current assets		(30,083,827)	(52,100,860)
Allowance for potential loan losses	10.1	(1,555,519)	(2,137,902)
		<u>17,160,147</u>	<u>21,025,572</u>

10.1 Allowance for potential loan losses

Balance as at July 01		2,137,902	2,152,492
Reversal for the period / year - net		(582,383)	(14,590)
		<u>1,555,519</u>	<u>2,137,902</u>

11. SHORT TERM INVESTMENTS

At fair value through other comprehensive income -

National Investment (Unit) Trust		4,773,113	2,748,809
Remeasurement gain / (loss) on revaluation at fair value		119,317	2,024,304
	11.1	4,892,430	4,773,113
Amortised cost:			
Government securities	11.2	41,412,335	35,776,724
		<u>46,304,765</u>	<u>40,549,837</u>

- 11.1 This represents investments in 54,300 units (June 30, 2024: 54,300 units) at net asset value.
- 11.2 This represent investment in Market Treasury Bills having cost of Rs. 40 million (June 30, 2024: Rs. 34.70 million) and interest accrued thereon of Rs. 1.412 million (June 30, 2024: Rs 1.076 million). The effective rate of return 19% (June 30, 2024: 21.35%) per annum. These will be matured on January 23, 2025.

12. OTHER RECEIVABLES	(Un-audited) September 30, 2024	(Audited) June 30, 2024
Note	-----Rupees-----	
Considered good		
Insurance premium and other receivables	10,132,618	16,794,504
Considered doubtful		
Lease receivable held under litigation	194,108,391	193,882,902
Insurance premium and other receivables	3,046,701	3,046,701
Diminishing musharakah receivable	18,788,999	18,788,999
	<u>215,944,091</u>	<u>215,718,602</u>
Provision		
Lease receivable held under litigation	12.1 (88,179,146)	(87,953,657)
Insurance premium and other receivables	(3,046,701)	(3,046,701)
Mark-up held in suspense account against lease receivable held under litigation	(17,679,245)	(17,679,245)
Diminishing musharakah receivable	(18,788,999)	(18,788,999)
	<u>(127,694,091)</u>	<u>(127,468,602)</u>
	<u>98,382,618</u>	<u>105,044,504</u>
12.1 Provision against lease receivable held under litigation		
Balance as at July 01	87,953,657	43,561,174
Transfer from net investment in finance lease	9.2 -	43,598,720
Charge / (reversal) for the period / year - net	225,489	793,763
	<u>88,179,146</u>	<u>87,953,657</u>
13. CASH AND BANK BALANCES		
Cash in hand	130,000	104,905
Balances with banks:		
in current accounts	4,913,774	6,798,778
in saving accounts	13.1 483,255,045	347,952,804
	<u>488,298,819</u>	<u>354,856,487</u>

- 13.1 These carry mark-up rates ranging from 18% to 18.15% (June 30, 2024: 20.50% to 21%) per annum.

		(Un-audited) September 30, 2024	(Audited) June 30, 2024
	Note	-----Rupees-----	
14. LONG-TERM LOAN			
Secured			
Long-term loan	14.1	25,000,000	37,500,000
Current portion shown under current liabilities		<u>(20,833,333)</u>	<u>(33,333,332)</u>
		<u>4,166,667</u>	<u>4,166,668</u>

14.1 The Company has arranged long term finance facilities from a commercial bank amounting to Rs. 350 million (June 30, 2024: Rs. 350 million) for a tenure of three years which is repayable in equal quarterly installments. These facilities carries mark-up at the rate of 3 month KIBOR plus 1% per annum (June 30, 2024: 3 month KIBOR plus 1% per annum) and are secured by hypothecation charge over specific leased assets and lease rentals receivable.

15. LEASE LIABILITIES

Opening balance		14,977,323	636,978
Lease liability recognised		-	21,616,347
Payments made during the period / year		(155,121)	(10,664,909)
Finance cost incurred during the period / year		<u>1,255,076</u>	<u>3,388,907</u>
Closing balance		16,077,278	14,977,323
Current portion shown under current liabilities		<u>(6,461,391)</u>	<u>(6,315,124)</u>
		<u>9,615,887</u>	<u>8,662,199</u>

16. CERTIFICATES OF INVESTMENT

Unsecured

Certificates of investment	16.1	220,970,203	227,077,146
Current portion shown under current liabilities		<u>(1,754,389)</u>	<u>(1,602,139)</u>
		<u>219,215,814</u>	<u>225,475,007</u>

16.1 These represent certificates of investment issued by the Company for periods ranging from 12 to 36 (June 30, 2024: 12 to 36) months and carry mark-up rates ranging from 15% to 21.75% (June 30, 2024: 14.75% to 21.75%) per annum.

(Un-audited) (Audited)
September 30, June 30, 2024
2024

Note -----Rupees-----

17. DEFERRED TAXATION

Taxable temporary difference arising in respect of:

Surplus on revaluation of property and equipment	36,966,506	36,966,506
Unrealised gain on revaluation of investment property	10,450,440	10,450,440
Accelerated tax depreciation	1,229,358	1,208,708
Net investment in finance lease	124,387,574	124,692,928
Right of use assets	4,537,893	4,976,627
	177,571,771	178,295,210

Deductible temporary difference arising in respect of:

Provision against potential lease losses	(19,941,613)	(20,746,617)
Provision against diminishing musharakah receivable	(5,448,810)	(5,448,810)
Provision against other receivables	(26,455,496)	(26,390,104)
Lease liabilities	(4,662,411)	(4,343,424)
Provision for leave encashment	(341,587)	(341,586)
	(56,849,917)	(57,270,541)
	120,721,854	121,024,669

18. SHORT TERM BORROWINGS

18.1 The Company has a short-term running finance facility from Bank Al Habib Limited having sanctioned limit amounting to Rs. 300 million (June 30, 2024: Rs. 300 million). The facility carry mark-up at the rate of 3 months KIBOR plus 1% per annum is secured by hypothecation charge over leased assets and receivables. The facility was not utilised during the period.

18.2 The company also has a short-term running finance facility of Silk Bank Limited having sanctioned limit amounting to Rs. 150 million (June 30, 2024: 150 million). The facility carry mark-up at the rate of 3 months KIBOR plus 2.5% per annum and is secured by first charge over specific lease assets along with the related lease rental receivables. The facility was not

19. CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

The aggregate amount of tax contingencies amounted to Rs. 3.915 million as at September 30, 2024. There were no changes in the status of contingencies during the period.

19.2 Commitments

Finance lease committed but not executed	6,010,000	-
Vehicle finance loan committed but not executed	-	-

20. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Contributions to the provident fund are made in accordance with the terms of employment. Salaries and allowances of the key management personal are in accordance with the terms of employment.

The Company in the normal course of business carries out transactions with various related parties. These transactions are executed substantially on the same terms as those prevailing at the time of comparable transactions with unrelated parties and donot involve more than a normal risk. Amounts due from and due to related parties are disclosed in the note below

		Three months period ended	
		September 30,	
		2024	2023
		(Un-audited)	
		-----Rupees-----	
20.1	Transactions during the period		
	Nature of transaction		Nature of relationship
	Certificates of investment		
	Repaid during the period	5,690,193	-
	Finance cost	12,000,127	18,655,671
	Staff retirement benefit fund		
	Contribution for the period	112,228	171,749
	Remuneration and other benefits		
	Directors' fee	400,000	140,000
	Salary and allowances	4,272,636	3,347,760
		(Un-audited)	(Audited)
		September	June 30,
		30, 2024	2024
		-----Rupees-----	
20.2	Period / Year ended balances		
	Certificates of investment (COI)	219,050,819	224,741,012
	Accrued mark-up	69,862,428	59,382,874

21. 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, 2024.

22. 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.

23. SEGMENT INFORMATION

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

September 30, 2024 (Un-audited)				
(Rupees)				
	Lease finance	Auto-finance	Others	Total
Segment revenue	43,119,850	8,150,761	23,632,362	74,902,973
Administrative and operating expenses	4,960,762	937,712	4,231,684	10,130,158
Segment result	38,159,088	7,213,049	19,400,678	64,772,815
Provision for Workers' Welfare Fund				(975,000)
Reversal / (Provision) for doubtful debts and litigation receivable				3,132,769
Unallocated expenses				(4,039,959)
Result from operating activities				62,890,625
Finance cost				(15,132,673)
Provision for taxation				(7,996,884)
Profit for the year				39,761,068
Other Information				
Segment assets	1,190,579,987	47,243,974	717,674,177	1,955,498,138
Unallocated assets				13,555,179
Total assets				1,969,053,317
Segment liabilities	503,542,049	-	18,471,098	522,013,147
Unallocated liabilities				496,803,273
Total liabilities				1,018,816,420
Capital expenditure	-	-	-	-
Depreciation	-	-	1,512,878	1,512,878
Unallocated capital expenditure				167,000
Unallocated depreciation				357,516
Unallocated amortisation				18,375

September 30, 2023 (Un-audited)				
(Rupees)				
	Lease finance	Auto-finance	Others	Total
Segment revenue	51,894,717	5,981,421	9,742,372	67,618,510
Administrative and operating expenses	6,332,747	729,917	2,394,782	9,457,446
Segment result	45,561,970	5,251,504	7,347,590	58,161,064
Provision for Workers' Welfare Fund				(613,766)
Reversal / Provision for doubtful debts				(2,333,397)
Unallocated expenses				(3,975,184)
Result from operating activities				51,238,717
Finance cost				(26,114,170)
Provision for taxation				(4,913,902)
Profit for the year				20,210,645

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

September 30, 2023 (Un-audited)				
(Rupees)				
Capital expenditure	-	-	-	-
Depreciation	-	-	1,205,914	1,205,914
Unallocated capital expenditure				-
Unallocated depreciation				260,468

24. GENERAL

24.1 NON-ADJUSTING EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

The Board of Directors of the Company in its meeting held on October 24, 2024 declared an interim dividend at the rate of 22% (i.e. Rs. 2.2 per share) amounting to Rs. 108.836 million (June 30, 2024: Nil). These condensed interim financial statements do not reflect the impact of this, and it will be accounted for subsequent to the period end.

24.2 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on October 24, 2024 by the Board of Directors of the Company.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER