

Condensed Interim  
Financial Statements  
(Un-audited)  
For the nine months period  
ended March 31, 2023



Pak-Gulf Leasing  
Company Limited

**Board of Directors**

Mr. Sohail Inam Ellahi  
Mr. Fawad Salim Malik  
Mr. Ismail H. Ahmed  
Mr. Jan Ali Khan Junejo  
Brig. Naveed Nasar Khan (Retd.)  
Mr. Naeem Ali Muhammad Munshi  
Ms. Naureen Ahmed  
Mr. Pervez Inam  
Brig. Haris Nawaz (Retd.)  
Mr. Mahfuz-ur-Rehman Pasha

Chairman  
Director  
Director  
Director  
Director  
Director  
Director  
Director  
Director  
Chief Executive Officer

**Company Secretary**

Mr. Suleman Chhagla

**Audit Committee**

Mr. Ismail H. Ahmed  
Mr. Pervez Inam  
Mr. Naeem Ali Mohammad Munshi  
Brig. Naveed Nasar Khan (Retd.)  
Ms. Naureen Ahmed  
Ms. Farah Farooq

Chairman  
Member  
Member  
Member  
Member  
Secretary

**Human Resource & Remuneration Committee**

Mr. Jan Ali Khan Junejo  
Mr. Pervez Inam  
Mr. Sohail Inam Ellahi  
Mr. Ismail H. Ahmed  
Ms. Naureen Ahmed  
Mr. Mahfuz-ur-Rehman Pasha  
Mr. Suleman Chhagla

Chairman  
Member  
Member  
Member  
Member  
Member  
Secretary

**Senior Management**

Mr. Mahfuz-ur-Rehman Pasha  
Lt. Col. Saleem Ahmed Zafar (Retd.)  
Mr. Suleman Chhagla  
Mr. Farhat Kayani  
Ms. Farah Farooq

Chief Executive Officer  
Chief Operating Officer  
Chief Financial Officer  
GM Punjab  
Head of Audit

**Credit Rating Agency**

VIS Credit Rating Company Limited

**Entity Rating**

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

**Auditors**

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

**Legal Advisors**

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

**Shariah Advisor**

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

**Bankers**
**Islamic Bank**

AlBaraka Bank (Pakistan) Limited  
MCB Islamic Bank

**Conventional Banks**

Askari Commercial Bank Limited  
Bank Alfalah 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  
Allied Bank Limited

**Registered Office**

UNIBRO HOUSE  
Ground and Mezzanine Floor,  
Plot No. 114, 9<sup>th</sup> East Street, Phase I, DHA  
Karachi, P.O.Box # 12215, Karachi-75600.

Tel #: (92-21) 35820301, 35820965-6  
35824401, 35275986-7

Fax #: (92-21) 35820302

E-mail: [pgl@pakgulfleasing.com](mailto:pgl@pakgulfleasing.com)

Website: [www.pakgulfleasing.com](http://www.pakgulfleasing.com)

**Branch Office**

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

**Registrar / Share Transfer Office**

THK Associates (Pvt) Limited  
Plot No. C-32 Jami Commercial Street 2  
DHA, Phase – VII. Karachi.  
Tel #: (92-21) 111-000-322  
Fax #: (92-21) 35310190

## DIRECTORS' REPORT

Dear Shareholders

The Directors of your Company are pleased to present before you the Financial Statements of your Company for the nine months ended on March 31, 2023 of the current financial year.

The economic indicators in the past nine months period have not been encouraging, with high inflation environment, several policy rate hikes, low growth and significant depreciation of Rupee against US Dollar. In the subdued economic environment, your Company's has limited risk taking and cautionary.

Total revenue earned of Rs. 191.52 million by your Company for the nine month ended on March 31, 2023 was higher than the total revenue of Rs. 174.37 million, earned by your Company in the corresponding fiscal period. Other Operating income for the period was Rs 19.23 million compared to Rs 11.59 million in the previous period. Administrative expense decreased from Rs 47.09 million to Rs 39.94 million, mainly due to reduction in payroll cost, Workers' Welfare Fund, and legal costs. Finance Cost increased to Rs 62.18 million compared to Rs 44.82 million, due to policy rate change in the previous quarters, and increased utilization of borrowings and deposits. The Company made provisions of Rs 60.62 using Expected Credit Methodology upon adoption of IFRS-9 in the previous fiscal year, as against a reversal of Rs 17.63 in the previous comparative period. Provision on receivables under litigation was reversed by Rs 3.7 million due to recoveries made by your company, which was Rs 17.82 million of reversal in the previous comparative period. Due to the above the Company's Profit after Taxation for the nine months period ended March 31, 2023 amounted to Rs. 56.92 million as compared to Rs. 87.61 million, for the corresponding period of the previous fiscal year.

The Shareholders Equity of your Company amounts to Rs. 826.55 million, as at March 31, 2023 while Earnings per Share for the nine months ended March 31, 2023 stands at Rs. 2.24 per share.

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 difficult 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

Karachi,  
April 27, 2023

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**PAK-GULF LEASING COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2023**

		(Un-audited) March 31, 2023	(Audited) June 30, 2022
ASSETS		-----Rupees-----	
<b>CURRENT ASSETS</b>			
Cash and bank balances	6	20,006,348	26,040,004
Short term investments	7	200,638,997	55,205,847
Other receivables	8	52,504,168	58,452,267
Advance to employees		56,938	56,939
Prepayments		693,752	569,430
Current portion of net investment in finance lease	9	491,776,569	481,967,960
Current portion of Vehicle Finance	10	117,715,210	88,418,588
		<u>883,391,982</u>	<u>710,711,035</u>
<b>NON-CURRENT ASSETS</b>			
Net investment in finance lease	9	1,220,189,848	1,870,969,785
Long-term Vehicle Finance	10	66,797,383	147,442,165
Long-term deposits		118,500	118,500
Investment property		164,736,000	164,736,000
Property, plant and equipment	11	2,911,676	3,505,151
Right of use of assets		1,211,096	4,401,695
		<u>1,455,964,503</u>	<u>2,191,173,293</u>
		<u>2,339,356,485</u>	<u>2,901,884,328</u>
<b>TOTAL ASSETS</b>			
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables		78,601,583	114,394,748
Taxation - net		54,996,754	68,662,931
Unclaimed dividend		1,844,263	1,431,636
Accrued mark-up		15,144,761	20,353,808
Short term borrowings	12	124,273,367	251,625,391
Current portion of certificates of investment	13	556,121	267,908
Current portion of long-term loan	14	66,666,672	66,666,672
Current portion lease liabilities	15	774,166	5,251,117
Current portion of long-term deposits	16	110,755,692	155,254,885
		<u>453,583,379</u>	<u>683,909,096</u>
<b>NON-CURRENT LIABILITIES</b>			
Certificates of investment	13	329,853,050	336,799,557
Long-term loan	14	58,333,322	66,666,652
Lease liabilities	15	7,108	567,961
Long-term deposits	16	514,970,096	780,344,665
Deferred taxation	17	63,939,005	145,754,010
		<u>967,102,581</u>	<u>1,330,132,845</u>
		<u>1,420,685,960</u>	<u>2,014,041,941</u>
<b>TOTAL LIABILITIES</b>			
<b>NET ASSETS</b>			
		<u>918,670,525</u>	<u>887,842,387</u>
<b>NET ASSETS FINANCED BY:</b>			
Authorised share capital		500,000,000	500,000,000
Issued, subscribed and paid-up capital		253,698,000	253,698,000
<b>Capital reserves</b>			
Statutory reserve		153,781,954	142,398,443
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 available for sale investments		1,615,282	2,334,900
		<u>250,303,440</u>	<u>239,639,547</u>
<b>Revenue reserve</b>			
Unappropriated profit		414,669,085	394,504,840
		<u>918,670,525</u>	<u>887,842,387</u>

**CONTINGENCIES AND COMMITMENTS**

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The annexed notes from 1 to 23 form an integral part of this condensed interim financial statements.

  
**Chief Executive Officer**

  
**Chief Financial Officer**

  
**Director**

PAK-GULF LEASING COMPANY LIMITED  
 CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)  
 FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED MARCH 31, 2023

	Nine months ended		Three months ended	
	March 31,		March 31,	
	2023	2022	2023	2022
	------(Rupees)-----			
<b>INCOME</b>				
Income from financing operations	172,279,543	162,779,361	58,955,071	61,027,308
<b>OTHER OPERATING INCOME</b>				
Return on investments	9,968,371	3,250,809	4,371,303	1,129,953
Other income	9,268,869	8,338,471	3,186,174	2,896,521
	19,237,240	11,589,280	7,557,477	4,026,474
	191,516,783	174,368,641	66,512,548	65,053,782
<b>OPERATING EXPENSES</b>				
Administrative and operating expenses	39,940,398	47,089,294	12,957,135	15,339,139
Finance cost	62,179,757	44,824,435	20,620,037	19,145,853
	102,120,155	91,913,729	33,577,172	34,484,992
Operating profit before provision	89,396,628	82,454,912	32,935,376	30,568,790
Provision for potential lease losses - net	(60,615,081)	17,632,286	(50,032,451)	(847,993)
Reversal for lease receivables held under litigation - net	3,700,000	17,816,932	-	(141,250)
	(56,915,081)	35,449,218	(50,032,451)	(989,243)
Profit/(loss) before taxation	32,481,547	117,904,130	(17,097,075)	29,579,547
Taxation				
Current	(57,378,996)	(37,773,055)	925,361	(19,093,180)
Deferred	81,815,005	7,479,861	59,379,405	4,431,349
	24,436,009	(30,293,194)	60,304,766	(14,661,831)
Profit / (loss) after taxation	56,917,556	87,610,936	43,207,691	14,917,716
Earnings / (loss) per share - basic and diluted	2.24	3.45	1.70	0.59

The annexed notes from 1 to 23 form an integral part of this condensed interim financial statements.

  
 Chief Executive Officer

  
 Chief Financial Officer

  
 Director

PAK-GULF LEASING COMPANY LIMITED  
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
 FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED MARCH 31, 2023

	Nine months ended		Three months ended	
	March 31,		March 31,	
	2023	2022	2023	2022
	------(Rupees)-----			
Profit/(loss) after taxation	56,917,556	87,610,936	43,207,691	14,917,716
Other comprehensive income				
<b>Items that may be reclassified to statement of profit or loss in subsequent periods:</b>				
Surplus on revaluation of AFS investments	(719,618)	(342,633)	(330,144)	(23,892)
Total comprehensive income/(loss) for the period	<u>56,197,938</u>	<u>87,268,303</u>	<u>42,877,547</u>	<u>14,893,824</u>

The annexed notes from 1 to 23 form an integral part of this condensed interim financial statements.

  
 Chief Executive Officer

  
 Chief Financial Officer

  
 Director

PAK-GULF LEASING COMPANY LIMITED  
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	Reserves						Total reserves	Total equity
	Issued, subscribed and paid up capital	Capital		Revenue				
		Statutory reserve	Reserve for issue of bonus shares	Surplus on revaluation of property, plant and equipment - net of tax	Surplus / (deficit) on available for sale investments	Unappropriated profit		
(Rupees)								
<b>Balance as at July 1, 2021</b>	253,698,000	113,002,637	4,402,000	90,504,204	2,896,362	304,372,819	515,178,022	768,876,022
Final dividend for the year ended June 30, 2021 @ Rs. Nil per share	-	-	-	-	-	-	-	-
Profit after taxation	-	-	-	-	-	87,610,936	87,610,936	87,610,936
Other comprehensive income	-	-	-	-	(342,633)	-	(342,633)	(342,633)
Total comprehensive income/(loss) for the period	-	-	-	-	(342,633)	87,610,936	87,268,303	87,268,303
Transfer from surplus on revaluation of property, plant and equipment to unappropriated profit - net of deferred tax	-	-	-	-	-	(17,522,187)	-	-
Transfer to statutory reserve	-	17,522,187	-	-	-	-	-	-
<b>Balance as at March 31, 2022</b>	<u>253,698,000</u>	<u>130,524,824</u>	<u>4,402,000</u>	<u>90,504,204</u>	<u>2,553,729</u>	<u>374,461,568</u>	<u>602,446,325</u>	<u>856,144,325</u>
<b>Balance as at July 1, 2022</b>	253,698,000	142,398,443	4,402,000	90,504,204	2,334,900	394,504,840	634,144,387	887,842,387
Final dividend for the year ended June 30, 2022 @ Rs. 1.0 per share	-	-	-	-	-	(25,369,800)	(25,369,800)	(25,369,800)
Profit after taxation	-	-	-	-	-	56,917,556	56,917,556	56,917,556
Other comprehensive income	-	-	-	-	(719,618)	-	(719,618)	(719,618)
Total comprehensive income for the period	-	-	-	-	(719,618)	56,917,556	56,197,938	56,197,938
Transfer to statutory reserve	-	11,383,511	-	-	-	(11,383,511)	-	-
<b>Balance as at March 31, 2023</b>	<u>253,698,000</u>	<u>153,781,954</u>	<u>4,402,000</u>	<u>90,504,204</u>	<u>1,615,282</u>	<u>414,669,085</u>	<u>664,972,525</u>	<u>918,670,525</u>

The annexed notes from 1 to 23 form an integral part of this condensed interim financial statements.

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

PAK-GULF LEASING COMPANY LIMITED  
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	March 31, 2023	March 31, 2022
Note	------(Rupees)-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	32,481,547	117,904,130
Adjustments for:		
Depreciation	3,960,190	3,985,068
Amortisation of intangible assets	-	32,668
Finance cost	62,179,757	44,824,435
Reversal for lease receivables held under litigation - net	(3,700,000)	(17,816,932)
Provision for potential lease losses - net	60,615,081	(17,632,286)
	<u>123,055,028</u>	<u>13,392,953</u>
Operating profit before working capital changes	155,536,575	131,297,083
<b>Movement in working capital</b>		
(Increase) / decrease in current assets		
Other receivables	9,648,099	13,372,981
Long term deposits	-	(190,500)
Advance to employees	1	(34,600)
Ijarah rental receivables	-	278,062
Prepayments	(124,322)	(468,274)
	9,523,778	12,957,669
(Decrease) / increase in current liabilities		
Trade and other payables	(35,793,165)	55,636,750
Unclaimed dividend	412,627	-
	<u>(35,380,538)</u>	<u>55,636,750</u>
Cash generated from operating activities	129,679,815	199,891,502
Finance cost paid	(67,418,804)	(45,176,984)
Tax (paid)/refunded - net	(72,037,915)	(2,157,790)
Net investment in finance lease	581,216,870	(351,771,955)
Long-term loan	51,348,160	(122,335,691)
Long term deposits	(309,873,762)	172,701,077
<b>Net cash generated from operating activities</b>	<b>312,914,364</b>	<b>(148,849,841)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions in property, plant and equipment	(44,000)	(247,187)
Short term investments - net	(146,152,768)	(14,009,268)
<b>Net cash generated from / (used in) investing activities</b>	<b>(146,196,768)</b>	<b>(14,256,455)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from certificates of investment - net	(6,658,294)	89,215,930
Dividend paid	(25,369,800)	-
Short term loan	-	-
Lease payments	(5,037,804)	(4,082,263)
Long-term loan - net	(8,333,330)	54,166,663
<b>Net cash used in financing activities</b>	<b>(45,399,228)</b>	<b>139,300,330</b>
Net increase in cash and cash equivalents	121,318,368	(23,805,966)
Cash and cash equivalents at the beginning of the period	(225,585,387)	(317,859,449)
<b>Cash and cash equivalents at the end of the period</b>	<b>(104,267,019)</b>	<b>(341,665,415)</b>

The annexed notes from 1 to 23 form an integral part of this condensed interim financial statements.

  
Chief Executive Officer

  
Chief Financial Officer

  
Director



**PAK-GULF LEASING COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

**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 (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.

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.

VIS Credit Rating Company Limited (VIS) has re-affirmed A- and A-2 ratings to the Company for long term and short term, respectively on May 16, 2022.

Regulation 4 of Non-Banking Finance Companies and Notified Entities Regulations, 2008 vide SRO 1002(I)/2015 dated October 15, 2015, requires an existing deposit taking leasing company to maintain, at all times, minimum equity of Rs. 500 million by November 25, 2016. The equity of the Company as at March 31, 2023 is Rs. 826.55 million which is Rs. 326.55 million in excess of the minimum equity requirement.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

These financial statements have been prepared in accordance with the accounting and reporting standards as

- 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 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 IFRS Standards 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. 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 'available for sale' are marked to market and carried at fair value.

**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, 2022.

**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, 2022.

		(Un-audited)	(Audited)
		March 31,	June 30,
		2023	2022
		-----Rupees-----	
<b>6. CASH AND BANK BALANCES</b>	<b>Note</b>		
Cash in hand		131,666	106,002
Balances with banks:			
- in current accounts		18,370,180	23,123,314
- in saving accounts	6.1	<u>1,504,502</u>	<u>2,810,688</u>
		<u>20,006,348</u>	<u>26,040,004</u>
6.1	Return on these savings accounts is earned at rates ranging from 18.50% to 19.50% (June 30, 2022 : 6.50% to 12.75%) per annum.		
		(Un-audited)	(Audited)
		March 31,	June 30,
		2023	2022
		-----Rupees-----	
<b>7. SHORT TERM INVESTMENTS</b>			
FVOCI:			
54,300 units of National Investment (Unit) Trust		3,529,100	4,090,562
Fair Valur loss		<u>(719,618)</u>	<u>(561,462)</u>
At amortised cost		2,809,482	3,529,100
Government securities - Market Treasury Bills	7.1	<u>197,829,515</u>	<u>51,676,747</u>
		<u>200,638,997</u>	<u>55,205,847</u>

**PAK-GULF LEASING COMPANY LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

7.1 These represent market treasury bills having cost of Rs. 196.1926 million (June 30, 2022: Rs 51.677m) and interest accrued thereon of Rs.1.54 million (June 30, 2022: Rs 0.340m).These Market Treasury Bills (MTB) carries interest rate of 20.49% per annum (June 30, 2022: 14.53% per annum) and will mature latest by June 15, 2023.

**8. OTHER RECEIVABLES - net**

Lease receivables held under litigation		103,125,138	108,825,138
Insurance premium and other receivables		<u>8,254,168</u>	<u>12,202,267</u>
		111,379,306	121,027,405
Insurance premium and other receivable		2,592,451	2,592,451
Provision against lease receivable held under litigation	8.1	<u>(46,195,239)</u>	<u>(49,895,239)</u>
Provision against insurance premium and other receivables		<u>(2,592,451)</u>	<u>(2,592,451)</u>
Mark-up held in suspense against lease receivables held under litigation		<u>(12,679,899)</u>	<u>(12,679,899)</u>
		<u>(58,875,138)</u>	<u>(62,575,138)</u>
		<u>52,504,168</u>	<u>58,452,267</u>

**8.1 PROVISION AGAINST LEASE RECEIVABLE HELD UNDER LITIGATION**

Balance as at Jul 01		49,895,239	106,353,921
Charge for the year		-	-
Reversal for the year		<u>(3,700,000)</u>	<u>(56,458,682)</u>
Balance as at June 30		<u>46,195,239</u>	<u>49,895,239</u>

PAK-GULF LEASING COMPANY LIMITED  
 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
 FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	(Un-audited) March 31, 2023	(Audited) June 30, 2022
	-----Rupees-----	
9. NET INVESTMENT IN FINANCE LEASE		
Net investment in finance lease	1,711,966,417	2,352,927,745
Less: current portion	(491,776,569)	(481,967,960)
	<u>1,220,189,848</u>	<u>1,870,959,785</u>

	March 31, 2023 (Un-audited)				June 30, 2022 (Audited)			
	Not later than one year	Later than one year and less than five years	Later than five years	Total	Not later than one year	Later than one year and less than five years	Later than five years	Total
Note	-----Rupees-----							
Minimum lease payments	648,227,505	847,835,373	-	1,496,062,878	584,569,500	1,263,559,867	-	1,848,129,367
Gross investment in finance lease	762,734,098	1,359,054,568	-	2,121,788,666	739,824,385	2,043,894,532	-	2,783,718,917
Unearned lease income	(110,755,692)	(138,864,720)	-	(249,620,412)	(178,821,044)	(172,934,747)	-	(351,755,791)
Mark-up held in suspense	(36,444,977)	-	-	(36,444,977)	(15,022,979)	-	-	(15,022,979)
	(147,200,669)	(138,864,720)	-	(286,065,389)	(193,844,023)	(172,934,747)	-	(366,778,770)
	615,533,429	1,220,189,848	-	1,835,723,277	545,980,362	1,870,959,785	-	2,416,940,147
Allowance for potential lease losses	(123,756,860)	-	-	(123,756,860)	(64,012,402)	-	-	(64,012,402)
Net investment in finance lease	491,776,569	1,220,189,848	-	1,711,966,417	481,967,960	1,870,959,785	-	2,352,927,745

	(Un-audited) March 31, 2022	(Audited) June 30, 2022
	-----Rupees-----	
9.1 Allowance for potential lease losses		
Balance at beginning of the period / year	64,012,402	29,840,458
Adjustment under opening equity	-	25,242,930
Charge for the period / year - net	59,744,458	8,929,014
Balance at end of the period / year	<u>123,756,860</u>	<u>64,012,402</u>

PAK-GULF LEASING COMPANY LIMITED  
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FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

		(Un-audited) March 31, 2023	(Audited) June 30, 2022
		-----Rupees-----	
<b>10. LONG TERM LOAN - Secured</b>	<b>Note</b>		
Auto-finance loan		189,469,831	239,947,365
Less: Current portion		(117,715,210)	(88,418,588)
Less: Allowance for ECL		(4,957,238)	(4,086,612)
		<u>66,797,383</u>	<u>147,442,165</u>
<b>11. DIMINISHING MUSHARAKAH RECEIVABLE</b>			
Considered doubtful		18,788,999	18,788,999
Less: Provision for doubtful receivable	11.1	<u>(18,788,999)</u>	<u>(18,788,999)</u>
Less: Current portion		-	-
		<u>-</u>	<u>-</u>
<b>11.1 Provision for doubtful receivable</b>			
Balance at beginning of the period/year		18,788,999	18,788,999
Charge for the period/year		-	-
Balance at end of the period/year		<u>18,788,999</u>	<u>18,788,999</u>
<b>12 INVESTMENT PROPERTY</b>			
Carrying value as at June 30, 2022	12.1	<u>164,736,000</u>	<u>164,736,000</u>
		<u>164,736,000</u>	<u>164,736,000</u>
<b>12.1</b>			
The carrying value of investment property is the fair value of the property as determined by approved independent valuer M/s. Akbani and Javed Associates as on June 30, 2022 on the basis of market value.			
<b>11. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets - Own use		<u>2,911,676</u>	<u>3,505,151</u>
		<u>2,911,676</u>	<u>3,505,151</u>
<b>12. SHORT TERM BORROWINGS - Secured</b>			
The Company has arranged short-term running finance facilities from various commercial banks amounting to Rs. 450 million (June 30, 2022: Rs. 530 million). These carry mark-up at the rate ranging from 3 months KIBOR plus 1.0% to 3 months KIBOR plus 2.5% per annum and are secured by hypothecation charge over leased assets and lease rentals receivable.			
		(Un-audited) March 31, 2023	(Audited) June 30, 2022
		-----Rupees-----	
<b>13. CERTIFICATES OF INVESTMENT</b>			
<b>Un-secured</b>			
Certificates of investment		330,409,171	337,067,465
less: Current portion		(56,612)	(267,908)
		<u>329,853,050</u>	<u>336,799,557</u>
<b>13.1</b>			
These represent certificates of investment issued by the Company for periods ranging from 12 to 36 months (June 30 2022: 12 to 36 months) and carry mark-up rates ranging from 9% to 21.75% per annum (June 30 2022: 8.5% to 13.50% per annum).			
<b>14. LONG-TERM LOAN</b>			
<b>Secured</b>			
Long-term loan	14.1	124,999,994	133,333,324
Less: Current portion		(66,666,672)	(66,666,672)
		<u>58,333,322</u>	<u>66,666,652</u>
<b>14.1</b>			
The Company has arranged long term finance facilities from Allied Bank Limited amounting to Rs.350 million (2022: Rs.350 million) for a tenure of three years which is repayable in quarterly instalments. The final maturity date of the facilities is on August 31, 2025. The facility carries mark-up at the rate of 3 month KIBOR plus 1% to 1.5% per annum and is secured by hypothecation charge over specific leased assets and lease rentals receivable.			

PAK-GULF LEASING COMPANY LIMITED  
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15. LEASE LIABILITIES

Lease liabilities	5,819,078	11,792,269
Finance cost incurred during the year	71,552	693,356
Less: Opening adjustment of equity	-	(1,703,780)
Less: Current portion	(5,109,356)	(4,962,767)
Closing Balance	781,274	5,819,078
Current portion shown under current liabilities	(774,166)	(5,251,117)
	7,108	567,961

(Un-audited)	(Audited)
March 31,	June 30,
2023	2022

16. LONG-TERM DEPOSITS

Deposit held against finance lease	625,725,788	935,599,550
Less: Current portion	(110,755,692)	(155,254,885)
	514,970,096	780,344,665

17. DEFERRED TAXATION

Taxable temporary difference arising in respect of:

Surplus on revaluation of property, plant and equipment	36,966,506	36,966,507
Un-realised gain on revaluation of investment property	8,957,520	8,957,520
Accelerated tax depreciation	(894,936)	929,085
Net investment in finance lease	74,788,054	140,246,951
	119,817,144	187,100,063

Deductible temporary difference arising in respect of:

Provision against potential lease losses	(35,889,489)	(19,748,714)
Provision against diminishing musharakah receivable	(5,448,810)	(5,448,810)
Provision against other receivables	(13,396,619)	(15,221,430)
RoU assets and lease liabilities- net	(627,163)	(411,041)
Provision for leave encashment	(516,058)	(516,058)
	(55,878,139)	(41,346,053)
	63,939,005	145,754,010

18. CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

The aggregate amount of tax contingencies amounted to Rs. 57.91 million as at June 30, 2022. There were no changes in the status of contingencies during the period.

(Un-audited)	(Audited)
March 31,	June 30,
2023	2022

18.2 Commitments

Finance lease committed but not executed	9,000,000	4,399,999
Vehicle finance loan committed but not executed	-	16,777,000

PAK-GULF LEASING COMPANY LIMITED  
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19. 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, 2022.

20. 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.

21. TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise associated companies, staff retirement funds, Directors and key management personnel. Transactions with related parties are as under:

21.1 Transactions during the period

Nature of transaction	Relationship	----- (Un-audited) -----	
		Nine months ended March 31, 2023	Nine months ended March 31, 2022
----- (Rupees) -----			
<b><u>Certificates of investment</u></b>			
Issued/rolled over during the period			
Board of Directors and their relatives	Director	117,452,395	277,100,000
Repaid during the period			
Board of Directors and their relatives	Director	30,000,000	50,000,000
Finance cost			
Board of Director: -72037915	Director	34,883,442	16,159,316
<b><u>Net investment in finance lease</u></b>			
Rental received			
MACPAC Films Limited	Associated undertaking (Common directorship)	-	20,207,128
<b><u>Office rent</u></b>			
Rent paid during the period			
Unibro Industries Limited	Associated undertaking (Common directorship)	4,676,452	4,453,768
<b><u>Dividend paid during the period</u></b>			
Board of Directors and their relatives	Director	14,373,419	-
Unibro Industries Limited	Associated undertaking (Common directorship)	1,274,817	-
Mid-East Agencies (Private) Limited	Associated undertaking (Common directorship)	1,093,945	-
<b><u>Retirement benefit fund</u></b>			
Charge for the period	Provident fund	367,320	479,940
Contribution paid for the period	Provident fund	367,320	479,940
<b><u>Remuneration and other benefits</u></b>			
Directors Fee	Director	730,000	1,219,999
Chairman Fee	Director	416,661	-
21.2 Balances at period/year end		(Un-audited) March 31, 2023	(Audited) June 30, 2022
----- (Rupees) -----			
Certificates of investment		329,291,147	336,341,436
Accrued mark-up on Certificates of investment		11,724,859	26,870,685
Security deposit (in respect of rented office premises)		245,000	245,000
Accrued Chairman fee		166,664	2,666,649

22. SEGMENT INFORMATION

The Company has two primary reporting segments namely, "Finance lease" 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".

PAK-GULF LEASING COMPANY LIMITED  
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March 31, 2023 (Un-audited)				
----- (Rupees) -----				
	Conventional	Vehicle finance	Others	Total
<b>Segment transactions</b>				
Segment revenue	154,719,489	27,528,425	9,268,869	191,516,783
Administrative and operating expenses	35,173,383	2,331,674	785,079	38,290,136
Segment results	119,546,106	25,196,751	8,483,790	153,226,647
Provision for wwf				(1,650,262)
Reversal / Provision for doubtful debts				(56,915,081)
Unallocated expenses				-
Result from operating activities				94,661,304
Finance cost				(62,179,757)
Provision for taxation				24,436,009
Profit for the period				56,917,556

March 31, 2023 (Un-audited)				
----- (Rupees) -----				
<b>Segment assets and liabilities</b>				
Segment assets	1,972,601,928	-	366,754,557	2,339,356,485
Unallocated assets				-
Total assets				2,339,356,485
Segment liabilities	625,725,788	-	580,463,806	1,206,189,594
Unallocated liabilities				214,496,366
Total liabilities				1,420,685,960

**Other Information**

Depreciation	3,960,190	-	-	3,960,190
Unallocated capital expenditure				44,000
Unallocated depreciation				-

----- (Rupees) -----				
	Lease Finance	Vehicle Finance	Others	Total
<b>Segment transactions</b>				
Segment revenue	144,172,325	18,607,036	11,589,280	174,368,641
Administrative and operating expenses	49,864,693	6,347,775	-	56,212,468
Segment results	94,307,632	12,259,261	11,589,280	118,156,173
Unallocated expenses				44,572,392
Result from operating activities				162,728,565
Finance cost				(44,824,435)
Provision for taxation				(30,293,194)
Profit for the period				87,610,936

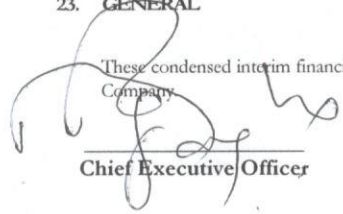
March 31, 2022 (Un-audited)				
----- (Rupees) -----				
	Lease Finance	Vehicle Finance	Others	Total
<b>Segment assets and liabilities</b>				
Segment assets	2,437,652,467	240,537,633	212,951,927	2,891,142,027
Unallocated assets				19,486,505
Total assets				2,910,628,534
Segment liabilities	965,428,588	-	7,297,360	972,725,948
Unallocated liabilities				1,081,758,259
Total liabilities				2,054,484,210

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	March 31, 2022 (Un-audited)			
	(Rupees)			
	Lease Finance	Vehicle Finance	Others	Total
<b>Other Information</b>				
Depreciation	3,985,068	-	-	3,985,068
Unallocated capital expenditure				247,187
Unallocated depreciation				3,985,068

23. GENERAL

These condensed interim financial statements was authorised for issue on 27 April, 2023 by the Board of Directors of the Company



Chief Executive Officer



Chief Financial Officer



Director