

Condensed Interim
Financial Statements
(Un-audited)
For the six months period
ended 31 December 2022



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. Naeen Ahmed
Mr. Pervez Inam
Brig. Haris Nawaz (Retd.)
Mr. Mahfuz-ur-Rehman Pasha

Chairman
Director
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. Naeen 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. Naeen 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
2nd Floor, Block C,
Lakson Square Building No. 1
Sarwar Shaheed Road
Karachi-74200

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

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, 9th 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
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 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 half year ended on December 31, 2022 of the current financial year. They are equally pleased to share with you the fact that despite economic and business conditions in the last six months have not been encouraging, overall performance of your Company has remained satisfactory during this period. We would like to apprise you that during the first six months, the leases written and finance provided by the Company was Rs 81.2 million, due to a cautionary stance in a subdued economic environment.

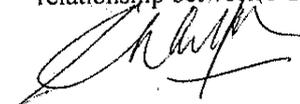
Total revenue earned of Rs. 125.04 million by your Company for the half year ended on December 31, 2022 was higher than the total revenue of Rs. 109.31 million, earned by your Company in the first half of the corresponding fiscal year. Other Operating income for the period was Rs 11.68 million compared to Rs 7.56 million in the previous period. Administrative expense decreased from Rs 31.75 million to Rs 26.98 million, mainly due to reduction in payroll cost, Workers' Welfare Fund, and legal costs. Finance Cost increased to Rs 41.56 million compared to Rs 25.68 million, due to policy rate change in the previous quarters, and increased utilization of borrowings and deposits. The Company made provisions of Rs 10.58 using Expected Credit Methodology upon adoption of IFRS-9 in the previous fiscal year, as against a reversal of Rs 18.68 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 18.48 million of reversal in the previous comparative period. Due to the above the Company's Profit after Taxation for the half year ended December 31, 2022 amounted to Rs. 13.7 million as compared to Rs. 72.69 million, for the corresponding period of the previous fiscal year.

The Shareholders Equity of your Company amounts to Rs. 783.43.15 million, as at December 31, 2022 while Earnings per Share for the half year ended December 31, 2022 stands at Rs. 0.54 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

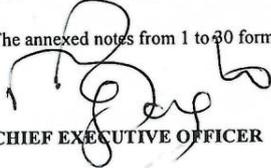

Chief Executive

Karachi,
February 28, 2023

PAK-GULF LEASING COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2022

		(Un-Audited) December 31 2022 Rupees	(Audited) 30 June 2022 Rupees
ASSETS			
CURRENT ASSETS			
Cash and bank balances	5	26,436,731	26,040,004
Short term investments	6	105,849,173	55,205,847
Other receivables - net	7	58,978,092	58,452,267
Advance to employees		56,939	56,939
Prepayments		878,772	569,430
Current portion of net investment in finance lease	8	428,407,994	481,967,960
Current portion of long -term loan	9	120,734,958	88,418,588
		741,342,659	710,711,035
NON-CURRENT ASSETS			
Net investment in finance lease	8	1,529,330,372	1,870,969,785
Long term loan	9	79,133,644	147,442,165
Long term deposits		118,500	118,500
Investment property	11	164,736,000	164,736,000
Property and equipment	12	3,035,450	3,505,151
Right of use of assets		2,274,629	4,401,695
		1,778,628,595	2,191,173,296
		2,519,971,254	2,901,884,331
TOTAL ASSETS			
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	83,090,546	114,394,748
Taxation - net		68,750,305	68,662,934
Unclaimed dividend		1,928,105	1,431,636
Accrued mark-up	14	4,401,528	20,353,808
Current portion of certificates of investment	15	556,121	267,908
Short term borrowings	16	78,064,407	251,625,391
Current portion of long-term loan	17	83,333,333	66,666,672
Current portion lease liabilities	18	925,574	5,251,117
Current portion of long-term deposits	19	123,921,839	155,254,885
		444,971,758	683,909,099
NON-CURRENT LIABILITIES			
Long term deposits	19	655,316,943	780,344,665
Long term loan	17	62,499,991	66,666,652
Certificates of investment	15	358,071,170	336,799,557
Lease liabilities	18	-	567,961
Deferred taxation - net	20	123,318,412	145,754,010
		1,199,206,516	1,330,132,845
		1,644,178,274	2,014,041,944
		875,792,980	887,842,387
TOTAL LIABILITIES			
NET ASSETS			
FINANCED BY:			
Share capital		253,698,000	253,698,000
Capital reserves		145,140,416	142,398,443
Statutory reserve		4,402,000	4,402,000
Reserve for issue of bonus shares		90,504,204	90,504,204
Surplus on revaluation of property and equipment - net of deferred tax		1,945,426	2,334,900
Surplus on revaluation of investments classified as fair value through other comprehensive income		241,992,046	239,639,547
Revenue reserve		380,102,934	394,504,840
Unappropriated profit		875,792,980	887,842,387
CONTINGENCIES AND COMMITMENTS			

The annexed notes from 1 to 30 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER

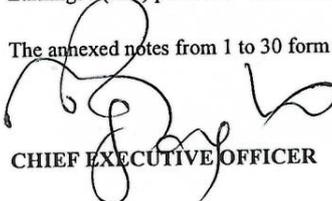

DIRECTOR


CHIEF FINANCIAL OFFICER

PAK-GULF LEASING COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2022

	Note	Six months ended December 31,		Three months ended December 31,	
		2022	2021	2022	2021
----- (Rupees) -----					
INCOME					
Income from financing operations	22	113,324,472	101,752,053	52,527,550	56,443,883
Other operating income					
Return on investments		5,597,069	2,120,956	3,372,816	1,509,075
Other income		6,082,695	5,441,950	3,186,174	2,808,748
		11,679,764	7,562,906	6,558,990	4,317,823
		125,004,236	109,314,959	59,086,540	60,761,706
OPERATING EXPENSES					
Administrative and operating expenses	23	26,983,260	31,750,155	12,029,999	16,462,194
Finance cost	24	41,559,720	25,678,582	18,446,659	13,462,031
		68,542,980	57,428,737	30,476,658	29,924,225
Operating profit before provisions		56,461,256	51,886,222	28,609,882	30,837,481
(Provision for) / write back of potential lease losses - net	9.2 & 10	(10,582,630)	18,480,279	(6,980,397)	37,804,199
Litigation receivable / written back - net	7.1	3,700,000	17,958,182	3,700,000	10,890,653
Profit before taxation		49,578,626	88,324,683	25,329,485	79,532,333
Taxation-current	0	(58,304,358)	(18,679,875)	(35,289,945)	10,996,915
-deferred		22,435,599	3,048,512	7,554,265	(20,245,500)
Profit / (loss) for the period		13,709,867	72,693,320	(2,406,195)	70,283,748
Earnings / (loss) per share - basic and diluted		0.54	2.87	(0.09)	2.77

The annexed notes from 1 to 30 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

PAK-GULF LEASING COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2022

Note	Six month ended December 31,		Three months ended December 31,	
	2022	2021	2022	2021
Profit / (loss) for the period	13,709,867	72,693,320	(2,406,195)	70,283,748
Other comprehensive income for the period				
Items that will not be reclassified to profit or loss in subsequent periods:				
Deficit on revaluation of investments classified as fair value through other comprehensive loss	6 (389,474)	(318,741)	(862,427)	(791,694)
Total comprehensive income / (loss) for the period	<u>13,320,393</u>	<u>72,374,579</u>	<u>(3,268,622)</u>	<u>69,492,054</u>

The annexed notes from 1 to 30 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER

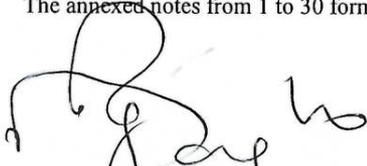

DIRECTOR


CHIEF FINANCIAL OFFICER

PAK-GULF LEASING COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022

	December 31 2022	December 31 2021
Note	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	49,578,626	88,324,683
Adjustment for:		
Depreciation	23 2,640,767	2,668,749
Amortisation	-	21,779
Finance cost	24 41,559,720	25,678,582
Provision for / (write back of) potential lease losses - net (Litigation receivable) / written back - net	10,582,630 (3,700,000)	(18,480,279) (17,958,182)
	51,083,117	(8,069,351)
Operating profit before working capital changes	100,661,743	80,255,332
Movement in working capital		
Decrease / (increase) in current assets		
Advance to employees	-	84,669
Other receivables - net	3,174,175	12,897,054
Ijarah rental receivables	-	278,062
Long-term deposits	-	(190,500)
Prepayments	(309,342)	(135,020)
	2,864,833	12,934,265
Increase / (decrease) in current liabilities		
Trade and other payables	(31,304,202)	60,246,336
Unclaimed dividend	496,469	-
	(30,807,733)	60,246,336
Cash generated from operations	72,718,843	153,435,933
Finance cost paid	(57,512,000)	(31,033,714)
Tax paid - net	(58,277,744)	(1,990,985)
Long-term loan	35,992,151	(103,777,899)
Long term deposits	(156,360,768)	141,743,677
Decrease / (increase) in net investment in finance lease - net	384,677,507	(317,955,403)
	148,519,146	(313,014,324)
Net cash generated from / (used in) operating activities	221,237,989	(159,578,391)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property and equipment	12.1 (44,000)	(134,000)
Short-term investment in Market Treasury Bills - net	(51,032,800)	(5,469,911)
Net cash used in investing activities	(51,076,800)	(5,603,911)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from certificates of investment - net	21,559,826	40,117,835
Dividend paid	(25,369,800)	-
Short term loan	-	120,000,000
Lease payments	(4,893,504)	(4,082,263)
Long-term loan - net	12,500,000	74,999,998
Net cash generated from financing activities	3,796,522	231,035,570
Net increase in cash and cash equivalents	173,957,711	65,853,268
Cash and cash equivalents at the beginning of the period	(225,585,387)	(317,859,449)
Cash and cash equivalents at the end of the period	(51,627,676)	(252,006,181)

The annexed notes from 1 to 30 form an integral part of these financial statements.

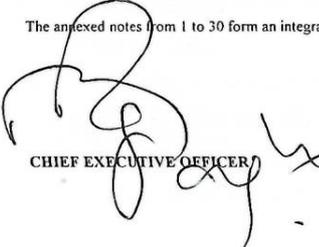





PAK-GULF LEASING COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022

	Reserves					Unappropriated profit	Total reserves	Total equity
	Capital				Revenue			
	Share capital	Statutory reserve	Reserve for issue of bonus shares	Surplus on revaluation of property, plant and equipment net of tax	Surplus on revaluation of investments classified as fair value through other comprehensive income			
(Rupees)								
Balance as at July 1, 2021	253,698,000	113,002,637	4,402,000	90,504,204	2,896,362	304,372,819	515,178,022	768,876,022
Transaction with owners:								
Total comprehensive income for the period six month ended June 30, 2021								
Profit for the period	-	-	-	-	-	72,693,320	72,693,320	72,693,320
Other comprehensive income	-	-	-	-	(318,741)	-	(318,741)	(318,741)
Transfer to statutory reserve	-	3,064,495	-	-	-	(14,538,664)	-	-
Balance as at December 31, 2021	<u>253,698,000</u>	<u>116,067,133</u>	<u>4,402,000</u>	<u>90,504,204</u>	<u>2,577,621</u>	<u>362,527,475</u>	<u>587,552,601</u>	<u>841,250,601</u>
Balance as at July 1, 2022	253,698,000	142,398,443	4,402,000	90,504,204	2,334,900	394,504,840	634,144,386	887,842,386
Transaction with owners:								
Final dividend for the year ended June 30, 2022 at Rs.1 per share	-	-	-	-	-	(25,369,800)	(25,369,800)	(25,369,800)
Total comprehensive income								
Profit for the period	-	-	-	-	-	13,709,867	13,709,867	13,709,867
Other comprehensive income	-	-	-	-	-	-	-	-
Deficit on revaluation of investments classified as fair value through other comprehensive	-	-	-	-	(389,474)	-	(389,474)	(389,474)
Transfer to statutory reserve	-	2,741,973	-	-	-	(2,741,973)	-	-
Balance as at December 31, 2022	<u>253,698,000</u>	<u>145,140,416</u>	<u>4,402,000</u>	<u>90,504,204</u>	<u>1,945,426</u>	<u>380,102,934</u>	<u>622,094,979</u>	<u>875,792,979</u>

The annexed notes from 1 to 30 form an integral part of these 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 SIX MONTHS PERIOD ENDED DECEMBER 31, 2022

1 STATUS AND NATURE OF BUSINESS

1.1 Pak-Gulf Leasing Company Limited ("the Company") was incorporated in Pakistan on December 27, 1994 as a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and commenced its operations from 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, 9 Street, Defence Housing Authority, Karachi and a branch office is located at Office No. 202, 2nd Floor, Divine Mega II, OP Honda Point, New Airport Road, Lahore.

1.2 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 May 16, 2022.

1.3 Regulation 4 of Non-Banking Finance Companies (NBFC) 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 December 31, 2022 is Rs. 783.343 million, as per definition contained in the SRO 1002(I)/2015 of NBFC Regulation 2008, which is Rs. 283.343 million in excess of the minimum equity requirement.

2 BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 These condensed financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim reporting comprising of:

- International Accounting Standards (IAS) 34 "Interim Financial Reporting, 'issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standard - 2 Ijarah (IFAS) issued by the Institute of Chartered Accountants of Pakistan;
- Provisions of and directives issued under the Companies Act, 2017 along with Part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules),and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

Where provisions of and directives issued under the Companies Act, 2017, the NBFC Rules and the NBFC Regulations differ from the IFRS Standards and IFAS, the provisions of and directives issued under the Companies Act, 2017, the NBFC Rules and the NBFC Regulations have been followed.

- 2.1.2 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, 2022.

The comparative statement of financial position presented in these condensed interim financial statements as at December 31, 2022 has been extracted from the annual financial statements of the Company for the year ended June 30, 2022, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity have been extracted from the condensed interim financial statements for the period ended December 31, 2021. Further, the figures in the condensed interim financial statements for the three months period ended December 31, 2021 and December 31, 2022 are not subject to review by the auditors, as they are required to report on cumulative figures for the six month period ended December 31, 2022.

2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention, unless otherwise stated.

2.3 Functional and presentation currency

These condensed interim financial statements are presented in Pakistani ("Rs." or "Rupees") which is the functional and presentation currency of the Company. All financial information presented in Rupees has been rounded off to the nearest rupee unless otherwise stated.

2.4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the presentation of these condensed interim financial statements are the same as those applied in the preparation of annual financial statements for the year ended June 30, 2022.

2.5 USE OF ACCOUNTING ESTIMATES AND JUDGEMENTS

The significant 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 financial statements for the year ended June 30, 2022.

3 Initial application of standards, amendments or an interpretation to existing standards

3.1 Standards, amendments and interpretations to accounting standards that are effective in the current period

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on January 01, 2022, but are considered not to be relevant or expected to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2023, but are considered not to be relevant or expected to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

4 RISK MANAGEMENT POLICIES

The financial risk management objectives and policies are consistent with those disclosed in the annual audited published unconsolidated financial statements of the Company for the year ended June 30, 2022.

	(Un-Audited) December 31, 2022	(Audited) June 30, 2022
Note	(Rupees)	

5 CASH AND BANK BALANCES

Cash in hand	131,206	106,002
Balances with banks in local currency:		
- in current accounts	23,008,612	23,123,314
- in savings accounts	5.1 <u>3,296,913</u>	<u>2,810,688</u>
	<u>26,436,731</u>	<u>26,040,004</u>

5.1 Return on these savings accounts at rates ranging from 7.5 to 14.25% (June 30, 2022: 6.50% to 12.75%) per annum.

		(Un-Audited) December 31, 2022	(Audited) June 30, 2022
	Note	(Rupees)	
6	SHORT TERM INVESTMENTS		
At fair value through other comprehensive income (FVTOCI):			
54,300 (June 30, 2022: 54,300) units of National Investment (Unit) Trust		3,529,100	4,090,562
Remeasurement loss		(389,474)	(561,462)
		<u>3,139,626</u>	<u>3,529,100</u>
At amortised cost:			
Government Securities - Market Treasury Bills	6.1	102,709,547	51,676,747
		<u>105,849,173</u>	<u>55,205,847</u>
6.1	These represent market treasury bills having cost of Rs. 101.205 million (June 30, 2022: Rs 51.677 million) and interest accrued thereon of Rs.1.54 million (June 30, 2022: Rs 0.340 million). These Market Treasury Bills (MTB) carries interest rate of 16.40% per annum (June 30, 2022: 14.53% per annum) and will mature latest by February 23, 2023.		
7	OTHER RECEIVABLES - NET		
Lease receivable held under litigation		105,125,138	108,825,138
Insurance premium and other receivable		12,728,092	12,202,267
		<u>117,853,230</u>	<u>121,027,405</u>
Insurance premium and other receivable		2,592,451	2,592,451
Provision against lease receivable held under litigation	7.1	(46,195,239)	(49,895,239)
Mark-up held in suspense against lease receivable held under litigation		(12,679,899)	(12,679,899)
Provision against insurance premium and other receivable		(2,592,451)	(2,592,451)
		<u>(58,875,138)</u>	<u>(62,575,138)</u>
		<u>58,978,092</u>	<u>58,452,267</u>
7.1	Movement of provision against lease receivable held under litigation		
Opening balance		49,895,239	106,353,921
Write back for the period/year		(3,700,000)	(56,458,682)
Closing balance		<u>46,195,239</u>	<u>49,895,239</u>

		(Un-Audited) December 31, 2022	(Audited) June 30, 2022
	Note	(Rupees)	
8 NET INVESTMENT IN FINANCE LEASE			
Net investment in finance lease	8.1	1,957,738,366	2,352,937,745
Current portion shown under current assets	8.1	<u>(428,407,994)</u>	<u>(481,967,960)</u>
		<u><u>1,529,330,372</u></u>	<u><u>1,870,969,785</u></u>

8.1 Net investment in finance lease

Note	December 31, 2022			June 30, 2022		
	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
	(Rupees)					
Minimum lease payments	648,227,505	901,721,973	1,549,949,478	584,569,500	1,263,559,867	1,848,129,367
Add: Residual value of leased assets	7,782,118	771,456,665	779,238,783	155,254,885	780,344,665	935,599,550
Gross investment in finance lease	<u>656,009,623</u>	<u>1,673,178,638</u>	<u>2,329,188,261</u>	<u>739,824,385</u>	<u>2,043,904,532</u>	<u>2,783,728,917</u>
Unearned lease income	<u>(123,921,839)</u>	<u>(143,848,266)</u>	<u>(267,770,105)</u>	<u>(178,821,044)</u>	<u>(172,934,747)</u>	<u>(351,755,791)</u>
Mark-up held in suspense	<u>(29,145,516)</u>	<u>-</u>	<u>(29,145,516)</u>	<u>(15,022,979)</u>	<u>-</u>	<u>(15,022,979)</u>
	<u>(153,067,355)</u>	<u>(143,848,266)</u>	<u>(296,915,621)</u>	<u>(193,844,023)</u>	<u>(172,934,747)</u>	<u>(366,778,770)</u>
Allowance for potential lease losses	8.2	<u>502,942,268</u>	<u>1,529,330,372</u>	<u>2,032,272,640</u>	<u>545,980,362</u>	<u>2,416,950,147</u>
		<u>(74,534,274)</u>	<u>(74,534,274)</u>	<u>(64,012,402)</u>	<u>-</u>	<u>(64,012,402)</u>
Net investment in finance lease		<u><u>428,407,994</u></u>	<u><u>1,529,330,372</u></u>	<u><u>481,967,960</u></u>	<u><u>1,870,969,785</u></u>	<u><u>2,352,937,745</u></u>

8.2 Allowance for potential lease losses

Opening balance	64,012,402	29,840,458
Adjustment under opening balance	-	25,242,930
Charge for the period/year	<u>10,521,872</u>	<u>8,929,014</u>
Closing balance	<u><u>74,534,274</u></u>	<u><u>64,012,402</u></u>

9 LONG TERM LOAN - Secured

Auto-finance loan	204,015,972	239,947,365
Current portion shown under current assets	<u>(120,734,958)</u>	<u>(88,418,588)</u>
Allowance for expected credit loss	<u>(4,147,370)</u>	<u>(4,086,612)</u>
	<u><u>79,133,644</u></u>	<u><u>147,442,165</u></u>

10 DIMINISHING MUSHARAKAH RECEIVABLE

Considered doubtful	18,788,999	18,788,999
Less: provision for doubtful receivable	<u>(18,788,999)</u>	<u>(18,788,999)</u>
	<u><u>-</u></u>	<u><u>-</u></u>

		(Un-Audited) December 31, 2022	(Audited) June 30, 2022
	Note	(Rupees)	
11 INVESTMENT PROPERTY			
Office premises		164,736,000	164,736,000
	11.1	<u>164,736,000</u>	<u>164,736,000</u>
11.1	An independent valuation was carried out by the management through an independent professional valuer as at June 30, 2022. As at reporting date, there is no material change in the aforementioned fair value of investment properties and accordingly no adjustment has been incorporated in these condensed interim financial statements.		
12 PROPERTY AND EQUIPMENT			
Fixed assets - own use	12.1	<u>3,035,450</u>	<u>3,505,151</u>
12.1 Fixed Assets - Own Use			
Opening net book value		3,505,151	4,256,389
Add: additions during the period/year		44,000	360,287
Less: depreciation for the period/year		<u>(513,701)</u>	<u>(1,111,525)</u>
Closing net book value		<u>3,035,450</u>	<u>3,505,151</u>
13 TRADE AND OTHER PAYABLES			
Accrued liabilities for expenses		4,324,753	3,984,994
Sundry creditors - Lease		67,248,092	96,741,273
Security deposit		2,393,820	2,393,820
Unearned rental income		3,186,178	2,896,525
Other liabilities		<u>5,937,703</u>	<u>8,378,136</u>
		<u>83,090,546</u>	<u>114,394,748</u>
14 ACCRUED MARK-UP			
Accrued mark-up on:			
Certificates of investment		929,381	7,987,244
Short term borrowings		947,169	10,264,189
Long-term loan		<u>2,524,978</u>	<u>2,102,375</u>
		<u>4,401,528</u>	<u>20,353,808</u>

		(Un-Audited)	(Audited)
		December 31	June 30
		2022	2022
	Note	(Rupees)	
15	CERTIFICATES OF INVESTMENT		
	Un-secured		
	Certificates of Investment	358,627,291	337,067,465
	Current portion shown under current liabilities	15.1 <u>(556,121)</u>	<u>(267,908)</u>
		<u>358,071,170</u>	<u>336,799,557</u>

15.1 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 16.5% per annum (June 30 2022: 8.5% to 13.5% per annum).

16 SHORT TERM BORROWINGS

From banking companies - secured

Running finances under mark-up arrangements	16.1	<u>78,064,407</u>	<u>251,625,391</u>
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16.1 The Company has arranged short-term running finance facilities from various commercial banks amounting to Rs. 300 million (June 30, 2022: Rs. 530 million). These carry mark-up at the rate ranging from 3 months KIBOR plus 1.0% per annum and are secured by hypothecation charge over leased assets and lease rentals receivable.

17 LONG-TERM LOAN

(Secured)

Long-term loan	17.1	145,833,324	133,333,324
Current portion shown under current liabilities	17.1	<u>(83,333,333)</u>	<u>(66,666,672)</u>
		<u>62,499,991</u>	<u>66,666,652</u>

17.1 The Company has arranged long term finance facilities from Allied Bank Limited amounting to Rs.300 million (June 30,2022: 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% per annum and is secured by hypothecation charge over specific leased assets and lease rentals receivable.

		(Un-Audited) December 31 2022	(Audited) June 30 2022
	Note	(Rupees)	
18 Lease Liabilities			
Opening balance		5,819,078	11,792,269
Finance cost incurred during the period / year		71,552	693,356
Lease payments during the period / year		<u>(4,965,056)</u>	<u>(4,962,767)</u>
Closing balance		925,574	5,819,078
Current portion shown under current liabilities		<u>(925,574)</u>	<u>(5,251,117)</u>
		<u>-</u>	<u>567,961</u>
19 LONG-TERM DEPOSITS			
Long-term deposits	19.1	779,238,782	935,599,550
Current portion shown under current liabilities	19.1	<u>(123,921,839)</u>	<u>(155,254,885)</u>
		<u>655,316,943</u>	<u>780,344,665</u>

19.1 These represent interest free security deposits received against lease contracts and are refundable / adjustable at the expiry / termination of the respective leases.

20 DEFERRED TAXATION - NET

20.1 Taxable temporary difference arising in respect of:

Surplus on revaluation of property and equipment	36,966,506	36,966,507
Unrealised gain on revaluation of investment property	8,957,520	8,957,520
Investment in finance lease and tax book value of assets given on finance lease	119,660,525	140,246,951
Accelerated tax depreciation	<u>(929,128)</u>	<u>929,085</u>
	164,655,423	187,100,063

Deductible temporary difference arising in respect of:

Provision against potential lease losses	(21,614,939)	(19,748,714)
Provision against diminishing musharakah receivable	(5,448,810)	(5,448,810)
Provision against other receivables	(13,396,619)	(15,221,430)
Provision for leave encashment	(516,058)	(516,058)
Right of use assets and liabilities-net	<u>(360,585)</u>	<u>(411,041)</u>
	<u>(41,337,011)</u>	<u>(41,346,053)</u>
	<u>123,318,412</u>	<u>145,754,010</u>

21 CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

There were no changes in the status of contingencies during the period.

21.2 Commitments

Finance lease committed but not executed	37,000,000	4,399,999
Vehicle finance loan committed but not executed	-	16,777,000

22 INCOME FROM FINANCING OPERATIONS

	------(Un-audited)-----			
	Six month ended December 31,		Three month ended December 31,	
	2022	2021	2022	2021
	------(Rupees)-----			
Finance income on lease contracts	90,832,842	84,714,403	41,360,326	44,563,596
Gain on lease termination	1,069,958	3,530,860	504,968	3,646,346
Late payment charges	2,329,900	839,535	1,288,295	484,352
Other income on leases	394,946	2,091,725	83,171	1,310,025
Income on long term loan	18,696,826	10,575,530	9,290,790	6,439,564
	<u>113,324,472</u>	<u>101,752,053</u>	<u>52,527,550</u>	<u>56,443,883</u>

23 ADMINISTRATIVE AND OPERATING EXPENSES

	------(Un-audited)-----			
	Six month ended December 31,		Three month ended December 31,	
	2022	2021	2022	2021
	------(Rupees)-----			
Salaries, allowances and benefits	16,221,589	17,801,322	6,593,634	8,454,617
Directors' fee	550,000	1,219,999	270,000	729,999
Depreciation	2,640,767	2,668,749	1,319,943	1,337,592
Amortisation	-	21,779	-	10,889
Office utilities	1,239,130	1,233,637	527,699	660,020
Legal and professional charges	725,384	1,932,791	426,014	878,790
Auditors' remuneration	262,500	262,500	131,250	131,250
Postage, subscription, printing and stationary	1,186,635	984,930	765,515	596,541
Vehicle running and maintenance	1,298,366	1,092,402	588,060	672,407
Office repair and general maintenance	434,688	420,852	185,496	215,410
Workers' Welfare Fund	991,572	1,802,544	326,776	1,802,544
Insurance	709,983	638,218	444,226	273,769
Advertisement	135,000	83,012	135,000	82,300
Travelling and conveyance	63,640	36,590	17,890	19,680
Miscellaneous	524,006	1,550,830	298,496	596,388
	<u>26,983,260</u>	<u>31,750,155</u>	<u>12,029,999</u>	<u>16,462,196</u>

24 FINANCE COST

	------(Un-audited)-----			
	Six month ended December 31,		Three month ended December 31,	
	2022	2021	2022	2021
	------(Rupees)-----			
Mark-up on:				
Short term borrowings	7,416,425	9,733,413	886,748	4,862,932
Certificate of investment	21,329,329	10,517,742	10,832,082	5,277,048
Long-term loan	12,597,049	4,740,818	6,695,718	2,819,476
Lease Liabilities	71,552	595,260	11,126	297,630
Bank charges	80,921	91,349	15,144	34,007
CIB reports charges	64,444	-	5,841	-
	<u>41,559,720</u>	<u>25,678,582</u>	<u>18,446,659</u>	<u>13,291,093</u>

	Note	December 31 2022 (Rupees)	June 30 2022 (Rupees)
25 CASH AND CASH EQUIVALENT			
Cash and bank balances		26,436,731	26,040,004
Short term borrowings		(78,064,407)	(251,625,391)
		<u>(51,627,676)</u>	<u>(225,585,387)</u>

26 FINANCIAL RISK MANAGEMENT

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.

27 FAIR VALUES OF ASSETS AND LIABILITIES

The assets carried at fair value are categorized as follows:

Level 1: Quoted market price.

Level 2: Valuation techniques (market observable)

Level 3: Valuation techniques (non-market observables)

The Company held the following assets measured at fair value at reporting date. There were no transfers amongst level of fair value analysis of assets during the period.

	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
December 31, 2022				
Non-financial assets		164,736,000		
Financial assets	3,139,626	-	-	3,139,626
	<u>3,139,626</u>	<u>164,736,000</u>	<u>-</u>	<u>3,139,626</u>
June 30, 2022				
Non-financial assets	-	164,736,000	-	164,736,000
Financial assets	3,529,100	-	-	3,529,100
Total Assets	<u>3,529,100</u>	<u>164,736,000</u>	<u>-</u>	<u>168,265,100</u>

28 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise ultimate holding company, subsidiaries, associates, companies where directors hold common directorship, key management personnel and their close family members and staff retirement benefit funds. Transactions and balances with related parties during the period, other than those which have been disclosed elsewhere in these condensed interim financial statements, are as follows:

28.1 Transactions during the period

Nature of transaction	Relationship	------(Un-audited)----- Six month ended December 31, ------(Rupees)-----	
		2022	2021
<u>Certificates of investment</u>			
Issued/rolled over during the period			
Board of Directors and their relatives			
Board of Directors and their relatives	Director	357,509,267	100,000,000
Repaid during the period			
Board of Directors and their relatives	Director	1,549,695	50,000,000
Finance cost			
Board of Directors and their relatives	Director	21,290,250	10,097,748
<u>Net investment in finance lease</u>			
Rental received			
MACPAC Films Limited	Associated undertaking (Common directorship)	-	15,155,346
<u>Office rent</u>			
Rent paid during the period			
Unibro Industries Limited	Associated undertaking (Common directorship)	4,676,452	4,858,656
<u>Dividend paid during the period</u>			
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	-
<u>Retirement benefit fund</u>			
Charge for the period	Provident fund	282,215	315,124
Contribution paid for the period	Provident fund	282,215	315,124
<u>Short Term Borrowing</u>			
Unibro Industries Limited	Associated undertaking (Common directorship)	-	120,000,000
<u>Remuneration and other benefits</u>			
Director's Fee	Board of Directors	550,000	1,219,999
Chairman Fee	Board of Directors	3,166,645	-

28.2 Balances at period / year end

Nature of transaction	Relationship	(Un-audited)	(Audited)
		December 31, 2022	June 30, 2022
Certificates of investment	Board of Directors and	357,509,267	336,341,436
Accrued mark-up on Certificates of investment	their relatives	814,757	26,870,685
Accrued chairman fee	Board of Directors	41,666	2,916,648

- 28.3 All transactions with related parties are entered into at agreed terms as duly approved by the Board of Directors of the Company. The related parties status of outstanding receivables / payables as disclosed in the respective notes to these condensed interim financial statements.

29. 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".

December 31, 2022 (Un-audited)				
------(Rupees)-----				
	Conventional	Vehicle finance	Others	Total
Segment transactions				
Segment revenue	100,224,714	18,696,826	6,082,695	125,004,235
Administrative and operating expenses	26,034,387	2,426,256	789,341	29,249,984
Segment results	74,190,327	16,270,570	5,293,354	95,754,251
Provision for wwf				-
Reversal / Provision for doubtful debts				(6,882,630)
Unallocated expenses				(4,615,909)
Result from operating activities				91,138,342
Finance cost				(41,559,720)
Provision for taxation				35,868,757
				<u>85,447,379</u>

December 31, 2022 (Un-audited)				
------(Rupees)-----				
Segment assets and liabilities				
Segment assets	2,247,109,648	-	272,903,268	2,520,012,916
Unallocated assets				(41,666)
Total assets				<u>2,519,971,250</u>
Segment liabilities	779,238,782	-	583,450,596	1,362,689,378
Unallocated liabilities				281,488,894
Total liabilities				<u>1,644,178,272</u>

Other Information

Depreciation	2,640,767	-	-	2,640,767
Unallocated capital expenditure				44,000
Unallocated depreciation				-

December 31, 2021 (Un-audited)				
------(Rupees)-----				
	Conventional	Islamic finance	Others	Total
Segment transactions				
Segment revenue	103,873,009	-	5,441,950	109,314,959
Administrative and operating expenses	18,089,844	-	5,120,822	23,210,666
Segment result	85,783,165	-	321,128	86,104,293
Unallocated expenses				27,898,970
Result from operating activities				114,003,263
Finance cost				(25,678,582)
Provision for taxation				(15,631,361)
Profit for the period				<u>72,693,320</u>

December 31, 2021 (Un-audited)				
------(Rupees)-----				
Conventional	Islamic finance	Others	Total	
Segment assets and liabilities				
Segment assets	2,631,372,385	1,277,836	228,701,648	2,861,351,869
Unallocated assets				2,861,351,869
Total assets				5,722,703,738
Segment liabilities	915,195,269	2,303,116	690,544,769	1,608,043,154
Unallocated liabilities				412,058,114
Total liabilities				2,020,101,268

December 31, 2021 (Un-audited)				
------(Rupees)-----				
Conventional	Islamic finance	Others	Total	
Other Information				
Depreciation	2,668,749	-	-	2,668,749
Unallocated capital expenditure				134,000
Unallocated depreciation				2,668,749

29 DATE OF AUTHORIZATION

These condensed interim financial statements were authorised for issue on 28 FEB 2023 by the Board of Directors of the Company.

30 GENERAL

30.1 Corresponding figures have been rearranged wherever necessary; however, there are no material reclassifications to report during the reporting period.

30.2 Figures have been rounded off to the nearest rupee in thousand, unless otherwise stated. *Am*


CHIEF EXECUTIVE OFFICER

 
DIRECTOR CHIEF FINANCIAL OFFICER