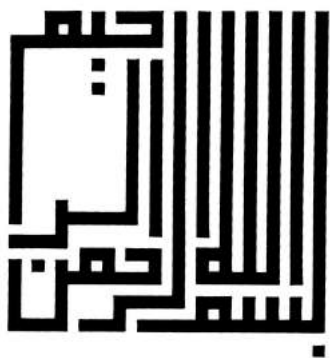




**Condensed Interim
Financial Information
(Un-audited)
For the Half year
ended 31 December 2016**



Pak-Gulf Leasing Company Limited



Board of Directors

Mr. Sohail Inam Ellahi	Chairman
Brig. Naveed Nasar Khan (Retd)	Vice Chairman
Mr. Pervez Inam	Director
Mr. Fawad Salim Malik	Director
Mr. Shaheed H. Gaylani	Director
Mr. Rizwan Humayun	Director
Lt. Col. Saleem Ahmed Zafar (Retd)	Executive Director
Mr. Ismail H. Ahmed	Director
Mr. Mahfuz-ur-Rahman Pasha	Chief Executive Officer

Company Secretary

Ms. Mehreen Usama

Audit Committee

Mr. Rizwan Humayun	Chairman
Mr. Ismail H. Ahmed	Vice Chairman
Brig. Naveed Nasar Khan (Retd)	Member
Mr. Shaheed H. Gaylani	Member
Mr. Pervez Inam	Member

Human Resource and Remuneration Committee

Mr. Pervez Inam	Chairman
Brig. Naveed Nasar Khan (Retd)	Vice Chairman
Mr. Sohail Inam Ellahi	Member
Lt. Col. Saleem Ahmed Zafar (Retd)	Member
	Member

Senior Management

Mr. Mahfuz-ur-Rahman Pasha	Chief Executive Officer
Lt. Col. Saleem Ahmed Zafar (Retd)	Chief Operating Officer
Mr. Afzal-ul-Haque	Deputy COO & Senior Manager Risk
Ms. Mehreen Usama	Chief Financial Officer
Ms. Farah Farooq	Head of Audit
Major Arifullah Lodhi (Retd)	Manager HR & Admin.
Mr. Ayaz Latif	Manager IT

Credit Rating Agency

JCR-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, 35870468

Shariah Advisor

Mufti Muhammad Ibrahim Essa

Bankers
Islamic Banks

Albaraka Bank (Pakistan) Limited

Conventional Banks

Askari Commercial Bank Limited

Bank Al-Falah Limited

Bank Al Habib Limited

Bank of Punjab

JS Bank Limited

MCB Bank Limited

National Bank of Pakistan

Silk bank Limited

Soneri Bank Limited

Registered Office

Pak-Gulf Leasing Company Limited
UNIBRO House:
Ground and Mezzanine Floor,
Plot No. 114, 9th East Street, Phase I,
DHA, Karachi-75500.
Tel #: (92-21) 35820301, 35820956-7
(92-21) 35824401, 35375986-7
Fax #: (92-21) 35820302, 35375985
E-mail: pgl@pakgulfleasing.com
Website: www.pakgulfleasing.com

Share Registrar / Transfer Office

THK Associates (Pvt.) Limited
1st Floor, 40-C, Block-6, P.E.C.H.S.,
Karachi.
Tel # : (92-21) 111-000-322
Fax # : (92-21) 34168271

Mission Statement

The Company will:

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

Dear Shareholders,

The Directors of your Company are pleased to present before you the Financial Statements of your Company for the half year of the current financial year, ended December 31, 2016. They are equally pleased to share with you the fact that despite the challenging economic conditions prevailing in the country, the overall performance of your Company remained highly satisfactory during this period. Moreover, even in the face of the tough competition offered by commercial banks and NBFIs sponsored by banks, having access to cheaper funds, and increased cost of doing business, your Company has been able to maintain its profitability. Your directors being conscious of their responsibilities and their unrelenting pursuit of perfection and excellence are determined to ensure that better results are obtained in future.

Your Company achieved a Total Revenue of Rs. 76.43 million, for the half year ended on December 31, 2016. This reflects an increase of 19.10%, over the Total Revenue of Rs. 64.17 million posted, in the first half of the Financial Year 2015-16. With reference to expenses incurred during the half year there was an inflation-based increase in operating expenses and a negligible rise in Finance Cost, as compared to the corresponding figures for the half year ended December 31, 2016. Further during the half year ended December 31, 2016 the Company had to charge provision of Rs. 14.74 million for non-performing lease clients. Due to the charge of provision for potential lease losses and increase in administrative expenses and financial cost, the Company's Profit before Taxation for the half year ended December 31, 2016 amounted to Rs. 6.04 million, when compared with the Profit before Taxation of Rs. 5.71 million, earned in the corresponding period of the previous year. Net Profit after Tax for the half year ended December 31, 2016, amounted to Rs.4.76 million as compared to Rs. 4.39 million, for the corresponding period of the last Financial Year 2015-16.

The Shareholders Equity of your Company amounts to Rs. 539.547 million, as at December 31, 2016 while Earnings per Share for the half year ended December 31, 2016 stands at Rs. 0.19 per share.

In December 2016, JCR-VIS Credit Rating Company Limited has re-affirmed the Medium to Long-term Entity Rating of your Company at A- (Single A Minus), and the Short-term Rating at A-2 (A-Two) and has graded the Outlook of your Company as "Stable".

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

The Directors 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 financial services sector and it is hoped that these agencies would continue to strengthen this 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.

Vice-Chairman**Chief Executive Officer****Karachi: 23 February 2017**

ڈائریکٹرز رپورٹ

قابل احترام حصص یافتگان

آپ کی کمپنی کے ڈائریکٹرز موجودہ مالی سال کی ششماہی، جو کہ 31 دسمبر 2016 کو ختم ہوئی ہے کے مالیاتی گوشوارے اجماعی مسرت کے ساتھ آپ کو پیش کرتے ہیں اور یہ بتاتے ہوئے غور محسوس کرتے ہیں کہ ملک کے موجودہ معاشی حالات میں آپ کی کمپنی کی کارکردگی اس ششماہی میں نہایت ہی اطمینان بخش رہی باوجود اس کے کمپنی کو کرنل بینکس NBFIs کو جن کو کرنل بینکس سے مالی تعاون حاصل ہے، کی طرف سے بہت سخت مقابلہ رہا، کیونکہ ان اداروں کی رسائی ان فنڈز تک ہے جو سسٹمز پر دستیاب ہیں اور وہ کم خرچے پر کاروبار کر رہے ہیں اس کے باوجود آپ کی کمپنی نے منافع کو برقرار رکھا۔ حاصل کردہ منافع بہتر ہونے کے باوجود آپ کے ڈائریکٹرز اپنی ذمہ داریوں کو سنبھالنے کے لیے اور خوب سے خوب تر کی تلاش میں اس بات کا نتیجہ کے ہونے ہیں کہ مستقبل میں مزید بہتر نتائج حاصل ہوں۔

آپ کی کمپنی نے اس مالی سال کی ششماہی میں 31 دسمبر 2016 کو اختتام پذیر ہوئی میں کل 76.43 ملین روپے کی آمدنی حاصل کی ہے، بمقابلہ 64.17 ملین روپے کی آمدن کے جو کہ پچھلے مالی سال 2015-16 کی ششماہی میں حاصل ہوئی تھی۔ اخراجات کے حوالے سے اس ششماہی میں کے گئے انتظامی اخراجات میں اضافہ ہوا جسکی بڑی وجہ اجارہ کے اجراء جات کی فرسودگی (depreciation) میں اضافہ تھا اگر اس کا مقابلہ 31 دسمبر 2015 سے کیا جائے۔ علاوہ انہیں کمپنی نے موجودہ سال کی پہلی ششماہی میں غیر کارکردگی والی لیمرز کے لیے 14.74 ملین روپے مختص کئے۔ نتیجتاً پہلی کا موجودہ سال کی ششماہی کا منافع عمل از بین 6.04 ملین روپے تھا جو کہ گزشتہ سال کی دوسری ششماہی میں 5.71 ملین روپے تھا۔ موجودہ مالی سال کی ششماہی جو کہ 31 دسمبر 2016 کو اختتام پذیر ہوئی کا ابعداً بینکس منافع 4.78 ملین روپے ہے، بمقابلہ 4.39 ملین روپے جو کہ پچھلے سال اسی دورانیہ میں تھا۔

آپ کی کمپنی کے سٹیک ہولڈرز کی اعلیٰ (Equity) 31 دسمبر 2016 کو 539.547 ملین روپے ہوئی ہے جو کہ موجودہ مالی سال کی ششماہی کا نتیجہ منافع 0.19 روپے بنتی ہے۔

دسمبر 2016 میں JCR-VIS کارڈٹ ریٹنگ کمپنی کی تجزیہ ریٹنگ کا دوبارہ اعادہ کرنے کے بعد درمیان سے طویل ایجاد کے لئے A- ریٹنگ، اور مختصر مدت کی ریٹنگ A-2 برقرار رکھی ہے اور کمپنی کے آئندہ امکانات کو مستحکم قرار دیا گیا۔

آپ کے ڈائریکٹرز جو کہ آپ کے مٹانے ہونے کی حیثیت سے آپ کی کمپنی کی کارکردگی کو دیکھ رہے ہیں وہ انتظامیہ کی کوششوں کا اعتراف کرتے ہیں اور انتظامیہ نے مثبت نتائج حاصل کرنے کیلئے جو اچھلک محنت کی ہے اس کو سراہتے ہیں۔ وہ فی الحال مارکیٹ کے مشکل حالات کے باوجود امید رکھتے ہیں کہ انتظامیہ اور عملہ نہ صرف کمپنی کی موجودہ صورت حال کو برقرار رکھیں گے بلکہ اس کو مزید ترقی کی طرف گامزن کریں گے اور اپنی تمام مثبت کوششیں کمپنی کے صارفین کا اچھی خدمات سمیٹنے اور آپ کی کمپنی کو بہتر بنانے میں بروئے کار لائیں گے۔

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

آخر میں ہم اپنے تمام قابل احترام حصص یافتگان بشمول کمپنی کے صارفین اور منڈی کو کمپنی کے ساتھ اسکے گہرے تعاون پر ان کا شکر یہ ادا کرتے ہیں۔ اس کے ساتھ ساتھ اس بات کی بھی قوی امید رکھتے ہیں کہ ہمارے شراکت داروں کمپنی کے درمیان جو مضبوط روابط اور باہم مفید اور خوشگوار تعلقات قائم ہیں ان میں مستقبل میں مزید اضافہ ہوتا رہے گا۔

چیف ایگزیکٹو آفیسر

داس۔ جی۔ بی۔

کرچی، 23 فروری 2017

Auditor's Review Report

First Half 2016-17



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INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE MEMBERS

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Pak-Gulf Leasing Company Limited** ("the Company") as at December 31, 2016 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the accounts for the half year then ended (here-in-after referred as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at and for the half year ended December 31, 2016 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures for the quarters ended December 31, 2016 and December 31, 2015 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

KARACHI

DATED: 23 FEB 2017


CHARTERED ACCOUNTANTS
Engagement Partner: Zulfiqar Ali Causer

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

**CONDENSED INTERIM
BALANCE SHEET
AS AT 31 DECEMBER 2016**

	Note	(Un-audited) 31 December 2016	(Audited) 30 June 2016
ASSETS			
----- Rupees -----			
Current Assets			
Cash and bank balances	6	28,210,176	44,296,138
Short term investments	7	23,271,920	16,259,209
Other receivables - net	8	1,676,925	1,795,739
Ijarah rental receivable		910,907	904,009
Advance to employees		396,534	196,006
Accrued mark-up / return on investments		1,310,192	1,475,668
Prepayments		1,492,992	2,819,664
Current portion of net investment in finance lease	9	485,979,474	499,111,879
Taxation - net		-	7,787,572
		543,249,120	574,645,884
Non-current assets			
Net investment in finance lease	9	1,010,802,838	1,039,542,601
Long term investments	10	27,183,148	27,199,297
Long term deposits		300,460	300,460
Investment property	11	133,848,000	-
Property, plant and equipment	12	70,433,369	207,896,308
Intangible assets		1,515,118	1,590,019
		1,244,082,933	1,276,528,685
Total assets		1,787,332,053	1,851,174,569
LIABILITIES			
Current liabilities			
Trade and other payables		20,072,183	16,704,576
Accrued mark-up		11,399,927	8,410,233
Taxation - net		17,637,485	-
Certificates of investment	13	299,415,337	264,835,006
Short term borrowings	14	27,280,232	187,854,564
Current portion of long-term loan	15	16,666,668	-
Current portion of advance rental against Ijarah financing		7,153,763	8,136,396
Current portion of long term deposits		86,761,314	79,415,142
		486,386,909	565,355,917
Non-current liabilities			
Long-term loan		29,166,665	-
Long term deposits	15	486,585,696	482,845,368
Advance rental against Ijarah financing		11,515,554	14,601,119
Deferred taxation - net		139,826,407	159,776,708
		667,094,322	657,223,195
Total liabilities		1,153,481,231	1,222,579,112
NET ASSETS		633,850,822	628,595,457
FINANCED BY			
Authorised share capital			
50,000,000 ordinary shares (June 2016: 50,000,000 ordinary shares) of Rs. 10 each		500,000,000	500,000,000
Issued, subscribed and paid up capital		253,698,000	253,698,000
Reserves		287,364,102	293,197,975
		541,062,102	546,895,975
Surplus on revaluation of available-for-sale investments		3,559,222	2,343,445
		544,621,324	549,239,420
Surplus on revaluation of operating fixed assets - net of tax		89,229,498	79,356,037
		633,850,822	628,595,457
Contingencies & Commitments	16		

The annexed notes 1 to 24 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director



**CONDENSED INTERIM
PROFIT AND LOSS ACCOUNT
(UN-AUDITED)
FOR HALF YEAR AND QUARTER
ENDED 31 DECEMBER 2016**

	Note	Half year ended		Quarter ended	
		31 December		31 December	
		2016	2015	2016	2015
		Rupees			
INCOME					
Income from leasing operations	17	69,771,619	60,498,223	36,522,530	24,948,339
OTHER OPERATING INCOME					
Return on investments		2,537,099	2,433,129	1,372,740	1,429,140
Other income		4,122,221	1,240,882	2,060,669	1,237,231
		<u>6,659,320</u>	<u>3,674,011</u>	<u>3,433,409</u>	<u>2,666,371</u>
		76,430,939	64,172,234	39,955,939	27,614,710
OPERATING EXPENSES					
Administrative and operating expenses	18	40,233,937	32,354,770	19,991,834	16,247,536
Finance cost	19	15,417,729	15,353,099	8,140,510	7,346,760
		<u>55,651,666</u>	<u>47,707,869</u>	<u>28,132,344</u>	<u>23,594,296</u>
Operating profit before provision		20,779,273	16,464,365	11,823,595	4,020,414
Provision for potential lease losses		(14,743,140)	(10,755,329)	(14,743,140)	(10,755,329)
Profit / (loss) before taxation		<u>6,036,133</u>	<u>5,709,036</u>	<u>(2,919,545)</u>	<u>(6,734,915)</u>
Taxation - current		(24,705,947)	(36,072,089)	(8,034,781)	(27,560,988)
- deferred		23,433,413	34,749,606	7,563,318	29,071,981
		<u>(1,272,534)</u>	<u>(1,322,483)</u>	<u>(471,463)</u>	<u>1,510,993</u>
Profit / (loss) after taxation		<u>4,763,599</u>	<u>4,386,553</u>	<u>(3,391,008)</u>	<u>(5,223,922)</u>
Earning / (loss) per share - basic & diluted		<u>0.19</u>	<u>0.17</u>	<u>(0.13)</u>	<u>(0.21)</u>

The annexed notes 1 to 24 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director



**CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE
INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER
ENDED 31 DECEMBER 2016**

	Half year ended		Quarter ended	
	31 December		31 December	
	2016	2015	2016	2015
	Rupees			
Profit / (loss) after taxation	4,763,599	4,386,553	(3,391,008)	(5,223,922)
Other Comprehensive Income				
<i>Items that may be reclassified subsequently to profit and loss account</i>				
Unrealised gain / (loss) on revaluation of available- for-sale investment	1,215,777	(27,693)	762,915	187,335
Total Comprehensive income / (loss) for the period	5,979,376	4,358,860	(2,628,093)	(5,036,587)

The annexed notes 1 to 24 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

**CONDENSED INTERIM
CASH FLOW STATEMENT
(UN-AUDITED)
FOR THE HALF YEAR
ENDED 31 DECEMBER 2016**

	Half year ended	
Note	31 December	
	2016	2015
	----- Rupees -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	6,036,133	5,709,036
Adjustments for :		
Depreciation	19,739,557	15,410,866
Amortisation of discount / premium on long term investments - net	16,149	13,041
Amortisation of intangible asset	74,901	74,901
Finance cost	15,417,729	15,353,099
Loss / (gain) on disposal of fixed assets	2,383	(1,234,142)
Provision for potential lease losses	14,743,140	10,755,329
	49,993,859	40,373,094
Operating profit before working capital charges	56,029,992	46,082,130
Movement in working capital		
Decrease / (increase) in current assets		
Other receivables - net	118,814	52,318
Advances to employees	(200,528)	(119,637)
Accrued mark-up / return on investments	165,476	(80,783)
Long term deposits	-	(3,000)
Ijarah rental receivable	(6,898)	-
Prepayments	1,326,672	(437,372)
	1,403,536	(588,474)
Increase in current liabilities		
Trade and other payables	3,367,607	185,439
Cash generated from operations	60,801,135	45,679,095
Finance cost paid	(12,428,035)	(7,783,511)
Taxes refunded - net	719,110	851,968
Deposits received from lessees - net	11,086,500	8,166,896
Advance rental (Ijarah) from lessees - net	(4,068,198)	10,761,391
Decrease in net investment in finance lease	27,129,028	83,221,162
Net cash flow generated from operating activities	83,239,540	140,897,001
CASH FLOW FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	(683,000)	(34,730,847)
Additions in intangible assets	-	(271,739)
Proceeds from disposal of operating fixed assets	-	1,759,900
Short-term investments-net	(5,796,934)	(7,218,346)
Long-term investments-net	-	(2,483,900)
Net cash flow used in investing activities	(6,479,934)	(42,944,932)
CASH FLOW FROM FINANCING ACTIVITIES		
Receipt from certificate of investments - net	34,580,331	72,345,563
Deposit on Ijarah finance facility obtained	-	(187,960)
Payment of dividend	(12,684,900)	-
Long term loan - net	45,833,333	-
Repayment of short term loan from related party - net	-	(40,000,000)
Net cash flow generated from financing activities	67,728,764	32,157,603
Net increase in cash and cash equivalents	144,488,370	130,109,672
Cash and cash equivalents at beginning of the period	(143,558,426)	(149,102,356)
Cash and cash equivalents at the end of the period	929,944	(18,992,684)

The annexed notes 1 to 24 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director



**CONDENSED INTERIM STATEMENT
OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR
ENDED 31 DECEMBER 2016**

	Issued, subscribed and paid up Capital	Reserves		Unappropri- ated profit	Sub Total	Surplus / (deficit) on revaluation of available-for- sale investments	Total equity
		Capital	Revenue				
	Statutory reserve	Reserve for issue of bonus shares					
	Rupees						
Balance as at 1 July 2015	253,698,000	61,603,092	4,402,000	183,530,210	249,535,302	2,267,425	505,500,727
<i>Total comprehensive income for the period ended 31 Dec. 2015</i>							
Profit after taxation	-	-	-	4,386,553	4,386,553	-	4,386,553
<i>Other comprehensive income / (loss) Deficit on revaluation of available-for-sale investment</i>	-	-	-	-	-	(27,693)	(27,693)
Transfer from surplus on revaluation of property, plant and equipment to unappropriated profit - net of deferred tax	-	-	-	4,386,553	4,386,553	(27,693)	4,358,860
Transfer to statutory reserve	-	877,311	-	1,182,403	1,182,403	-	1,182,403
Balance as at 31 Dec. 2015	<u>253,698,000</u>	<u>62,480,403</u>	<u>4,402,000</u>	<u>188,221,855</u>	<u>255,104,258</u>	<u>2,239,732</u>	<u>511,041,990</u>
Balance as at 1 July 2016	253,698,000	69,745,972	4,402,000	219,050,003	293,197,975	2,343,445	549,239,420
Final dividend for the year ended 30 June 2016 @ Rs.0.5 per share	-	-	-	(12,684,900)	(12,684,900)	-	(12,684,900)
<i>Total comprehensive income for the period ended 31 Dec. 2016</i>							
Profit after taxation	-	-	-	4,763,599	4,763,599	-	4,763,599
<i>Other comprehensive income</i>							
Surplus on revaluation of available-for-sale- investment	-	-	-	-	-	1,215,777	1,215,777
Transfer from surplus on revaluation of property, plant and equipment to unappropriated profit - net of deferred tax	-	-	-	4,763,599	4,763,599	1,215,777	5,979,376
Transfer to statutory reserve	-	952,720	-	2,087,428	2,087,428	-	2,087,428
Balance as at 31 Dec. 2016	<u>253,698,000</u>	<u>70,698,692</u>	<u>4,402,000</u>	<u>212,263,410</u>	<u>287,364,102</u>	<u>3,559,222</u>	<u>544,621,324</u>

The annexed notes 1 to 24 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director



1. STATUS AND NATURE OF BUSINESS

1.1 Pak-Gulf Leasing Company Limited ("the Company") was incorporated in Pakistan on 27 December 1994 as a public limited company under the Companies Ordinance, 1984 and commenced its operations on 16 September 1996. The Company is principally engaged in the business of leasing and is listed on Pakistan Stock Exchange Limited, however, before the merger of three (3) stock exchanges of Pakistan into Pakistan Stock Exchange Limited the Company was listed on all three (3) stock exchanges of Pakistan; i.e. Karachi Stock Exchange Limited, Lahore Stock Exchange Limited and Islamabad Stock Exchange Limited. The registered office of the Company is situated at UNIBRO House, Ground and Mezzanine Floor, Plot No. 114, 9th East Street, Phase-1, Defence Housing Authority, Karachi.

1.2 Regulation 4 of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations 2008) requires an existing deposit taking leasing company to maintain, at all times, minimum equity of Rs. 500 million. The equity of the Company as at 31 December 2016 is Rs. 539.547 million which is Rs. 39.547 million in excess of the minimum equity requirement.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information of the Company for the half year ended 31 December 2016 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and Islamic Financial Accounting Standard -2 Ijarah (IFAS - 2) issued by the Institute of Chartered Accountants of Pakistan (ICAP) and provisions of and directives issued under the Companies Ordinance, 1984, Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). In case where requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984, NBFC Rules and NBFC Regulations shall prevail.

2.2 The disclosures in this condensed interim financial information are presented in accordance with International Accounting Standard 34 "Interim Financial Reporting" and do not contain all the information required for full annual financial statements. Consequently, this condensed interim financial information should be read in conjunction with the financial statements of the Company for the year ended 30 June 2016.

2.3 The comparative balance sheet presented in this condensed interim financial information as at 31 December 2016 has been extracted from the audited financial statements of the Company for the year ended 30 June 2016, whereas the comparative profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity have been extracted from the condensed interim financial information for the period ended 31 December 2015. Further, the figures in the condensed interim financial information for the three months period ended 31 December 2015 and 31 December 2016 have not been reviewed by the auditors.

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

2.5 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, except that certain operating fixed assets are stated at revalued amount and investments classified as 'available for sale' are marked to market and carried at fair value.

This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow information.

3. ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements of the Company as at and for the year ended 30 June 2016.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. However, actual results may differ from these estimates.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements of the Company for the year ended 30 June 2016.

5. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Company for the year ended 30 June 2016.

6. CASH AND BANK BALANCES

	Note	(Un-audited) 31 December 2016	(Audited) 30 June 2016
		(Rupees)	
Cash in hand		30,000	1,425
Balances with banks:			
- in current accounts		19,883,894	15,245,692
- in saving accounts	6.1	8,296,282	29,049,021
		<u>28,210,176</u>	<u>44,296,138</u>

6.1 Return on these savings accounts is earned at rates ranging from 4% to 5.7% (30 June 2016: 4% to 5.7%) per annum.

7. SHORT TERM INVESTMENTS

Available-for-sale

Cost			
54,300 units of National Investment Trust (30 June 2016 : 54,300 units)		1,194,200	1,194,200
Revaluation Surplus			
Opening		2,343,445	2,267,425
Surplus for the period / year		1,215,777	76,020
		<u>3,559,222</u>	<u>2,343,445</u>
<i>Held to maturity</i>		4,753,422	3,537,645
Government Securities		18,518,498	12,721,564
Market Treasury Bills		<u>23,271,920</u>	<u>16,259,209</u>

	Note	(Un-audited) 31 December 2016	(Audited) 30 June 2016
8. OTHER RECEIVABLES-NET			
		(Rupees)	
Lease receivables held under litigation	8.1	28,581,952	28,581,952
Insurance premium receivable and other receivable	8.2 & 8.3	<u>2,854,762</u>	<u>2,973,576</u>
		<u>31,436,714</u>	<u>31,555,528</u>
Provision against lease receivables held under litigation		(25,600,250)	(25,600,250)
Mark-up held in suspense against lease receivables under litigation		(2,728,847)	(2,728,847)
Provision against insurance premium and other receivable		<u>(1,430,692)</u>	<u>(1,430,692)</u>
		<u>1,676,925</u>	<u>1,795,739</u>
8.1	This represents net investment in finance lease for cases terminated by the Company and where litigation has commenced.		
8.2	This represents insurance premium receivable from lessees for leased assets insured on their behalf by the Company. These amounts will be recovered either during the lease period or on termination / maturity of the lease contract.		
8.3	This includes Rs. 247,500 (30 June 2016: Rs. 247,500) receivable from an associated company in respect of expenses incurred on its behalf.		
		(Un-audited) 31 December 2016	(Audited) 30 June 2016
9. NET INVESTMENT IN FINANCE LEASE			
		(Rupees)	
Net investment in finance lease		1,496,782,312	1,538,654,480
Current portion shown under current assets		<u>(485,979,474)</u>	<u>(499,111,879)</u>
		<u>1,010,802,838</u>	<u>1,039,542,601</u>



Note	(Un-audited)			(Audited)		
	31 December 2016			30 June 2016		
	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
Minimum lease payments	507,147,232	591,480,695	1,098,627,927	513,377,901	634,409,623	204,945
Add: Residual value of leased assets	86,761,314	486,585,696	573,347,010	79,415,142	482,595,368	250,000
Gross investment in finance leases	593,908,546	1,078,066,391	1,671,974,937	592,793,043	1,117,004,991	454,945
Unearned lease income	(84,631,239)	(67,263,553)	(151,894,792)	(92,687,082)	(77,910,634)	(6,701)
Mark-up held in suspense	(7,676,644)	-	(7,676,644)	(116,033)	-	-
	(92,307,883)	(67,263,553)	(159,571,436)	(92,803,115)	(77,910,634)	(6,701)
	501,600,663	1,010,802,838	1,512,403,501	499,989,928	1,039,094,357	448,244
Provision for potential lease losses	(15,621,189)	-	(15,621,189)	(878,049)	-	-
Net investment in finance leases	485,979,474	1,010,802,838	1,496,782,312	499,111,879	1,039,094,357	448,244
						1,538,654,480

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

9.2 These represent interest free security deposits received against lease contracts and are refundable / adjustable at the expiry / termination of the respective leases. The amount is net of security deposit held against matured leases amounting to Rs. 82.376 million.

	Note	(Un-audited) 31 December 2016	(Audited) 30 June 2016
9.3		(Rupees)	
		878,049	878,049
		<u>14,743,140</u>	-
		<u><u>15,621,189</u></u>	<u><u>878,049</u></u>
10.		LONG TERM INVESTMENTS	
		Held to maturity	
		Government Securities	
		Pakistan Investment Bonds	27,199,297
		<u><u>27,183,148</u></u>	<u><u>27,199,297</u></u>
		These Pakistan Investment Bonds have a cost of Rs.27.05 million (30 June 2016: Rs. 27.05 million) and will mature between 19 July 2017 to 25 March 2020.	
11.		INVESTMENT PROPERTY	
		Opening balance	-
		Transferred from operating fixed assets - own use	-
		Fair value adjustment	-
		<u><u>133,848,000</u></u>	<u><u>-</u></u>
11.1		The Company has rented out its office premises and decided to classify its owner occupied property as investment property as of 31 December 2016 owing to end of owner occupation as per requirements of IAS 40 "Investment Property". The property will be carried at fair value model in accordance with IAS 40.	
11.2		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 31 December 2016 on the basis of market value. Fair value was determined having regard to recent market transactions for similar properties in the same location and condition as the Company's investment property.	
11.3		Fair value measurement	
		Fair value measurement of investment property is based on the valuations carried out by an independent valuer M/s. Akbani and Javed Associates as on 31 December 2016 on the basis of market value. Fair value measurement of revalued land is based on assumptions considered to be level 2 inputs.	
11.4		Valuation techniques used to derive level 2 fair values - Lease hold premises	
		Fair value of investment property has been derived using a sales comparison approach. The valuation is considered on the basis of location, needs of the buyer, the overall prevailing market situation and other consideration associated with such type of property. The most significant input in this valuation approach is price / rate per square foot in particular locality. This valuation is considered to be level 2 in fair value hierarchy due to significant observable inputs used in the valuation.	

	Note	(Un-audited) 31 December 2016	(Audited) 30 June 2016
12. PROPERTY, PLANT AND EQUIPMENT			
		(Rupees)	
Operating fixed assets - own use	12.1	6,192,950	128,196,046
Operating fixed assets - Ijarah finance	12.3	64,240,419	79,700,262
		70,433,369	207,896,308
12.1 OPERATING FIXED ASSETS - Own Use			
Opening written down value		128,196,046	73,913,448
Additions during the period / year - at cost			
Leasehold improvements		-	497,216
Furniture and fittings		473,000	101,825
Office equipment		69,850	2,351,510
Computer equipment		140,150	564,662
		683,000	3,515,213
Revaluation surplus	12.2	15,444,000	57,591,019
Written down value of disposals during the period / year		(2,383)	(462,300)
Depreciation for the period / year		(4,279,713)	(6,361,334)
Transferred to investment property		(133,848,000)	-
		(122,686,096)	50,767,385
Closing written down value		6,192,950	128,196,046
12.2			
<p>The Company has classified its leasehold premises as investment property as of 31 December 2016 that is carried at fair value model in accordance with IAS 40 "Investment Property". The leasehold premises of the Company were revalued as at 31 December 2016 by M/s. Akbani and Javed Associates, independent valuation consultants. The revaluation resulted in a net surplus of Rs. 15.444 million which has been treated in accordance with IAS 16 and its fair value in the same way as a revaluation in accordance with IAS 16.</p>			
12.3 OPERATING FIXED ASSETS - Ijarah Finance			
Opening written down value		79,700,262	51,850,232
Additions during the period / year - at cost			
Vehicles		-	-
Machinery		-	56,189,662
		-	56,189,662
Written down value of disposals during the period / year		(15,459,843)	(28,339,632)
Depreciation for the period / year		(15,459,843)	(28,339,632)
Closing written down value		64,240,419	79,700,262

	Note	(Un-audited) 31 December 2016	(Audited) 30 June 2016
13. CERTIFICATES OF INVESTMENT			
		(Rupees)	
UNSECURED			
Opening balance		264,835,006	156,466,231
Certificates issued during the period / year	13.1	153,083,604	289,835,005
Rolled over in the period / year		(73,703,273)	(180,816,230)
Payments made during the period / year		(44,800,000)	(650,000)
Closing balance		<u>299,415,337</u>	<u>264,835,006</u>
13.1	These represent certificates of investment issued by the Company with the permission of Securities and Exchange Commission of Pakistan. The term of these certificates ranges from 3 months to 12 months (30 June 2016: 3 months to 12 months) and carry mark-up at the rate of 7% to 8% (30 June 2016: 7% to 9.5%) per annum.		
14. SHORT TERM BORROWING			
The Company has arranged short-term running finance facility from various commercial banks amounting to Rs. 250 million (30 June 2016: Rs. 250 million). The facility carries mark-up at the rate ranging from 3 months KIBOR plus 1.5% to 3 months KIBOR plus 2.5% per annum. The facilities are secured by hypothecation charge over leased assets and lease rentals receivable.			
15. LONG TERM LOAN			
SECURED			
Long-term loan	15.1	45,833,333	-
Current portion shown under current liabilities	15.1	(16,666,668)	-
		<u>29,166,665</u>	<u>-</u>
15.1	The Company has arranged long term finance facility from a commercial bank amounting to Rs. 50 million (30 June 2016: Nil). The facility has been obtained for a tenure of three (3) years which is ending on 16 August 2019. It carries mark-up at the rate of 3 months KIBOR plus 1.5% and is secured by hypothecation charge over specific leased assets and lease rentals receivable.		
16. Contingencies & Commitments			
16.1 Contingencies			
16.1.1	The Alternate Corporate Tax charge for the Tax Year 2016, 2015 and 2014 amounted to Rs. 8.702 million, Rs. 9.233 million and Rs. 8.100 million, respectively which is Rs. 7.127 million, Rs. 8.005 million and Rs. 7.140 million in excess of the minimum tax payable at Rs. 1.575 million, Rs. 1.228 million and Rs. 0.960 million, respectively under section 113 of the Income Tax Ordinance, 2001 (Ordinance). The Company has filed a Constitutional Petition against the levy and payment of Alternate Corporate Tax (ACT) in the Honorable Sindh High Court and on 29 December 2014 the Honorable Court has issued an order restraining the Federal Board of Revenue (FBR) from taking any coercive action against the Company. Accordingly, payment for only minimum tax has been made. The Company has a strong case and the management is confident that the decision will be in the Company's favor.		
16.1.2	The Assistant Commissioner of the Sindh Revenue Board (SRB) vide Order-in-original No. 551 of 2016 dated 15 June 2016 has created a demand amounting to Rs. 3.199 million under Sections 23, 43(2)(3)(6d) and 44 of the Sindh Sales Tax on Services Act, 2011 (the "Act") relating to Tax Years 2012 to 2015. The demand includes Rs. 2.353 million on account of sales tax on Income from Ijarah Operations. The Company has filed an appeal against the Order under Section 57 of the Sindh Sales Tax on Services Act, 2011 before the Commissioner (Appeals) of the SRB. Further, a Constitutional Petition against the Order in the Honorable Sindh High Court was also filed by the Company during the period which has been disposed		

off by the Honorable Sindh High Court with the consent of both the parties with direction to the SRB not to enforce recovery of the impugned demand, which is subject matter of the appeal before the Commissioner (Appeals), SRB, till final disposal of such appeal. In case of any adverse order passed by the Commissioner (Appeals), SRB, SRB has been further directed that recovery of the impugned demand shall not be enforced through coercive measures for another period of seven days to enable the Company to file appeal before the Appellate Tribunal in accordance with law.

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

16.2 Commitments

16.2.1 Leasing contracts committed but not executed at the balance sheet date amounted to Rs. 50.43 million (30 June 2016: Rs. 55.96 million).

16.2.2 Contractual rentals receivable on Ijarah contracts

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

As at 31 December 2016 (Un-audited)		
Due within 1 year	Due after 1 year but within 5 years	Total
----- Rupees -----		
Rentals receivable in future	<u>24,053,655</u>	<u>61,930,743</u>
	<u>37,877,088</u>	<u>61,930,743</u>
As at 30 June 2016 (Audited)		
Due within 1 year	Due after 1 year but within 5 years	Total
----- Rupees -----		
Rentals receivable in future	<u>28,984,312</u>	<u>76,425,895</u>
	<u>47,441,583</u>	<u>76,425,895</u>

16.2.3 Ijarah rentals payable

This represents the rentals payable by the Company in respect of assets acquired under Ijarah arrangement.

As at 31 December 2016 (Un-audited)		
Due within 1 year	Due after 1 year but within 5 years	Total
----- Rupees -----		
Future Ijarah rentals payable	<u>653,304</u>	<u>1,088,840</u>
	<u>435,536</u>	<u>1,088,840</u>
As at 30 June 2016 (Audited)		
Due within 1 year	Due after 1 year but within 5 years	Total
----- Rupees -----		
Future Ijarah rentals payable	<u>653,304</u>	<u>1,415,492</u>
	<u>762,188</u>	<u>1,415,492</u>

	Half year ended		Quarter ended	
	31 December		31 December	
	(Un-audited)		(Un-audited)	
	2016	2015	2016	2015
	Rupees			
17. INCOME FROM LEASING OPERATIONS				
Finance income on lease contracts	49,143,925	46,304,415	26,464,704	18,162,789
Gain / (loss) on lease termination	230,332	(2,634,892)	212,671	(2,719,649)
Income from Ijarah operations	19,257,762	15,311,977	9,097,705	8,520,286
Other income leases	1,139,600	1,516,723	747,450	984,913
	69,771,619	60,498,223	36,522,530	24,948,339
18. ADMINISTRATIVE AND OPERATING EXPENSES				
Directors' fee	729,999	729,999	240,000	529,999
Salaries, allowances and benefits	10,808,247	10,005,014	5,407,064	5,011,955
Depreciation	19,739,557	15,410,866	9,876,532	8,120,742
Amortisation	74,901	74,901	37,450	37,450
Office utilities	536,396	773,204	275,469	377,193
Legal and professional charges	2,580,447	1,595,872	1,069,486	418,057
Auditors' remuneration	332,300	332,300	201,050	166,150
Postage, subscription, printing and stationary	699,627	965,392	484,551	267,592
Vehicle running and maintenance	500,772	562,228	251,821	425,963
Office repair and general maintenance	449,540	329,645	201,264	241,798
Workers' Welfare Fund	130,000	120,000	(70,000)	(130,000)
Insurance	643,872	444,747	146,384	149,942
Advertisement	479,643	140,115	479,643	100,065
Travelling and conveyance	126,450	215,971	33,020	86,670
Rent on Ijarah finance	326,652	217,768	163,326	163,327
Office rent	1,470,000	-	735,000	-
Miscellaneous	605,534	436,748	459,774	280,633
	40,233,937	32,354,770	19,991,834	16,247,536
19. FINANCE COST				
Mark-up on:				
- Short term loan - related party	-	275,551	-	-
- Long term loan	1,391,544	-	906,736	-
- Running finance	2,386,513	5,999,376	1,219,427	2,542,296
- Certificates of investment	11,543,009	8,993,548	5,938,371	4,741,495
Bank charges	47,293	37,397	46,780	25,597
CIB reports charges	49,370	47,227	29,196	37,372
	15,417,729	15,353,099	8,140,510	7,346,760

	Note	(Un-audited) 31 December 2016	(Un-audited) 31 December 2015
20. CASH AND CASH EQUIVALENTS			
		(Rupees)	
Cash and bank balances	6	28,210,176	24,991,443
Short term borrowings	14	(27,280,232)	(43,984,127)
		<u>929,944</u>	<u>(18,992,684)</u>

21. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and fair value estimates.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are traded in an open market are revalued at the market prices prevailing at the close of trading on the reporting date. The estimated fair value of all other financial assets and liabilities is not considered to be significantly different from book values as the items are either short-term in nature or periodically repriced.

International Financial Reporting Standard (IFRS) 13, "Fair Value Measurement" requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

Investments of the Company carried at fair value are categorised as follows:

As at 31 December 2016 (Un-audited)			
Level 1	Level 2	Level 3	Total
----- Rupees -----			
Available-for-sale			
National Investment			
Trust units	<u>4,753,422</u>	<u>-</u>	<u>4,753,422</u>
As at 30 June 2016 (Audited)			
Level 1	Level 2	Level 3	Total
----- Rupees -----			
Available-for-sale			
National Investment			
Trust units	<u>3,537,645</u>	<u>-</u>	<u>3,537,645</u>

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting year during which the changes have occurred. During the half year ended 31 December 2016, there were no transfers between level 1 and level 2 fair value measurements and no transfers into or out of level 3 fair value measurements.

22. TRANSACTIONS WITH RELATED PARTIES

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

	Half year ended	
	31 December (Un-audited)	
	2016	2015
	----- Rupees -----	
Profit on Certificates of Investment(s)	<u>11,238,478</u>	<u>8,622,114</u>
Encashment of Certificate of Investment issued to close relative(s) of Director(s) (with profit)	<u>31,800,000</u>	<u>-</u>
Certificate of Investment(s) issued / rolled over during the period to Director(s)	<u>119,212,219</u>	<u>41,000,000</u>
Certificate of Investment issued / rolled over during the period to Close relative(s) of Director(s)	<u>68,190,163</u>	<u>58,703,273</u>
Rental received during the period against finance lease disbursed to associated undertaking(s)	<u>953,952</u>	<u>953,952</u>
Rental received during the period against finance lease disbursed to Director(s)	<u>352,674</u>	<u>747,898</u>
Short term loan from a related party repaid during the period	<u>-</u>	<u>40,000,000</u>
Financial charges on short term loan from a related party	<u>-</u>	<u>275,551</u>
Prepaid rent charged as expense during the period	<u>1,470,000</u>	<u>-</u>
Contribution during the period to Provident Fund	<u>245,671</u>	<u>206,226</u>
Directors' fee	<u>729,999</u>	<u>729,999</u>
Salary and allowances	<u>2,735,850</u>	<u>2,735,850</u>

	(Un-audited) 31 December 2016	(Audited) 30 June 2016
	----- Rupees -----	
Balances outstanding at the period / year end		
Certificates of Investments issued to Director(s)	<u>187,391,209</u>	<u>130,578,990</u>
Certificates of Investments issued to close relatives of Director(s)	<u>105,192,905</u>	<u>122,506,015</u>
Accrued mark-up on certificates of investment issued to Director(s)	<u>5,819,421</u>	<u>2,098,856</u>
Accrued mark-up on certificate of investment issued to close relatives of Director(s)	<u>3,698,073</u>	<u>5,342,384</u>
Rentals receivable from an associated undertaking related to finance leases	<u>4,262,999</u>	<u>5,216,951</u>
Rentals receivable from Director(s) related to finance lease	<u>940,464</u>	<u>1,293,138</u>
Prepaid rent to associated undertaking	<u>245,000</u>	<u>1,715,000</u>
Security deposit paid to associated undertaking	<u>245,000</u>	<u>245,000</u>

23. SEGMENT INFORMATION

The Company has two primary reporting segments namely, "Finance lease" and "Ijarah finance", based on the mode of finance, related risks and returns associated with the segments and reporting of income and expenditure in accordance with the applicable accounting standards as disclosed in Note 2.1. Other operations, which are not deemed by management to be sufficiently significant to disclose as separate items and do not fall into the above segment categories, are reported under "Others".

	31 December 2016 (Un-audited)			
	----- Rupees -----			
	Finance Lease	Ijarah Finance	Others	Total
Segment analysis is for the period ended 31 December 2016 (Un-audited)				
Segment revenue	50,516,857	19,272,103	6,641,979	76,430,939
Administrative and operating expense	<u>25,653,127</u>	<u>16,616,890</u>	<u>4,802,914</u>	<u>47,072,931</u>
Segment result	<u>24,863,730</u>	<u>2,655,213</u>	<u>1,839,065</u>	<u>29,358,008</u>
Provision for Workers' Welfare Fund				(130,000)
Unallocated expenses				<u>(7,774,146)</u>
Result from operating activities				21,453,862
Finance cost				(15,417,729)
Provision for taxation				<u>(1,272,534)</u>
Profit for the period				<u>4,763,599</u>

31 December 2016 (Un-audited)				
-----Rupees-----				
	Finance Lease	Ijarah Finance	Others	Total
Segment assets and liabilities				
as at 31 December 2016				
(Un-audited)				
Segment assets	1,495,282,358	77,246,735	188,489,743	1,761,018,836
Unallocated assets				26,313,217
Total assets				<u>1,787,332,053</u>
Segment liabilities	<u>578,067,318</u>	<u>18,669,317</u>	<u>3,742,939</u>	<u>600,479,574</u>
Unallocated liabilities				553,001,657
Total liabilities				<u>1,153,481,231</u>

**Other information for the period
ended 31 December 2016
(Un-audited)**

Depreciation	-	<u>15,459,843</u>	<u>3,088,800</u>	18,548,643
Unallocated capital expenditure				<u>683,000</u>
Unallocated depreciation				<u>1,190,914</u>

31 December 2015 (Un-audited)				
-----Rupees-----				
	Finance Lease	Ijarah Finance	Others	Total
Segment analysis is for the period ended 31 December 2015 (Un-audited)				
Segment revenue	46,425,929	15,314,113	2,432,192	64,172,234
Administrative and operating expense	<u>21,138,693</u>	<u>13,521,999</u>	83,349	<u>34,744,041</u>
Segment result	25,287,236	1,792,114	2,348,843	29,428,193
Provision for Workers' Welfare Fund				(120,000)
Unallocated expenses				<u>(8,246,058)</u>
Result from operating activities				21,062,135
Finance cost				(15,353,099)
Provision for taxation				<u>(1,322,483)</u>
Profit for the period				<u>4,386,553</u>

30 June 2016 (Audited)				
-----Rupees-----				
	Finance Lease	Ijarah Finance	Others	Total
Segment assets and liabilities				
as at 30 June 2016				
(Audited)				
Segment assets	<u>1,539,835,719</u>	<u>82,722,163</u>	<u>210,320,220</u>	<u>1,832,878,102</u>
Unallocated assets				<u>18,296,467</u>
Total assets				<u>1,851,174,569</u>
Segment liabilities	<u>566,519,250</u>	<u>22,737,515</u>	<u>7,851,043</u>	<u>597,107,808</u>
Unallocated liabilities				<u>625,471,304</u>
Total liabilities				<u>1,222,579,112</u>

31 December 2015 (Un-audited)				
-----Rupees-----				
Other information for the period				
ended 31 December 2015				
(Un-audited)				
	-	34,454,962	-	34,454,962
Capital Expenditure	-	12,679,922	-	12,679,922
Depreciation				<u>275,885</u>
Unallocated capital expenditure				<u>2,730,944</u>
Unallocated depreciation				

24. GENERAL

This condensed interim financial information was authorised for issue on 23 February 2017 by the Board of Directors of the Company.

Chief Executive Officer








Director










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