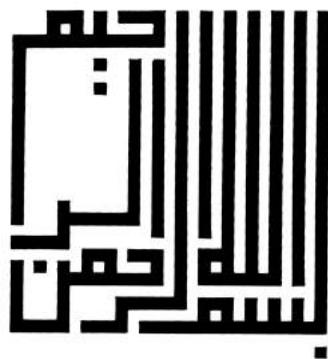


**Condensed Interim
Financial Information
(Unaudited)
For the First Quarter
ended 30 September 2017**



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-Rehman Pasha	Chief Executive Officer

Company Secretary

Ms. Mehreen Usama

Audit Committee

Mr. Ismail H. Ahmed	Chairman
Mr. Rizwan Humayun	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

Senior Management

Mr. Mahfuz-ur-Rehman 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
Lt. Col. Farhat Parvez Kayani (Retd.)	General Manager Punjab
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 bank

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
Silkbank Limited
Soneri Bank Limited

Registered Office

UNIBRO House
Ground and Mezzanine Floor
Plot No. 114, 9th East Street, Phase I
DHA, P.O.Box # 12215, Karachi-75500
Tel #: (92-21) 35820301, 35820965-6
(92-21) 35824401, 35375986-7
Fax #: (92-21) 35820302, 35375985
E-mail: pgl@pakgulfleasing.com
Website: www.pakgulfleasing.com

Branch Office

202, 2nd Floor, Divine Mega II,
New Airport Road, Lahore
Tel #: (92-42) 5700010
Fax #: (92-42) 5700011

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 1st Quarter, of the current financial year, ended September 30, 2017. They are equally pleased to share with you the fact that despite the challenging economic conditions which have forced many leasing companies into merger with other leasing companies or parent Banks, the overall performance of your Company has remained highly satisfactory during this Quarter. Moreover, even in the face of the tough competition offered by commercial banks and NBFIs sponsored by banks, having access to cheaper funds, and increased cost of doing business, your Company has been able to maintain its profitability. Room for improving upon our achievements is always there, and your directors being conscious of their responsibilities are determined to ensure that better results are obtained in future.

Your Company achieved a Total Revenue of Rs. 45.62 million, for the 1st Quarter ended on September 30, 2017 as compared to the Total Revenue of Rs. 36.48 million posted, in the 1st Quarter of the Financial Year 2016-17. Due to the increase in revenue, the Company's Profit before Taxation for the quarter ended September 30, 2017 has also increased to Rs. 17.08 million as compared with the Profit before Taxation of Rs. 8.96 million, earned in the corresponding period of the previous year. Net Profit after Tax for the 1st Quarter ended September 30, 2017, amounting to Rs. 9.42 million is 15.52% more as compared to Rs. 8.15 million, for the corresponding period of the last Financial Year 2016-17.

The Shareholders Equity of your Company has risen from Rs. 581.72 million, as at June 30, 2017, to Rs. 591.15 million, as at September 30, 2017 while Earnings per Share also shows an increase at Rs. 0.37, when compared with the EPS of Rs. 0.32 for the corresponding period in FY-2016-17.

Last year in December 2016, JCR-VIS Credit Rating Company Limited had re-affirmed the Medium to Long-term Entity Rating for your Company at A- (Single A Minus), and the Short-term Rating at A-2. The Outlook for your Company was graded as "Stable".

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

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

Chairman

Chief Executive Officer

October 26, 2017
Karachi

محترم شیئر ہولڈرز (حصص یافتگان)

آپ کی کمپنی کے ڈائریکٹرز موجودہ مالی سال (2017-18) کی پہلی سہ ماہی، جو 30 ستمبر 2017 کو ختم ہوئی، کے مالیاتی گوشوارے انتہائی مسرت کے ساتھ پیش کرتے ہیں۔ ملک کے موجودہ معاشی حالات میں آپ کی کمپنی کی کارکردگی اس سہ ماہی میں نہایت ہی اطمینان بخش رہی۔ کمپنی کو کمرشل بینکوں اور NBFIs جن کو کمرشل بینکوں سے مالی تعاون حاصل ہے، کی طرف سے بہت سخت مقابلہ ہے، چونکہ انکی رسائی ان فنڈز تک ہے جو سستے ریٹ پر دستیاب ہیں اور وہ کم خرچے پر برنس کر رہے ہیں، اس کے باوجود آپ کی کمپنی نے منافع کو برقرار رکھا۔ کو کراہ بھی ہمارے حاصل کردہ نتائج کو مزید بہتر بنانے کی گنجائش موجود ہے اور آپ کے ڈائریکٹرز اپنی ذمہ داریوں کو محسوس کرتے ہوئے اس بات کا تہیہ کئے ہوئے ہیں کہ مستقبل میں مزید بہتر نتائج حاصل ہوں۔

آپ کی کمپنی نے اس مالی سال (2017-18) کی پہلی سہ ماہی میں جو 30 ستمبر 2017 کو اختتام پذیر ہوئی میں کل 45.62 ملین روپے کی آمدنی حاصل کی ہے۔ یہ تقابل 36.48 ملین روپے کی آمدن کے جو کہ پچھلے مالی سال (2016-17) کی پہلی سہ ماہی میں حاصل ہوئی تھی۔ اسی وجہ سے کمپنی کے منافع قبل از ٹیکس میں موجودہ سہ ماہی میں اضافہ ہوا ہے۔ موجودہ سہ ماہی کا منافع قبل از ٹیکس 17.08 ملین روپے ہے جو کہ گزشتہ سال کی پہلی سہ ماہی میں 8.96 ملین روپے تھا۔ اسی طرح اس مالی سال کی پہلی سہ ماہی کا بعد از ٹیکس منافع 9.42 ملین روپے ہے جو کہ پچھلے مالی سال کے اسی دورانیہ کے منافع بعد از ٹیکس سے 15.52 فیصد زیادہ ہے جو کہ 8.15 ملین روپے تھا۔

آپ کی کمپنی کے شیئر ہولڈرز کی ایکویٹی (Equity) جو 30 جون 2017 تک 581.72 ملین روپے تھی بڑھ کر 30 ستمبر 2017 کو 591.15 ملین روپے ہو گئی ہے۔ اس مالی سال کی پہلی سہ ماہی میں فی شیئر منافع 0.37 روپے ہے جو کہ گزشتہ مالی سال کی پہلی سہ ماہی میں 0.32 روپے فی شیئر تھا۔

گزشتہ سال دسمبر 2016 میں JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے کمپنی کی تشخیصی ریٹنگ کا دوبارہ عاادہ کیا تھا جس میں درمیانہ سے طویل الیعاد کے لئے A- ریٹنگ، اور مختصر مدت کی ریٹنگ A-2 مقرر کی گئی اور کمپنی کے آئندہ امکانات کو مستحکم قرار دیا گیا۔

آپ کے ڈائریکٹرز جو کہ آپ کے نمائندے ہونے کی حیثیت سے آپ کی کمپنی کی کارکردگی کو دیکھ رہے ہیں وہ انتظامی فُتق چلانے والے باصلاحیت افرادی کوششوں کا اعتراف کرتے ہیں اور انہوں نے مثبت نتائج حاصل کرنے میں جو انتھک محنت کی ہے اس کو سراہتے ہیں۔ فنانشل مارکیٹ کے مشکل حالات کے باوجود ہم امید رکھتے ہیں کہ انتظامی ٹیم اور اسٹاف نہ صرف کمپنی کی موجودہ صورت حال کو برقرار رکھیں گے بلکہ اسکوترتی کی طرف گامزن کریں گے اور اپنی تمام مثبت کوششیں کمپنی کے صارفین کو اچھی خدمات مہیا کرنے اور آپ کی کمپنی کو بہتر بنانے میں بروئے کار لائیں گے۔

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

آخر میں ہم اپنے تمام تامل احترام شیئر ہولڈرز بشمول کمپنی کے صارفین اور بینکرز کو ان کے کمپنی کے ساتھ ہر پور تقاون پر ان کا شکر یہ ادا کرتے ہیں۔ اس کے ساتھ اس بات کی بھی قوی امید رکھتے ہیں کہ ہمارے شرکاء داروں اور کمپنی کے درمیان مضبوط روابط اور باہم مفید اور خوشگوار تعلقات قائم رہیں گے۔

چیف ایگزیکٹو آفیسر

چیرمین

26 اکتوبر 2017

کراچی

**Condensed Interim
Balance Sheet
As at 30 September 2017**

	NOTE	(Un-audited) 30 September 2017	(Audited) 30 June 2017
----- Rupees -----			
Assets			
Current Assets			
Cash and bank balances		10,754,201	63,565,215
Short term investments	4	44,668,757	39,299,748
Other receivables - net		3,861,440	3,150,904
Ijarah rental receivables		656,176	679,544
Advance to employees		198,465	264,244
Accrued mark-up / return on investments		413,617	1,532,755
Prepayments		2,184,466	2,467,086
Current portion of net investment in finance lease	5	533,169,322	493,818,998
Current portion of diminishing musharaka receivable		1,099,834	-
Current portion of long-term investments	6	15,973,644	5,001,865
Taxation - net		-	7,475,847
Total current assets		612,979,922	617,256,206
Non-current assets			
Net investment in finance lease	5	1,284,098,998	1,315,937,678
Diminishing musharaka receivable		17,964,166	-
Long-term investments	6	6,192,709	22,165,398
Long-term deposits		300,460	300,460
Investment property		138,996,000	138,996,000
Property, plant and equipment	7	51,861,110	54,951,220
Intangible assets		1,643,485	1,654,375
Total non-current assets		1,501,056,928	1,534,005,131
Total assets		2,114,036,850	2,151,261,337
LIABILITIES			
Current liabilities			
Trade and other payables		23,093,246	24,186,557
Accrued mark-up		12,648,182	12,435,449
Taxation - net		533,376	-
Certificates of investment		412,615,815	404,130,173
Short term borrowings		129,774,458	189,523,769
Current portion of long-term loan	8	16,666,668	16,666,668
Current portion of advance rental against Ijarah financing		5,639,532	5,864,522
Current portion of long-term deposits		81,998,257	67,054,287
Total current liabilities		682,969,534	719,861,425
Non-current liabilities			
Long-term loan	8	16,666,664	20,833,331
Long-term deposits		542,713,021	545,858,457
Advance rental against Ijarah financing		7,347,105	8,736,588
Deferred taxation - net		179,365,807	180,014,446
Total non-current liabilities		746,092,597	755,442,822
Total liabilities		1,429,062,131	1,475,304,247
NET ASSETS		684,974,719	675,957,090
FINANCED BY			
Issued, subscribed and paid up capital		253,698,000	253,698,000
Reserves		339,096,704	329,676,712
		592,794,704	583,374,712
Surplus on revaluation of available for sale investments		2,950,519	3,352,882
		595,745,223	586,727,594
Surplus on revaluation of property, plant and equipment - net of tax		89,229,496	89,229,496
		684,974,719	675,957,090
Contingencies and commitments	9		

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer

**Condensed Interim
Profit and Loss Account
(Un-audited)**
For the three months period
ended 30 September 2017

NOTE	Three months Period Ended 30 September	
	2017	2016
	----- Rupees -----	
INCOME		
Income from leasing and finance operations	42,035,199	33,249,089
Other operating Income		
Return on investments	1,325,828	1,164,359
Other income	2,259,456	2,061,552
	<u>3,585,284</u>	<u>3,225,911</u>
	45,620,483	36,475,000
OPERATING EXPENSES		
Administrative and operating expenses	18,049,574	20,242,103
Finance cost	10,493,035	7,277,219
	<u>28,542,609</u>	<u>27,519,322</u>
Operating profit before provision	17,077,874	8,955,678
(Provision) / reversal for potential lease losses - net	-	-
Profit before taxation	17,077,874	8,955,678
Taxation		
- Current	(8,306,525)	(16,671,166)
- Deferred	648,643	15,870,095
	<u>(7,657,882)</u>	<u>(801,071)</u>
Profit after taxation	9,419,992	8,154,607
Earning per share- basic & diluted	0.37	0.32

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer

**Condensed Interim
Statement of Comprehensive Income
(Un-audited)
For the three months period
ended 30 September 2017**

	Three months Period Ended 30 September	
	2017	2016
	----- Rupees -----	
Profit after taxation	9,419,992	8,154,607
Other Comprehensive Income		
<i>Item that will be reclassified to profit and loss account in subsequent periods:</i>		
(Deficit) / surplus on revaluation of available for sale investment	(402,363)	452,862
Total Comprehensive income for the period	9,017,629	8,607,469

Surplus arising on revaluation of property, plant and equipment has been reported in accordance with the requirements of the repealed Companies Ordinance, 1984 in a separate account below equity.

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer

**Condensed Interim
Cash Flow Statement
(Un-audited)
For the three months period
ended 30 September 2017**

	Three months Period Ended 30 September	
	2017	2016
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	17,077,874	8,955,678
Adjustments for:		
- Depreciation	6,023,456	9,863,024
- Amortisation of discount / premium on long-term investments - net	914	8,074
- Amortisation of intangible asset	10,890	37,451
- Finance cost	10,493,035	7,277,219
	16,528,295	17,185,768
Operating profit before working capital changes	33,606,169	26,141,446
Movements in working capital (Increase) / decrease in current assets		
- Other receivables - net	(710,536)	37,417
- Advances to employees	65,779	(232,000)
- Accrued mark-up / return on investments	1,119,138	740,350
- Ijarah rental receivables	23,368	(1,179,584)
- Prepayments	282,620	469,988
	780,369	(163,829)
(Decrease) in current liabilities		
Trade and other payables	(1,093,311)	(56,523)
Cash generated from operations	33,293,227	25,921,094
Finance cost paid	(10,280,302)	(6,078,373)
Tax paid	(297,302)	(364,785)
Deposits received from lessees - net	11,798,534	13,868,602
Advance Ijarah rental received from lessees	(1,614,473)	(2,034,099)
Diminishing musharaka receivable - net	(19,064,000)	-
Net investment in finance lease - net	(7,511,644)	44,519,944
	(26,969,187)	49,911,289
Net cash generated from operating activities	6,324,040	75,832,383
CASH FLOW FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	(2,933,346)	62,400
Short term investment in Market Treasury Bills	(5,771,372)	(4,629,840)
Long-term investment - net	5,000,000	-
Net cash used in investing activities	(3,704,718)	(4,567,440)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of certificates of investment - net	8,485,642	27,575,120
Term financing facility (paid) / obtained	(4,166,667)	50,000,000
Net cash generated from financing activities	4,318,975	77,575,120
Net increase in cash and cash equivalents	6,938,297	148,840,063
Cash and cash equivalents at the beginning of the period	(125,958,554)	(143,558,426)
Cash and cash equivalents at the end of the period	10 (119,020,257)	5,281,637

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer

**Condensed Interim
Statement of Changes in Equity
(Un-audited)
For the three months period
ended 30 September 2017**

	Issued, subscribed and paid up capital	Reserves		Unappro- priated 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 2016	253,698,000	69,745,972	4,402,000	219,050,003	293,197,975	2,343,445	549,239,420
<i>Total Comprehensive income for the period ended 30 September 2016</i>							
Profit after taxation	-	-	-	8,154,607	8,154,607	-	8,154,607
<i>Other comprehensive income</i>							
Surplus on revaluation of available for sale investment	-	-	-	-	-	452,862	452,862
	-	-	-	8,154,607	8,154,607	452,862	8,607,469
Transfer from surplus on revaluation of operating fixed assets to unappropriated profit - net of deferred tax	-	-	-	1,043,714	1,043,714	-	1,043,714
Transfer to statutory reserve	-	1,630,921	-	(1,630,921)	-	-	-
Balance as at 30 Sept. 2016	253,698,000	71,376,893	4,402,000	226,617,403	302,396,296	2,796,307	558,890,603
Balance as at 1 July 2017	253,698,000	79,161,214	4,402,000	246,113,498	329,676,712	3,352,882	586,727,594
<i>Total Comprehensive income for the period ended 30 September 2017</i>							
Profit after taxation	-	-	-	9,419,992	9,419,992	-	9,419,992
<i>Other comprehensive income</i>							
Deficit on revaluation of available for sale investment	-	-	-	-	-	(402,363)	(402,363)
	-	-	-	9,419,992	9,419,992	(402,363)	9,017,629
Transfer to statutory reserve	-	1,883,998	-	(1,883,998)	-	-	-
Balance as at 30 Sept. 2017	253,698,000	81,045,212	4,402,000	253,649,492	339,096,704	2,950,519	595,745,223

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer

1. STATUS AND NATURE OF BUSINESS

- 1.1 Pak-Gulf Leasing Company Limited ("the Company") was incorporated in Pakistan on December 27, 1994 as a public limited company under the repealed Companies Ordinance, 1984 and commenced its operations on September 16, 1996. The Company is principally engaged in the business of leasing and is listed on Pakistan Stock Exchange Limited. The registered office of the Company is located at UNIBRO House, Ground and Mezzanine Floor, Plot No. 114, 9th East Street, Phase-1, Defence Housing Authority, Karachi.
- 1.2 Regulation 4 of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations 2008) requires an existing deposit taking leasing company to maintain, at all times, minimum equity of Rs. 500 million. The equity of the Company as at September 30, 2017 is Rs. 591.15 million which is Rs. 91.15 million in excess of the minimum equity requirement.
- 1.3 JCR-VIS Credit Rating Company Limited (JCR-VIS) has re-affirmed A- and A-2 ratings to the Company for medium to long term and short term, respectively on December 30, 2016.

2. BASIS OF PREPARATION**2.1 Statement of compliance**

This un-audited condensed interim financial information is being submitted to the shareholders as required under Section 245 of the repealed Companies Ordinance, 1984 and have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting, Islamic Financial Accounting Standard - 2 Ijarah (IFAS - 2) issued by the Institute of Chartered Accountants of Pakistan (ICAP), provisions of and directives issued under the repealed Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). In case where requirements differ, the provisions or directives issued under the repealed Companies Ordinance, 1984, NBFC Rules and NBFC Regulations shall prevail.

This condensed interim financial information has been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984 as per the directive of the Securities and Exchange Commission of Pakistan (SECP) issued vide Circular No. 23 of 2017 dated October 04, 2017.

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

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 2017.

	Note	(Un-audited) 30 September 2017	(Audited) 30 June 2017
4		----- Rupees -----	
SHORT TERM INVESTMENT			
<u>Available for sale</u>			
Cost			
54,300 units of National Investment Trust (30 June 2017 : 54,300 units)		1,194,200	1,194,200
Revaluation surplus			
Opening		3,352,882	2,343,445
(Deficit) / surplus for the period / year		(402,363)	1,009,437
		2,950,519	3,352,882
		4,144,719	4,547,082
<u>Held to maturity</u>			
Government Securities - Market Treasury Bills		40,524,038	34,752,666
		44,668,757	39,299,748
5			
NET INVESTMENT IN FINANCE LEASES			
Net investment in finance lease	5.1	1,817,268,320	1,809,756,676
Current portion shown under current assets	5.1	(533,169,322)	(493,818,998)
		1,284,098,998	1,315,937,678



5.1 Net investment in finance lease

	30 September 2017 (Un-audited)			30 June 2017 (Audited)				
	Not later than one year	Later than one year and less than five years	Total	Not later than one year	Later than one year and less than five years	Total		
Minimum lease payments	573,949,169	834,980,065	29,593,984	1,438,523,218	541,452,185	872,475,395	35,142,837	1,449,070,417
Add: Residual value of leased assets (5.2)	81,998,257	410,129,248	132,583,773	624,711,278	67,054,287	438,576,152	107,282,305	612,912,744
Gross investment in finance lease	655,947,426	1,245,109,313	162,177,757	2,063,234,496	608,506,472	1,311,051,547	142,425,142	2,061,983,161
Unearned lease income	(121,398,469)	(120,394,361)	(2,793,711)	(244,586,541)	(113,486,889)	(133,680,383)	(3,858,628)	(251,025,900)
Mark-up held in suspense	(501,586)	-	-	(501,586)	(322,536)	-	-	(322,536)
Provision for potential lease losses	(121,900,055)	(120,394,361)	(2,793,711)	(245,088,127)	(113,809,425)	(133,680,383)	(3,858,628)	(251,348,436)
Net investment in finance lease	534,047,371	1,124,714,952	159,384,046	1,818,146,369	494,697,047	1,177,371,164	138,566,514	1,810,634,725
	(878,049)	-	-	(878,049)	(878,049)	-	-	(878,049)
	533,169,322	1,124,714,952	159,384,046	1,817,268,320	493,818,998	1,177,371,164	138,566,514	1,809,756,676

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

5.2 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. 124.33 million.

	Note	(Un-audited) 30 September 2017	(Audited) 30 June 2017
----- Rupees -----			
6			
LONG TERM INVESTMENTS			
Held to maturity			
Government Securities			27,167,263
Pakistan Investment Bonds		22,166,353	(5,001,865)
Current portion shown under current assets		(15,973,644)	(5,001,865)
		<u>6,192,709</u>	<u>22,165,398</u>
These Pakistan Investment Bonds have a cost of Rs. 22.05 million (30 June 2017: Rs. 27.05 million) and will mature between 18 July 2018 to 25 March 2020.			
7			
PROPERTY, PLANT AND EQUIPMENT			
Fixed assets - Own use	7.1	7,830,026	5,586,904
Fixed assets - Ijarah finance	7.2	44,031,084	49,364,316
		<u>51,861,110</u>	<u>54,951,220</u>
7.1			
FIXED ASSETS - Own Use			
Opening net book value		5,586,904	128,196,046
Additions during the period / year - at cost			
Furniture and fittings		651,600	704,479
Office equipment		186,050	321,865
Vehicles		1,994,000	-
Computer equipment		101,696	262,450
		2,933,346	1,288,794
Revaluation surplus		-	15,444,000
Net book value of disposals during the period / year		-	(2,383)
Transfer to investment property		-	(133,848,000)
Depreciation for the period / year		(690,224)	(5,491,553)
Closing net book value		<u>7,830,026</u>	<u>5,586,904</u>
7.2			
FIXED ASSETS - Ijarah Finance			
Opening net book value		49,364,316	79,700,262
Additions during the period / year - at cost		-	-
Net book value of disposals during the period / year		-	(259,375)
Depreciation for the period / year		(5,333,232)	(30,076,571)
Closing net book value		<u>44,031,084</u>	<u>49,364,316</u>

	Note	(Un-audited) 30 September 2017	(Audited) 30 June 2017
----- Rupees -----			
8	LONG-TERM LOAN		
	Long-term loan - secured	8.1 33,333,332	37,499,999
	Current portion shown under current liabilities	8.1 (16,666,668)	(16,666,668)
		16,666,664	20,833,331
8.1	The Company has availed term finance facility from a commercial bank amounting to Rs. 50 million (30 June 2017: Rs. 50 million). 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 from 3 months KIBOR plus 1.5% and is secured by hypothecation charge over specific leased assets and lease rentals receivable.		
9	CONTINGENCIES AND COMMITMENTS		
9.1	Contingencies		
9.1.1	The Alternate Corporate Tax charge for the Tax Year 2017, 2016, 2015 and 2014 amounted to Rs. 11.135 million, Rs. 8.702 million, Rs. 9.233 million and Rs. 8.100 million, respectively which is Rs. 9.464 million, Rs. 7.127 million, Rs. 8.005 million and Rs. 7.140 million in excess of the minimum tax payable at Rs. 1.671 million, Rs. 1.575 million, Rs. 1.228 million and Rs. 0.960 million, respectively under section 113 of the Income Tax Ordinance, 2001 (Ordinance). The Company has filed a Constitutional Petition against the levy and payment of Alternate Corporate Tax (ACT) in the Honorable Sindh High Court and on December 29, 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.		
9.1.2	The Assistant Commissioner of the Sindh Revenue Board (SRB) vide Order-in-original No. 551 of 2016 dated June 15, 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 had 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, however Commissioner (Appeals) has not allowed the appeal and instead vide Order-in-Appeal No. 20 of 2017 dated March 01, 2017 has upheld the Order-in-original. The Company has further filed an appeal against the Order(s) under Section 61 of the Sindh Sales Tax on Services Act, 2011 before the Appellate Tribunal of the SRB which is currently in process.		
	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.		
9.2	Commitments		
9.2.1	Commitments for finance lease	144,681,873	156,000,400
9.2.2	Commitments for diminishing musharaka	-	18,330,000

9.2.3 Contractual rentals receivable on Ijarah contracts

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

30 September 2017 (Un-audited)		
Due within 1 year	Due after 1 year but within 5 years	Total
(Rupees)		

Rentals receivable in future	<u><u>16,549,022</u></u>	<u><u>25,773,807</u></u>	<u><u>42,322,829</u></u>
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30 June 2017 (Audited)		
Due within 1 year	Due after 1 year but within 5 years	Total
(Rupees)		

Rentals receivable in future	<u><u>17,270,659</u></u>	<u><u>29,808,234</u></u>	<u><u>47,078,893</u></u>
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9.2.4 Contractual rentals receivable on Diminishing Musharaka contracts

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

30 September 2017 (Un-audited)		
Due within 1 year	Due after 1 year but within 5 years	Total
(Rupees)		

Rentals receivable in future	<u><u>3,067,264</u></u>	<u><u>22,272,751</u></u>	<u><u>25,340,015</u></u>
------------------------------	-------------------------	--------------------------	--------------------------

30 June 2017 (Audited)		
Due within 1 year	Due after 1 year but within 5 years	Total
(Rupees)		

Rentals receivable in future	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
------------------------------	-----------------	-----------------	-----------------

9.2.5 Ijarah rentals payable

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

30 September 2017 (Un-audited)		
Due within 1 year	Due after 1 year but within 5 years	Total
(Rupees)		

Future Ijarah rentals payable

<u>598,862</u>	<u>-</u>	<u>598,862</u>
----------------	----------	----------------

30 June 2017 (Audited)		
Due within 1 year	Due after 1 year but within 5 years	Total
(Rupees)		

Future Ijarah rentals payable

<u>653,304</u>	<u>108,884</u>	<u>762,188</u>
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(Un-audited)	(Un-audited)
30 September 2017	30 September 2016
----- Rupees -----	

10 CASH AND CASH EQUIVALENTS

Cash and bank balances	10,754,201	21,486,321
Short term borrowings	<u>(129,774,458)</u>	<u>(16,204,684)</u>
	<u>(119,020,257)</u>	<u>5,281,637</u>

11 TRANSACTION AND BALANCES WITH RELATED PARTIES

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

Nature of transaction	Relation with the Company	Three months period ended 30 September (Un-audited)	
		2017	2016
----- Rupees -----			
Certificates of investment			
Certificates of investment(s) issued / rolled over during the period	Directors	<u>83,600,000</u>	<u>87,400,000</u>

	Relation with the Company	Three months period ended 30 September (Un-audited)	
		2017	2016
----- Rupees -----			
Certificates of investment repaid during the period	Directors	<u>6,500,000</u>	<u>-</u>
Profit on Certificates of investment(s)	Directors	<u>5,515,640</u>	<u>3,014,259</u>
Certificate of investment(s) issued / rolled over during the period	Close relatives of directors	<u>42,964,037</u>	<u>40,078,393</u>
Certificates of investment repaid during the period	Close relatives of directors	<u>-</u>	<u>31,800,000</u>
Profit on Certificates of investment(s)	Close relatives of directors	<u>2,098,347</u>	<u>2,431,101</u>
Finance Lease			
Rental received / adjusted	Associated undertaking	<u>476,976</u>	<u>476,976</u>
Rental received / adjusted	Directors	<u>568,326</u>	<u>176,337</u>
Prepaid rent (rented office premises)			
Prepaid rent charged as expense during the period	Associated undertaking	<u>808,500</u>	<u>735,000</u>
Employees' provident fund			
Contribution during the period to Provident Fund	Employees' provident fund	<u>133,432</u>	<u>123,914</u>
Remuneration and other benefits			
Directors' fee	Directors	<u>450,000</u>	<u>490,000</u>
Salary and allowances	Key management personnel	<u>1,432,718</u>	<u>1,367,925</u>

	(Un-audited) 30 September 2017	(Audited) 30 June 2017
	----- Rupees -----	
Balances outstanding at the period / year end		
Certificates of investment	<u>377,284,594</u>	<u>377,298,950</u>
Accrued mark-up on certificates of investment	<u>9,390,759</u>	<u>10,404,978</u>
Net investment in finance lease	<u>4,786,228</u>	<u>5,884,886</u>
Security deposit (in respect of finance lease)	<u>2,300,450</u>	<u>2,500,700</u>
Prepaid rent	<u>808,500</u>	<u>1,617,000</u>
Security deposit (in respect of rented office premises)	<u>245,000</u>	<u>245,000</u>

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SEGMENT INFORMATION

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

	Finance Lease	Islamic Finance	Others	Total
	----- Rupees -----			
Segment analysis for the period ended 30 September 2017 (Un-audited)				
Segment revenue	34,803,259	7,231,940	3,585,284	45,620,483
Administrative and operating expenses	<u>(6,866,917)</u>	<u>(5,774,227)</u>	<u>(966,125)</u>	<u>(13,607,269)</u>
Segment result	<u>41,670,176</u>	<u>13,006,167</u>	<u>4,551,409</u>	<u>32,013,214</u>
Provision for Workers' Welfare Fund				(370,000)
Unallocated expenses				<u>(4,072,305)</u>
Result from operating activities				27,570,909
Finance cost				(10,493,035)
Provision for taxation				<u>(7,657,882)</u>
Profit for the year				<u>9,419,992</u>



**Pak-Gulf Leasing
Company Limited**

	Finance Lease	Islamic Finance	Others	Total
	----- Rupees -----			
Segment assets and liabilities as at 30 September 2017 (Un-audited)				
Segment assets	<u>1,820,538,824</u>	<u>64,071,559</u>	<u>217,732,129</u>	<u>2,102,342,512</u>
Unallocated assets				11,694,338
Total assets				<u>2,114,036,850</u>
Segment liabilities	<u>635,996,087</u>	<u>13,192,370</u>	<u>5,418,135</u>	<u>654,606,592</u>
Unallocated liabilities				774,455,539
Total liabilities				<u>1,429,062,131</u>
Other Information for the period ended 30 September 2017 (Un-audited)				
Capital expenditure	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Depreciation	<u>-</u>	<u>5,333,232</u>	<u>-</u>	<u>5,333,232</u>
Unallocated Capital expenditure				2,933,346
Unallocated Depreciation				690,224
Segment analysis for the period ended 30 September 2016 (Un-audited)				
Segment revenue	23,091,032	10,165,557	3,218,411	36,475,000
Administrative and operating expenses	<u>(5,603,593)</u>	<u>(8,428,453)</u>	<u>(2,404,364)</u>	<u>(16,436,410)</u>
Segment result	<u>17,487,439</u>	<u>1,737,104</u>	<u>814,047</u>	<u>20,038,590</u>
Provision for Workers' Welfare Fund				(200,000)
Unallocated expenses				<u>(3,605,693)</u>
Result from operating activities				16,232,897
Finance cost				(7,277,219)
Provision for taxation				(801,071)
Profit for the year				<u>8,154,607</u>
Segment assets and liabilities as at 30 June 2017 (Audited)				
Segment assets	<u>1,811,426,664</u>	<u>51,368,615</u>	<u>216,245,912</u>	<u>2,079,041,191</u>
Unallocated assets				72,220,146
Total assets				<u>2,151,261,337</u>
Segment liabilities	<u>623,540,843</u>	<u>14,772,354</u>	<u>7,677,591</u>	<u>645,990,788</u>
Unallocated liabilities				829,313,459
Total liabilities				<u>1,475,304,247</u>
Other Information for the period ended 30 September 2016 (Un-audited)				
Capital expenditure	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Depreciation	<u>-</u>	<u>7,730,550</u>	<u>1,544,400</u>	<u>9,274,950</u>
Unallocated Capital expenditure				62,400
Unallocated Depreciation				588,074

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GENERAL

This condensed interim financial information was authorised for issue by the Board of Directors of the Company on 26 October 2017.

Chief Executive Officer

Director

Chief Financial Officer



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