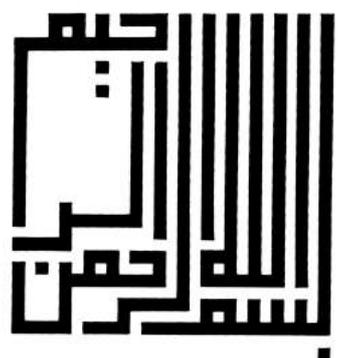




**Condensed Interim
Financial Information
(Un-audited)
For the nine months and three months
period ended 31 March 2017**



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-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

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 third quarter of the current financial year 2016-17. 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 in 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. 123.6 million, for the nine months period ended on March 31, 2017. This reflects an increase of 11.62%, over the Total Revenue of Rs. 110.73 million posted, in the corresponding period of the Financial Year 2015-16. With reference to expenses incurred during the nine months there was an inflation-based increase in operating expenses and negligible increase in Finance Cost, as compared to the corresponding figures for the nine months ended March 31, 2016. Despite the increase in administrative expenses the Company's Profit before Taxation for the nine months period ended on March 31, 2017 has increased to Rs. 43.33 million, when compared with the Profit before Taxation of Rs. 36.89 million, earned in the corresponding period of the Financial Year 2015-16. Net Profit after Tax for the nine months period ended March 31, 2017, amounted to Rs. 29.46 million as compared to Rs. 21.38 million, for the corresponding period of the last Financial Year 2015-16.

The Shareholders Equity of your Company has risen to Rs. 564.28 million, as at March 31, 2017 while Earnings per Share for the nine months period ended March 31, 2017 stands at Rs. 1.16 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 have 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 and expect that the management and staff of PGL would make every effort for improving further 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.

Karachi
Dated: April 27, 2017

Chief Executive Officer

Director

قابل احترام حصص یافتگان

آپ کی کمپنی کے ڈائریکٹرز موجود مالی سال کی تیسری سہ ماہی، جو کہ 31 مارچ 2017 کو ختم ہوئی ہے کے مالیاتی گوشوارے انتہائی مسرت کے ساتھ آپ کو پیش کرتے ہیں اور یہ بتاتے ہوئے فخر محسوس کرتے ہیں کہ ملک کے موجودہ معاشی حالات میں آپ کی کمپنی کی کارکردگی اس موجودہ مالی سال کی تیسری سہ ماہی میں نہایت ہی اطمینان بخش رہی باوجود ازیں کے کمپنی کو کمرشل بینکنگ اور ان NBFIس کو جن کو کمرشل بینکنگ سے مالی تعاون حاصل ہے، کی طرف سے بہت سخت مقابلہ رہا، کیونکہ ان اداروں کی رسائی ان فنڈز تک ہے جو سستے نرخ پر دستیاب ہیں اور وہ کم خرچے پر کاروبار کر رہے ہیں اسکے باوجود آپ کی کمپنی نے منافع کو برقرار رکھا۔ حاصل کردہ نتائج بہتر ہونے کے باوجود آپ کے ڈائریکٹرز اپنی ذمہ داریوں کو محسوس کرتے ہوئے اور خوب سے خوب تر کی تلاش میں اس بات کا تہیہ کئے ہوئے ہیں کہ مستقبل میں مزید بہتر نتائج حاصل ہوں۔

آپ کی کمپنی نے اس مالی سال کی تیسری سہ ماہی، جو کہ 31 مارچ 2017 کو اختتام پذیر ہوئی میں کل 123.6 ملین روپے کی آمدنی حاصل کی ہے بمقابلہ 110.73 ملین روپے کی آمدن کے جو کہ پچھلے مالی سال 16-2015 کی تیسری سہ ماہی میں حاصل ہوئی تھی۔ اخراجات کے حوالے سے اس مالی سال کی تیسری سہ ماہی میں کئے گئے انتظامی اخراجات میں اضافہ ہوا جسکی بڑی وجہ اجارہ کے اخراجات کی فرسودگی (depreciation) میں اضافہ تھا اگر اس کا مقابلہ 31 مارچ 2017 سے کیا جائے۔ اس کے باوجود کمپنی کا موجودہ سال کی تیسری سہ ماہی کا منافع قبل از ٹیکس 43.33 ملین روپے تھا جو کہ گزشتہ سال کی تیسری سہ ماہی میں ہونے والے منافع قبل از ٹیکس جو کہ 36.89 ملین روپے تھا سے زیادہ ہے۔ موجودہ مالی سال کی تیسری سہ ماہی جو کہ 31 مارچ 2017 اختتام پذیر ہوئی کا بعد از ٹیکس منافع 29.46 ملین روپے ہے بمقابلہ 21.38 ملین روپے جو کہ پچھلے سال اسی دورانیہ میں تھا۔

آپ کی کمپنی کے شیئرز ہولڈرز کی ایکویٹی (Equity) 31 مارچ 2017 کو 564.28 ملین روپے ہو گئی ہے۔ جبکہ موجودہ مالی سال کی تیسری سہ ماہی کافی شیئر منافع 1.16 روپے فی شیئر ہے۔

دسمبر 2016 میں JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے کمپنی کی تشخیصی ریٹنگ کا دوبارہ اعادہ کرنے کے بعد درمیانہ سے طویل المیعاد 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 نمائندے 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 انتھک محنت کی ہے اس کو سراہتے ہیں۔ وہ فنانشل مارکیٹ کے مشکل حالات کے باوجود وہ امید رکھتے ہیں کہ انتظامیہ اور عملہ کمپنی کو مزید ترقی 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۔ 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 زبٹھول کمپنی کے صارفین اور بینکرز کو کمپنی کے ساتھ اگلے بھر پور 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 اور کمپنی کے درمیان جو مضبوط روابط اور باہم مفید اور خوشگوار تعلقات قائم ہیں ان میں مستقبل میں مزید اضافہ ہوتا رہے گا۔

ڈائریکٹر

چیف ایگزیکٹو آفیسر

کراچی: 27 اپریل 2017

**CONDENSED INTERIM
BALANCE SHEET**

As at 31 March 2017

	Note	(Un-audited) 31 March 2017	(Audited) 30 June 2016
ASSETS			
Rupees			
Current Assets			
Cash and bank balances		59,752,900	44,296,138
Short term investments	4	24,485,022	16,259,209
Other receivables - net		1,716,946	1,795,739
Ijarah rental receivable		910,807	904,009
Advance to employees		355,104	196,006
Accrued mark-up / return on investments		522,221	1,475,668
Prepayments		3,495,763	2,819,664
Current portion of net investment in finance lease	5	461,828,268	499,111,879
Taxation - net		-	7,787,572
		553,067,031	574,645,884
Non-current assets			
Net investment in finance lease	5	1,032,588,901	1,039,542,601
Long term investments	6	27,175,249	27,199,297
Long term deposits		300,460	300,460
Investment property	7	133,848,000	-
Property, plant and equipment	8	61,993,695	207,896,308
Intangible assets		1,477,667	1,590,019
		1,257,383,972	1,276,528,685
Total assets		1,810,451,003	1,851,174,569
LIABILITIES			
Current liabilities			
Trade and other payables		28,045,242	16,704,576
Accrued mark-up		14,098,730	8,410,233
Taxation - net		29,738,670	-
Certificates of investment		308,024,432	264,835,006
Short term borrowings		5,414	187,854,564
Current portion of long-term loan		16,666,668	-
Current portion of advance rental against Ijarah financing		6,485,795	8,136,396
Current portion of long term deposits		80,127,928	79,415,142
		483,192,879	565,355,917
Non-current liabilities			
Long-term loan		24,999,998	-
Long term deposits		494,578,153	482,845,368
Advance rental against Ijarah financing		10,126,071	14,601,119
Deferred taxation - net		138,892,061	159,776,708
		668,596,283	657,223,195
Total liabilities		1,151,789,162	1,222,579,112
NET ASSETS		658,661,841	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		312,063,263	293,197,975
		565,761,263	546,895,975
Surplus on revaluation of available-for-sale investments		3,671,080	2,343,445
		569,432,343	549,239,420
Surplus on revaluation of operating fixed assets - net of tax		89,229,498	79,356,037
		658,661,841	628,595,457
Contingencies & Commitments	9		

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

Chief Executive Officer
Director

**CONDENSED INTERIM
PROFIT AND LOSS ACCOUNT
(UN-AUDITED)**

 For the nine months and three months
period ended 31 March 2017

	Nine months period ended 31 March		Three months period ended 31 March	
	2017	2016	2017	2016
	----- Rupees -----			
INCOME				
Income from leasing operations	114,005,150	105,998,565	44,233,531	45,500,342
OTHER OPERATING INCOME				
Return on investments	3,622,635	3,363,231	1,085,536	930,102
Other income	5,975,414	1,372,382	1,853,193	131,500
	9,598,049	4,735,613	2,938,729	1,061,602
TOTAL INCOME	123,603,199	110,734,178	47,172,260	46,561,944
OPERATING EXPENSES				
Administrative and operating expenses	58,085,952	51,749,765	17,852,015	19,394,995
Finance cost	22,184,452	22,095,676	6,766,723	6,742,577
	80,270,404	73,845,441	24,618,738	26,137,572
Provision for potential lease losses	43,332,795	36,888,737	22,553,522	20,424,372
	-	-	14,743,140	10,755,329
Profit before taxation	43,332,795	36,888,737	37,296,662	31,179,701
Taxation				
- Current	(38,237,794)	(48,782,770)	(13,531,847)	(12,710,681)
- Deferred	24,367,759	33,275,262	934,346	(1,474,344)
	(13,870,035)	(15,507,508)	(12,597,501)	(14,185,025)
Profit after taxation	29,462,760	21,381,229	24,699,161	16,994,676
Earning per share - basic & diluted	1.16	0.84	0.97	0.67

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

Chief Executive Officer
Director

**CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE
INCOME (UN-AUDITED)**

For the nine months and three months
period ended 31 March 2017

	Nine months period ended		Three months period ended	
	31 March		31 March	
	2017	2016	2017	2016
	----- Rupees -----			
Profit after taxation	29,462,760	21,381,229	24,699,161	16,994,676
Other Comprehensive Income				
<i>Item that is or may be reclassified subsequently to profit and loss account</i>				
Unrealised gain / (loss) on revaluation of available-for-sale investment	1,327,635	(26,064)	111,858	1,629
Total comprehensive income for the period	30,790,395	21,355,165	24,811,019	16,996,305

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

Chief Executive Officer

Director

**CONDENSED INTERIM
CASH FLOW STATEMENT
(UN-AUDITED)**

 For the nine months period
ended 31 March 2017

	Note	31 March 2017	31 March 2016
----- Rupees -----			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		43,332,795	36,888,737
Adjustments for :			
Depreciation		28,001,855	24,824,836
Amortisation of discount / premium on long term investments - net		24,049	21,026
Amortisation of intangible asset		112,352	112,352
Finance cost		22,184,452	22,095,676
Loss / (gain) on disposal of fixed assets		246,758	(1,234,142)
Provision for potential lease losses		-	-
		<u>50,569,466</u>	<u>45,819,748</u>
Operating profit before working capital charges		93,902,261	82,708,485
Movement in working capital			
Decrease / (increase) in current assets			
Other receivables - net		78,793	(278,841)
Advances to employees		(159,098)	2,296
Accrued mark-up / return on investments		953,447	686,859
Long term deposits		-	(3,360)
Ijarah rental receivable		(6,798)	-
Prepayments		(676,099)	(2,622,409)
		<u>190,245</u>	<u>(2,215,455)</u>
Increase in current liabilities			
Trade and other payables		11,340,666	4,917,015
Cash generated from operations		<u>105,433,172</u>	<u>85,410,045</u>
Finance cost paid		(16,495,955)	(10,953,564)
Taxes paid - net		(711,552)	687,336
Deposits received from lessees - net		12,445,571	44,077,931
Advance rental (Ijarah) from lessees - net		(6,125,649)	14,227,696
Decrease in net investment in finance lease		<u>44,237,311</u>	<u>49,709,191</u>
Net cash flow generated from operating activities		<u>138,782,898</u>	<u>183,158,635</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Additions in property, plant and equipment		(765,000)	(56,465,547)
Additions in intangible assets		-	(271,739)
Proceeds from disposal of operating fixed assets		15,000	1,759,900
Short-term investments - net		(6,898,178)	(9,237,082)
Long-term investments - net		-	(2,483,899)
Net cash flow used in investing activities		<u>(7,648,178)</u>	<u>(66,698,367)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Receipt from certificate of investments - net		43,189,426	86,245,563
Deposit on Ijarah finance facility obtained		-	(187,600)
Payment of dividend		(12,684,900)	-
Long term loan - net		41,666,666	-
Repayment of short term loan from related party - net		-	(40,000,000)
Net cash flow generated from financing activities		<u>72,171,192</u>	<u>46,057,963</u>
Net increase in cash and cash equivalents		<u>203,305,912</u>	<u>162,518,231</u>
Cash and cash equivalents at beginning of the period		<u>(143,558,426)</u>	<u>(149,102,356)</u>
Cash and cash equivalents at the end of the period	10	<u>59,747,486</u>	<u>13,415,875</u>

The annexed notes 1 to 13 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 nine months period
ended 31 March 2017

	Reserves				Sub Total	Surplus / (Deficit) on revaluation of available-for- sale investments	Total Equity
	Capital		Revenue				
	Issued, Subscribed and paid up capital	Statutory reserve	Reserve for issue of bonus shares	Unappropri- ated profit			
	Rupees						
Balance as at July 1, 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 March 31, 2016</i>							
Profit after taxation	-	-	-	21,381,229	21,381,229	-	21,381,229
<i>Other comprehensive income / (loss)</i>							
Deficit on revaluation of available-for-sale investment	-	-	-	-	-	(26,064)	(26,064)
Transfer from surplus on revaluation of property, plant and equipment to unappropriated profit - net of deferred tax	-	-	-	21,381,229	21,381,229	(26,064)	21,355,165
Transfer to statutory reserve	-	4,276,246	-	1,919,472	1,919,472	-	1,919,472
	-	-	-	(4,276,246)	-	-	-
Balance as at March 31, 2016	<u>253,698,000</u>	<u>65,879,338</u>	<u>4,402,000</u>	<u>202,554,665</u>	<u>272,836,003</u>	<u>2,241,361</u>	<u>528,775,364</u>
Balance as at July 1, 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 June 30, 2016 @ Rs.0.5 per share	-	-	-	(12,684,900)	(12,684,900)	-	(12,684,900)
<i>Total comprehensive income for the period ended March 31, 2017</i>							
Profit after taxation	-	-	-	29,462,760	29,462,760	-	29,462,760
<i>Other comprehensive income</i>							
Surplus on revaluation of available-for-sale- investment	-	-	-	-	-	1,327,635	1,327,635
Transfer from surplus on revaluation of property, plant and equipment to unappropriated profit - net of deferred tax	-	-	-	29,462,760	29,462,760	1,327,635	30,790,395
Transfer to statutory reserve	-	5,892,552	-	2,087,428	2,087,428	-	2,087,428
	-	-	-	(5,892,552)	-	-	-
Balance as at March 31, 2017	<u>253,698,000</u>	<u>75,638,524</u>	<u>4,402,000</u>	<u>232,022,739</u>	<u>312,063,263</u>	<u>3,671,080</u>	<u>569,432,343</u>

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

Chief Executive Officer
Director

For the nine months and three months period
ended 31 March 2017

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 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, 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 March 31, 2017 is Rs. 564.284 million which is Rs. 64.284 million in excess of the minimum equity requirement.

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 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 Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008. In case where requirements differ, the provision or directives issued under the Companies Ordinance, 1984, NBFC Rules, 2003 and NBFC Regulations, 2008 shall prevail.

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.

2.3 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 June 30, 2016.

4.	SHORT TERM INVESTMENTS	(Un-audited) 31 March 2017	(Audited) 30 June 2016
		-----	-----
		Rupees	
	<u>Available-for-sale</u>		
	Cost		
	54,300 units National Investment Trust (30 June 2016: 54,300 units)	1,194,200	1,194,200
	Revaluation surplus		
	Opening balance	2,343,445	2,267,425
	Surplus for the period/year	1,327,635	76,020
		<u>3,671,080</u>	<u>2,343,445</u>
		4,865,280	3,537,645
	<u>Held to maturity</u>		
	Government Securities		
	Market Treasury Bills	19,619,742	12,721,564
		<u>24,485,022</u>	<u>16,259,209</u>
	5. NET INVESTMENT IN FINANCE LEASE		
	Net investment in finance lease	1,494,417,169	1,538,654,480
	Current portion shown under current assets	(461,828,268)	(499,111,879)
		<u>1,032,588,901</u>	<u>1,039,542,601</u>

	Note	(Un-audited) 31 March 2017	(Audited) 30 June 2016
8. PROPERTY, PLANT AND EQUIPMENT			
		(Rupees)	
Operating fixed assets - Own use	8.1	5,633,224	128,196,046
Operating fixed assets - Ijarah finance	8.2	56,360,471	79,700,262
		<u>61,993,695</u>	<u>207,896,308</u>
8.1 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		500,000	101,825
Office equipment		124,850	2,351,510
Computer equipment		140,150	564,662
		765,000	3,515,213
Revaluation surplus		15,444,000	57,591,019
Written down value of disposals during the period / year		(2,383)	(462,300)
Depreciation for the period / year		(4,921,439)	(6,361,334)
Transferred to investment property		(133,848,000)	-
		<u>(123,327,822)</u>	<u>50,767,385</u>
Closing written down value		<u>5,633,224</u>	<u>128,196,046</u>
8.2 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		(259,375)	-
Depreciation for the period / year		(23,080,416)	(28,339,632)
		<u>(23,339,791)</u>	<u>(28,339,632)</u>
Closing written down value		<u>56,360,471</u>	<u>79,700,262</u>
9. Contingencies & Commitments			
9.1 Contingencies			
9.1.1			
		The Alternate Corporate Tax charge for the Tax Years 2016, 2015 and 2014 amounts to Rs. 8.702 million, Rs. 9.233 million and Rs. 8.100 million. It is Rs. 7.127 million, Rs. 8.005 million and Rs. 7.140 million in excess of the minimum tax payable for these years 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 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	



**Pak-Gulf Leasing
Company Limited**

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 he 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 this respect.

9.2 Commitments

9.2.1 Leasing contracts committed but not executed at the balance sheet date amounted to Rs. 39.60 million (June 30, 2016: Rs. 55.96 million).

9.2.2 Contractual rentals receivable on Ijarah contracts

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

As at 31 March 2017 (Un-audited)		
Due within 1 year	Due after 1 year but within 5 years	Total
----- Rupees -----		
Rentals receivable in future		
<u>20,677,911</u>	<u>33,842,661</u>	<u>54,520,572</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>47,441,583</u>	<u>76,425,895</u>

9.2.3 Ijarah rentals payable

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

As at 31 March 2017 (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>272,210</u>	<u>925,514</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>762,188</u>	<u>1,415,492</u>



**Pak-Gulf Leasing
Company Limited**

	(Un-audited) 31 March 2017	(Un-audited) 31 March 2016
10. CASH AND CASH EQUIVALENTS	(Rupees)	
Cash and bank balances	59,752,900	30,799,427
Short term borrowings	(5,414)	(17,383,552)
	<u>59,747,486</u>	<u>13,415,875</u>

11. 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:

	Nine months period ended	
	31 March (Un-audited)	
	2017	2016
	----- Rupees -----	
Profit on Certificates of Investment(s)	<u>17,071,457</u>	<u>14,000,593</u>
Encashment of Certificate of Investment issued to Director(s)	<u>6,400,000</u>	<u>-</u>
Encashment of Certificate of Investment issued to close relative(s) of Director(s)	<u>37,790,904</u>	<u>-</u>
Certificate of Investment(s) issued / rolled over during the period to Director(s)	<u>155,212,219</u>	<u>53,400,000</u>
Certificate of Investment issued / rolled over during the period to Close relative(s) of Director(s)	<u>68,190,163</u>	<u>64,703,273</u>
Rental received during the period against finance lease disbursed to associated undertaking(s)	<u>1,430,928</u>	<u>1,430,928</u>
Rental received during the period against finance lease disbursed to Director(s)	<u>529,011</u>	<u>529,011</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 paid to associated undertaking	<u>2,964,500</u>	<u>2,695,000</u>
Security deposit paid to associated undertaking	<u>-</u>	<u>245,000</u>
Prepaid rent charged as expense during the period	<u>2,254,000</u>	<u>245,000</u>
Contribution during the period to Provident Fund	<u>366,212</u>	<u>312,653</u>
Directors' fee	<u>1,180,000</u>	<u>763,333</u>
Salary and allowances	<u>4,103,775</u>	<u>4,103,775</u>



**Pak-Gulf Leasing
Company Limited**

	(Un-audited) 31 March 2017	(Audited) 30 June 2016
	----- Rupees -----	
Balances outstanding at the period / year end		
Certificates of Investments issued to Director(s)	<u>180,991,209</u>	<u>130,578,990</u>
Certificates of Investments issued to close relatives of Director(s)	<u>99,202,001</u>	<u>122,506,015</u>
Accrued mark-up on certificates of investment issued to Director(s)	<u>7,851,466</u>	<u>2,098,856</u>
Accrued mark-up on certificate of investment issued to close relatives of Director(s)	<u>5,303,030</u>	<u>5,342,384</u>
Rentals receivable from associated undertaking(s) related to finance leases	<u>3,786,023</u>	<u>5,216,951</u>
Rentals receivable from Director(s) related to finance lease	<u>764,127</u>	<u>1,293,138</u>
Prepaid rent to associated undertaking	<u>2,425,500</u>	<u>1,715,000</u>
Security deposit paid to associated undertaking	<u>245,000</u>	<u>245,000</u>

12. 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 March 2017 (Un-audited)			
	----- Rupees -----			
	Finance Lease	Ijarah Finance	Others	Total
Segment analysis is for the period ended March 31, 2017 (Un-audited)				
Segment revenue	85,243,978	28,538,912	9,820,309	123,603,199
Administrative and operating expense	<u>16,231,712</u>	<u>24,690,905</u>	<u>5,712,535</u>	<u>46,635,152</u>
Segment result	<u>69,012,266</u>	<u>3,848,007</u>	<u>4,107,774</u>	<u>76,968,047</u>
Provision for Workers' Welfare Fund				(875,000)
Unallocated expenses				<u>(10,575,800)</u>
Result from operating activities				65,517,247
Finance cost				(22,184,452)
Provision for taxation				<u>(13,870,035)</u>
Profit for the period				<u>29,462,760</u>



**Pak-Gulf Leasing
Company Limited**

	31 March 2017 (Un-audited)			
	-----Rupees-----			
	Finance Lease	Ijarah Finance	Others	Total
Segment assets and liabilities as at March 31, 2017 (Un-audited)				
Segment assets	<u>1,495,619,890</u>	<u>59,526,572</u>	<u>188,701,092</u>	<u>1,743,847,554</u>
Unallocated assets				<u>66,603,449</u>
Total assets				<u>1,810,451,003</u>
Segment liabilities	<u>586,194,867</u>	<u>16,611,866</u>	<u>9,937,047</u>	<u>612,743,780</u>
Unallocated liabilities				<u>539,045,382</u>
Total liabilities				<u>1,151,789,162</u>

**Other information for the period
ended March 31, 2017
(Un-audited)**

Depreciation	<u>-</u>	<u>23,080,416</u>	<u>3,088,800</u>	<u>26,169,216</u>
Unallocated capital expenditure				<u>765,000</u>
Unallocated depreciation				<u>1,832,639</u>

	31 March 2016 (Un-audited)			
	-----Rupees-----			
	Finance Lease	Ijarah Finance	Others	Total
Segment analysis is for the period ended March 31, 2016 (Un-audited)				
Segment revenue	82,884,360	24,487,524	3,362,294	110,734,178
Administrative and operating expenses	<u>15,033,635</u>	<u>21,991,941</u>	<u>587,563</u>	<u>37,613,139</u>
Segment result	<u>67,850,725</u>	<u>2,495,583</u>	<u>2,774,731</u>	<u>73,121,039</u>
Provision for Workers' Welfare Fund				(780,000)
Unallocated expenses				<u>(13,356,626)</u>
Result from operating activities				58,984,413
Finance cost				(22,095,676)
Provision for taxation				(15,507,508)
Profit for the period				<u>21,381,229</u>



**Pak-Gulf Leasing
Company Limited**

	30 June 2016 (Audited)			
	-----Rupees-----			
	Finance Lease	Ijarah Finance	Others	Total
<u>Segment assets and liabilities as at June 30, 2016 (Audited)</u>				
Segment assets	<u>1,539,835,719</u>	<u>82,722,163</u>	<u>210,320,220</u>	1,832,878,102
Unallocated assets				18,296,467
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>	597,107,808
Unallocated liabilities				625,471,304
Total liabilities				<u>1,222,579,112</u>
	31 March 2016 (Un-audited)			
	-----Rupees-----			
	Finance Lease	Ijarah Finance	Others	Total
<u>Other information for the period ended March 31, 2016 (Un-audited)</u>				
Capital expenditure	<u>-</u>	<u>56,189,662</u>	<u>-</u>	<u>56,189,662</u>
Depreciation	<u>-</u>	<u>20,529,638</u>	<u>-</u>	<u>20,529,638</u>
Unallocated capital expenditure				<u>275,885</u>
Unallocated depreciation				<u>4,295,198</u>

13. **GENERAL**

This condensed interim financial information was authorised for issue on April 27, 2017 by the Board of Directors of the Company.

Chief Executive Officer

Director

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