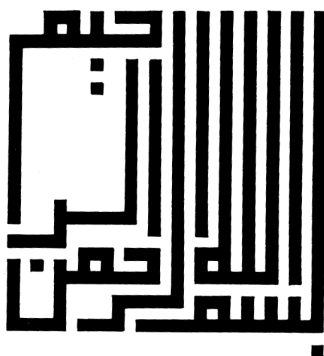


Condensed Interim
Financial Information
(Unaudited)
For the First Quarter
ended 30 September 2018



Pak-Gulf Leasing Company Limited





Pak-Gulf Leasing Company Limited

Company Information

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

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

Senior Management

Mr. Mahfuz-ur-Rehman Pasha	Chief Executive Officer
Lt. Col. Saleem Ahmed Zafar (Retd)	Chief Operating Officer
Mr. Khalil Anwer Hassan	General Manager Sindh
Lt. Col. Farhat Parvez Kayani (Retd)	General Manager Punjab
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

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

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) 35700010
Fax #: (92-42) 35700011

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.



**Directors' Review
of operating results
For the three months period
ended 30 September 2018**

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, 2018. 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 earned a Total Revenue of Rs. 51.83 million, for the 1st Quarter ended on September 30, 2018 as compared to the Total Revenue of Rs. 45.62 million posted, in the 1st Quarter of the Financial Year 2017-18. The increase in revenue was partly offset by increase in financial cost for the period thereby reducing the impact of increase in the Company's Profit before Taxation which stood at Rs. 17.62 million for the quarter ended September 30, 2018 as compared with the Profit before Taxation of Rs. 17.08 million, earned in the corresponding period of the previous year. However, net Profit after Tax for the 1st Quarter ended September 30, 2018 has considerably increased by 92% to Rs. 18.08 million as compared to Rs. 9.42 million for the corresponding period of the last Financial Year 2017-18 mainly due to decrease in deferred tax liability.

The Shareholders Equity of your Company has risen from Rs. 632.105 million, as at June 30, 2018, to Rs. 650.2 million, as at September 30, 2018 while Earnings per Share has increased to Rs. 0.71 as compared with the EPS of Rs. 0.37 for the corresponding period in FY-2017-18.

In January 2018, 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 leasing sector of Pakistan.

The Directors also take the opportunity to acknowledge, with thanks, the cooperation and guidance extended to your Company by the Securities and Exchange Commission of Pakistan (SECP), Pakistan Institute of Corporate Governance (PICG) and other regulatory authorities. Their role is critical in developing the leasing sector and it is hoped that these agencies would continue to strengthen the leasing sector, by taking appropriate measures for its betterment.

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

Chairman

Chief Executive Officer

October 23, 2018
Karachi

محترم شیئر ہولڈرز (حصص یافتگان)

آپ کی کمپنی کے ڈائریکٹرز موجودہ مالی سال (2018-19) کی پہلی سہ ماہی، جو 30 ستمبر 2018 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 NBFI's جن کو کمرشل بینکوں سے مالی تعاون حاصل ہے، کی طرف سے بہت سخت مقابلہ ہے، چونکہ ان کی رسائی ان فنڈز تک ہے جو سستے ریٹ پر دستیاب ہیں اور وہ کم خرچے پر بزنس کر رہے ہیں، اسکے باوجود آپ کی کمپنی نے منافع کو برقرار رکھا۔ گولڈ اسٹار ہمارے حاصل کردہ نتائج کو مزید بہتر بنانے کی کوششیں موجود ہیں اور آپ کے ڈائریکٹرز اپنی ذمہ داریوں کو نبھانے کے لئے اس بات کا تہیہ کرتے ہوئے ہیں کہ مستقبل میں مزید بہتر نتائج حاصل ہوں۔

آپ کی کمپنی نے اس مالی سال (2018-19) کی پہلی سہ ماہی میں جو 30 ستمبر 2018 کو اختتام پذیر ہوئی میں کل 51.83 ملین روپے کی آمدنی حاصل کی ہے۔ بمقابلہ 45.62 ملین روپے کی آمدن کے جو کہ پچھلے مالی سال (2017-18) 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 17.62 ملین روپے ہے جبکہ گزشتہ سال کی پہلی سہ ماہی میں 17.08 ملین روپے تھا۔ اسی طرح اس مالی سال کی پہلی سہ ماہی کا بعد از ٹیکس منافع 18.08 ملین روپے ہے جو کہ پچھلے مالی سال کے اسی دورانیہ کے منافع بعد از ٹیکس (9.42 ملین روپے) سے 92 فیصد زیادہ ہے۔

آپ کی کمپنی کے شیئر ہولڈرز کی ایکویٹی (Equity) جو کہ 30 جون 2018 تک 632.105 ملین روپے تھی بڑھ کر 30 ستمبر 2018 کو 650.2 ملین روپے ہو گئی ہے۔ اس مالی سال کی پہلی سہ ماہی میں فی شیئر منافع 0.71 روپے ہے جو کہ گزشتہ مالی سال کی پہلی سہ ماہی میں 0.37 روپے فی شیئر تھا۔

جنوری 2018 میں JCR-VIS کرڈٹ ریٹنگ کمپنی لمیٹڈ نے آپ کی کمپنی کی تھیمس ریٹنگ کا دوبارہ اعادہ کیا تھا جس میں درمیانہ سے طویل المیعاد کے لئے A- ریٹنگ، اور مختصر مدت کی ریٹنگ A-2 مقرر کی گئی اور کمپنی کے آئندہ امکانات کو مضبوط 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 نقص چلانے والے مصلحتاً افراد کی 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 اس کو 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 SEC, PICG اور دوسرے ریگولیٹری اداروں نے جو رہنمائی / تعاون آپ کی کمپنی کے ساتھ کیا ہے نہ صرف اس کا اعتراف بلکہ شکریہ بھی ادا کرتے ہیں۔ ان کا کردار اور شعبے کو بہتر بنانے میں نہایت اہم رہا ہے۔ امید کی جاتی ہے کہ یہ تمام ادارے بذریعہ مناسب اقدام اس شعبے کو مزید مستحکم اور بہتر بنائیں گے۔

آخر میں ہم اپنے تمام قابل احترام شیئر ہولڈرز بشمول کمپنی کے صارفین اور بینکرز کو ان کے کمپنی کے ساتھ بھرپور تعاون پر ان کا شکریہ ادا کرتے ہیں۔ اس کے ساتھ اس بات کی بھی قوی امید رکھتے ہیں کہ ہمارے شراکت داروں اور کمپنی کے درمیان منسب و رابطہ اور باہم مفید اور خوشگوار تعلقات قائم رہیں گے۔

چیف ایگزیکٹو آفیسر

چیئر مین

123 اکتوبر 2018

کراچی



**Pak-Gulf Leasing
Company Limited**

**Condensed Interim
Statement of Financial Position
As at 30 September 2018**

	NOTE	(Un-audited) 30 September 2018	(Audited) 30 June 2018
		----- Rupees -----	
ASSETS			
Current Assets			
Cash and bank balances		18,019,202	15,600,826
Short term investments	5	56,015,898	40,386,562
Other receivables - net		5,111,284	5,247,451
Ijarah rental receivables		546,492	536,780
Advance to employees		162,662	225,663
Accrued mark-up / return on investments		179,478	1,031,624
Prepayments		1,768,197	2,236,243
Current portion of net investment in finance lease	6	754,395,734	753,478,039
Current portion of long-term investments	7	2,041,276	16,045,277
Current portion of diminishing musharaka receivable		5,865,838	4,674,337
Taxation - net		5,602,830	5,980,061
Total current assets		849,708,891	845,442,863
Non-current assets			
Net investment in finance lease	6	1,437,188,915	1,495,119,110
Long-term investments	7	4,059,448	6,123,909
Diminishing musharaka receivable		13,198,162	14,389,663
Long-term deposits		300,460	300,460
Investment property		146,718,000	146,718,000
Property, plant and equipment	8	34,010,330	39,112,572
Intangible assets		1,599,928	1,610,818
Total non-current assets		1,637,075,243	1,703,374,532
Total assets		2,486,784,134	2,548,817,395
LIABILITIES			
Current liabilities			
Trade and other payables		32,303,874	35,029,892
Unclaimed dividend		480,438	480,438
Accrued mark-up		19,757,314	16,035,582
Current portion of certificates of investment	10	105,733,279	173,593,636
Short term borrowings		313,234,562	387,568,906
Current portion of long-term loan	9	16,666,664	16,666,668
Current portion of advance rental against Ijarah financing		4,998,114	5,557,912
Current portion of long-term deposits		182,797,086	200,055,615
Total current liabilities		675,971,331	834,988,649
Non-current liabilities			
Long-term deposits		604,360,806	587,231,293
Long-term loan	9	-	4,166,663
Certificates of investment	10	272,658,122	204,533,908
Advance rental against Ijarah financing		2,348,991	3,178,676
Deferred taxation - net		185,309,336	187,682,393
Total non-current liabilities		1,064,677,255	986,792,933
Total liabilities		1,740,648,586	1,821,781,582
NET ASSETS		746,135,548	727,035,813
FINANCED BY			
Issued, subscribed and paid up capital		253,698,000	253,698,000
Capital Reserves			
Statutory reserve		96,651,700	93,034,892
Reserve for issue of bonus shares		4,402,000	4,402,000
Surplus on revaluation of property, plant and equipment - net of tax		91,778,912	90,504,204
Surplus on revaluation of available for sale investments		2,556,844	2,815,855
		195,389,456	190,756,951
Revenue Reserve			
Unappropriated profit		297,048,092	282,580,862
		746,135,548	727,035,813
Contingencies and commitments	11		

The annexed notes 1 to 16 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 2018**

	Three months period ended 30 September	
	2018	2017
	----- Rupees -----	
INCOME		
Income from financing operations	48,093,346	42,035,199
Other operating Income		
Return on investments	1,248,223	1,325,828
Other income	2,485,401	2,259,456
	3,733,624	3,585,284
	51,826,970	45,620,483
OPERATING EXPENSES		
Administrative and operating expenses	18,247,621	18,049,574
Finance cost	16,133,758	10,493,035
	34,381,379	28,542,609
Operating profit before provision	17,445,591	17,077,874
Provision for potential lease losses - net	(40,653)	-
Reversal of provision against litigation receivable - net	213,333	-
Profit before taxation	17,618,271	17,077,874
Taxation		
- Current	(632,584)	(8,306,525)
- Deferred	1,098,351	648,643
	465,767	(7,657,882)
Profit after taxation	18,084,038	9,419,992
Earning per share- basic & diluted	0.71	0.37

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer



**Pak-Gulf Leasing
Company Limited**

Condensed Interim Statement of Comprehensive Income (Un-audited)

**For the three months period
ended 30 September 2018**

	Three months period ended 30 September	
	2018	2017
	-----	Rupees -----
Profit after taxation	18,084,038	9,419,992
Other Comprehensive Income		
<i>Item that will be reclassified to profit and loss account in subsequent periods:</i>		
Deficit on revaluation of available for sale investment	(259,011)	(402,363)
Total Comprehensive income for the period	<u>17,825,027</u>	<u>9,017,629</u>

The annexed notes 1 to 16 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 2018**

	Three months Period Ended 30 September	
	2018	2017
NOTE	----- Rupees -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	17,618,271	17,077,874
Adjustments for:		
- Depreciation	5,102,242	6,023,456
- Amortisation of discount / premium on long-term investments - net	68,464	914
- Amortisation of intangible asset	10,890	10,890
- Provision for potential lease losses - net	40,653	-
- Reversal of provision against litigation receivable - net	(213,333)	-
- Finance cost	16,133,758	10,493,035
	<u>21,142,674</u>	<u>16,528,295</u>
Operating profit before working capital changes	<u>38,760,945</u>	<u>33,606,169</u>
Movements in working capital		
Decrease / (increase) in current assets		
- Other receivables - net	349,500	(710,536)
- Advances to employees	63,001	65,779
- Accrued mark-up / return on investments	852,146	1,119,138
- Ijarah rental receivables	(9,712)	23,368
- Prepayments	468,046	282,620
	<u>1,722,981</u>	<u>780,369</u>
Decrease in current liabilities		
Trade and other payables	<u>(2,726,018)</u>	<u>(1,093,311)</u>
Cash generated from operations	<u>37,757,908</u>	<u>33,293,227</u>
Finance cost paid	(12,412,026)	(10,280,302)
Tax paid	(255,353)	(297,302)
Deposits received from lessees - net	(129,016)	11,798,534
Advance Ijarah rental received from lessees	(1,389,483)	(1,614,473)
Diminishing musharaka receivable - net	-	(19,064,000)
Net investment in finance lease - net	56,971,847	(7,511,644)
	<u>42,785,969</u>	<u>(26,969,187)</u>
Net cash generated from operating activities	<u>80,543,877</u>	<u>6,324,040</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	-	(2,933,346)
Short term investment in Market Treasury Bills - net	(15,888,347)	(5,771,372)
Long-term investment - net	16,000,000	5,000,000
Net cash generated from / (used in) investing activities	<u>111,653</u>	<u>(3,704,718)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of certificates of investment - net	13 263,857	8,485,642
Long term loan - net	13 (4,166,667)	(4,166,667)
Net cash (used in) / generated from financing activities	<u>(3,902,810)</u>	<u>4,318,975</u>
Net increase in cash and cash equivalents	<u>76,752,720</u>	<u>6,938,297</u>
Cash and cash equivalents at the beginning of the period	<u>(371,968,080)</u>	<u>(125,958,554)</u>
Cash and cash equivalents at the end of the period	<u>12 (295,215,360)</u>	<u>(119,020,257)</u>

The annexed notes 1 to 16 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 2018

		Reserves			ended 30 September 2018			
		Capital		Revenue				
	Issued, subscribed and paid up capital	Statutory reserve	Reserve for issue of bonus shares	Surplus on revaluation of property, plant & equipment - net of tax	Surplus on revaluation of available for sale investment	Unappropriated profit	Total Reserves	Total equity
		Rupees						
	Balance as at 1 July 2017	79,161,214	4,402,000	89,229,496	3,352,882	246,113,498	422,259,090	675,957,090
Total Comprehensive income for the period ended 30 September 2017								
	Profit after taxation	-	-	-	-	9,419,992	9,419,992	9,419,992
	Other comprehensive income	-	-	-	(402,363)	-	(402,363)	(402,363)
	Deficit on revaluation of available for sale investment	-	-	-	(402,363)	9,419,992	9,017,629	9,017,629
	Transfer to statutory reserve	1,883,998	-	-	-	(1,883,998)	-	-
	Balance as at 30 Sept. 2017	81,045,212	4,402,000	89,229,496	2,950,519	253,649,492	431,276,719	684,974,719
	Balance as at 1 July 2018	93,034,892	4,402,000	90,504,204	2,815,855	282,580,862	473,337,813	727,035,813
Total Comprehensive income for the period ended 30 September 2018								
	Profit after taxation	-	-	-	-	18,084,038	18,084,038	18,084,038
	Other comprehensive income	-	-	-	(259,011)	-	(259,011)	(259,011)
	Deficit on revaluation of available for sale investment	-	-	-	(259,011)	18,084,038	17,825,027	17,825,027
	Effect of change in tax rate on surplus on revaluation of property, plant and equipment	-	-	1,274,708	-	-	1,274,708	1,274,708
	Transfer to statutory reserve	3,616,808	-	-	-	(3,616,808)	-	-
	Balance as at 30 Sept. 2018	96,651,700	4,402,000	91,778,912	2,556,844	297,048,092	492,437,546	746,135,546

The annexed notes 1 to 16 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.
- 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, 2018 is Rs. 650.2 million which is Rs. 150.2 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 January 30, 2018.

2. GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Company is located at UNIBRO House, Ground and Mezzanine Floor, Plot No. 114, 9th East Street, Phase-1, Defence Housing Authority, Karachi and a branch office is located at Office No. 202, 2nd Floor, Divine Mega II, Opp Honda Point, New Airport Road, Lahore.

3. BASIS OF PREPARATION

3.1 Statement of compliance

This un-audited condensed interim financial information is being submitted to the shareholders as required under the Companies Act, 2017 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 Companies Act, 2017, NBFC Rules and NBFC Regulations shall prevail.

- 3.2** 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.

4. 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 2018.



**Pak-Gulf Leasing
Company Limited**

	Note	(Un-audited) 30 September 2018	(Audited) 30 June 2018
		----- Rupees -----	
5. SHORT TERM INVESTMENT			
<u>Available for sale</u>			
Cost			
54,300 units of National Investment Trust (30 June 2018 : 54,300 units)		1,194,200	1,194,200
<u>Revaluation surplus</u>			
Opening		2,815,855	3,352,882
Deficit for the period / year		(259,011)	(537,027)
		2,556,844	2,815,855
		3,751,044	4,010,055
<u>Held to maturity</u>			
Government Securities - Market Treasury Bills		52,264,854	36,376,507
		56,015,898	40,386,562
6. NET INVESTMENT IN FINANCE LEASES			
(Secured)			
Net investment in finance lease	6.1	2,191,584,649	2,248,597,149
Current portion shown under current assets	6.1	(754,395,734)	(753,478,039)
		1,437,188,915	1,495,119,110



6.1 Net investment in finance lease

	30 September 2018 (Un-audited)			30 June 2018 (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
	Rupees					
Minimum lease payments	711,316,409	944,643,771	7,398,492	1,663,358,672	700,151,725	1,013,042,060
Add: Residual value of leased assets (6.2)						35,142,837
Gross Investment in finance lease	182,797,086	497,078,501	107,282,305	787,157,892	200,055,615	479,948,988
Unearned lease income	894,113,495	1,441,722,272	114,680,797	2,450,516,564	900,207,340	1,492,991,048
Mark-up held in suspense	(136,444,184)	(118,989,739)	(224,415)	(255,658,338)	(143,991,962)	(136,438,452)
Provision for potential lease losses	(1,912,055)	-	-	(1,912,055)	(1,416,470)	-
Net investment in finance lease	(138,356,239)	(118,989,739)	(224,415)	(257,570,393)	(145,408,432)	(136,438,452)
	755,757,256	1,322,732,533	114,456,382	2,192,946,171	754,798,908	1,356,552,596
	(1,361,522)	-	-	(1,361,522)	(1,320,869)	-
	754,395,734	1,322,732,533	114,456,382	2,191,584,649	753,478,039	1,356,552,596
						138,566,514
						2,248,597,149

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

6.2 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. 143.78 million.



Pak-Gulf Leasing Company Limited

	Note	(Un-audited) 30 September 2018	(Audited) 30 June 2018
		Rupees	
7. LONG TERM INVESTMENTS			
Held to maturity			
Government Securities			
Pakistan Investment Bonds	7.1	6,100,724	22,169,186
Current portion shown under current assets	7.1	(2,041,276)	(16,045,277)
		<u>4,059,448</u>	<u>6,123,909</u>
7.1	These Pakistan Investment Bonds have a cost of Rs. 6 million (30 June 2018: Rs. 22.05 million) and will mature between 17 July 2019 to 25 March 2020.		
8. PROPERTY, PLANT AND EQUIPMENT			
Fixed assets - Own use	8.1	8,042,376	8,679,844
Fixed assets - Ijarah finance	8.2	25,967,954	30,432,728
		<u>34,010,330</u>	<u>39,112,572</u>
8.1 FIXED ASSETS - Own Use			
Opening net book value		8,679,844	5,586,904
Additions during the period / year - at cost			
Furniture and fittings		-	790,360
Office equipment		-	215,740
Vehicles		-	4,197,238
Computer equipment		-	351,321
		-	5,554,659
Depreciation for the period / year		(637,468)	(2,461,719)
Closing net book value		<u>8,042,376</u>	<u>8,679,844</u>
8.2 FIXED ASSETS - Ijarah Finance			
Opening net book value		30,432,728	49,364,316
Additions during the period / year - at cost		-	-
Net book value of disposals during the period / year		-	-
Depreciation for the period / year		(4,464,774)	(18,931,588)
Closing net book value		<u>25,967,954</u>	<u>30,432,728</u>



Pak-Gulf Leasing Company Limited

	Note	(Un-audited) 30 September 2018	(Audited) 30 June 2018
		----- Rupees -----	
9. LONG-TERM LOAN			
(Secured)			
Long-term loan	9.1	16,666,664	20,833,331
Current portion shown under current liabilities	9.1	<u>(16,666,664)</u>	<u>(16,666,668)</u>
		<u>-</u>	<u>4,166,663</u>
9.1	The Company has availed term finance facility from a commercial bank amounting to Rs. 50 million (30 June 2018: 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.		
10. CERTIFICATES OF INVESTMENT			
(Unsecured)			
	10.1	378,391,401	378,127,544
Certificates of investment	10.1	<u>(105,733,279)</u>	<u>(173,593,636)</u>
Current portion shown under current liabilities		<u>272,658,122</u>	<u>204,533,908</u>
10.1	These represent certificates of investment issued by the Company for periods ranging from 6 to 36 months (30 June 2018: 6 to 36 months) and carry mark-up rates ranging from 7.5% to 8.75% per annum (30 June 2018: 7.5% to 8.5% per annum).		
11. CONTINGENCIES AND COMMITMENTS			
11.1 Contingencies			
11.1.1	The Alternate Corporate Tax charge for the Tax Year 2018, 2017, 2016, 2015 and 2014 amounted to Rs. 13.702 million, Rs. 11.135 million, Rs. 8.702 million, Rs. 9.233 million and Rs. 8.100 million, respectively which is Rs. 11.411 million, 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. 2.291 million, 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.		
11.1.2	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.		



**Pak-Gulf Leasing
Company Limited**

		(Un-audited) 30 September 2018	(Audited) 30 June 2018
		----- Rupees -----	
11.2	Commitments		
11.2.1	Commitments for finance lease	<u><u>143,184,700</u></u>	<u><u>122,399,900</u></u>
11.2.2	Contractual rentals receivable on Ijarah contracts		

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

30 September 2018 (Un-audited)		
Due within 1 year	Due after 1 year but within 5 years	Total
(Rupees)		

Rentals receivable in future	<u><u>15,159,412</u></u>	<u><u>10,614,395</u></u>	<u><u>25,773,807</u></u>
------------------------------	--------------------------	--------------------------	--------------------------

30 June 2018 (Audited)		
Due within 1 year	Due after 1 year but within 5 years	Total
(Rupees)		

Rentals receivable in future	<u><u>16,096,084</u></u>	<u><u>13,712,150</u></u>	<u><u>29,808,234</u></u>
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11.2.3 Contractual rentals receivable on Diminishing Musharaka contracts

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

30 September 2018 (Un-audited)		
Due within 1 year	Due after 1 year but within 5 years	Total
(Rupees)		

Rentals receivable in future	<u><u>8,413,324</u></u>	<u><u>15,542,169</u></u>	<u><u>23,955,493</u></u>
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30 June 2018 (Audited)		
Due within 1 year	Due after 1 year but within 5 years	Total
(Rupees)		

Rentals receivable in future	<u><u>6,786,306</u></u>	<u><u>17,169,187</u></u>	<u><u>23,955,493</u></u>
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	(Un-audited) 30 September 2018	(Un-audited) 30 September 2017
	----- Rupees -----	
12. CASH AND CASH EQUIVALENTS		
Cash and bank balances	18,019,202	10,754,201
Short term borrowings	(313,234,562)	(129,774,458)
	<u>(295,215,360)</u>	<u>(119,020,257)</u>

13. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

Description	Liabilities		Total
	Long term loan	Certificates of investment	
	----- (Rupees) -----		
Balance as at July 1, 2018	20,833,331	378,127,544	398,960,875
Repayment of long term loan	(4,166,667)	-	(4,166,667)
Issued and rolled forward during the period	-	5,263,857	5,263,857
Payments made during the period	-	(5,000,000)	(5,000,000)
	(4,166,667)	263,857	(3,902,810)
Balance as at September 30, 2018	16,666,664	378,391,401	395,058,065

14. 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)	
		2018	2017
		----- Rupees -----	
Certificates of investment			
Certificates of investment(s) issued / rolled over during the period	Directors	<u>45,967,360</u>	<u>83,600,000</u>
Certificates of investment repaid during the period	Directors	<u>-</u>	<u>6,500,000</u>
Profit on Certificates of investment(s)	Directors	<u>4,990,367</u>	<u>5,515,640</u>
Certificate of investment(s) issued / rolled over during the period	Close relatives of directors	<u>45,140,534</u>	<u>42,964,037</u>
Profit on Certificates of investment(s)	Close relatives of directors	<u>2,330,072</u>	<u>2,098,347</u>



Pak-Gulf Leasing Company Limited

	Relation with the Company	Three months period ended 30 September (Un-audited)	
		2018	2017
----- Rupees -----			
Finance Lease			
Rental received / adjusted	Associated undertaking	<u>206,949</u>	<u>476,976</u>
Rental received / adjusted	Directors	<u>-</u>	<u>568,326</u>
Prepaid rent (rented office premises)			
Prepaid rent charged as expense during the period	Associated undertaking	<u>889,350</u>	<u>808,500</u>
Employees' provident fund			
Contribution during the period to Provident Fund	Employees' provident fund	<u>172,837</u>	<u>133,432</u>
Remuneration and other benefits			
Directors' fee	Directors	<u>490,000</u>	<u>450,000</u>
Salary and allowances	Key management personnel	<u>1,562,304</u>	<u>1,432,718</u>
		(Un-audited) 30 September 2018	(Audited) 30 June 2018
----- Rupees -----			
Balances outstanding at the period / year end			
Certificates of investment		<u>348,088,319</u>	<u>342,824,462</u>
Accrued mark-up on certificates of investment		<u>10,346,500</u>	<u>9,893,585</u>
Net investment in finance lease		<u>1,127,787</u>	<u>1,295,732</u>
Security deposit (in respect of finance lease)		<u>1,320,000</u>	<u>1,320,000</u>
Prepaid rent		<u>592,900</u>	<u>1,482,250</u>
Security deposit (in respect of rented office premises)		<u>245,000</u>	<u>245,000</u>



15. 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 3.1. 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
Segment analysis for the period ended 30 September 2018 (Un-audited)	Rupees -----			
Segment revenue	43,311,790	4,781,556	3,733,624	51,826,970
Administrative and operating expenses	<u>(7,808,309)</u>	<u>(4,758,435)</u>	<u>(1,148,971)</u>	<u>(13,715,715)</u>
Segment result	35,503,481	23,121	2,584,653	38,111,255
Provision for Workers' Welfare Fund				(360,600)
Unallocated expenses				<u>(3,998,626)</u>
Result from operating activities				33,752,029
Finance cost				(16,133,758)
Provision for taxation				465,767
Profit for the year				<u>18,084,038</u>
Segment assets and liabilities as at 30 September 2018 (Un-audited)				
Segment assets	<u>2,196,027,158</u>	<u>46,788,704</u>	<u>226,660,944</u>	2,469,476,806
Unallocated assets				17,307,328
Total assets				<u>2,486,784,134</u>
Segment liabilities	<u>806,166,777</u>	<u>7,848,487</u>	<u>4,953,697</u>	818,968,961
Unallocated liabilities				921,679,625
Total liabilities				<u>1,740,648,586</u>
Other Information for the period ended 30 September 2018 (Un-audited)				
Capital expenditure	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Depreciation	<u>-</u>	<u>4,464,774</u>	<u>-</u>	<u>4,464,774</u>
Unallocated Capital expenditure				<u>-</u>
Unallocated Depreciation				<u>637,468</u>
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	27,936,342	1,457,713	2,619,159	32,013,214
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				(7,657,882)
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 June 2018 (Audited)				
Segment assets	<u>2,252,081,402</u>	<u>51,597,549</u>	<u>214,700,243</u>	2,518,379,194
Unallocated assets				30,438,201
Total assets				<u>2,548,817,395</u>
Segment liabilities	<u>804,345,704</u>	<u>9,250,032</u>	<u>7,439,098</u>	821,034,834
Unallocated liabilities				1,000,746,748
Total liabilities				<u>1,821,781,582</u>
Other Information for the period ended 30 September 2017 (Un-audited)				
Capital expenditure	<u>-</u>	<u>-</u>	<u>-</u>	-
Depreciation	<u>-</u>	<u>5,333,232</u>	<u>-</u>	5,333,232
Unallocated Capital expenditure				2,933,346
Unallocated Depreciation				690,224

16. GENERAL

This condensed interim financial information was authorised for issue by the Board of Directors of the Company on 23 October 2018.

Chief Executive Officer

Director








Chief Financial Officer










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