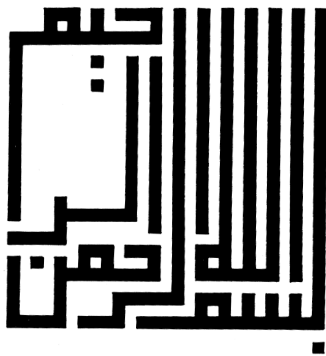




**Condensed Interim
Financial Information
(Un-audited)
For the First Quarter
ended September 30, 2013**



Pak-Gulf Leasing Company Limited



Board of Directors

Mr. Pervez Inam	Chairman
Air Marshal (R) Syed Masood Hatif	Vice Chairman
Mr. Sohail Inam Ellahi	Director
Mr. Shaheed H. Gaylani	Director
Mr. Shaikh Aftab Ahmed	Director
Brig.(R) Naveed Nasar Khan	Director
Mr. Fawad Salim Malik	Director
Mr. Rizwan Humayun	Director

Company Secretary

Mr. Abdul Wahid

Audit Committee

Mr. Rizwan Humayun	Chairman
Air Marshal (R) Syed Masood Hatif	Vice Chairman
Brig.(R) Naveed Nasar Khan	Member
Mr. Shaheed H. Gaylani	Member

Senior Management

Mr. Mahfuz-ur-Rahman Pasha	Chief Executive Officer
Mr. Khalil Anwer Hassan	Chief Manager
Lt. Col. (R) Saleem Ahmed Zafar	Chief Operating Officer
Mr. Abdul Wahid	Chief Financial Officer
Ms. Farah Farooq	Internal Auditor
Major (R) Arifullah Lodhi	Manager Administration

Credit Rating Agency

JCR-VIS Credit Rating Co. Ltd.

Entity Rating

- BBB+ for medium to long term
- A-3 for short term
- Outlook Stable

Auditors

M/s. KPMG Taseer Hadi & Co.
Chartered Accountants
Shaikh Sultan Trust Building,
Beaumont Road,
Karachi - 74000

Legal Advisors

M/s. Mohsin Tayebaly & Company
2nd Floor, Dime Centre,
BC-4, Block # 9, Kehkashan, Clifton,
Karachi.
Tel # : 3538077, 3571653, 35872690
Fax # : 35870240, 35870468

Shariah Advisor

Mufti Ibrahim Essa

Bankers

Soneri Bank Limited
Bank Al-Falah Ltd.
Albarak Islamic Bank
National Bank of Pakistan.
NIB Bank Ltd.
Silk Bank Ltd.

Registered Office

Pak-Gulf Leasing Company Limited
THE FORUM:
Room # 125-127, First Floor,
G-20, Block # 9,
Main Khayaban-e-Jami,
Clifton, P.O.Box # 12215,
Karachi-75600.
Tel #: 35820301, 35820956-7
35824401, 35375986-7
Fax #: 35820302, 35375985
E-mail: pgl@cyber.net.pk
Website: www.pakgulfleasing.com

Share Registrar / Transfer Office

THK Associates (Pvt.) Limited
Ground Floor, State Life Building - 3,
Dr. Ziauddin Ahmed Road, Karachi.
Tel # : 92 (21) 111-000-322
Fax # : 92 (21) 35655595

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 30th, 2013.

It is a matter of some satisfaction that your Company's performance during the Quarter has remained positive, despite the challenging economic conditions of the country. There is always room for improving upon our achievements and your Directors are conscious of their responsibility to ensure that better results are obtained in successive Quarters.

Your Company achieved a Total Revenue figure of Rs. 22.98 million, for the 1st Quarter ended on 30th September, 2013. This reflected an increase of 13.26 %, over the Total Revenue of Rs.20.29 million posted, in the corresponding period, in the Financial Year 2012-13.

The Pre-tax Profit of your Company showed a substantial improvement during the 1st Quarter of FY-2013-14, which ended on 30th September, 2013, and stood at Rs.12.40 million for the Quarter, as compared to a Pre-tax Loss of Rs.2.12 million made by the Company during the 1st Quarter ended 30th September, 2012. This enhancement was primarily due to the vigilance showed by your Company in recovering amounts, earlier considered as doubtful, in addition to some overdue rentals and other receivables, against various leases. These efforts resulted in a significant overall decrease in your Company's total overdue portfolio.

Net Profit after Tax of Rs.10.66 million was attained for the 1st Quarter ended 30th September, 2013, as compared to only Rs. 0.90 million, for the corresponding 1st Quarter of the last Financial Year 2012-13.

The Shareholders Equity of your Company rose from Rs. 420.28 million, as at June 30th, 2013, to Rs. 431.44 million, as at September 30th, 2013. At the same time, Earnings per Share showed a substantial increase at Rs.0.42, when compared with the EPS of Rs.0.04 for the corresponding period in FY-2012-13.

JCR-VIS have maintained your Company's Entity's Rating at BBB+ (for the Medium to Long-term), in addition to reaffirming the Short-term Rating at A-3. The Outlook for your Company has continued to be stated as "Stable". A review of these Ratings is intended to be undertaken in due course of time.

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

The Directors acknowledge, with thanks, the cooperation and guidance extended to your Company by the Securities and Exchange Commission of Pakistan (SECP), the State Bank of Pakistan (SBP) 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 awarded to PGL. We look forward to reinforcing and building further a mutually beneficial and cordial relationship between PGL and all its stakeholders.

Pervez Inam
Chairman

Mahfuz-ur-Rehman Pasha
Chief Executive Officer

Karachi: October 24th, 2013.

**Condensed Interim
Balance Sheet
As at September 30, 2013**

	NOTE	September 30, 2013 (Un-audited)	June 30, 2013 (Audited)
		----- Rupees -----	
Assets			
Current Assets			
Cash and bank balances		28,223,257	17,908,585
Short term Investments	5	2,199,150	2,302,863
Other receivables - net		2,019,527	4,960,196
Advances to employees		132,786	140,924
Accrued mark-up / return on investments		353,718	115,790
Prepayments		1,347,959	1,006,355
Current portion of net investment in lease finance	4	300,814,478	300,775,024
Taxation recoverables-net		3,984,978	3,314,836
Total current assets		339,075,853	330,524,573
Non-current assets			
Net investment in lease finance	4	455,038,581	492,150,412
Long-term investments		9,663,499	2,970,706
Long-term deposits		209,500	209,500
Operating fixed assets	6	83,404,264	83,755,693
Intangible assets	7	561,757	599,208
Total non-current assets		548,877,601	579,685,519
Total assets		887,953,454	910,210,092
LIABILITIES			
Current liabilities			
Trade and other payables		3,180,479	6,970,713
Accrued mark-up		1,890,931	2,770,071
Certificates of investment - unsecured		62,836,953	59,834,426
Short term borrowing		-	37,132,211
Current portion of Long term deposits	4	55,132,529	51,391,309
Total current liabilities		123,040,892	158,098,730
Non-current liabilities			
Long-term deposits	4	177,082,216	176,344,956
Deferred taxation - net		112,436,829	110,933,965
Total non-current liabilities		289,519,045	287,278,921
Total liabilities		412,559,937	445,377,651
Net assets		475,393,517	464,832,441
Financed by			
Share capital		253,698,000	253,698,000
Reserves		176,733,740	165,471,459
		430,431,740	419,169,459
Surplus on revaluation of AFS Investment		1,004,950	1,108,663
		431,436,690	420,278,122
Surplus on revaluation of asset-net of tax		43,956,827	44,554,319
		475,393,517	464,832,441
Contingencies and commitments	8		

The annexed notes 1 to 11 form an integral part of these financial statements.

Chief Executive Officer

Director

**Condensed Interim
Profit and Loss Account
(Un-audited)**
For the period ended September 30, 2013

	Period Ended	
	September 30, 2013	September 30, 2012
	----- Rupees -----	
INCOME		
Income from leasing operations	22,387,778	18,355,862
Other operating Income		
Profit on bank accounts / return on investments	363,511	1,525,865
Other income	227,000	407,650
	22,978,289	20,289,377
OPERATING EXPENSES		
Administrative and operating expenses	8,830,952	6,671,617
Finance cost	1,855,348	1,925,799
(Reversal)/Provision for potential lease losses	(105,447)	13,816,054
	10,580,853	22,413,470
Profit before taxation	12,397,436	(2,124,093)
Taxation		
- Current	229,783	370,097
- Deferred	1,502,864	(3,397,289)
	1,732,647	(3,027,192)
Profit after taxation	10,664,789	903,099
Earning per share- basic	0.42	0.04

The annexed notes 1 to 11 form an integral part of these financial statements.

Chief Executive Officer

Director

**Condensed Interim
Statement of Comprehensive Income
(Un-audited)
For the quarter ended September 30, 2013**

	Period Ended	
	September 30, 2013	September 30, 2012
	----- Rupees -----	
Profit for the period	10,664,789	903,099
Other Comprehensive Income		
Items to be reclassified to income statement in subsequent periods:		
Surplus/(Deficit) on revaluation of available for sale investments	(103,713)	(11,403)
Total Comprehensive income for the period	<u>10,561,076</u>	<u>891,696</u>

The annexed notes 1 to 11 form an integral part of these financial statements.

Chief Executive Officer

Director

**Cash Flow Statement (Un-audited)
For the quarter ended September 30, 2013**

	September 30, 2013	September 30, 2012
	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	12,397,436	(2,124,093)
Adjustment for:		
Depreciation	2,141,829	1,225,730
Amortisation	37,451	-
Financial cost	1,855,348	1,925,799
Amortisation cost on PIB - net	5,705	-
(Reversal) / Provision for potential lease losses	(105,447)	13,816,054
gain on disposal of fixed asset	-	(299,400)
	<u>3,934,886</u>	<u>16,668,183</u>
Operating profit before working capital changes	16,332,322	14,544,090
Movement in working capital		
(Increase) / decrease in current assets		
Advances to employees	8,138	23,901
Accrued mark-up/return on investments	(237,927)	87,192
Other receivables - net	2,940,669	(1,661,801)
Prepayments	(341,604)	(147,352)
	<u>2,369,276</u>	<u>(1,698,060)</u>
Increase / (decrease) in current liabilities		
Trade and other payables	(3,790,234)	120,442
	<u>14,911,364</u>	<u>12,966,472</u>
Cash generated from operations	14,911,364	12,966,472
Financial charges paid	(2,734,489)	(4,294,598)
Tax paid	(899,925)	(443,112)
Deposits received from/ (paid) to lessees	4,478,480	(405,407)
(Increase) / decrease in net investment in finance lease	37,177,824	20,898,217
	<u>38,021,890</u>	<u>15,755,100</u>
Net cash (outflow on) / inflow from operating activities	<u>52,933,254</u>	<u>28,721,572</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(1,790,400)	(26,500)
Proceeds from disposal of fixed assets	-	390,000
Long term investment (net)	(6,698,498)	-
Net cash (outflow) / Inflow from investing activities	(8,488,898)	363,500
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from/(payment to) issue of certificate of investment - net	3,002,527	(3,702,187)
Repayment of long-term financing	-	(6,250,000)
Net cash inflow from / (outflow on) financing activities	3,002,527	(9,952,187)
	<u>47,446,883</u>	<u>19,132,886</u>
Net increase in cash and cash equivalents	47,446,883	19,132,886
Cash and cash equivalents at the beginning of the period	(19,223,626)	42,903,724
Cash and cash equivalents at the end of the period	<u>28,223,257</u>	<u>62,036,611</u>

The annexed notes 1 to 11 form an integral part of these financial statements.

Chief Executive Officer

Director



**Statement of Changes in Equity
(Un-audited)
For the quarter ended September 30, 2013**

	Share Capital	Statutory Reserve	Reserve for issue of Bonus Shares	Unappropriated Profit	Sub-total	Surplus / (Deficit) on revaluation of available for sale Investments	Total
----- Rupees -----							
Balance as at June 30, 2012	253,698,000	40,245,974	4,402,000	91,022,668	135,670,642	448,918	389,817,560
Total Comprehensive income for the year ended June 30, 2013				27,280,001	27,280,001		27,280,001
Profit after taxation							
Other comprehensive income							
Surplus on revaluation of available for sale investment						659,745	659,745
				27,280,001	27,280,001	659,745	27,939,746
Transfer from surplus on revaluation of operating fixed assets to unappropriated profit - net of deferred tax				2,520,816	2,520,816		2,520,816
Transfer to statutory reserve		5,456,000		(5,456,000)	-		
Balance as at June 30, 2013	<u>253,698,000</u>	<u>45,701,974</u>	<u>4,402,000</u>	<u>115,367,485</u>	<u>165,471,459</u>	<u>1,108,663</u>	<u>420,278,122</u>
Total Comprehensive income for the quarter ended Sept 30, 2013				10,664,789	10,664,789	-	10,664,789
Profit after taxation	-	-	-				
Other comprehensive income							
Deficit on revaluation of available for sale investments						(103,713)	(103,713)
				10,664,789	10,664,789	(103,713)	10,561,076
Transfer from surplus on revaluation of operating fixed assets to unappropriated profit - net of deferred tax				597,492	597,492		597,492
Transfer to statutory reserve	-	2,132,958	-	(2,132,958)	-	-	-
Balance as at Sept 30, 2013	<u>253,698,000</u>	<u>47,834,932</u>	<u>4,402,000</u>	<u>124,496,808</u>	<u>176,733,740</u>	<u>1,004,950</u>	<u>431,436,690</u>

The annexed notes 1 to 11 form an integral part of these financial statements.

Chief Executive Officer

Director



1 THE COMPANY AND ITS OPERATIONS

Pak-Gulf Leasing Company ("the company") was incorporated in Pakistan on December 27, 1994 and commenced its operations on September 16, 1996. The company is principally engaged in the business of leasing and is listed on all three Stock Exchanges of Pakistan. The registered office of the company is situated at the Forum, Room 125-127, First Floor, Main Khayaban-e-Jami, Clifton, Karachi.

2 ACCOUNTING POLICIES

Accounting policies adopted for the preparation of these quarterly financial statements are the same as those applied in the preparation of annual statements for the year ended June 30, 2013

3 STATEMENT OF COMPLIANCE

These unaudited financial statements are 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 International Accounting Standard-34¹ Interim Financial Reporting² as applicable in Pakistan.

4 NET INVESTMENTS IN LEASE FINANCE - secured

	September 30, 2013 (Un-audited)			June 30, 2013 (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	311,088,582	312,176,950	623,265,532	322,834,189	356,094,410	678,928,599
Residual value of leased assets (4.1)	55,132,529	177,082,216	232,214,745	51,391,309	176,344,956	227,736,265
Gross Investment in leases	366,221,111	489,259,166	855,480,277	374,225,498	532,439,366	906,664,864
Unearned lease income	(63,558,190)	(34,220,585)	(97,778,775)	(71,531,143)	(40,195,746)	(111,726,889)
Mark-up held in suspense	(189,624)	-	(189,624)	(248,273)	-	(248,273)
	(63,747,814)	(34,220,585)	(97,968,399)	(71,779,416)	(40,195,746)	(111,975,162)
	302,473,297	455,038,581	757,511,878	302,446,082	492,243,620	794,689,702
Provision for potential lease losses	(1,658,819)	-	(1,658,819)	(1,671,058)	(93,208)	(1,764,266)
Net investment in finance leases	300,814,478	455,038,581	755,853,059	300,775,024	492,150,412	792,925,436

4.1 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. 53.576 million (June 30, 2013: Rs. 59.725 million).

	Note	September 30, 2013 (Un-audited)	June 30, 2013 (Audited)
		----- Rupees -----	
5		SHORT TERM INVESTMENTS	
		Available for sale	
		Cost	
		54,300 units of National Investment Trust (June 2013 : 54,300 units)	
		1,194,200	1,194,200
		Revaluation surplus	
		Opening balance	
		1,108,663	448,918
		(Deficit) / Surplus for the period / year	
		(103,713)	659,745
		1,004,950	1,108,663
		<u>2,199,150</u>	<u>2,302,863</u>
6		OPERATING FIXED ASSETS	
		Opening balance	
		113,519,897	95,719,989
		Additions / deletion - net	
		1,790,400	17,799,908
		<u>115,310,297</u>	<u>113,519,897</u>
		Less: Accumulated deperciation	
		31,906,033	29,764,204
	6.1	<u>83,404,264</u>	<u>83,755,693</u>
6.1	This includes fixed assets - Ijarah finance Rs. 2,699,483 (June 30, 2013 : 3,344,192)		
7		Intangible	
		Opening balance	
		749,010	-
		Additions / deletion-net	
		-	749,010
		<u>749,010</u>	<u>749,010</u>
		Less: Amortisation	
		187,253	149,802
		<u>561,757</u>	<u>599,208</u>
8		COMMITMENTS & CONTINGENCIES	
8.1		CONTINGENCY	

The Company was issued a notice by Federal Board of Revenue (FBR) under section 14 of the Federal Excise Act, 2005, alleging that the Company has not paid Federal Excise Duty (FED) amounting to Rs. 19,612,245 for the periods from July 2007 to June 2010. The Deputy Commissioner of Inland Revenue Audit passed the order on October 8, 2010. The Company filed an appeal before Commissioner Inland Revenue (Appeals) "CIR (A)" against the said order who vide appellate order no. 92 of 2012 dated 30 April 2012 constituted that the duty so charged is constitutionally valid under FED Act, 2005. The Company challenged the decision of CIR (A) before Appellate Tribunal Inland Revenue (ATIR). The ATIR in due course issued an order dated September 12, 2013 wherein the appeal matter decided in favour of the company hence no provision is required to be made in these financial statements

8.2 COMMITMENTS

Leasing contracts committed but not executed at the balance sheet date amounted to Rs.0.530 million (June 2013:NIL)

9 TRANSACTION WITH ASSOCIATED UNDERTAKING / RELATED PARTIES	Jul-Sep 2013	Jul-Sep 2012
	----- Rupees -----	
Certificate of investment issued to close relative of directors	22,936,952	20,534,425
Profit paid/accrued on certificates of investment	1,592,537	667,369
Contribution to the employees provident fund	111,189	86,889
Leasing		
Total financing provided	2,459,000	1,684,000
Rentals received	270,027	176,019
Implicit rate of return (IRR) percentage	14.10	16.32

10 GENERAL

Figures have been rounded off to the nearest Rupee.

11 DATE OF AUTHORIZATION

These financial statements were authorized for issue on October 24, 2013 by the Board of Directors of the Company.

Chief Executive Officer

Director