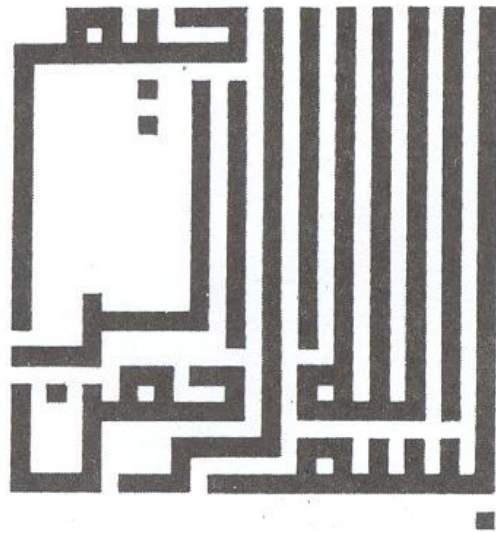




**Financial Statements
(Unaudited)
For the First Quarter
ended September 30, 2011**



Pak-Gulf Leasing Company Limited



Board of Directors

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

Company Secretary

Mian Muhammad Shoaib

Audit Committee

Mr. Rizwan Humayun	Chairman
Air Marshal (R) Syed Masood Hatif	Vice Chairman
Mr. Pervez Inam	Member & Secretary
Mr. Shaheed H. Gaylani	Member

Senior Management

Mr. Sohail Inam Ellahi	Chief Executive
Mr. Khalil Anwer Hassan	Chief Manager
Lt. Col (R) Saleem Ahmed Zafar	Chief Operating Officer
Mian Muhammad Shoaib	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

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

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

Tax Consultants

M/s. Riaz Ahmad, Saqib, Gohar & Co.
5 Nasim C.H.S., Major Nazir Bhatti Road,
Off. Shaheed-e-Millat Road, Karachi.
Tel # : 34945427, 34931736
Fax # : 34932629

Bankers

Soneri Bank Limited
Bank Al-Falah Ltd.
Albaraka Islamic Bank
National Bank of Pakistan.
NIB Bank Ltd.
Standard Chartered Bank

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

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 the financial statements of the company for the quarter ended September 30, 2011. Despite the competitive and challenging economic conditions of the country, the overall performance of the company was satisfactory. With the tougher competition by commercial lenders, higher interest rates, and trends of pre-mature termination of contractual legal obligations, your company's performance is satisfactory. We feel pleasure to inform you that negotiations with the banks are in process to meet additional requirements. Efforts are being made to further reduce the cost of borrowing and keep check on other expenses to achieve the desired profit margin

During quarter under review, the balance sheet footing of your company was Rs.817 million as on September 30, 2011 as compared to Rupees 816 million on June 30, 2011. The total revenue of the company was Rs. 21.05 million for the quarter ended September 30, 2011 as compared to Rs.16.34 million reflecting an increase of 28.82 percent over the revenue for the corresponding period. Profit before taxation was Rs.10.08 million as compared to Rs.6.71 million for the corresponding period. Net profit after tax was Rs.6.06 million for the period ended as compared to Rs.6.08 million for the corresponding period of last year. Shareholders equity of the company rose from Rs. 406 million as at June 30, 2011 to Rs. 411 million as at September 30, 2011. Earning per share was Rs.0.24 as compared to Rs.0.24 for the corresponding period.

In August 2011, JCR-VIS had upgraded entity rating of the company to BBB+ from BBB for medium to long-term and had reaffirmed short-term rating at A-3 where as outlook of the Company has been revised to Stable from Positive.

The Board would like to place on record its appreciation for the management team of the company and each and every member of its staff for the hard work and dedication. We, the members of the Board, as representatives of shareholders, assure the management and staff of the company of our continued support in strengthening the company. We are sure that the management and the staff will continue to serve the customers of the company with the better zeal and will be able to improve the reputation of the company in financial services sector.

The Board also acknowledges the cooperation and guidance extended to the Company by the Securities and Exchange Commission of Pakistan (SECP), State Bank of Pakistan and other regulatory authorities. Their role is critical in developing the financial services sector and we hope that their actions will continue to strengthen this sector.

At the end, we would like to thank our valued shareholders, customers, bankers, and financiers and other stakeholders for their valuable support and look forward to reinforce and build further an excellent relationship with you in coming years.

October 28, 2011

Statement under section 241(2) of the Companies Ordinance, 1984

The Chief Executive of the Company is presently out of the country, therefore these financial statements have been signed by two Directors of the Company duly authorised by the Board of Directors.

Director

Director

**Condensed Interim
Balance Sheet
As at September 30, 2011**

	NOTE	September 30, 2011 (Unaudited)	June 30, 2011 (Audited)
----- Rupees -----			
Assets			
Cash and bank balances		49,113,160	2,236,955
Other receivables - net		15,209,302	19,693,435
Loans and advances		1,624,050	225,500
Accrued mark-up / return on investment		22,685	111,563
Deposits and prepayments		651,399	652,908
Current portion of net investment in lease finance	4	256,230,877	262,537,530
Short Term Investments		1,511,712	1,745,202
Taxation recoverables-net		476,958	1,040,133
Total current assets		324,840,143	288,243,226
Long-term investments		2,914,640	2,931,113
Net investment in lease finance	4	417,096,896	450,676,078
Long-term loans		-	-
Long-term deposits		206,500	206,500
Operating fixed assets	6	72,463,697	73,977,505
Total non-current assets		492,681,733	527,791,196
Total assets		817,521,876	816,034,422
Liabilities			
Trade and other payables		11,631,887	11,488,010
Profit / mark-up accrued		3,564,140	2,022,827
Certificates of investment		31,611,613	29,230,138
Current portion of long term financing		16,666,667	33,333,340
Current portion of Long term deposits	4	45,854,664	45,485,139
Provision for taxation		-	-
Total current liabilities		109,328,971	121,559,454
Long-term financing	7	31,250,007	24,999,992
Long-term deposits	4	197,066,879	198,579,521
Deferred taxation - net		68,038,190	64,884,190
Total non-current liabilities		296,355,076	288,463,703
Total liabilities		405,684,047	410,023,157
Net assets		411,837,829	406,011,265
Financed by			
Share capital		253,698,000	253,698,000
Reserves		117,493,409	110,556,883
		371,191,409	364,254,883
Surplus on revaluation of AFS Investment		317,512	551,002
		371,508,921	364,805,885
Surplus on revaluation of asset-net of tax		40,328,908	41,205,380
		411,837,829	406,011,265
Contingencies and commitments	8	-	-

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

Statement under section 241(2) of the Companies Ordinance, 1984

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Director

Director

**Condensed Interim
Profit and Loss Account
(Unaudited)**

For the period ended September 30, 2011

	Period Ended	
	September 30, 2011	September 30, 2010
	----- Rupees -----	
Income		
Income from leasing operations	19,899,602	15,306,683
Profit on bank accounts / return on investments	1,097,342	974,907
Other income	54,615	55,002
	<u>21,051,559</u>	<u>16,336,592</u>
Expenses		
Administrative and operating expenses	6,969,898	5,591,713
Finance cost	3,489,732	1,495,305
Provision for potential lease losses	511,029	2,539,228
	<u>10,970,659</u>	<u>9,626,246</u>
Profit before taxation	<u>10,080,900</u>	<u>6,710,346</u>
Taxation		
- Current	866,846	633,926
- Deferred	3,154,000	-
	<u>4,020,846</u>	<u>633,926</u>
Profit after taxation	<u>6,060,054</u>	<u>6,076,420</u>
Earning per share-basic	<u>0.24</u>	<u>0.24</u>

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Statement under section 241(2) of the Companies Ordinance, 1984

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Director

Director



**Condensed Interim
Statement of Comprehensive Income
(Unaudited)**

For the period ended September 30, 2011

	Period Ended	
	September 30, 2011	September 30, 2010
	----- Rupees -----	
Profit / (Loss) for the period	6,060,054	6,076,420
Other Comprehensive Income		
Unrealized gain / (loss) on revaluation of available for sale assets	(233,490)	(106,424)
Total Comprehensive income	<u>5,826,564</u>	<u>5,969,996</u>

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

Statement under section 241(2) of the Companies Ordinance, 1984

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Director

Director

Cash Flow Statement (Unaudited)
For the period ended September 30, 2011

NOTE	September 30, 2011	September 30, 2010
	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	10,080,900	6,710,346
Adjustment for:		
Depreciation	1,576,814	1,590,402
Financial charges	3,489,732	1,495,305
(Reversal of provision) / provision for potential lease losses	-	(1,142,674)
Provision against terminated leases	511,029	2,539,228
Operating profit before working capital changes	15,658,475	11,192,607
Movement in working capital		
(Increase) / decrease in current assets		
Other receivables	5,122,014	6,585,566
Accrued markup	88,878	111,061
Prepayments	1,509	(93,999)
	5,212,401	6,602,628
Increase / (decrease) in current liabilities		
Trade and other payables	143,773	(2,335,705)
Cash generated from operations	21,014,649	15,459,530
Financial charges paid	(1,948,420)	(926,924)
Tax paid	(924,981)	(399,081)
Deposits received from lessees	(1,143,117)	2,534,038
(Increase) / decrease in net investment in finance lease	39,374,806	22,615,907
Decrease in long-term deposits	-	-
(Increase) / decrease in long-term loans and advances	(1,398,550)	488,808
	33,959,739	24,312,748
Net cash (outflow on) / inflow from operating activities	54,974,388	39,772,278
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(63,000)	(141,000)
Net cash (outflow on) / inflow from investing activities	(63,000)	(141,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of certificate of investment	2,381,475	-
Proceeds from / (repayment of) long-term financing	(10,416,658)	(4,166,661)
Net cash (outflow on) / inflow from financing activities	(8,035,183)	(4,166,661)
Net increase in cash and cash equivalents		
Net increase / (decrease) in cash and cash equivalents	46,876,205	35,464,617
Cash and cash equivalents at the beginning of the year	2,236,955	6,233,344
Cash and cash equivalents at the end of the year	49,113,160	41,697,961

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

Statement under section 241(2) of the Companies Ordinance, 1984

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Director

Director

Statement of Changes in Equity (Unaudited)

For the period ended September 30, 2011

	Share Capital	Statutory Reserve	Reserve for issue of Bonus Shares	Unappropriated Profit	Total	Surplus on revaluation of available for sale Investments	Total
----- Rupees -----							
Balance as at June 30, 2009	253,698,000	28,389,412	4,402,000	48,454,006	81,245,418	263,755	335,207,173
Total Comprehensive income for the year ended 30 June 2010							
Profit after taxation	-	-	-	21,249,408	21,249,408	-	21,249,408
Other comprehensive income							
Surplus on revaluation of available for sale investment	-	-	-	-	-	71,676	71,676
	-	-	-	21,249,408	21,249,408	71,676	21,321,084
Transaction with owners, recorded directly in equity							
First interim dividend for the year ended June 30, 2010 @ Rs.0.5 per share	-	-	-	(12,684,932)	(12,684,932)	-	(12,684,932)
Others							
Transfer from surplus on revaluation of operating fixed assets to unappropriated profit - net of deferred tax	-	-	-	2,609,116	2,609,116	-	2,609,116
Transfer to statutory reserve	-	4,249,882	-	(4,249,882)	-	-	-
Balance as at June 30, 2010	<u>253,698,000</u>	<u>32,639,294</u>	<u>4,402,000</u>	<u>55,377,716</u>	<u>92,419,010</u>	<u>335,431</u>	<u>346,452,441</u>
Total Comprehensive income for the year ended 30 June 2011							
Profit after taxation	-	-	-	15,528,757	15,528,757	-	15,528,757
Other comprehensive income							
Surplus on revaluation of available for sale investment	-	-	-	-	-	215,571	215,571
	-	-	-	15,528,757	15,528,757	215,571	15,744,328
Transfer from surplus on revaluation of operating fixed assets to unappropriated profit -net of deferred tax	-	-	-	2,609,116	2,609,116	-	2,609,116
Transfer to statutory reserve	-	3,105,751	-	(3,105,751)	-	-	-
Balance as at June 30, 2011	<u>253,698,000</u>	<u>35,745,045</u>	<u>4,402,000</u>	<u>70,409,838</u>	<u>110,556,883</u>	<u>551,002</u>	<u>364,805,885</u>
Total Comprehensive income for the quarter ended 30 Sept 2011							
Profit after taxation	-	-	-	6,060,054	6,060,054	-	6,060,054
Other comprehensive income							
Deficit on revaluation of available for sale investment	-	-	-	-	-	(233,490)	(233,490)
	-	-	-	6,060,054	6,060,054	(233,490)	5,826,564
Others							
Transfer from surplus on revaluation of operating fixed assets	-	-	-	876,472	876,472	-	-
Transfer to statutory reserve	-	1,212,011	-	(1,212,011)	-	-	-
	<u>253,698,000</u>	<u>36,957,056</u>	<u>4,402,000</u>	<u>76,134,353</u>	<u>117,493,409</u>	<u>317,512</u>	<u>371,508,921</u>

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

Statement under section 241(2) of the Companies Ordinance, 1984

The Chief Executive of the Company is presently out of the country, therefore these financial statements have been signed by two Directors of the Company duly authorised by the Board of Directors.

Director

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 of these quarterly financial statements are the same as those applied in the preparation of annual statements for the year ended June 30,2011

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-34" Interim Financial Reporting" as applicable in Pakistan

4 NET INVESTMENTS IN LEASE FINANCE - secured

	September 30, 2011			June 30, 2011		
	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	277,368,210	258,644,450	536,012,660	289,261,872	299,144,312	588,406,184
Add: Estimated residual value of leased assets	45,854,664	197,066,879	242,921,543	45,485,139	198,579,521	244,064,660
Gross Investment in leases	<u>323,222,874</u>	<u>455,711,329</u>	<u>778,934,203</u>	<u>334,747,011</u>	<u>497,723,833</u>	<u>832,470,844</u>
Less : Unearned lease income	(66,991,997)	(37,112,514)	(104,104,511)	(72,209,481)	(46,056,865)	(118,266,346)
	<u>256,230,877</u>	<u>418,598,815</u>	<u>674,829,692</u>	<u>262,537,530</u>	<u>451,666,968</u>	<u>714,204,498</u>
Less : Provision for potential lease losses	-	(1,501,919)	(1,501,919)	-	(990,890)	(990,890)
Net investment in finance lease	<u>256,230,877</u>	<u>417,096,896</u>	<u>673,327,773</u>	<u>262,537,530</u>	<u>450,676,078</u>	<u>713,213,608</u>



		September 30, 2011 (Unaudited)	June 30, 2011 (Audited)
		Rupees	
5	INVESTMENTS		
	Available for sale		
	Cost		
	54,300 units of National Investment Trust (June 2011 : 54,300 units)	1,194,200	1,194,200
	Revaluation surplus / (deficit)		
	Opening balance	551,002	335,431
	Surplus/(Deficit) for the period / year	(233,490)	215,571
		317,512	551,002
		1,511,712	1,745,202
6	OPERATING FIXED ASSETS		
	Opening balance	93,239,577	93,423,586
	Addition / Deletion - Net	63,000	(184,009)
		93,302,577	93,239,577
	Less: Accumulated depreciation	21,587,890	20,011,082
		71,714,687	73,228,495
	Add: Capital work in progress	749,010	749,010
		72,463,697	73,977,505
7	LONG TERM FINANCING-Secured		
	Long-term loans - secured	47,916,674	58,333,332
	Less: Current maturity shown under current liabilities	(16,666,667)	(33,333,340)
		31,250,007	24,999,992

This represents financing facility obtained from commercial banks. These facilities are secured by way of first charge on specific leased assets and related lease rentals receivables. These facilities carry mark-up ranging from 6 month KIBOR plus 1.50 percent to 3 month KIBOR plus 1.65 percent. These facilities are repayable in quarterly installments commencing from March 30,2009 and September 2011 and ending on June 2013.

Statement under section 241(2) of the Companies Ordinance, 1984

The Chief Executive of the Company is presently out of the country, therefore these financial statements have been signed by two Directors of the Company duly authorised by the Board of Directors.

Director

Director

8 COMMITMENTS

Leasing contracts committed but not executed at the balance sheet date amounted to Rs.9.78 million(June 30,2011 Rs.4.98 million).

9 TRANSACTION WITH ASSOCIATED UNDERTAKING / RELATED PARTIES	Jul-Sep 2011	Jul-Sep 2010
	----- Rupees -----	
Other then Leasing		
Certificates of investment issued to close relatives of chairman and chief executive	18,236,613	15,089,649
Issued to Director	5,500,000	-
Profit paid on certificates of investment	818,735	494,444
Contribution to the employees provident fund	58,236	59,214
Director's meeting fee	-	-
Leasing		
Total financing provided	1,684,000	2,031,400
Rentals received	176,019	211,704
Implicit rate of return (IRR) percentage	16.32	15.66

10 GENERAL

Figures have been rounded off to the nearest Rupee.

11 DATE OF AUTHORIZATION

These financial statements were authorized for issue on October 28, 2011 by the Board of Directors of the Company.

Statement under section 241(2) of the Companies Ordinance, 1984

The Chief Executive of the Company is presently out of the country, therefore these financial statements have been signed by two Directors of the Company duly authorised by the Board of Directors.

Director

Director