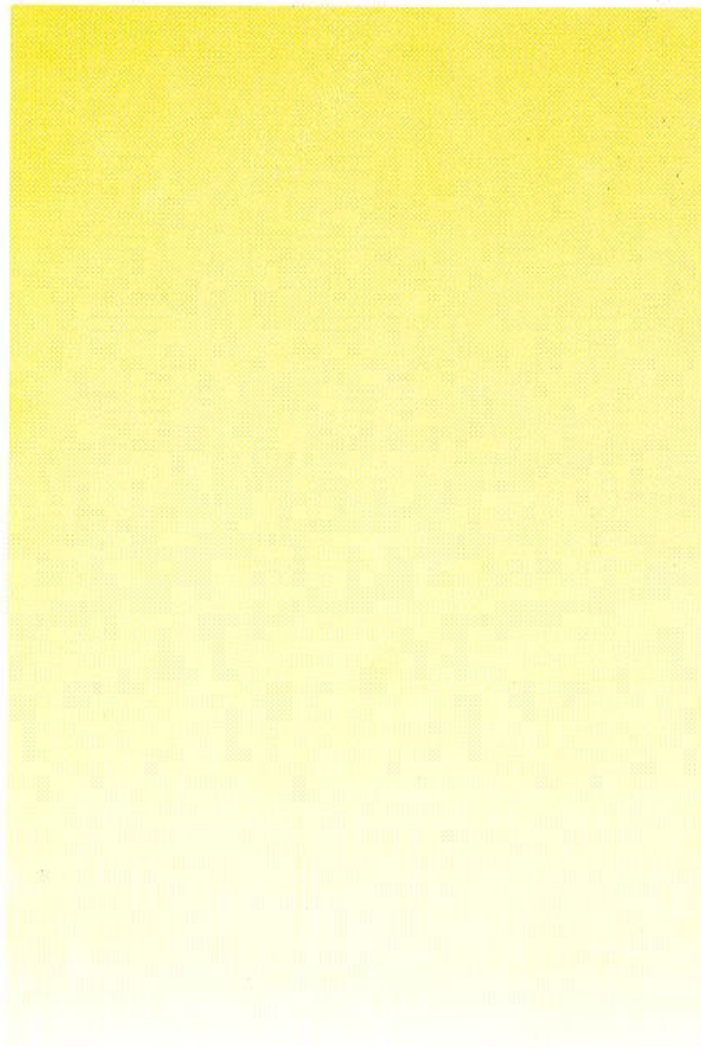
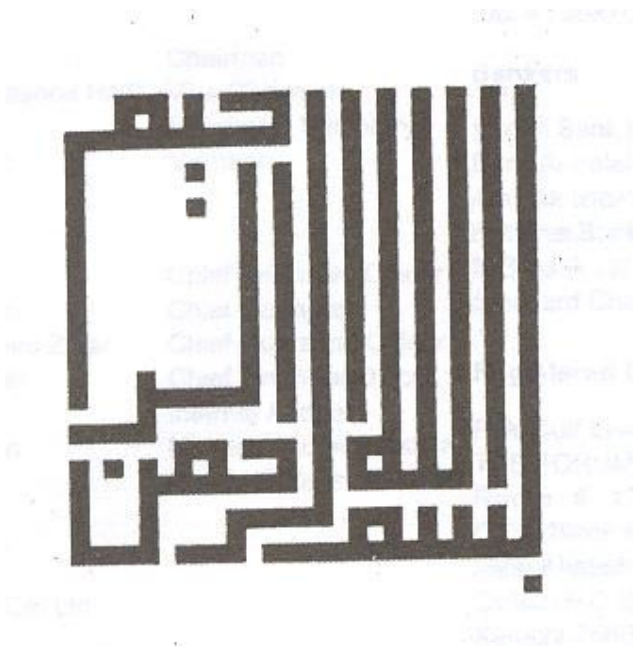




**CONDENSED INTERIM
FINANCIAL INFORMATION
(UN-AUDITED)
FOR THE SIX MONTHS PERIOD
ENDED 31 DECEMBER, 2010**



Pak-Gulf Leasing Company Limited



Board of Directors

Mr. Sohail Inam Ellahi	CEO/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 Officer
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
Mr. Abdul Sattar Dakhan	Manager Administration & Legal Affairs

Credit Rating Agency

JCR-VIS Credit Rating Co. Ltd.

Entity Rating

- BBB for medium to long term
- A-3 for short term
- Outlook positive

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

Bankers

Soneri Bank Limited
Bank Al-Falah Ltd.
Albarak 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

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 the financial statements of the Company for the half-year ended December 31, 2010 along with the auditors' review report thereon. The arrangements with the banks for credit lines at more competitive rate are being made. With the expected borrowing cost at a lower level, the Company hopes to improve its profitability and performance in administering and writing leases. Efforts are also being made to mobilize resources by actively marketing our COIs and by keeping a check on other expenses to achieve the desired profit margin.

Despite the prevailing depressed market conditions, the overall performance of your Company during the period was reasonable. Notwithstanding the tougher competition by commercial lenders, higher interest rates, and continuous trends of pre-mature termination of contractual legal obligations, PGL was successful in operating satisfactorily.

During the half year under review, the balance sheet footing of your Company stood at Rs. 712 million as on December 31, 2010 as compared to Rupees 700 million on June 30, 2010. The total revenue of the Company was Rs. 35.66 million for the half year ended December 31, 2010 as compared to Rs.37.76 million achieved over the correspondingly preceding half-year ended December 31, 2009, depicting a decrease of 5.27 percent which was mainly due to settlement with one of the lessees (Health Care Hospital). The net profit before tax was Rs.16.93 million for the period under review as compared to Rs.14.03 million for the corresponding period of last year. Shareholders' equity of the Company was Rs. 392.37 million as at December 31, 2010 as compared to Rs. 390.27 million as at June 30, 2010. Earning per share was Rs.0.08 as compared to EPS of Rs.0.53 for the corresponding period resulting from increase in the provision for taxation.

In March 2010, JCR-VIS revised upwards, the entity rating of the Company to BBB from BBB-(minus) for medium to long-term and reaffirmed PGL's short term rating at A-3, whereas Outlook of the Company was revised to Positive from Stable.

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 their 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 towards improving the reputation of the Company and PGL's stature in the 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 add support towards future growth and development of the sector.

At the end, we would like to thank our valued shareholders, customers, bankers, and investors and other stakeholders for their valuable support. We look forward to reinforcing and building further the excellent relationship existing between them and PGL, in the coming years.

Karachi
Dated: February 28, 2011
Chairman/Chief Executive

Director

Auditor's Report

First Half 2010-11

Independent Auditors Report on Review of Condensed Interim Financial Information to the Members

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Pak-Gulf Leasing Company Limited** ("the Company") as at December 31, 2010 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six months period then ended (here-in-after-referred to as "the condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the six month period ended 31 December, 2010 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting.

Other matters

The figures for the quarters ended 31 December 2010 in the condensed interim financial information have not been reviewed and we do not express a conclusion on them.

KPMG Taseer Hadi & Co.
Chartered Accountants
Mazhar Saleem

Date: February 28, 2011
Karachi

**CONDENSED INTERIM
BALANCE SHEET
AS AT DECEMBER 31, 2010**

	Note	(Un-audited) December 31, 2010	(Audited) June 30, 2010
----- Rupees -----			
ASSETS			
Current Assets			
Cash and bank balances	6	28,159,389	6,233,344
Short term investments	7	1,706,106	1,529,631
Other receivables - net	8	28,116,062	28,452,633
Loans and advances		96,135	740,442
Accrued mark-up / return on investments		114,365	111,061
Deposits and prepayments		993,429	836,387
Current portion of net investment in lease finance	9	219,900,324	215,096,678
Total current assets		279,085,810	253,000,176
Non-current Assets			
Net investment in finance leases	9	354,435,777	366,450,399
Long-term investments		2,933,415	2,914,640
Long-term deposits		206,500	206,500
Operating fixed assets	10	75,364,352	77,531,795
Total non-current assets		432,940,044	447,103,334
Total Assets		712,025,854	700,103,510
LIABILITIES			
Current Liabilities			
Trade and other payables		5,349,069	7,187,499
Profit / mark-up accrued		790,202	1,542,707
Certificates of investment - unsecured	11	19,855,138	17,089,649
Current portion of long term financing - secured	12	16,666,672	16,666,668
Current portion of Long term deposits		29,636,544	31,460,409
Provision for Taxation		9,959,445	17,559
Total current liabilities		82,257,070	73,964,491
Non-current Liabilities			
Long-term financing	12	-	8,333,332
Long-term deposits		183,931,822	178,168,201
Deferred taxation - net		53,463,444	49,370,549
Total non-current liabilities		237,395,266	235,872,082
Total Liabilities		319,652,336	309,836,573
NET ASSETS		392,373,518	390,266,937
FINANCED BY			
Share capital		253,698,000	253,698,000
Reserves		95,653,674	92,419,010
Surplus on revaluation of AFS investments		349,351,674	346,117,010
Total equity		511,906	335,431
Surplus on revaluation of operating fixed asset-net of tax		349,863,580	346,452,441
		42,509,938	43,814,496
		392,373,518	390,266,937
CONTINGENCIES AND COMMITMENTS	13		

The annexed notes 1 to 18 form an integral part of these condensed interim financial information

Chairman/Chief Executive

Director



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

**FOR THE SIX MONTHS PERIOD
ENDED DECEMBER 31, 2010**

	Note	Six months period ended		Three months period ended	
		December 31		December 31	
		2010	2009	2010	2009
INCOME					
Income from leasing operations	14	33,265,941	34,830,570	17,959,258	16,546,349
Other operating income					
Profit on bank accounts / return on investments		2,266,328	2,401,146	1,291,421	1,231,417
Other income		132,213	534,268	77,211	491,255
		<u>2,398,541</u>	<u>2,935,414</u>	<u>1,368,632</u>	<u>1,722,672</u>
Operating profit before provisions		35,664,482	37,765,984	19,327,890	18,269,021
OPERATING EXPENSES					
Administrative and operating expenses	15	17,071,981	10,226,503	11,480,268	5,437,198
Finance cost		2,921,415	5,628,472	1,426,110	2,517,751
		<u>19,993,396</u>	<u>15,854,975</u>	<u>12,906,378</u>	<u>7,954,949</u>
Operating profit before provisions		15,671,086	21,911,009	6,421,512	10,314,072
Reversal / (Provision) for potential lease losses		1,638,251	(2,753,476)	4,177,479	(2,398,315)
Provision against terminated leases		(376,633)	(5,128,542)	(376,633)	(720,614)
Profit before taxation		<u>16,932,704</u>	<u>14,028,991</u>	<u>10,222,358</u>	<u>7,195,143</u>
Taxation - current		(10,909,704)	(1,570,418)	(10,275,778)	(1,287,533)
- deferred		(4,092,894)	1,081,661	(4,092,894)	1,081,661
Profit / (loss) after taxation		<u>1,930,106</u>	<u>13,540,234</u>	<u>(4,146,314)</u>	<u>6,989,271</u>
Rupees					
Earning / (loss) per share - basic and diluted		<u>0.08</u>	<u>0.53</u>	<u>(0.16)</u>	<u>0.28</u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial information

Chairman/Chief Executive

Director



**CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE
INCOME (UN-AUDITED)
FOR THE SIX MONTHS PERIOD
ENDED DECEMBER 31, 2010**

	Six months period ended		Three months period ended	
	31 December		31 December	
	2010	2009	2010	2009
Profit / (loss) for the period	1,930,106	13,540,234	(4,146,314)	(6,989,271)
Other Comprehensive Income				
Unrealized gain on revaluation of available for sale investments	176,475	184,620	282,899	(10,860)
Total comprehensive income for the period	2,106,581	13,724,854	(3,863,415)	(6,978,411)

	2010	2009	2010	2009
Operating profit	1,930,106	13,540,234	(4,146,314)	(6,989,271)
Other comprehensive income	176,475	184,620	282,899	(10,860)
Total comprehensive income	2,106,581	13,724,854	(3,863,415)	(6,978,411)

The annexed notes 1 to 18 form an integral part of these condensed interim financial information

Chairman/Chief Executive

Director



**CONDENSED INTERIM
CASH FLOW STATEMENT
(UN-AUDITED)
FOR THE SIX MONTHS PERIOD
ENDED DECEMBER 31, 2010**

	Six months period ended	
	31 December	
	2010	2009
	----- Rupees -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	16,932,704	14,028,991
Adjustment for:		
- Depreciation	2,380,281	2,581,750
- Amortization income	(18,775)	-
- Finance cost	2,921,415	5,628,472
- Provision for potential lease losses	(1,638,251)	2,753,476
- Provision for doubtful receivables	376,633	5,128,542
- Gain on disposal of fixed assets	-	(167,306)
	<u>4,021,303</u>	<u>15,924,934</u>
Operating profit before working capital changes	<u>20,954,007</u>	<u>29,953,925</u>
Movement in working capital		
(Increase) / decrease in operating assets		
- Accrued mark-up on investments	(3,304)	-
- Other receivables	(40,061)	2,194,079
- Loans and advances	644,307	170,547
- Prepayments	(157,042)	(324,329)
	<u>443,900</u>	<u>2,040,297</u>
(Decrease) / increase in operating liabilities		
- Trade and other payables	(1,838,430)	735,489
Cash generated from operations	<u>19,559,477</u>	<u>32,729,711</u>
Finance cost paid	(3,673,920)	(5,851,745)
Tax paid	(967,818)	(1,968,708)
Deposits received / (returned) to lessees	3,939,756	(5,556,798)
Decrease in net investment in finance lease	8,849,227	42,968,041
	<u>8,147,245</u>	<u>29,590,790</u>
Net cash generated from operating activities	<u>27,706,722</u>	<u>62,320,501</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(212,838)	-
Proceeds from disposal of fixed assets	-	350,000
Net cash (outflow) / inflow from investing activities	<u>(212,838)</u>	<u>350,000</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of certificates	17,855,138	1,580,563
Payments made upon maturity of certificates of investment	(15,089,649)	-
Long term financing	(8,333,328)	(23,333,331)
Dividend paid	-	(12,684,932)
Net cash (outflow) from financing activities	<u>(5,567,839)</u>	<u>(34,437,700)</u>
Net increase in cash and cash equivalents	<u>21,926,045</u>	<u>28,232,801</u>
Cash and cash equivalents at beginning of the period	<u>6,233,344</u>	<u>22,921,743</u>
Cash and cash equivalents at end of the period	<u><u>28,159,389</u></u>	<u><u>51,154,544</u></u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial information

Chairman/Chief Executive

Director

**CONDENSED INTERIM STATEMENT
OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS PERIOD
ENDED DECEMBER 31, 2010**

	Share Capital	Reserves		Revenue	Sub Total	(Deficit)/ Surplus on revaluation of Available for Sale Investments	Total equity
		Capital	Reserve for issue of bonus shares				
		Statutory reserve		Unappro- priated profit			
Note				Rupees			
Balance as at 30 June 2009	253,698,000	28,389,412	4,402,000	48,454,006	334,943,418	263,755	335,207,173
<i>Total comprehensive income for the period ended 31 Dec. 2009</i>							
Profit after taxation	-	-	-	13,540,234	13,540,234	-	13,540,234
Other comprehensive income	-	-	-	-	-	-	-
Deficit on revaluation of available for sale investments	-	-	-	-	-	184,620	184,620
Transaction with owners, recorded directly in equity	-	-	-	13,540,234	13,540,234	184,620	13,724,854
First interim dividend for the year ended 30 June 2010 @ Re 0.5 per share	-	-	-	(12,684,932)	(12,684,932)	-	(12,684,932)
Transfer from surplus on revaluation of operating fixed assets to unappropriated profit	-	-	-	1,139,413	1,139,413	-	1,139,413
Transfer to statutory reserve	-	2,708,047	-	(2,708,047)	-	-	-
Balance as at 31 December 2009	253,698,000	31,097,459	4,402,000	47,740,674	336,938,133	448,375	337,386,508
<i>Total comprehensive income for the period ended 30 June 2010</i>							
Profit after taxation	-	-	-	7,709,174	7,709,174	-	7,709,174
Other comprehensive income	-	-	-	-	-	-	-
Deficit on revaluation of available for sale investments	-	-	-	-	-	(112,944)	(112,944)
Transfer from surplus on revaluation of operating fixed assets to unappro- priated profit	-	-	-	7,709,174	7,709,174	(112,944)	7,596,230
Transfer to statutory reserve	-	1,541,835	-	(1,541,835)	-	-	-
Balance as at 30 June 2010	253,698,000	32,639,294	4,402,000	55,377,716	346,117,010	335,431	346,452,441
<i>Total comprehensive income for the period ended 31 December 2010</i>							
Profit after taxation	-	-	-	1,930,106	1,930,106	-	1,930,106
Other comprehensive income	-	-	-	-	-	-	-
Deficit on revaluation of available for sale investments	-	-	-	-	-	176,475	176,475
Transfer from surplus on revaluation of operating fixed assets to unappro- priated profit	-	-	-	1,930,106	1,930,106	176,475	2,106,581
Transfer to statutory reserve	-	386,021	-	(386,021)	-	-	-
Balance as at 31 December 2010	253,698,000	33,025,315	4,402,000	58,226,359	349,351,674	511,906	349,863,580

The annexed notes 1 to 18 form an integral part of these condensed interim financial information

Chairman/Chief Executive

Director



1. STATUS AND NATURE OF BUSINESS

Pak-Gulf Leasing Company ("the company") was incorporated in Pakistan on 27 December 1994 and commenced its operations on 16 September, 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. BASIS OF PREPARATION

This condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. The disclosures in the condensed interim financial information do not include all the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements of the company for the year ended 30 June 2010.

This condensed interim financial information is unaudited and is being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and the listing regulation of Karachi, Lahore and Islamabad Stock Exchanges. However, a limited scope review has been carried out by the auditors. Further, the figures in the condensed interim financial information for the quarter ended 31 December 2010 have not been reviewed by the auditors.

3. ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these 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 2010.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. However, actual results may differ from these estimates.

In preparing this condensed interim financial information, the significant judgments made by the management in applying the company's accounting policies and the key sources of estimates uncertainty were the same as those that applied to the financial statements of the company for the year ended 30 June 2010.

5. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements of the company for the year ended 30 June 2010.



6.	CASH AND BANK BALANCES	(Un-audited) 31 December 2010 (Rupees)	(Audited) 30 June 2010
	Cash in hand	20,000	5,868
	Balances with banks:		
	- in current accounts	9,160,979	3,151,020
	- in saving	6.1 18,978,410	3,076,456
		<u>28,159,389</u>	<u>6,233,344</u>

6.1 Return on these savings accounts is earned at rates ranging from 2 percent to 10 percent (30 June 2010: 5 percent to 11.25 percent) per annum.

**7. SHORT TERM INVESTMENTS -
Available for sale**

Cost

54,300 units of National Investment Trust
(30 June 2010: 54,300 units) 1,194,200 1,194,200

Revaluation surplus

Opening balance	335,431	263,755
Surplus for the period / year	176,475	71,676
	<u>511,906</u>	<u>335,431</u>
Closing balance	<u>1,706,106</u>	<u>1,529,631</u>

8. OTHER RECEIVABLES-NET

Lease receivables held under litigation	8.1 56,054,578	59,181,173
Insurance premium receivable	8.2 7,921,354	4,754,708
Others	393,210	393,200
	<u>64,369,142</u>	<u>64,329,081</u>
Provision against terminated leases	<u>(36,253,080)</u>	<u>(35,876,448)</u>
	<u>28,116,062</u>	<u>28,452,633</u>

8.1 The net investment in finance lease for cases terminated by the company, and where litigation has commenced is transferred to other receivables.

8.2 This represents insurance premium receivable from lessees for leased assets insured on their behalf by the company. These amounts will be recovered either during the lease period or on termination/ maturity of the lease contract.

	(Un-audited)			(Audited)		
	December 31, 2010			June 30, 2010		
	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 -----						
Net investment in finance leases	574,336,101			581,547,077		
Less: Current portion shown under current assets	<u>(219,900,324)</u>			<u>(215,096,678)</u>		
	<u>354,435,777</u>			<u>366,450,399</u>		
----- Rupees -----						
Minimum lease payments	245,151,145	193,054,020	438,205,165	241,470,650	215,592,351	457,063,001
Add: Residual value of leased assets	29,636,544	183,931,822	213,568,366	31,460,409	178,168,201	209,628,610
Gross investment in leases	<u>274,787,689</u>	<u>376,985,842</u>	<u>651,773,531</u>	<u>272,931,059</u>	<u>393,760,552</u>	<u>666,691,611</u>
Unearned lease income	<u>(48,627,703)</u>	<u>(21,703,416)</u>	<u>(70,331,119)</u>	<u>(49,556,795)</u>	<u>(24,825,253)</u>	<u>(74,382,048)</u>
Mark-up held in suspense	<u>(6,259,662)</u>	<u>-</u>	<u>(6,259,662)</u>	<u>(8,277,586)</u>	<u>-</u>	<u>(8,277,586)</u>
	<u>(54,887,365)</u>	<u>(21,703,416)</u>	<u>(76,590,781)</u>	<u>(57,834,381)</u>	<u>(24,825,253)</u>	<u>(82,659,634)</u>
	<u>219,900,324</u>	<u>355,282,426</u>	<u>575,182,750</u>	<u>215,096,678</u>	<u>368,935,299</u>	<u>584,031,977</u>
Provision for potential losses	-	(846,649)	(846,649)	-	(2,484,900)	(2,484,900)
Net investment in finance leases	<u>219,900,324</u>	<u>354,435,777</u>	<u>574,336,101</u>	<u>215,096,678</u>	<u>366,450,399</u>	<u>581,547,077</u>

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

	For the six months period ended December 31 (Unaudited)	
	2010	2009
----- Rupees -----		
10. OPERATING FIXED ASSETS		
Additions		
Capital work-in-progress	100,000	-
Computer equipment	<u>112,838</u>	-
	<u>212,838</u>	-
Disposals		
Vehicles	<u>-</u>	<u>403,000</u>
	(Un-audited)	(Audited)
	31 December	30 June
11. CERTIFICATES OF INVESTMENT - unsecured	----- Rupees -----	
Opening balance	17,089,649	13,509,086
Certificates issued during the year	1,000,000	2,000,000
Interest / principal rolled over in the current year	<u>1,765,489</u>	<u>1,580,563</u>
Closing balance	<u>19,855,138</u>	<u>17,089,649</u>

These represent Certificate of Investment issued by the company with the permission of Securities and Exchange Commission of Pakistan. The term of these certificates is one year (30 June 2010: one year) and carry mark-up rate of 13 percent per annum (30 June 2010: 13 percent per annum).

12. LONG TERM FINANCING - secured	(Un-audited)	(Audited)
	31 December 2010	30 June 2010
	----- Rupees -----	
Long-term loans - secured	16,666,672	25,000,000
Current maturity shown under current liabilities	<u>(16,666,672)</u>	<u>(16,666,668)</u>
	<u>-</u>	<u>8,333,332</u>

This represent financing facility obtained from a bank. This facility is secured by first hypothecation charge on specific leased assets and the related lease rentals receivable. This facility carry mark-up at rate of 3 month KIBOR plus 1.65 percent per annum. This facility is repayable in equal quarterly instalments.

13. CONTINGENCIES AND COMMITMENTS

There were no contingencies outstanding as at 31 December 2010 and 30 June 2010. Leasing contracts committed but not executed at the balance sheet date amounted to Rs.6.68 million (30 June 2010: Nil).

14. INCOME FROM LEASE OPERATIONS	Six months period ended		Three months period ended	
	31 December		31 December	
	2010	2009	2010	2009
	----- Rupees -----			
Income on lease contracts	32,566,592	31,297,562	17,176,797	15,613,198
(Loss) / gain on lease termination	(5,177,312)	79,645	(4,341,139)	(125,054)
Other income	5,876,661	3,453,363	5,123,600	1,058,205
	<u>33,265,941</u>	<u>34,830,570</u>	<u>17,959,258</u>	<u>16,546,349</u>

15. Administrative and operating expenses

This includes salary of Rs 6.2 million (Rs. 5 million pertains to previous years) paid to the Chief Executive from the date of his joining as decided by the Board of Directors in their 120th meeting held on 29 October 2010.

16. CAPITAL MANAGEMENT

Capital requirements applicable to the Company are set and regulated by the Securities and Exchange Commission of Pakistan (SECP). These requirements are put in place to ensure sufficient solvency margins. The Company manages its capital requirements by assessing its capital structure against the required capital level on regular basis. SECP extended the minimum equity requirement as per NBFC regulations 2008 vide SRO 764(I)/2009 dated 2 September 2009 wherein the Company is required to meet the minimum equity requirements of Rs. 350 million, Rs. 500 million and Rs. 700 million by 2011, 2012 and 2013 respectively.



The Company manages the capital structure and made adjustments to it in the light of changes in economic conditions, risk of the lease assets, and the regulatory requirements. In order to maintain the capital structure, the Company may adjust the amount of dividend or issues new shares.

17. TRANSACTION WITH RELATED PARTIES

The Company has related party relationships with its associated companies, key management personnel, non-executive directors and contributory employee plan:

	Six months period ended 31 December (Un-audited)	
	2010	2009
	----- Rupees -----	
Profit on Certificates of Investment	<u>1,961,654</u>	<u>1,756,181</u>
Contribution to Provident Fund	<u>117,012</u>	<u>38,898</u>
Director's fee	<u>24,000</u>	<u>20,000</u>
Salary and allowance	<u>8,453,966</u>	<u>1,458,000</u>
Balances outstanding at the period / year end	(Un-audited)	(Audited)
	31 December	30 June
	2010	2010
	----- Rupees -----	
Certificates of Investments issued to :		
Close relatives of directors and Chairman	<u>16,855,138</u>	<u>15,089,649</u>

18. GENERAL

18.1 These condensed interim financial statements were authorised for issue by the Board of Directors of the company on 28 February, 2011.

18.2 Figure have been rounded off to the nearest rupee.

Chairman/Chief Executive

Director